

## **Conceptions of State Responsibility in Central and Eastern Europe**

Cassandra Grafstöm  
*University of Michigan*  
Jennifer Miller  
*University of Michigan*

### **Abstract**

How do culture and history affect views on state responsibility? Have neo-liberal policies injected a sense of individualism or nostalgia for past protections by the state? We investigate the questions by using data from the World Value Survey and the European Social Survey to (a) measure conceptions of state responsibility and (b) examine variation across the region. We consider cultural, historical and institutional effects, as well as their interaction, in order to determine how culture constrains and shapes policy, and policy, in turn, shapes culture.

## **Introduction**

How do culture and history affect views on state responsibility? In post-Communist democracies, how have transition experiences and political institutions shaped individual expectations of government provisions? The role of the state in the lives of citizens has expanded dramatically since the advent of the modern state, both in the state's liberal and authoritarian variants (e.g., Inglehart 1997, 30). Within liberal democratic states, the creation of the welfare state increased the state's influence over the lives of ordinary citizens. Moreover, different types of welfare regimes vary in the extent of their intervention, from the limited liberal regimes to extensive universal regimes. Among authoritarian regimes, communist governments attempted to fulfill the values of socialism, such as guaranteed employment, social security, and egalitarianism, all requiring substantial intervention in peoples' lives. Thus, expectations of state responsibility among the populace may be shaped by its experience with a history under a certain type of state. In the case of post-Communist states, the question becomes how pre-communist legacies, communist experiences, and economic transitions influence individual conceptions of state responsibility.

This paper is a theory generating exercise that asks how previous institutional forms influence the set of expectations, or culture, of a society. The empirical cases of countries in Central and Eastern Europe provide an ideal laboratory for testing such effects. These countries share an experience of communist rule, as well as transitions to market economies and democracy at roughly the same time. The democratic political institutions in these countries were the result of not only the political crises of the late 1980s but were also shaped, and continue to be shaped, by citizens' cultural constraints. The substance of these cultural experiences includes expectations of the social services a state ought to provide. Furthermore, citizens in these

societies will update their expectations based upon recent *experiences* with new institutions and seek to find more optimal policies that fit institutions to cultural expectations.

There are three possible sets of institutions that may ultimately affect the expectations citizens hold over what package of social provisions a government must provide and can drive preferences in different directions. First, the communist experiences may have influenced the set of policies citizens believe the state should provide. Under the Communist system, social expenditures were often higher, as a percentage of GDP, than in Western Europe (Deacon 2000, 152). Second, the unpopularity of these former regimes may render citizens more receptive to individualist values. These types of principles are often thought to accord best with the residualist social policies produced by the liberal welfare state (Linos and West 2003; Luo 1998; Fong 2001; Funk 2000), and promoted by the World Bank (Deacon 2000). Consequently, experiences with the residualist policies and disdain for the communist era may promote an individualist culture. Third, the institutions leaving the largest imprint on perceptions of appropriate state responsibilities may be ones conceived in the precommunist era. Social myths about 'the good ol' days" may lead citizens to pine for policies that have historical precedent, regardless of how these ideals would likely fare in a modern polity.

The probability of a certain institutional history exerting greater influence depends on several factors, including age cohort and view of Soviet influence. With regards to cohort, people in older cohorts who were raised under a communist regime will most likely confer greater weight to the state in providing for the social welfare of its citizens. With regards to Soviet experience, the more Soviet influence and communism were interpreted as a step-backward and a foreign imposition, then the less sway the communist experience will have on cultural expectations of state responsibility. In the case when the communist takeover was not perceived

as a degradation (such as in the eastern states who compared themselves to Afghanistan and other central Asian states), then the communist experience may set expectations as what is the proper role of the state.

The expectations of the state's role in social provision become especially relevant when looking at the transition to a market economy and democracy. While the transition to democracy in the early 1990s generated initial euphoria, in some countries market reforms resulted initially in hardship and anxiety. Deacon refers to the period as the "great depression," and elaborates:

"Real per capita income declined between 1988 and 1993 by... 41 percent in the Baltic ...and 25 percent in Eastern Europe. Income inequality increased in all countries bar the Slovak Republic, shifting them from a position which had been similar to that of OECD countries such as Scandinavia to a position similar to the UK's. The rise of inequality was sharp and the resultant dispersal of gini coefficients between different countries was much wider than it had been" (2000, 148-149).

Overall, the transition from a central planning to market economy has been difficult, falling "short of expectations" (Svejnar 2002, 3). Thus, while in many countries communism was considered an "imposition of an occupying force" (Darden and Grzymala-Busse 2006, 102), the high costs of transition and the experience of the once foreign phenomenon of unemployment may lead to a sense of nostalgia and selective memories of the benefits of the *ancien régime*.

This research is pressing as discord between perceptions of state responsibility and actual policy proposals may put in question the legitimacy of the democratic institutions. As Grzymala-Busse and Darden attest, "...standards for what would constitute legitimate rule arose from a set of shared *expectations* about who would best serve national interests and about what constituted the bundle of cultural and economic goods, civic rights, and political responsibilities such a government ought to provide for its citizens" (2006, 103; emphasis added). Such standards are part of the national culture, a culture shaped by its institutional heritage.

The policies people consider to be state responsibilities may not be politically feasible. The austerity policies of many CEE states resulted in lower incomes and increased inequality. Furthermore, in the wake of EU enlargement, the candidate states and potential entrants have been pressured to meet the daunting accession requirements for EU entry. Elites were simultaneously met with tight public budgets and EU "requirements on what the state does--regulation, privatization, rule of law, redistribution--and the form it takes..." (Grzymala-Busse and Innes 2003, 71). The EU mandates for accession essentially curtailed ideological debates over public policy while setting massive demands (Grzymala-Busse and Innes 2003). With regard to social policies, the World Bank and other actors have championed residualist and privatizing social policy. Weak taxation institutions have also contributed to the reduction of social expenditures (Deacon 2000). Social policies across the region have been broadly similar (with the exceptions of Bulgaria and Romania, which attempted to conserve state and workplace benefits [Deacon 2000]), and have been largely within a new-liberal paradigm with marketization (Ferge 1997). The fear is that with the curtailing of policy debate there will be increased support for populist and antisystem parties (Grzymala-Busse and Innes 2003).

The balance of this paper will proceed as follows. Section I teases out the precise ways that culture and institutions interaction. Section II defends the choice of the welfare state as a means of gauging attitudes toward state responsibility. Section III provides data and analysis. Section IV discusses the implication of these initial findings.

### **Culture and Institutions**

Institutions do not emerge or function in a vacuum; rather, they shape and are shaped by the culture in which they function. Admittedly, this proposition employs two vague concepts: institutions and culture. While institutions are a mainstay in political science, the discipline has

not agreed upon a singular, systematized definition. The most permissive of these definitions include norms as an institution (e.g., Greif 2006). These broad definitions result in a loss of analytic leverage as they limit the extent to which institutions interact with other variables. More restrictive definitions limit institutions to the "rules of the game" and confine their applicability to situations of collective choice (see Diermeier and Krehbiel 2003). For the goals of this research, we increase the denotation of the concept to include more overarching aspects of the state. In our case, this would be the welfare state. Like institutions, culture is also a nebulous concept with interminable definitions. We employ a definition based on that provided by Inglehart (1997). That is, "[A] culture is a system of attitudes, values, and knowledge that is widely shared within a society" (15).

Culture and institutions affect one another through feedback effects; essentially culture is a feedback mechanism. Feedback mechanisms are common in the study of institutions; social scientists consider them to be a force sustaining institutions over time (Thelen 1999). The literature on institutions defines two types of feedback effects: incentive structure effects and distributional effects (Ikenberry 1994). Culture acts as a third, distinct kind.

There are two ways in which culture provides feedbacks contributing to institutional endurance. First, institutions, according to Peter Hall's widely accepted definition, include "the formal rules, compliance procedures, and standard operating practices that *structure the relationship* between individuals in various units of the polity and economy" (1986, 19; emphasis mine). Essentially, institutions set expectations as to the proper behavior of individuals in discrete situations. They also fix beliefs as to the appropriate relationship between citizens and the government. By establishing expectations of behavior of the state, institutions generate new knowledge as to what duties the state will carry out and what are the correct boundaries between

public and private. Over time, these beliefs may be passed along through generations and become a feature of the society's culture.

Second, institutions have not only been portrayed as coordinating mechanisms, but also as embodying axiological principles (Kitschelt 1994; Kitschelt and McGann 1996) and resting on ideational foundations (Thelen 1999). With regards to institutions embodying principles, citizens support the institutions that propagate their values. The continued existence, in turn, reinforces and strengthens these values. Institutions also function on ideational foundations. Esping-Anderson's (1990) model of the conservative-corporatist welfare state rested on a patriarchal conception of the family as it was predicated on a single breadwinner. Moreover, the institution had a feedback effect on the culture by reinforcing these values.

This resulting culture, will in turn, affect institutions. This influence may be exerted in two ways. First, the culture may limit the selection of the next set of institutions (Bednar and Page 2006). Bednar and Page explain: "Undoubtedly, institutions shape culture. In turn, culture generates externalities in institutions that reinforce an institutional path and may determine future choices over institutions" (2006, 2). Second, the performance of an institution depends, in part, on the culture of the receiving society. Seminal work by Putnam (1993) found that the success of regional governments in Italy depended on the region's civic culture. Similarly, culture played an important role in democratization: "simply adopting a democratic constitution is not enough" (Inglehart 2000, 92). Culture also plays a role in the legitimacy of an institution; legitimacy, in turn, aids performance by lowering transaction costs and easing compliance.

### **The Welfare State and Dependency**

When considering expectations of state responsibility, the role of state provision of basic

welfare is a natural link in the minds of many citizens. In common discourse within the United States, for example, discussions about the expansion of welfare benefits typically involve beliefs about who is responsible for securing individuals incomes: is it a matter of government or individual responsibility to provide a minimal income and standard of living? As such, understanding the emergence, growth, and restructuring of the welfare state is essential to understanding beliefs about the role of the state.

An understanding of the factors that led to the emergence of the welfare state aids in understanding its continued importance in the lives of citizens and in shaping individual expectations of state provisions of basic needs. The welfare state's emergence has been explained variously as a response to the atomization of society due to industrialization, from the pressures of global trade and transnationalism on open economies, as a response to national mobilization in wars, and capital-labor divisions in democracies (see Skocpol and Amenta, 1986; Reuveny and Li, 2003; Tilly, 1975; and Marklund, 1982, respectively). Welfare policy creation, expansion, and retrenchment all result from a change in both the capacity of the state to supply and the demand for welfare policies as public goods. The emergence of the welfare state in all of these theories is related to both an increased state revenues (the result of either improved ability of states to extract or there simply being a larger economy from which to extract) and a need to compensate citizens for the potential hardships associated with the change from traditional to modern societies.

More recently, scholars have considered the importance of strategic adaptation of industries and individuals to the institutional environment they act in, leading to greater welfare policy stability. Huber and Stephens (2001) argue that industries adapt to the welfare policies



implemented by the state, adjusting their production strategies to labor and welfare structures. This adaptation leads firms that have flourished under these institutions to oppose retrenchment. Coalitions of both industries and individuals that would be negatively affected by retrenchment should thus form to oppose such changes, regardless of supply side constraints. Similarly, Mares (2004) explains the variance in types of welfare states by the size and influence of groups affected by volatile demand or terms of trade, which will support more universalistic welfare states.

These arguments point to expectations that, due to the uncertainties of the new political and economic institutions, there would be demands for all-encompassing welfare policies in the transitional period from communism. There are, however, two additional constraints present in the case of the Central and Eastern European states that were absent during the establishment and maintenance of Western welfare states: the existence of massive budget shortfalls resulting from the collapse of the COMECON system of coordinated central planning, and imposition of austerity and liberalization requirements by external actors such as the World Bank, IMF and European Union.

The collapse of the CEE economies led to massive budget deficits as there was real negative growth in economic output (a lower tax based), increased decreased demand for export, the collapse of the main sources of imports (fewer revenues tariffs), a lack of currency convertability, and high external debts resulting in a limited ability to borrow against the state. These factors served to constrain the universe of feasible government expenditures. The inability of the new governments to obtain loans through normal markets mechanisms (through the sale of currency and bonds) without paying large risk premiums led to their dependence on international

organizations such as the World Bank and IMF for support of the most basic government services. In exchange for accepting the risk of providing funds to the CEE governments IMF and World Bank imposed stringent austerity policies. These organizations insisted on balanced budgets or surpluses in these extreme economic circumstances and limited the range of policies that could be pursued by the government to only essential state functions (education, security, courts, infrastructure, etc.). The programs that were insisted upon were consistent across the region, leading to little variation in the initial welfare policies implemented in these countries. The conditionality of World Bank and IMF assistance, on average, led to a lesser role for domestic politics in the allocation decisions in budget creation (Noorudin and Simmons, 2006). This external constraint on the types of policies that could be implemented attenuated culture's impact on the shape of the new welfare state.

An additional external constraint upon the transition states was demands made by the European Union for accession led to a continuation of the suppression of policy debate on the form of the welfare state. Politicians tended to run on platforms of competence instead of ideology (Grzymala-Busse and Innes, 2003). This emphasis on competence curtailed the adaptation of social welfare institutions to cultural imperatives. For the countries that had the greatest likelihood of early entrance into the EU, the pressing need to adopt and implement the *acquis communautaire* led took precedence over fulfilling other domestic demands. This created a disconnect between policy and popular preferences. The requirement of creating a conservative corporatist welfare system was not necessarily compatible with the cultural forces at work in society (Deacon, 2000).

Under communism welfare policies and provisions in the USSR and Eastern Europe were

fairly similar, providing highly subsidized food, housing, transportation, and providing guaranteed employment (with small differences in pay for managers and professionals), education and health care (Deacon et al, 1992). Due to guaranteed employment there was no system in place to care for the unemployed, a safety net that would have helped to provide for the most economically vulnerable in the transition to a more liberal market economy. The absence of a tried unemployment safety net made the transition particularly difficult for those that fared worst under communism such as the elderly, large families and those outside the state controlled industrial system, such as Roma, in addition to those that found themselves in unproductive sectors with the implementation of market mechanisms (Deacon, 2000). Furthermore, farmers and women, who were highly dependent on the state, found themselves in precarious positions in the market. The shift from government provision of the basic needs of citizens to one of greater individual initiative and market determination of prices and wages resulted in large drops in real per capita income in the first years after liberalization. These drops, however, varied in their length and intensity across countries.

Reactions to this change in general economic circumstances would be expected to differ as a function of both individual level attributes and system level attributes. The individual level attributes, such as dependency and occupation on the state, would be expected to influence attitudes toward state responsibility but how these individual attributes affect opinion would be shaped in part by culture. Furthermore, cohort effects should also be present as individuals coming of age and forming political identities during the same events ought to have more similar beliefs about state responsibility than individuals of different age groups within the same country (Campbell et al., 1960; Ingelhart, 1997; for an opposing view see Kitschelt, 1994). Additionally, the particular nature of the economic transition should lead individuals in different countries to

react to liberal markets in different manners. While this reaction will be partially dependent upon culture it should also have an independent effect.

### **Data and Analysis**

To investigate the question of how culture and institutions shape one another in transitional societies we conduct some basic statistical tests on data from the World Values Surveys for ten former communist states. Because our theory depends upon the presence of democratic institutions as a conduit for popular desires to be turned into policy outcomes we restrict our analysis to Central and Eastern European democracies. We define democracies as those countries with a score of 7 or above in the Polity IV dataset. The choice of 7 as a threshold is valid for two reasons. First, much of the literature on democratization and the importance of democracy on policy choices restricts analysis to only states that score at least a 7 on Polity (e.g., Reiter and Stam 2002). Second, it reflects an assumption that there are substantive differences in the capacity of democratizing states to create coherent and representative policies at different levels of democracy. States that score 7 or higher must have largely competitive executive recruitment, significant levels of political competition, and constraints (an integral part of our theory) on the executive. This choice of threshold reflects the fact that there were several countries in CEE that had relatively high scores in one of the components of the overall Polity score that seemed to be compensating for relatively low scores on other components at lower thresholds. It was only at a threshold of 7 that there seemed to be more consistency in the democratic credentials of the states in all aspects considered by Polity. We can be relatively sure that the attitudes of citizens will have an avenue to potentially influence policy decisions in these countries that we cannot be as certain of at lower levels of democracy.

Furthermore, our theory indicates that experience with institutions and their effects will

shape individual attitudes toward the state. As such, these institutions must be in place long enough for their impact to be seen by citizens so that they can make evaluations and update their beliefs about the appropriate role of the state. We therefore restrict our analysis to former communist countries that have been democratic since at least 1997 (using democracy as defined above). Polity IV includes information about levels of democracy through 2004. We therefore verified that the system of government had not undergone any significant change in the intervening years. This ensures that all countries evaluated had experienced at least two democratic elections and also allowed for any policies implemented by the first government (at the very least) to have run their courses, giving citizens the opportunity to evaluate government and systemic performance.

These two constraints left us with ten former communist countries (3 former Soviet Republics and 7 former satellite states or components of thereof) to consider in our analysis: Bulgaria, Czechoslovakia/Czech Republic, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Slovakia, and Slovenia. Of these most transitioned into democracies relatively early in their post-communist histories (Romania was the latest democratizer, only qualifying under our criteria in 1996), meaning that citizens in these states have had more than a decade of experience with democratic and market institutions.

To evaluate individuals' beliefs about state responsibility we investigate responses to two questions from the World Values Survey regarding the role of government in providing for the basic needs and incomes of citizens (Inglehart, 2008). The first question asks respondents to state whether the government or individuals ought to be responsible for providing for people on a scale of 1 to 10 (ten indicating government responsibility). This question gets at the heart of our argument about the importance of experiences with institutions in shaping political culture.

Responses can be thought to embody attitudes toward state transfers and market interventions relative to the current level of these goods that the state is providing. Generally higher levels of support for state intervention is viewed not just as support for an ideal allocation of welfare by the state but as a combination with attitudes regarding how the current provision fares relative to this ideal point. We interpret higher values and upward spikes of values as indicating support for the government to “do more” than the contemporary policy. Likewise, particularly low values indicate that people generally feel that the government is interfering too much and should scale back their welfare efforts.

[INSERT TABLE 1 HERE]

As seen in Table 1 there is significant variance both between countries in CEE and within those countries over time in support for government provision of basic services. Changes over time represent the effects of both longer term trends that are the main focus of this paper as well as the effects of short term crises that impact the way citizens view the state's capacity to ensure them against the worst case scenario. Individuals' inherent risk aversion leads one to expect greater support for government provision of basic goods during times of increased uncertainty than their baseline cultural demand for these goods. For instance, there is a spike in support for government provision of goods in the Czech Republic in 1995 differs significantly from all other years in the Czech Republic. This is likely a result of the recent Czech experience with declining GDP that began in 1991 when the government began the economic transition. Though the economy had begun to rebound by 1995, the recent hardships associated with capitalism likely resulted in a temporary increase in support for greater state intervention.

The second question used in our analysis relates to attitudes about income equality, asking respondents whether "incomes should be made more equal" (Inglehart, 2008). The state is the only actor with the power to alter income distribution so this is also a question that relates support for or against state intervention. Under communism income was relatively equally distributed, creating expectations of egalitarianism within societies. This egalitarian ethos was created and enforced by state intervention in labor and goods markets. Thus indications that citizens see inequality as a problem can be linked to views about the failing of governments in their responsibilities to the country.

[INSERT TABLE 2 HERE]

Table 2 shows that, in general, support for government intervention to ensure greater equality in income distribution has fallen since Communism's end. In all of the countries support for income redistribution was lower in 2005 than it was in the first year surveyed. However, an interesting observation is that downward trend is non-monotonic for the first states to accede to the European Union. Though each of these countries had different levels of initial support for redistribution and saw support decay in the first decade of non-communist rule, there was a resurgence of support for greater income equality in 2005, only a year after joining the EU. Romania, the last state in our dataset to become democratic, experienced the largest fall in support for income redistribution, going from a mean value of 6.28 in 1995 to 3.68 in 2000. This coincides with Romania's shift to full-fledged democracy and, by 2005, the support for income redistribution had rebounded to 5.23.

Among the highest initial supporters of income redistribution were the FSU states (members of the Former Soviet Union). These countries also saw large drops in support,

particularly in Lithuania. These countries experienced particularly difficult transitions in their export regimes as they were more strongly linked to Russian markets than the other countries. Conversely, Slovenia had the lowest initial levels of support for income redistribution. This is likely a byproduct of Slovenia being the country that experienced the fewest hardships during its transition as it is the richest country in our sample.

Cultural effects and expectations may manifest themselves differently among different cohorts. Members of older cohorts, who grew up under communism, may expect the state to provide substantially for people. In contrast, younger cohort members, growing up in the throes of the transition, may not have clear expectations. In places with more economically trying transitions, younger people may expect the state to act proactively in the lives of its citizens. In contrast, in relatively more economically successful states, younger people may possess more individualism. In Table 3, we use data from the 2005 World Values Survey data to look at the average responses for each country by age cohort.

[INSERT TABLE 3 HERE]

The results from this table show that there are no generalizable trends. Among younger cohorts, those in the Czech Republic, Poland, Romania and Bulgaria all had the lowest level of support for state intervention. In fact, the Czech Republic was most in favor of individual responsibility across the board, with the exception of the oldest cohort. Conversely, Latvians put most trust in the state across every cohort, with the exception of the 65-74. Slovakia and Hungary also had high levels of support for an increased role of the state.

There were no clear trends across cohorts; in some countries, support increased with age



where as in others, the trend line was jagged. For instance, in Lithuania and Latvia, support for state responsibility increased across the final three cohorts. In Slovenia, Poland, Moldova, and Bulgaria, the level of support remained similar. Further analyses should be done with regards to experiences of communist at its different stages, as well as the economic situation of various age groups in each state, in order to see whether past experiences influence these expectations or if they are simply results generated by present economic conditions.

## **CONCLUSIONS**

Our results show that there is wide variation across states with regards to the proper role of the state. We suspect that two contrasting pressures are at work. First, experiences under communism may lead to beliefs that the state should provide for its citizens. Conversely, memories of scarcity and general oppression may promote more individualist conceptions of state responsibility. Initial analysis of cohort data shows no clear pattern across countries, but future multivariate analysis should include variables to capture these two possible effects. Furthermore, future explorations should control for the ways in which social policies affect different occupation and age groups, political-institutional features such as division of policymaking responsibility, party and coalition composition, levels of corruption, and bureaucratic structures, individual sociotropic and national-level transition experiences in a hierarchical model.

These initial results have multiple implications, both normative and positive, for welfare policy in the Central and Eastern European region. The first is that there may be the potential for change in support for increased state intervention as time progresses given generational replacement. If attitudes toward the state are relatively constant during an individual's life, younger voters today may press for their preferences as their political influence becomes more

substantial later in life. This has serious implications for the legitimacy of the state, particularly if the external constraints that limit the set of feasible policy options continues to bind. If there is a continued disconnect between societal preferences and state outputs there may be more support for anti-system parties or general voter disaffection.

Finally, in the wake of disenchantment following accession into the European Union and increased euroskepticism at home, policymakers, if they become more sensitive to voter preferences, could take a more adversarial stance against their Western European counterparts in the European Union. The increased likelihood of policy gridlock within the EU that came with expansion could be heightened by divergence of national leader preferences, which may result from differences in cultural attitudes toward state responsibilities to citizens between these countries. Thus, efforts to diminish the democratic deficit within these countries or within the EU as a whole may result in less coherent and effective policies as cultural demands are better able to assert themselves in the national arena.

## **Bibliography**

Almond, Gabriel A. and Sidney Verba. 1963. *The Civic Culture: Political Attitudes and democracy in Five Nations*. Princeton, NJ: Princeton University Press.

Campbell, Angus, Philip Converse, Miller and David Stokes. 1960. *The American Voter*. Chicago: University of Chicago Press.

Diermeier, Daniel and Keith Krhbiel. 2003. "Institutionalism as a Methodology." *Journal of Theoretical Politics* 15(2):123-144.

Deacon, Bob. 2000. "Eastern European Welfare States: The Impact of the Politics of Globalization." *Journal of European Social Policy* 10(2):141-161.

Deacon, Bob, Castle-Kanerova, Mita, Manning, Nick, Millard, Francis, Oros, E, Szalai, Julia and Vidinova, A. (eds) (1992) *The New Eastern Europe: Social Policy Past, Present and Future*. London: Sage.

Esping-Anderson Gøsta. 1990. *Three Worlds of Welfare Capitalism*. Princeton, NJ: Princeton Univ. Press

Ferge, Zsuzsa. 1997. "The Changed Welfare Paradigm: The Individualism of the Social." *Social Policy and Administration* 31(1): 20-44.

Greif, Avner. 2006. *Institutions and the Path to the Modern Economy*. New York: Cambridge

University Press.

Gryzmala-Busse, Anna and Abby Innes. 2003. "Great Expectations: The EU and Domestic Political Competition in East Central Europe." *East European Politics and Societies* 17(1):64-73.

Grzymala-Busse, Anna and Keith Darden. 2006. "The Great Divide: Literacy, Nationalism, and the Communist Collapse." *World Politics* 59(October): 83-115.

Huber, Evelyn and John D. Stephens. 2001. "Welfare State in the Era of Retrenchment." in *The New Politics of the Welfare State*, Paul Pierson, ed. Oxford University Press. New York.

Ikenberry, GJ. 1994. "History's Heavy Hand: Institutions and The Politics of The State." Presented at conferences on The New Nationalism, University of Maryland, October 14-15, 1994. Quoted in Thelen, Kathleen. 1999. "Historical Institutionalism in Comparative Politics." *Annual Review of Political Science* 2(1):369-404.

Inglehart, Ronald. 1997. *Modernization and Postmodernization*. Princeton, NJ: Princeton University Press.

---.2000. "Culture and Democracy." In *Culture Matters: How Values Shape Human Progress*, ed. Lawrence E. Harrison and Samuel P. Huntington. New York: Basic Books.

Kitschelt, Herbert. 1994. *The Transformation of European Social Democracy*. New York:

Cambridge University Press.

Kitschelt, Herbert and Anthony J. McGann. 1995. *The Radical Right in Western Europe*. Ann Arbor, MI: University of Michigan Press.

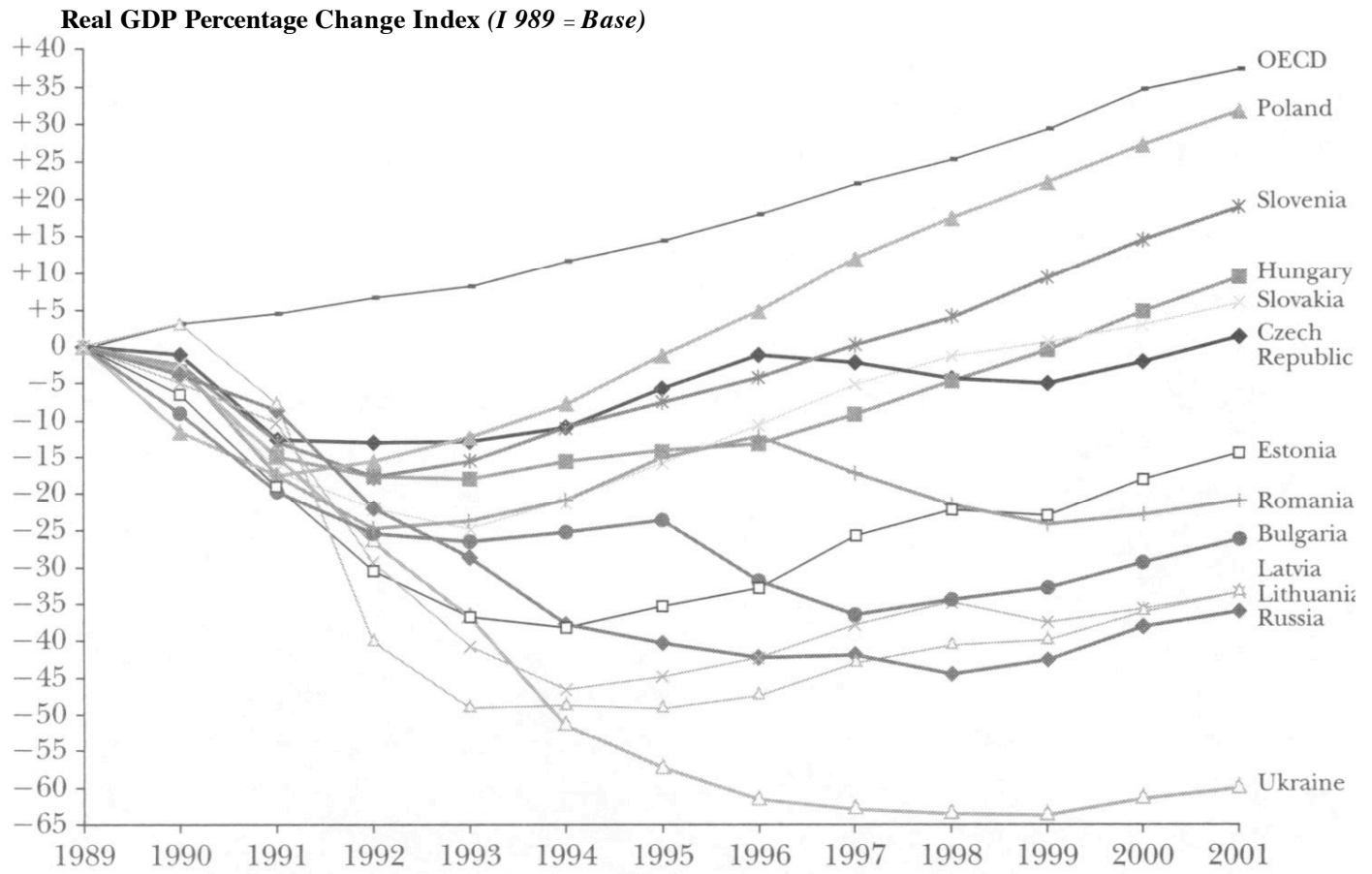
Noorudin, Irfan and Joel W. Simmons. 2006. "The Politics of Hard Choices: IMF Programs and Government Spending." *International Organization*.

Putnam, Robert D. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*." Princeton, NJ: Princeton University Press.

Svejnar, Jan. 2002. "Transition Economies: Performance and Challenges." *Journal of Economic Perspectives* 16(1):3-28.

Thelen, Kathleen. 1999. "Historical Institutionalism in Comparative Politics." *Annual Review of Political Science* 2(1):369-404.

Figure 1



Sources: William Davidson Institute, based on OECD *Economic Outlook*, July 2001; EBRD *Transition Report 2001 Update*; and Davidson Institute staff calculations.

Table 1: Responses to "Government should be take more responsibility to ensure that everyone is provided for" (Higher numbers indicate more support for government responsibility).

Country	1990	1995	2000	2005
Bulgaria	5.42 (2.89)** <i>N</i> =984	6.59 (2.67)** <i>N</i> =971	5.11 (2.86)** <i>N</i> =978	5.28 (2.92)** <i>N</i> =3916
Czechoslovakia/Czech Republic	4.63 (2.80)** <i>N</i> =2981	6.69 (2.65)** <i>N</i> =1122	4.89 (2.57)** <i>N</i> =1881	5.18 (2.84)** <i>N</i> =6446
Hungary	----	6.22 (2.77) <i>N</i> =941	6.10 (2.84)* <i>N</i> =959	6.52 (2.83)** <i>N</i> =2538
Latvia	----	6.60 (3.04)** <i>N</i> =857	6.68 (2.67)** <i>N</i> =998	6.83 (2.73)** <i>N</i> =3047
Lithuania	----	5.94 (2.84)** <i>N</i> =979	5.41 (2.83)** <i>N</i> =1001	5.98 (2.83)** <i>N</i> =2978
Moldova	----	7.70** (2.70) <i>N</i> =977	6.86 (2.69)** <i>N</i> =977	6.26 (3.10)** <i>N</i> =2999
Poland	5.48 (2.91)** <i>N</i> =18622	5.78 (2.89)** <i>N</i> =1111	5.73 (2.62) <i>N</i> =1077	5.36 (2.77)** <i>N</i> =4873
Romania	5.17 (3.11)** <i>N</i> =1080	6.27 (3.06) <i>N</i> =1187	4.82 (3.23)** <i>N</i> =1097	5.27 (3.14)** <i>N</i> =5089
Slovakia	5.93 (3.00)** <i>N</i> =1535	7.48 (2.46)** <i>N</i> =1076	6.37 (2.61)** <i>N</i> =1276	6.54 (2.77)** <i>N</i> =3425
Slovenia	5.81 (3.03)** <i>N</i> =954	6.67 (2.71)** <i>N</i> =997	6.54 (2.65)** <i>N</i> =996	5.89 (2.91)** <i>N</i> =3955
World	4.91 (2.96) <i>N</i> =45,985	6.26 (3.07) <i>N</i> =62,495	5.86 (3.03) <i>N</i> =81,873	5.62 (3.05)** <i>N</i> =261233

\* indicates  $p < 0.05$ ; \*\* indicates  $p < 0.01$  with respect to the mean value for the rest of the World.

Table 2: Responses to "Incomes should be made more equal" (Higher numbers indicate more support for income redistribution)

Country	1990	1995	2000	2005
Bulgaria	6.73 (2.83) <i>N</i> =996	5.40 (2.82) <i>N</i> =1025	6.37 (3.01) <i>N</i> =957	6.03 (2.91)* <i>N</i> =3964
Czechoslovakia/Czech Republic	6.87 (2.78) <i>N</i> =1,128	6.20 (2.78) <i>N</i> =1,128	5.49 (2.78) <i>N</i> =1,873	6.34 (2.84)** <i>N</i> =6447
Hungary	----	5.81 (2.96) <i>N</i> =953	3.80 (2.75) <i>N</i> =638	5.01 (3.04)** <i>N</i> =1591
Latvia	7.30 (2.82) <i>N</i> =794	6.47 (2.42) <i>N</i> =1167	----	6.81 (2.62)** <i>N</i> =1961
Lithuania	7.34 (2.53) <i>N</i> =958	5.23 (2.88) <i>N</i> =978	5.14 (3.07) <i>N</i> =945	5.90 (3.01) <i>N</i> =2881
Moldova	----	7.03 (3.01) <i>N</i> =958	6.71 (2.64) <i>N</i> =918	6.50 (2.80)** <i>N</i> =2887
Poland	7.71 (2.51) <i>N</i> =1873	6.71 (2.75) <i>N</i> =1100	6.09 (3.18) <i>N</i> =1078	6.73 (2.78)** <i>N</i> =4634
Romania	6.46 (2.88) <i>N</i> =1087	6.28 (2.88) <i>N</i> =1188	3.68 (3.04) <i>N</i> =1055	5.23 (3.11)** <i>N</i> =5031
Slovakia	6.31 (2.89) <i>N</i> =1518	5.57 (3.02) <i>N</i> =1073	----	5.85 (2.99) <i>N</i> =2127
Slovenia	5.74 (3.00) <i>N</i> =978	4.48 (2.62) <i>N</i> =995	4.05 (2.69) <i>N</i> =985	4.74 (2.83)** <i>N</i> =3962
World	6.13 (2.96) <i>N</i> =46,037	5.79 (2.99) <i>N</i> =62,845	5.91 (3.11) <i>N</i> =74,366	5.92 (2.99) <i>N</i> =252478



Table 3: Average responses to "Incomes should be made more equal" (Higher numbers indicate more support for income redistribution)

Country	Cohort 18-24	Cohort 25-34	Cohort 35-44	Cohort 45-54	Cohort 55-64	Cohort 65-74
Czech Republic	5.14 (2.75) N=748	4.90 (2.70) N=448	4.91 (2.84) N=1331	5.27 (2.84) N=1116	5.41 (2.89) N=1023	5.56 (2.88) N=815
Slovakia	6.38 (2.71) N=426	6.12 (2.84) N=448	6.35 (2.80) N=764	6.72 (2.71) N=653	6.81 (2.73) N=437	7.10 (2.66) N=351
Lithuania	5.85 (2.79) N=484	5.62 (2.76) N=611	5.72 (2.86) N=576	6.24 (2.74) N=472	6.22 (2.91) N=417	6.37 (2.89) N=334
Latvia	6.58 (2.72) N=424	6.74 (2.81) N=620	6.69 (2.69) N=641	7.03 (2.67) N=566	7.08 (2.72) N=419	6.89 (2.82) N=326
Slovenia	6.06 (2.77) N=582	5.79 (2.86) N=731	5.89 (2.88) N=808	5.94 (3.0) N=718	5.94 (2.98) N=591	5.88 (2.94) N=391
Poland	5.45 (2.64) N=583	5.23 (2.78) N=809	5.31 (2.73) N=808	5.25 (2.67) N=950	5.38 (2.88) N=758	5.67 (2.93) N=525
Hungary	6.30 (2.78) N=297	6.43 (2.83) N=448	6.50 (2.80) N=505	6.41 (2.79) N=445	6.64 (2.83) N=379	6.81 (2.91) N=311
Moldova	5.96 (2.99) N=506	6.38 (3.01) N=531	6.35 (3.04) N=678	6.27 (3.09) N=561	6.48 (3.22) N=38	6.26 (3.32) N=272
Romania	5.30 (3.14) N=635	5.13 (3.16) N=966	5.37 (3.14) N=937	5.36 (3.12) N=912	5.27 (3.19) N=772	5.67 (2.93) N=525
Bulgaria	5.21 (2.92) N=452	5.19 (2.89) N=671	5.26 (2.86) N=771	5.28 (2.91) N=686	5.15 (2.90) N=625	5.45 (3.01) N=497