

## Helping or Hurting?

### Perception of the EU and Reactions to the Financial Crisis in Eastern Central Europe

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**Abstract:** Prior to accession, many people in Eastern Central Europe regarded EU membership as beneficial for their economies. They tended to place greater trust in the problem solving capacity of the EU compared to their own national governments. However, since accession, the loss of support for the EU in several of the new member states has been particularly striking and might now be accelerated by the financial crisis, which imposes concrete costs both economically and in terms of a constraint on sovereignty as governments are required to enforce unpopular reforms. Drawing on new survey data from Poland, Hungary, Slovakia, we explore the effects of the crisis on voters' sentiments toward the European Union and address the following research question: Do voters regard (further) European integration as a solution to the problem as it may offer protection, assistance, and greater capacity, or do voters favor a national strategy believing the country would be better off on its own? Moreover, our data allow us to examine the motivations behind the different attitudes and whether they center on (lack of) trust in institutional capacity, economic cost/benefit calculations, or concern about democratic quality and national sovereignty.

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## Introduction

The European financial crisis has been perceived largely in terms of the divisions between the stronger Northern and weaker Southern European economies (Scharpf 2011). Moreover, in much of the scholarly literature, the focus has rather been placed on the effects of the crisis on governance structures (cf. Bauer and Becker 2014) than on the public perception. Particularly the Eastern Central European (ECE) member states have received comparatively little public and scholarly attention. In media accounts, they have been generally treated as summarily affected by capital flight and the decline in exports, and thus manufacturing. There was also the tendency to lump ECE in with the weaker European economies because of apparent parallels. New member states like Hungary and Slovenia also saw themselves confronted with having to implement severe austerity measures while Slovakia, along with Ireland and Greece, had its government forced from power in the wake of the financial crisis. Therefore, it appeared that ECE was either a sideshow in the crisis or impacted in much the same way as the less stable and poorer Southern EU member states. This seemed to suggest that ECE citizens' attitudes should be similar to those of voters from Cyprus to Spain. When taking a closer look at how the crisis impacted the region, we would reject such conclusions as premature. In fact, the transition of ECE from Communism to being latecomers to the process of European integration defines a collective experience that distinguishes the ECE countries from other EU member states (cf. Kopecký and Mudde 2002, Jungerstam-Mulders 2006, Szczerbiak 2006, Rybář 2006, Batory 2008, Vachudova and Hooghe 2009, Zapryanova 2010, etc.). However, despite their many common features, countries in Eastern Central Europe have recently gone through different political trajectories. As such we would expect citizens to reflect these developments and show a certain variation in how they view European integration and also have reacted to the financial crisis. Given both the communalities and specific differences among the three countries, we wonder how the financial crisis has impacted the publics in these countries in terms of their attitude towards 'Europe' in general and in terms of their views about policies adopted to resolve it. In trying to answer this question, we were fortunate to draw on data from a survey we conducted between 2013 and 2014 in Hungary, Slovakia, and Poland.

In the present paper, we present first results from survey evidence in respect to public reactions to the financial crisis. Thereby, we are especially interested in the following questions: Have citizens in Hungary, Slovakia and Poland become more EU-skeptical due to the financial crisis<sup>1</sup>? Do people blame the EU for the crisis or is closer European integration regarded as a safeguard against even more severe economic effects? More specifically, we study the motivations behind the different attitudes, such as trust in institutional capacity, left-right orientation, as well as concerns about

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<sup>1</sup> When speaking of “the financial crisis” or simply “the crisis”, we refer to the interlinked developments that followed the collapse of the US subprime mortgage market in 2007 and involved a crisis of the banking sector, a sovereign debt crisis, a macroeconomics crisis and a crisis of the Eurozone (cf. Tosun et al 2014).

democratic quality, national sovereignty, and the economic situation. Furthermore, based on the typology by Kopecký and Mudde (2002), we distinguish between different types of reactions, which concur with different forms of Euroskepticism.

Our data confirms previous findings that citizens in ECE countries have indeed become more Euroskeptical. (Dis)trust in the European Union and (dis)satisfaction with the way democracy works in the EU are the most important explanatory factors behind the different reactions. Yet, the predominant attitude in the analyzed ECE countries is a Europragmatist reaction: Closer EU integration in times of crisis is supported, as long as it is beneficial for oneself and others bear the potential costs. Furthermore, there is no significant link between blaming the EU for the effects of the crisis and the development of attitudes towards the EU. On the contrary, strong concerns about the weak national economy go in hand with more supportive attitudes towards the EU.

The rest of the paper proceeds as follows: In the next section, we will highlight specific communalities and differences between the three ECE countries under review. Then, we will turn to theoretical expectations concerning citizens' reactions to the financial crisis. We start our empirical analysis with descriptive evidence at the country level, highlighting differences between the ECE states, before turning to the analysis of attitudes at the individual level. The conclusion summarizes the results and points towards avenues for future research.

### **Eastern Central Europe, responding to European Integration and the Financial Crisis**

Our focus on the countries of Eastern Central Europe is motivated by two principal reasons: First, there has been a relative lack of empirical research on Euroskepticism in new member states and secondly there are important theoretical considerations underlying this specific case selection. As a group, ECE countries stand out because their relationship to 'Europe' is rather different from that of their Western counterparts due to the special nature of the political development in Central and Eastern Europe. Their membership in the EU was never based solely on the prospect of economic benefit but also the idea that this strategy offered a clear path to societal and economic modernization (Grabbe and Hughes 1999). As such, support for membership was initially very high and above 50 percent in all Central European countries with some notable exceptions.<sup>2</sup> Even in the relatively less europhile

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<sup>2</sup> These were the Czech Republic, the only country with a main party (ODS) and a major national political figure (Vaclav Klaus) ideologically opposed to European integration; Slovenia, which feared that foreign, notably, Italian, German, and Austrian investors would buy up the tiny country's scarce real-estate and fledgling businesses; as well as Latvia and Estonia, which struggled with EU demands to grant their sizable Russian populations adequate minority rights. Although the ODS never went as far as rejecting EU membership outright, it continuously nurtured Euroskepticism, culminating in a party program in 2002 that included a special chapter on the EU in which two thirds of the references made to European integration were negative (Hloušek and Pšjea 2009).

ECE countries such as the Czech Republic, Slovenia, and the Baltic States, trust in European institutions tended to be higher than trust in domestic institutions and remained so even in 2010 after the onset of the Euro-crisis. On the whole, European institutions were seen as less corrupt and more competent, thus deriving their legitimacy from their capacity. In short, there are important general reasons to focus on the motivations of voters in that region and their attitudes toward Europe

Moreover, ECE countries faced both common and unique challenges associated with the different Communist regime legacies whose variation also affected post-transition party politics (Kitschelt et al 1999). These legacies are said to have influenced political development by structuring domestic political cleavages around socio-economic or socio-cultural fault lines—for an overview of the discussion on regime legacies see Minkenberg (2010), for specific examples, see Hloušek and Kopeček (2008), Barlel and Hartleb (2010), Gałązka and Waszak (2013). Economically, all ECE countries had to engage in an enormous exercise in market building and have since become highly dependent on the import of knowhow and capital while being forced to reorient their entire export structure from East to West. Politically, all Communist successor states have struggled with consolidating their party systems and developing institutions capable of responding, amidst great inequities, adequately to the conflicting demands of different constituencies. In many cases, these demands had previously been repressed or ignored and the systems only slowly developed the capacity to incorporate them in the political arena.

Of all the ECE countries, Hungary, Poland, and Slovakia are especially well suited to test our theoretical assumptions. All three form part of the Višegrad group (along with the Czech Republic), which is in itself an acknowledgement of their relative similarity by being among the most advanced Central European political and economic systems. Thus, they are highly comparable in many important factors such as level of political and economic development, institutional capacity (when contrasted with Bulgaria and Rumania), geographic location and thus cultural and regional influences (when compared to the Baltic States and the Western Balkans). All three countries have historically had a Western orientation and share a parallel accession process as well as an especially strong connection to Western markets and capital. This sets these member states apart from their neighbors to the East and South East. Yet, all three cases differ also in key aspects which are of interest for this analysis and provide significant variation where it matters theoretically for this analysis.

Whereas the initial approach to EU membership of ECE countries was generally one of overwhelming support, sentiments changed in response to different level of conditionality imposed by the European Commission as a prerequisite for admission (Steunenberg and Dimitrova 2007). This led to a reevaluation of EU membership, causing domestic political actors to adopt different positions on 'Europe' depending on how their core constituency was affected by structural adjustment policies. Although ECE public and the political mainstream still tended to support EU membership by margins

larger than in Western Europe, attitudes and political reactions began to diverge across ECE especially before and then after accession.

In Poland, it was widely assumed that accession would represent a push toward greater liberalism and thus not only hurt the native economy but also undermine basic catholic values and national traditions (Wysocka 2009: 6-7). Support for EU membership fell from nearly 80 percent in 1994 to between 55 and 60 percent by 2000. Being by far the least competitive of the more advanced Višegrad group of countries that include also the Czech Republic, Hungary, and Slovakia Poland had no other option but to engage in far-reaching economic and systemic reforms while exporting surplus labor to other EU countries. The fears associated with liberalization and economic reform propelled Euroskeptic parties into office following accession. From 2005-2007 Poland was governed by arguably the most Euroskeptic right party of the three countries in our study, the Law and Justice Party (PiS) (Szczurbiak 2006: 94-95). Other far-right and ultra-nationalist groups also made electoral gains and threatened to turn Poland into a problematic EU member country. However, as the economic liberalization improved conditions, its success prepared the way for the return of a pro-European and more market-liberal government in 2007. PiS was decisively beaten in the elections by a new coalition led by the europhile Christian-democratic Civic Platform (PO) (Gałazka and Waszak 2013: 201). Quickly, the new government embarked on a more pro-European course, vastly improving Poland's relationship with Brussels and the neighbor Germany. The country also showed itself able to avoid getting drawn deeper into the economic crisis and, in contrast, to other ECE countries and many Western member states of the EU Poland enjoyed years of relative economic success and the government was rewarded by being reelected. The country's larger size and bigger domestic market shielded Poland from some of the worst effects of the economic crisis. The sense of lesser vulnerability and greater confidence in the nation's own resources may have also shaped the electorate's perception of Poland's relationship with the European Union. One could perhaps conclude that Poland became both less Euroskeptic but also more self-confident and self-reliant as a result of these experiences.

Whereas Poland's outlook on, and relation with the European Union have improved, Slovakia moved in the opposite direction and appears to occupy more of a medium position between Poland and Hungary. Initially a laggard in the accession process, Slovakia forged ahead by becoming the first CEE country to introduce the Euro as its own currency. The relatively pro-European stance of the Slovak major parties clearly differed from the situation in Poland where the mainstream right has been more critical of European integration. Even before accession, Slovakia had distinguished itself by launching a series of landmark economic reforms that limited the role of the government. The goal of Slovakia's

'neoliberal turn' was to create unrivaled conditions for foreign investors.<sup>3</sup> The Euro, introduced in 2009, appeared to provide added safety to a small exposed economy at the mercy of international market forces. Nonetheless, the Slovak economy contracted by almost 5 percent in the same year and the country was called to task in 2011 to contribute to the EU's main bailout fund for the struggling Southern Euro zone economies, particularly Greece. Following a public uproar, Slovakia refused to expand the powers of European Financial Stability Facility (EFSF), resulting in the resignation of center-right government. In the end, the EFSF was approved with the backing of the Social Democratic opposition, which subsequently returned to power. As a result, public opinion on the EU has declined more steeply in Slovakia than it did in most other EU member states since the wake of the financial crisis (Braun and Tausendpfund 2014), potentially giving rise to Euroskeptic parties.

Hungary shows yet a different pattern. Emerging from the so-called goulash communism of the Kádár regime as the relatively most open and economically most liberal country in the Soviet bloc, it was assumed to find transition to a Western market economy easier than others. Nonetheless, emerging socio-economic and especially socio-cultural cleavages made the accession process more difficult than expected and led to the rise of far-right and authoritarian tendencies. Most importantly, these developments culminated in a series of political victories for the 'liberal-turned-nationalist' Prime Minister Orbán, whose party Fidesz consistently moved to right. It is not surprising that nationalism and numerous confrontations with Europe under the Orbán government have left their mark on how Hungarians assess their country's EU membership. The country went from being a highly pro-European to becoming one of the more EU-skeptic member states (Standard Eurobarometer 79.1). The country's strong agrarian traditions along with widespread resentments against its Roma population are also factors fueling a political discourse in which identity, national traditions, and self-determination are important elements. Thus, the question of sovereignty vis-à-vis Brussels and a fear of selling out national resources, notably land, to more prosperous foreigners have been potent political issues. Hungary's economic and political system had entered a crisis well before the global economic downturn. The governing party Fidesz had been moderately pro-market in 2002 but moved towards greater skepticism in 2006 (Barlei and Hartleb 2010: 97). When reelected in 2010 Prime Minister Orbán struggled both with the massive decline in foreign investment and one of the most severe recessions in Hungarian history, resulting in a downgrading of Hungarian debt to near junk status by all major credit rating agencies. In response the Orbán government has engaged in a series of highly interventionist and unorthodox policies resulting in questions about both the independence of the Hungarian National Bank and the compatibility of several of the measures adopted with EU law (Batory 2008).<sup>4</sup> In short, Hungarian voter may have to decide whether to blame the country's malaise

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<sup>3</sup> Most famously, the country introduced a 19 percent flat tax on corporate, personal income, and VAT in 2004.

<sup>4</sup> This included a ban on, and retroactive annulment of foreign farmland ownership Foreign and attempts to curb the influence of foreign financial institutions. Banks were forced to allow the conversion of foreign-currency

on the party in power or follow Orbán's cues and direct their discontentment against the European Union.

Whereas as Poland tended to be more Euroskeptic after accession, it later become more pro-European with 62 percent of the population thinking by 2010 that membership was a good thing when compared with 59 percent for Slovakia and only 38 percent for Hungary. This places only Hungary below the EU average of 49 percent (Standard Eurobarometer, November 2010). All three countries continue to show more trust in the European Union than in national governments, although the differences are largest for Slovakia and Poland and least pronounced for Hungary (Standard Eurobarometer, Spring 2014). Yet, all three countries have tended to show more trust toward the European Union than does the EU average. Whereas Poland's relatively pro-European position has remained stable in recent years, Slovakia's support has eroded converging on the lower Hungarian level of trust in the EU.

Overall, our case selection provides us with a considerable range of political conditions, a varied cleavage structure, a variety of national policy responses, and different party political choices to give us confidence that we may draw more general conclusions from our research. We also should be able to see national differences across the case selection and would hypothesize attitudes toward Europe to be most positive in Poland to be followed at some distance by Slovakia and then Hungary. However, because Poland still has a significant socio-cultural cleavage with the main right party aligned along the traditionalist and Euroskeptic side of the issue, we would still expect high levels of Euroskepticism present in large parts of the Polish population. We would also expect Slovakia's greater integration to play a role and potentially prompt respondents to place a larger share of the blame on the European Union. After all, Slovaks were called upon by the EU to contribute more than any other ECE country toward aiding the troubled Euro-zone countries. The frenzied debates in the Slovak parliament, partially reported live across Europe, the collapse of the government, and the enormous pressure to revisit and vote anew on the EFSF clearly "Europeanized" the national political debate to an extent absent in Hungary and Poland. Nonetheless, in Slovakia both the main left and right parties have generally continued their pro-European course whereas in Hungary the government has repeatedly tried to mobilize his supporters against foreign influences including European institutions or international firms. The twin problems of socio-cultural and economic difficulties may thus account for the negative sentiments toward the EU by many Hungarians.

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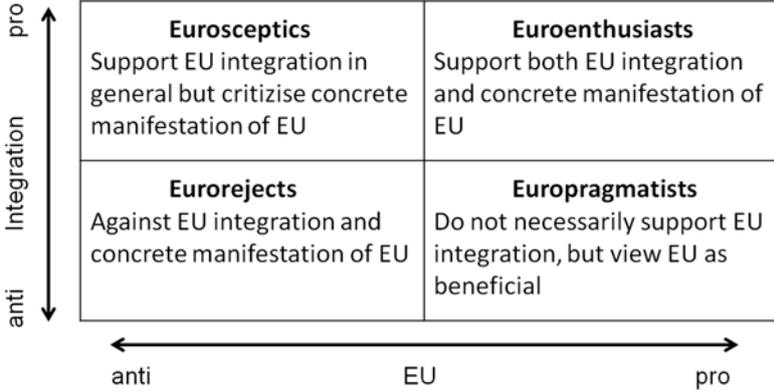
mortgages to the forint even if it meant substantial losses. The new government also nationalized \$13 billion of private pension-fund assets to improve the government's debt position.

## **Euroskepticism and the effect of the crisis**

In theory, the financial crisis could have led either to more negative attitudes towards the EU, or to more positive attitudes, depending on whether the EU is seen as the origin or at least an amplifier of the crisis, or as a protection against even more pronounced negative effects of a crisis caused by other factors (such as the highly speculative operations in the banking sector or the level of public debt within nation states). Despite this two-way hypothesis, it is generally expected that the financial crisis has had a negative effect on public opinion on the EU. Utilitarian approaches assume that support for a political system decreases in times of crisis (Rattinger and Steinbrecher 2011). This might be even more relevant for the European Union, as an external economic threat might result in a nationalist backlash (“rally-around-the-flag”-phenomenon) (Heinisch and Schlipphak 2013). Empirical studies show that the support for EU integration has declined over the past few years in most of the EU member states while support for Euroskeptic parties has increased. These findings are attributed to the impact of the financial crisis (Braun and Tausendpfund 2014, Tosun et al. 2014). However, previous analyses were mostly concerned with general support for EU integration and potential changes in the level of support during the last few years (e.g. Heinisch and Schlipphak 2014, Serricchio et al. 2013, Braun and Tausendpfund 2014, Armingeon and Ceka 2014). Yet, given the mass of theory building around the concept of Euroskepticism, it seems appropriate to look a bit deeper into the specific reactions to the financial crisis, which is our intention in the present paper.

To this end, we base our conception of EU-related attitudes on Kopecký and Mudde (2002) with their distinction between Euroenthusiasts, Europragmatists, Euroskeptics and Eurorejects. Due to the fact that their classification was developed in the context of research on ECE countries (albeit on political parties), it fits our purpose especially well. Drawing on David Easton’s seminal theory on support for political regimes (Easton 1965, 124ff), Kopecký and Mudde separate diffuse support for European integration as an ideal from specific support for the European Union as an existing set of institutions (see also McLaren 2007). This differentiation results in a four-fold typology of possible attitudes towards the EU, structured along the two different dimensions of support (see Figure 1). *Euroenthusiasts* support both the current gestalt of the EU and the idea of closer EU integration. *Europragmatists* are not so much in favor of further European Integration (yet they do not necessarily oppose it), but still assess the EU positively based on utilitarian considerations. *Euroskeptics* are in favor of the ideal of European integration, but are discontented with the current reality of the EU and pessimistic concerning the reflection of their ideals in the political system of the EU. Finally, *Eurorejects* oppose both the ideal of integration and its current manifestation in the EU.

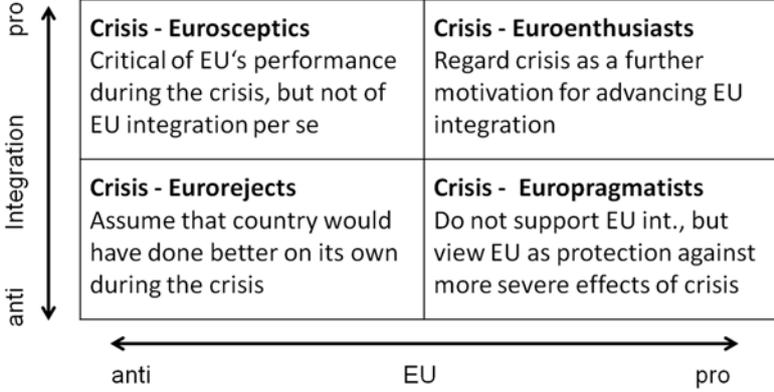
Figure 1: Kopecký and Mudde’s typology of Euroskepticism



Source: Authors, based on Kopecký and Mudde 2002

We apply the concept by Kopecký and Mudde to different types of responses to the financial crisis. By distinguishing between crisis-related effects on the support for the idea EU integration and the assessment of the EU’s performance during the crisis, we end up with four new types: Crisis-Euroenthusiasts, who take the crisis only as a further motivation to advance EU integration, Crisis-Europragmatists, who assess the EU in terms of cost-benefit analysis and consider it as a useful protection against the crisis, Crisis-Eurosceptics, which are not necessarily opposed to EU integration, but critical of the performance of the EU during the crisis, and Crisis-Eurorejects, who think that their country would have done better on its own during the crisis and that they should never have joined the EU. As will be further elaborated in the empirical section, we measure the strength of each of these four types of attitudes towards the EU and European integration within the population of the three ECE countries under review.

Figure 1: Typology of crisis-related Euroskepticism based on Kopecký and Mudde



Source: Authors

Which factors motivate the different reactions to the crisis? One of the most important factors put forth in the literature is *trust* (for an overview of the relationship between trust and Euroskepticism, see McLaren 2002; Abts et al 2009; for an overview of the role of political trust in CEE, see Braun 2012). Because of the abstract nature and relative remoteness of European institutions, we would not be surprised that if citizens placed greater trust in national institutions given people's affinity for public figures with whom they share culture and language. However, Eurobarometer data (Heinisch 2015) suggest otherwise in the context of ECE. There, trust in the EU has been comparatively higher than was the case in old member states and also higher than in the respective national governments. From this perspective, we would argue that trust in EU institutions is also a crucial factor in explaining support for European efforts to resolve the financial crisis (cf. Hug 2002; Kaufmann and Waters 2004; Wagschal 2007). As trust is an indicator for diffuse support (Iyengar 1980), particularly Crisis-euroenthusiast sentiments should be motivated by it. Conversely, a profound distrust in institutional performance of the EU might trigger euroreject reactions. Furthermore, political ideology in terms of *economic left/right orientation* is assumed to affect attitudes towards the EU. The “social-democratic” critique (cf. Follesdahl and Hix 2006) stipulates that the single market is based on a neo-liberal regulatory framework and that EU decision-making mostly suits the interests of big economic players. As a result, people favoring government intervention are assumed to be more critical not towards the ideal of EU integration, but towards the actual manifestation of the EU. Yet, decisions taken at the EU level during the crisis (such as the bail-out of Greece) might also have been viewed favorably by supporters of government intervention – depending on whether the intervention was regarded as beneficial for the general public or simply for major economic actors (banks). Hence, economic left/right orientation might especially play a role for Europragmatists and Euroskeptics, but the direction of the effect might be either towards a more positive or towards a more negative perception of the EU. Another factor that might affect public perception is the *concern about the EU's democratic deficit* (Boomgarden et al 2011). People that are less satisfied with the way democracy works in the EU are in general less supportive of EU integration. Concerns about the democratic deficit may have been boosted by decision-making of political leaders (“Merkozy”) during the financial crisis. Especially Crisis-Euroskeptics may be affected by this factor. Finally, *concerns about national sovereignty* may affect attitudes towards the EU (Szczerbiak 2006) – in general and especially in regard to the financial crisis. The financial crisis has brought to the fore the strong interdependence between supposedly autonomous nation states. It raised awareness of the interconnectedness between countries, and going along with this, the decline in national autonomy (Heinisch and Schlipphak 2014). This may lead to a nationalist backlash with people feeling a need to protect what is left of their autonomy, which should especially correlate with Crisis-Euroreject sentiments. Last but not least, the *degree to which the weaker economic situation in the country* due to the financial crisis is *perceived as a problem* might affect the attitudes towards the EU. If the financial crisis has indeed lead to a surge in Euroskeptic or even Euroreject sentiments,

those with a stronger problem perception should hold more negative attitudes towards the EU, while Crisis-Europragmatist or even Crisis-Europhile sentiments should be weaker. If, however, the EU is perceived as “helping” instead of “hurting”, the effects should be exactly the opposite: those with a stronger problem perception concerning the national economic situation should display a more positive attitude and become Europragmatist or even Europhile.

As a result, we end up with five factors that might motivate individual reactions to the financial crisis: Trust (or the lack thereof) in institutional capacity of the EU, economic left/right orientation, concerns about democratic deficit, concerns about national sovereignty, and problem-perception concerning the national economic situation. We will test the effects of these factors in the next section, after a descriptive analysis of the general attitudes towards EU integration at the country level.

## **Empirical Analysis**

### **Data**

For the empirical analysis, we draw on novel survey data collected in Hungary, Slovakia, and Poland between 2013 and 2014 as part of the project *Determinants of Euroskeptical Voting Behavior in CEE Countries and Party Responses* conducted at the University of Salzburg and funded by an FP7 grant from the European Commission (see also Heinisch and Schlipphak 2014 and Heinisch and Schlipphak 2015). The surveys were carried out by national survey agencies based on unified questionnaire. The number of interviews conducted in each country was 1000. The survey data came with demographic weights considering region, gender, age and education.

### **Attitude towards EU integration – country level analysis**

In the surveys, respondents were asked to indicate their attitude towards EU integration on a scale from 0 (strongly opposed) to 10 (strongly in favor).<sup>5</sup> In a similar vein, they were asked to indicate the change in their attitude towards the EU on a scale from 0 (meaning that they were now viewing the EU much more negatively than a year ago) to 10 (much more favorably than a year ago).<sup>6</sup> As expected, results show considerable variations between the three countries, as displayed in figure 3 and confirmed also be recent Eurobarometer data (cf., Eurobarometer 75, Spring 2011, Eurobarometer79, Autumn 2013, Standard Eurobarometer 81, Spring 2014). Thereby, Polish

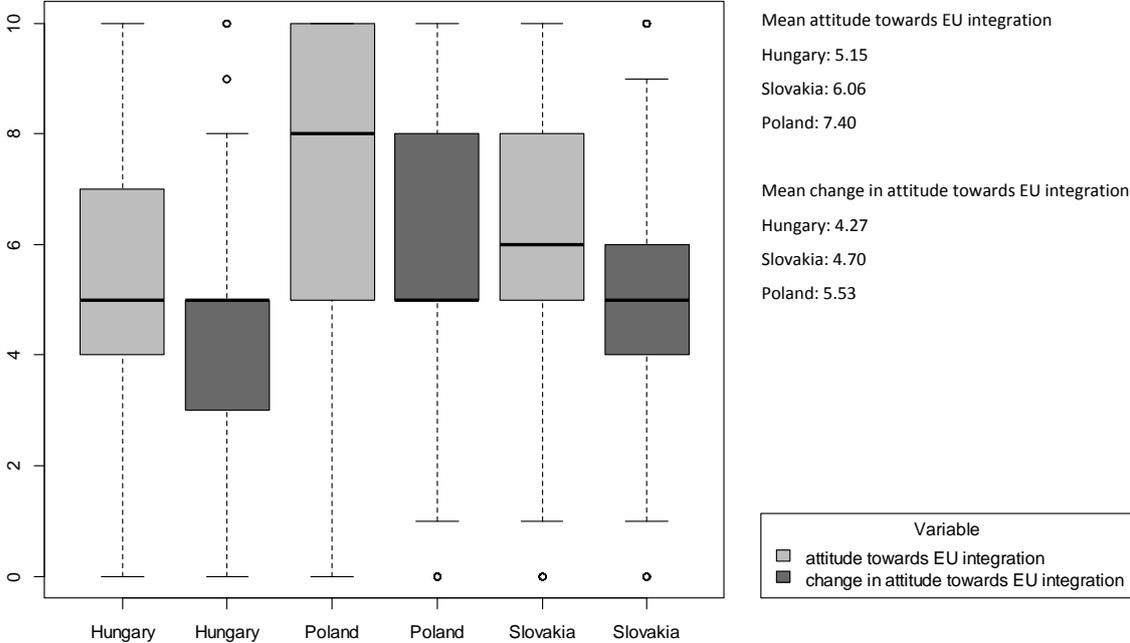
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<sup>5</sup> Question Q3: “How would you describe your general position on European integration?”

<sup>6</sup> Question Q4: “Do you now view the European Union less or more favorably than a year ago? Please indicate your level of favorability or unfavorability on the following scale” 0=less favorably, 10=more favorably

respondents are by far the most favorable towards EU integration with a mean score of 7.4 and the median response of 8. Hungarian respondents are the least favorable with a mean score of 5.15 and a median of 5. Slovak respondents cover the middle ground with a mean score of 6.06 and a median of 6. Moreover, Hungarian respondents indicate on average that they have become less favorably disposed towards the EU during the previous year. Slovak respondent split to nearly equal parts into those stating that their attitudes towards the EU had become more negative and those claiming to have a more positive view. Only Polish respondents indicate that they have become slightly more favorably towards the EU. Yet, there is no strong trend in one direction or the other in any of the three countries – in all these countries, the median respondent picked a score of 5.

Figure 3: Attitude towards EU integration and the change in attitude over the last year



Note: Variables are measured on a scale from 0-10, with values below 5 indicating a negative attitude / change in attitude and values above 5 indicating a positive attitude / change in attitude. Boxes display the second and third quartile of the distributions; the thick lines within the boxes represent the median response.

People were also asked whether they agreed that the financial crisis had negative effects on the situation in their country, and, if they did, whether they rather blame national or European actors for these effects.<sup>7</sup> On average, around two thirds of the respondents who see negative effects of the crisis

<sup>7</sup> Question Q27: “Some people argue that the financial crisis exerts negative effects on the situation in [country]. Do you agree with this statement and, if yes, whom do you mostly blame politically for these effects? Governing parties / National leaders of political parties / European Union / Political leaders of other European countries /

mostly assign blame to their own national politics, but around one third blames the European Union or leaders within the European Union for these effects. Surprisingly, in contrast to their comparably negative attitude towards Europe, Hungarian respondents were the ones most likely to blame their own government and political leaders. Furthermore, the generally positive attitude towards European integration in Poland does not seem to keep Polish respondents from holding the EU responsible (or vice versa) for the crisis. Respondents from Slovakia are the most EU-critical in regard to the financial crisis, with about 38% blaming the EU for negative effects of the financial crisis.

Table 1: Blame for negative effects of the financial crisis (% of respondents who agree with the statement that the financial crisis exerted negative effects on their country)

	Hungary		Slovakia		Poland	
	N	%	N	%	N	%
Mostly blame EU	212	27.4%	306	37.9%	220	30.6%
Mostly blame national politics	563	72.6%	501	62.1%	498	69.4%
Total	775	100%	807	100%	718	100%

Note: % of respondents who agree with the statement that the financial crisis exerted negative effects on their country. Missing values if respondents ticked the category “other”. For the exact wording of the question, see footnote 7.

To capture specific reactions to the financial crisis, people were asked to what extent they agreed with each of the following statements on a scale from 1 to 5, with 1 indicating strong disagreement and 5 indicating strong agreement:

- a. “Europe needs to pull together to defend itself against speculative markets, even if it means for countries like mine to make some economic sacrifices.”
- b. “Europe should cooperate to solve the financial crisis but it is the major powers and richer economies which have to bear the costs.”
- c. “Europe cannot really work together to resolve the financial crisis because decisions are made by a few politicians representing major powers without consulting the people of Europe.”
- d. “The ultimate goal used to be close cooperation within the EU, but now countries like mine should rather try and manage on their own.”
- e. “The financial crisis confirms for me that the EU was a big mistake from the beginning and my country should never have joined.”

The five items can be linked to the classification by Kopecy and Mudde (2002) applied to the reactions to the financial crisis. Crisis-Euroenthusiast should favor further European integration for the

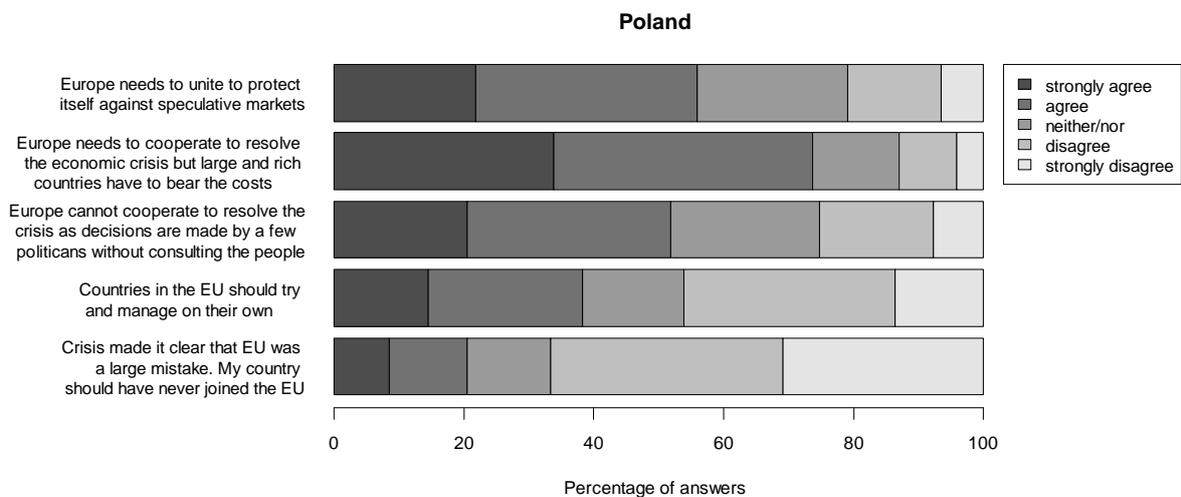
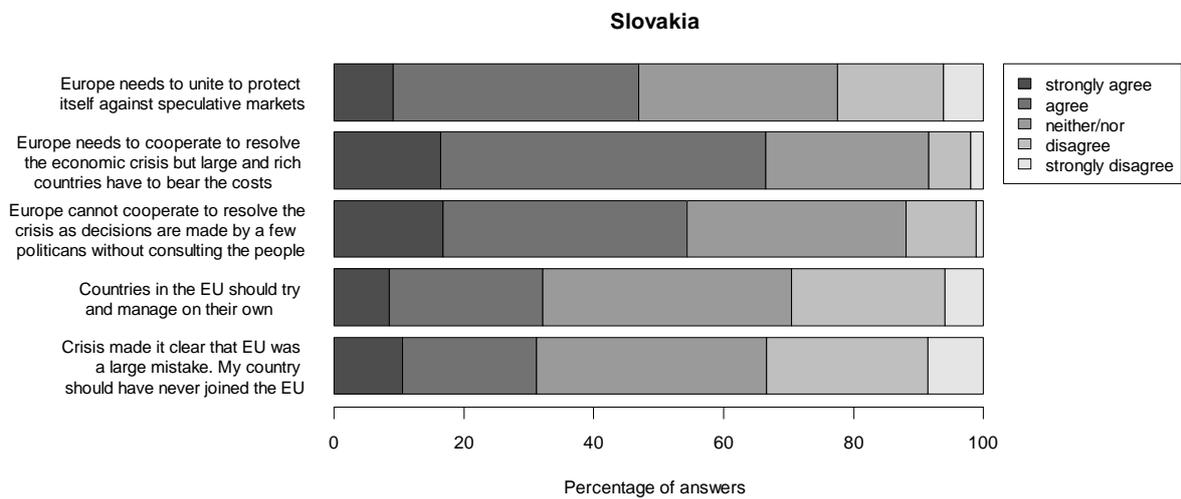
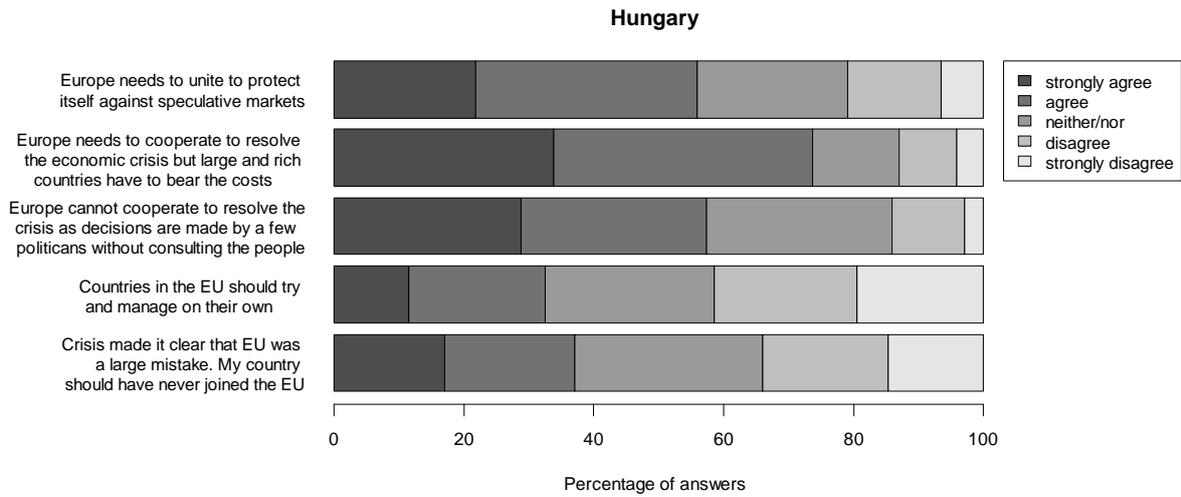
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other / I do not agree with this statement.” The first two response categories were coded as rather blaming national politics, the third and the fourth category were coded as blaming attribution to the EU.

common good irrespective of eventual personal costs during the financial crisis (captured by statement a). Crisis-Europragmatists should support European solutions as long as they deem it beneficial for themselves – i.e. as long as others bear eventual costs (statement b). Crisis-Euroskeptics, who are in principal in favor of European integration, but criticize the current EU set-up as being undemocratic, should question the ability of the EU to resolve the crisis (statement c). Finally, Crisis-Eurorejects should believe their country would be better off on its own or should have never joined the EU. Thereby, their negative feelings towards European Integration could have either arisen during the crisis (statement d) or just been strengthened during the crisis (statement e).

Figures 4-6 display the survey results. In line with the general findings on the attitudes towards the EU presented above, Crisis-Euroreject sentiments feature most strongly among Hungarian respondents while they are least represented among Polish respondents. Slovakia takes the middle position in terms of Crisis-Eurorejects but at the same time has the fewest respondents with Crisis-Euroenthusiasts feelings. For all three ECE countries, the most frequent sentiments present among respondents are those of Crisis-Europragmatist Overall, some 70% of the respondents agree with the statement that “Europe should cooperate to solve the financial crisis but it is the major powers and richer economies which have to bear the costs.”

Figures 4-6: Specific reactions to the crisis



## Individual level analysis – explaining the different general and specific attitudes

To test several explanations for the different general and specific attitudes towards the EU in regard to the effects of the financial crisis, we estimate several regression models with different dependent variables and the same set of independent variables. The independent variables account for the four different explanations behind EU related attitudes in ECE countries as outlined in the theory section: trust in the EU<sup>8</sup>, economic-left right orientation<sup>9</sup>, satisfaction with the way democracy works in the EU<sup>10</sup>, concerns about national sovereignty<sup>11</sup>, and problem perception, i.e., the extent to which someone is worried by the current economic situation in his/her country.<sup>12</sup> In addition, we add controls for the level of education and the political interest/knowledge (measured by the frequency of political discussions<sup>13</sup>).

In Model R1, “attitude towards EU integration” serves as the dependent variable. All independent variables except the economic left-right orientation and the frequency of political discussion (i.e. the indicator for political interest) are found to be of significant influence, with coefficients pointing in the expected direction. The more someone trusts in the EU and the higher the level of satisfaction with the way democracy works in the EU, the more s/he favors European integration. On the other hand, the more a person is concerned about the loss of national independence, the less s/he favors European integration. Also in line with previous findings in the literature, people with higher education are more supportive of European integration. Most interestingly, there is a positive relationship between the concern for the economic situation and the attitude towards the EU: The more someone perceives the weak economic situation of the country as a problem, the more favorable is this person towards European integration. This might indicate that people do not perceive the EU as the problem, but as a potential solution for the financial crisis.

In model R2, we use “change in attitude towards the EU” as the dependent variable. As we can see in Table 2, only two of the formerly significant independent variables are still significant: Trust in the EU and satisfaction with democracy in the EU. Hence, there is a difference in the factors explaining the general attitude towards the EU and the change in this attitude over the last year.

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<sup>8</sup> Question Q18d: “To what extent do you trust each of the following institutions to be taking your interests into consideration? Please indicate your level of trust on a scale from 0 to 10, where 0 means you do not trust them at all, while 10 means you fully trust them. – European Union”

<sup>9</sup> Question Q15: “Some politicians argue that leaving the market alone is best for the economy while others claim that government intervention to guide the economy is necessary in our society. What solution do you prefer? (0=I am in favor of free markets, 10=I prefer government intervention).

<sup>10</sup> Question Q20b: “On the whole, how satisfied are you with how democracy works in the European Union? (1=not satisfied at all, 4=very satisfied)”

<sup>11</sup> Question Q5c: “In your opinion, how important are the following problems for [country]? – loosing decision-making power and the erosion of national identity following EU accession (1=not important, 4=very important)”

<sup>12</sup> Question Q5a: “In your opinion, how important are the following problems for [country]? – the weak economic situation (1=not important, 4=very important)”

<sup>13</sup> Question Q22: “How often do you discuss politics? (1= never, 4=often)”

Table 2: Regression analysis with attitude towards EU integration (R1), change in attitude towards the EU (R2), and blaming the EU for negative effects of the financial crisis (R3 – logistic regression model) as the dependent variables

	R1: Attitude		R2: Attitude change		R3: Blame EU	
	Coef.	SE	Coef.	SE	Coef.	SE
Trust in EU	0.36 (0.02)	***	0.33 (0.02)	***	-0.02 (0.02)	
Pro-market intervention	0.01 (0.01)		-0.03 (0.01)		0.07 (0.02)	***
Satisfaction with democracy in EU	0.43 (0.05)	***	0.58 (0.06)	***	0.02 (0.06)	
Problem: losing independence	-0.40 (0.05)	***	-0.05 (0.05)		0.09 (0.06)	
Problem: economic situation	0.24 (0.07)	***	-0.10 (0.07)		-0.21 (0.08)	*
Frequency political discussions	0.00 (0.05)		-0.07 (0.05)		0.03 (0.05)	
Higher education	0.34 (0.11)	**	-0.15 (0.12)		0.15 (0.13)	
Poland	1.27 (0.12)	***	0.30 (0.12)	*	0.12 (0.15)	
Slovakia	0.70 (0.11)	***	0.39 (0.12)	***	0.44 (0.12)	***
(Intercept)	3.20 (0.37)	***	2.32 (0.37)	***	-0.75 (0.41)	
N	2283		2283		1964	
Adj R2 / AIC	0.35		0.26		2507.72	

Note: demographic weights (considering sub-national region, sex, age and education of respondents) applied.

Model R3 in Table 2 explores the effect of the same factors on the probability of blaming the EU instead of national politics for the negative consequences of the financial crisis. Here, we find a completely different situation from what we saw in Models 1 & 2: Only the variable indicating the Left-Right orientation of the respondent is significant, with a positive coefficient. This suggests that the more a person supports government intervention in markets, the more likely this person is to blame the EU for the negative effects of the crisis. However, variables like trust in the EU and satisfaction with the way democracy works in the EU do not seem to explain whether someone sees the EU as the problem with respect to the financial crisis. Finally, we find a significant negative effect of concern for the economic situation on the probability of blaming the EU: The more someone perceives the weak economic situation of the country as a problem, the less likely this person is to hold the EU responsible for the effects of the crisis.

In Table 3, we analyze the different reactions to the financial crisis according to the distinction between Crisis-Euroenthusiasts (M1), Crisis-Europragmatists (M2), Crisis-Euroskeptics (M3), and Crisis-Eurorejects (M4&M5). The results are mainly consistent with the expectations outlined in the theory section. Crisis-Euroenthusiast sentiments are motivated by high trust in the European Union.

People who are pro government intervention in markets and people who are concerned about the economic situation in their country tend to display Crisis-Europragmatist sentiments. For Crisis-Euroskeptic reactions, the concern about the way democracy works in the EU and their concern about losing national independence are influential factors. Finally, Crisis-Euroreject positions are driven by all factors that account for negative attitudes towards EU integration. Interestingly, the more someone is concerned about the weak economic situation, the less does s/he agree with the statement that the EU was a 'big mistake and the country should never have joined'. This is in line with the findings in Model M1, indicating that the crisis has not so contributed much to Euroskeptic feelings in ECE countries. Rather, people seem to have adopted a Europragmatist stance due to the crisis, stating that 'Europe should cooperate in solving the crisis', and being content as long as the major powers and richer economies bear the cost.

Table 3: Regression models with different reactions to the financial crisis as the dependent variables  
(M1: Crisis-Euroenthusiasts, M2: Crisis-Europragmatists, M3: Crisis-Euroskeptics, M3+M4: Crisis-Eurorejects)

	M1	M2	M3	M4	M5
	Coeff. (SE)				
Trust in EU	0.09 (0.01) ***	0.04 (0.01) ***	-0.08 (0.01) ***	-0.09 (0.01) ***	-0.11 (0.01) ***
Pro market intervention	-0.01 (0.01)	0.02 (0.01) *	0.01 (0.01)	0.02 (0.01) **	0.02 (0.01) *
Satisfaction with democracy in EU	0.08 (0.03) **	0.01 (0.03)	-0.11 (0.03) ***	-0.16 (0.03) ***	-0.24 (0.03) ***
Problem: losing independence	0.01 (0.03)	0.00 (0.02)	0.13 (0.03) ***	0.26 (0.03) ***	0.26 (0.03) ***
Problem: economic situation	-0.00 (0.04)	0.14 (0.03) ***	0.05 (0.04)	-0.07 (0.04)	-0.16 (0.04) ***
Frequency political discussion	0.08 (0.02) ***	0.05 (0.02) *	0.04 (0.02)	-0.05 (0.03) *	-0.02 (0.02)
Higher education	-0.02 (0.06)	-0.23 (0.05) ***	-0.07 (0.06)	-0.22 (0.06) ***	-0.26 (0.06) ***
Poland	-0.30 (0.06) ***	0.02 (0.06)	-0.01 (0.06)	0.41 (0.06) ***	-0.39 (0.06) ***
Slovakia	-0.26 (0.06) ***	-0.11 (0.05) *	-0.10 (0.06)	0.25 (0.06) ***	0.02 (0.06)
(Intercept)	-2.77 (0.19) ***	-2.81 (0.17) ***	-2.32 (0.18) ***	-3.26 (0.20) ***	-2.34 (0.19) ***
N	2283	2283	2283	2283	2283
AdjR2	0.07	0.03	0.09	0.14	0.25

Note: demographic weights (considering sub-national region, sex, age and education of respondents) applied

## Conclusion

In this paper, we explored the question whether the financial crisis has led to a surge in anti-EU sentiments in Eastern Central Europe. Drawing on data from surveys recently conducted in Hungary, Slovakia, and Poland, we analyzed the general attitude towards EU integration and the change in that attitude over the last year. In line with previous survey evidence, Hungary turned out to be the most Euroskeptic and Poland the least Euroskeptic of the three countries. On average, Polish respondents even claim to have become slightly more favorable towards the EU over the previous year, while Hungarian and Slovak respondents generally state that they have become less favorable.

Of special interest in regard to our research question is how people react to the crisis and whether they blame the EU for the negative effects on the national economy. Here, we find that while the overarching majority rather blames national politics, about one third of the respondents state that the EU or political leaders of the EU were mostly responsible for economic repercussions. However, this blame attribution is only slightly related to anti-EU sentiments. Surprisingly, despite the invocation of nationalist sentiments and frequent statements critical of the EU by Victor Orbán, Hungarians are less likely to put blame on the EU than Slovaks and even Poles, with the latter seemingly not influenced by their generally positive attitude towards European integration when assigning blame. Furthermore, exactly those people who are most concerned about their country's weak economy turn out to be the ones least likely to reject membership in the EU. Rather, Eastern Central Europeans--whether from Hungary, Slovakia, or Poland--display strong "Crisis-Europragmatist" sentiments: They are in favor of European cooperation to solve the financial crisis as long as other, richer economies bear the costs. Overall, the EU is perceived as the solution, not as the problem. Thus, even if we do not see a reversal of the generally negative trend in attitudes towards the EU in Eastern Central Europe (Sericchio et al. 2012), we should be careful not to attribute this development simply to the effects of the financial crisis.

Our findings stand in contrast to previous accounts in the literature that on the one hand assumed a significant negative impact of the financial crisis on public attitudes in general while, on the other, lumping together Eastern European and Southern European member states. More thoroughly research to isolate better the effect of the financial crisis is therefore clearly warranted. Furthermore, comparative studies should examine the question as to what extent reactions to financial crisis in Central Eastern Europe differ from those in other parts of Europe. It is possible that the cost-benefit calculations that led people in the ECE countries to become "Crisis-Europragmatists" will cause citizens of Western European "donor"-countries to become more Euroskeptical (cf., Kuhn and Stoeckel 2014; Hobolt and Wratil 2015).

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