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***Who Is in Favor of Enlargement?
Determinants of Support for EU Membership in the
Candidate Countries' Referenda***

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Who Is in Favor of Enlargement? Determinants of Support for EU Membership in the Candidate Countries' Referenda[∇]

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Abstract

We analyze support for EU membership as expressed in voting patterns in the candidate countries' referenda on EU membership, using regional referendum results and individual survey data on voting intentions. We find that favorable individual and regional characteristics are positively correlated with support for accession and voter participation. In contrast, those who should benefit from future EU transfers are less likely to vote and/or support EU membership. We argue that voters in the candidate countries assign greater weight on future benefits from liberalization and integration than on potential gains through redistribution.

Keywords: Voting, referendum, EU enlargement, integration.

JEL Codes: J61, P26, P33, Z13.

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1 Introduction

It seems indisputable that the next enlargement of the European Union will be vastly beneficial for the ten new member countries from Central and Eastern Europe and the Mediterranean.¹ Yet, when nine prospective entrants held referenda on accession during the course of Spring and Summer 2003², it transpired that EU membership was not always an easy sell. While all referenda eventually resulted in the approval of accession, this positive outcome came on the background of low participation rates. In Poland and Slovakia, for example, participation barely exceeded the legally mandated threshold of 50% required to make the referendum outcome valid.³ It is also interesting to note that only in two countries (Lithuania and Slovenia) did EU membership enjoy the support of more than half of all eligible voters.⁴ Indeed, opinion poll results suggest that the most enthusiastic European are the citizens of those countries that so far have not been offered EU membership: Bulgaria, Romania and Turkey.

These observations show that despite the positive final outcome of the referenda, support for EU membership is not universally shared in the new member countries. The impact of accession is likely to diverge across the various socio-economic groups, with some gaining and others losing. Assuming voters are prospectively oriented and thus take their future well being into account when deciding how to cast their vote, the extent of support for EU membership should reflect the distribution of expected gains and losses.⁵ In order to gain insights into the factors, which shape support for EU membership, we analyze voting behavior in the accession referenda, utilizing two previously untapped

¹ Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia are all due to join the EU as of May 2004. Bulgaria and Romania are tentatively scheduled to become members as of 2007, while no accession date has been set for Turkey.

² Cyprus approved the accession in the legislature, thus being the only candidate country that did not hold a referendum.

³ No such threshold was in effect in the Czech Republic, whereas Hungary required either at least 50% participation or an affirmative vote by at least 25% of eligible voters.

⁴ In the presence of minimum turnout requirements, non-participation, can indicate either indifference or strategic considerations, whereby one abstains in the hope of driving the participation rate below the legally mandated threshold.

⁵ An alternative explanation for the low turnout states that voters used the accession referendum to express their displeasure with the current government. However, if membership in the EU is going to be largely beneficial for most voters, forgoing these gains seems a high price for sending a message to the incumbent government.

data sources. First, we consider the actual referenda results at the regional level in seven candidate countries: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia. Second, we complement this analysis with individual data on voting intentions in the EU referendum from the March/April 2002 Candidate Countries Eurobarometer (CCEB) survey covering all 13 candidate countries.

Accession will affect the citizens of the new member countries in (at least) two distinct ways (this paper focuses on the economic repercussions of membership, thus omitting political and emotional considerations, such as the dilution or loss of national identity, etc.).⁶ First, the new members will be able to take full advantage of economic integration within the European Single Market, bringing with it free movement of goods, capital and – albeit with a lag of up to seven years – labor. While this will open up important new opportunities for the entrants, it may also bring considerable challenges (e.g. increased competitive pressure and more stringent EU regulations). Second, as the new members are relatively poor, stricken with high unemployment and some of them also have large agricultural sectors, they should benefit from redistribution within the EU channeled through the Structural/Cohesion funds and the Common Agricultural Policy (CAP).

As the candidate countries display considerable economic disparities both at the individual and regional level, variation in expected net gains from accession among individuals and regions should be considerable. An individual's expected net gain from EU membership should to a large extent depend on her individual characteristics such as age, education, employment or current income. In addition, as regions differ in their underlying economic structure, regional repercussions of accession will also be uneven – a region predominantly oriented towards agriculture or heavy industry, for instance, will fare differently from one dominated by service industries. As a large part of EU spending is explicitly linked to regional characteristics such as average per-capita income or unemployment, individual regions' entitlement to transfers from the EU will differ

⁶ A number of recent studies have assessed expected benefits of EU membership using sophisticated modeling techniques (see for example Baldwin, Francois and Portes, 1997; Breuss, 2001; and Lejour, de Mooij and Nahuis, 2001; and DIW, 2002).

substantially. In this paper, we control explicitly for these kinds of effects to assess their impact on support for EU membership.

This paper differs from related literature in two ways. First, while support for the EU has attracted considerable attention in the academic literature, most previous studies have been limited to considering the current EU members (see Gabel and Palmer, 1995; Gabel and Whitten, 1997, and the references therein). Second, those few studies that do analyze support for EU membership in the candidate countries typically rely on individual survey data collected in the early to mid 1990s: the Central and Eastern Eurobarometer, commissioned by the European Commission and discontinued in 1998 (see Tucker, Pacek and Berinsky, 2002; Tverdova and Anderson, 2003; and Kemmerling, 2003). These analyses are based on respondents' statements about their intended voting and support for the EU, however given the time lag between these surveys and the actual referenda which only took place in 2003, the respondents opinions might have been different had the prospect of membership been more tangible. Our analysis, in contrast, uses both actual (regional) results of the referenda, and individual survey data from the recently reinstated Candidate Countries' Eurobarometer, collected in Spring 2002, approximately one year before the actual referenda took place. The only other study to use the actual referendum results is Markowski and Tucker (2003), who similarly use opinion-poll data and actual regional results in their analysis of Poland. Finally, much of the previous literature, whether on current members or the candidate countries, relies on various attitudinal variables (in addition to socio-economic characteristics) such as the respondents' ideological identification, political opinions, or their attitude towards the EU to explain support for integration. Not surprisingly, these studies, find that respondents who expect their country to benefit from EU membership intend to vote in favor of EU membership. While the relationship between attitudes and voting behavior is often strongly significant in the statistical sense, it is not very informative; indeed, the relevant research question then becomes identifying the factors that determine which respondents have positive or negative attitudes towards the EU. An additional problem with using such attitudinal variables to explain vote choice is that it is difficult to disentangle the endogeneity between the two variables. Previous studies (Wleizen, Franklin and Twiggs, 1996; Doyle, 2003) find that attitudinal variables are often influenced by vote choice and

one's socio-economic characteristics. Therefore, to avoid such endogeneity problems, we refrain from using attitudinal variables and instead concentrate exclusively on the respondents' socio-economic characteristics. As political opinions and attitudes reflect one's age, education, economic well-being and social class, focusing on such characteristics tells us much more about the primary determinants of voting behavior. Moreover, identifying the trigger factors that underlie support for EU membership is important if one seeks to understand how changes in objective economic conditions impact support for EU membership (for instance, a permanent change in a respondent's employment status or income may translate into simultaneous changes in her political attitudes and support for the EU).

The following section briefly reviews the history of this enlargement. Section 3 discusses the likely gains and losses associated with accession to the EU. Section 4 introduces the data used in the analysis and sections 5 and 6 presents the findings. Finally, the last section discusses the results and derives some conclusions.

2 History of the 5th Enlargement

On May 1st 2004 the EU will experience the fifth and the broadest enlargement to date, as it incorporates eight Central and East European (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) and two Mediterranean countries (Malta and Cyprus). Bulgaria and Romania are set to join in 2007. This enlargement symbolically began in 1989 after the break-up of the Soviet bloc, when the EU declared that it would welcome the countries of Central and Eastern Europe (CEEC's) to join the Union. However it was not until the Copenhagen European Council in 1993 that this invitation was officially issued, on the condition that the countries could join once they satisfied the political and economic conditions necessary for membership and implemented the *acquis communautaire* (i.e. the body of EU norms and regulations). In the meantime, the EU gradually removed long-standing import quotas, extended the Generalized System of Preferences, concluded Trade and Co-operation Agreements with several of the CEEC's and created the PHARE Program which provided financial aid to help the transition to a market economy (EUROPA, 2003). Throughout the 1990's the

Association Agreements, also known as the Europe Agreements, established the legal basis for bilateral relations between the EU and the potential candidate countries. A significant outcome of these Agreements was the creation a free trade area for industrial goods between the EU and the candidate countries.

It was not until March 1998, however, that the accession negotiations actually began with six of the applicant countries (Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus), otherwise known as the first-wave applicants. In October 1999, the negotiations were extended to include Slovakia, Latvia, Lithuania, Romania, Bulgaria and Malta. By December 2002 accession negotiations were closed and in April 2003 Treaties of Accession were signed with the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia, Malta and Cyprus. Nine of these countries have held referenda in the course of 2003 to formally ask their citizens if they wish to become members of the Union, while Cyprus put the decision to the legislature. All of the referenda delivered an affirmative decision. Once the Accession Treaties are ratified by the current EU members, all ten acceding countries are envisaged to become full members of the EU in May 2004, in time to participate in the June 2004 European Parliamentary elections and in the next Inter-Governmental Conference.

3 Benefits and Costs of EU Membership

EU membership will affect citizens in the new member countries through (at least) two distinct channels: economic integration and redistribution. These two channels are likely to have very different implications for various socio-economic groups. Therefore, by observing how specific individual and regional characteristics correlate with voting behavior, we can make inferences about the expected impact of enlargement on individuals or regions possessing those characteristics.

First, accession to the EU will allow the new member countries to participate in the European Single Market with its free and unhindered movement of commodities, capital and labor (however, labor flows will be subject to a transitional period of up to seven years). This will open up many new opportunities, in the areas of trade, investment and

employment, for firms and individuals from the new members.⁷ EU membership will also make it easier for citizens of the acceding countries to travel, live and study in the current EU countries. However, accession to the European Single Market will also translate into more intense competitive pressure and may thus prove costly for those industries that are not internationally competitive or that currently enjoy relatively high protection against imports (the most notable case of the latter being agricultural producers). EU membership will subject the new members to EU norms and regulations in matters such as environmental protection, quality standards and safety norms, which may necessitate costly adjustment in some industries. Finally, the entrants will also benefit from accelerated economic and institutional reform (the prospect of EU membership provides an important incentive for reform, and the EU offers direct support and guidance for reform measures in prospective members), increased economic and political stability (Baldwin, François and Portes, 1997, argue that EU membership dramatically reduces economic uncertainty in the new member countries, resulting in lower interest rates and higher investment) and, eventually, participation in the Eurozone.

Classical trade theory, building on the Heckscher-Ohlin model, suggest that when two regions integrate, the return to a factor of production rises in the region where that factor is relatively abundant and falls where it is scarce. Thus, we should expect labor in the new member countries to benefit from entry to the EU whereas labor in the current members may lose out. In contrast, capital owners in the current members should gain whereas those in the new members lose. Inasmuch as the current and new members differ in terms of skill levels of their respective labor forces, enlargement will also have repercussions for the skill premium.⁸ Typically, it is assumed that skilled labor in developed countries and unskilled labor in developing countries benefit from integration. However, the EU candidates differ from developing countries by having relatively highly skilled labor, just as the current EU members. Therefore, EU accession may also benefit skilled labor in the new members, especially if it leads to FDI inflows into skill-intensive

⁷ Detailed analyses of the implications of this enlargement for the current and new members are presented, *inter alii*, by Baldwin, François and Portes (1997); Breuss (2001, 2002); Lejour, de Mooij and Nahuis (2001); Boeri et al. (2002); Heijdra, Keuschnig and Kohler (2002); and DIW (2002).

⁸ See O'Rourke and Sinnott (2001), for a detailed discussion.

industries and/or if skilled workers are able to seek employment in the current EU member countries.

In summary, integration is likely to have important and uneven repercussions for different socio-economic groups. Nevertheless, it is not straightforward enough to enable us to make a-priori predictions as to which groups will gain and which ones will lose, as the repercussions of integration crucially hinge on the relative competitiveness of firms and relative factor endowments in the current and the new members.

Second, the new members will be included in the EU-wide system of redistribution including the structural and cohesion funds and the Common Agricultural Policy (CAP). Eligibility for transfers from structural and cohesion funds is directly related to the countries' and regions' level of economic development.⁹ The bulk of Structural Funds goes to Objective 1 regions (approximately two thirds of funds), defined as those with per capita GDP below 75% of the union-wide average, and Objective 2 regions (accounting for about one tenth of regional aid), defined as those with above average unemployment rate and industrial employment and experiencing a decline in industrial employment. Transfers from the Structural Funds are disbursed at the regional level and are channeled mainly into projects which build up the productive capacity of regions, such as infrastructure improvements and small and medium enterprise development. Given the eligibility criteria, most of the candidate countries' regions should easily qualify for funding under Objective 1 or 2 or both. Eligibility for transfers from the Cohesion Fund is also determined according to per capita income: countries which are below of 90% of EU average GDP qualify. These transfers are allocated at the national level, in contrast to the Structural Funds, and are mainly designated for large public investment projects. Again, all candidate countries will meet the eligibility criterion in an enlarged EU.

The ability of the new members to fully benefit from EU transfers, however, will be limited, at least initially, due to recently agreed reforms and transitional arrangements. In particular, the European Council in Berlin decided that the previously-agreed EU budget for 2000-06 will not be extended to finance this enlargement and therefore only modest transfers will be made to the acceding countries up until 2006. Thus, the new members

⁹ Section 3.2 of Boldrin and Canova (2001) gives a detailed description of the various instruments of EU regional policy. Unless stated otherwise, the following discussion draws on their analysis.

receipts from the EU budget will amount on average to 1% of their GDP in 2004, rising to 1.5% by 2006 (11 and 16 billion euro, respectively, according to Barysch, 2003).¹⁰ Moreover, EU transfers might, at least partially, displace any assistance that the depressed regions are receiving from their national governments at present (Vlachos, 2003, makes this argument with respect to Swedish regions' potential benefits and costs from their country's EU entry).

A particularly controversial issue in regards the costs and benefits of enlargement is the application of the Common Agricultural Policy to the new members. The European Commission decided in January 2002 that the 10 acceding countries would only receive one quarter of the subsidies paid to existing member states. This effectively implies that while agricultural markets in the new members will be open to competition from the current EU members, farmers in the new member countries will not enjoy the same level of subsidies as their competitors.

In summary, the new members can expect to be net recipients of transfers from the EU budget. Since a large part of EU funds are disbursed directly to regions of even individual recipients (as is the case with the CAP), underdeveloped, poor, over-industrialized and/or agricultural regions should benefit more than others. In the remainder of the paper, we study how these potential gains translate into both voting intentions and behavior in the candidate countries' referenda on EU membership.

4 Data

We utilize two previously untapped data sources for our empirical analysis: actual referendum results at the regional level, and survey data on intended voting in a future referendum on EU membership. The regional analysis is performed for seven countries: Czech Republic, Estonia, Latvia, Lithuania, Hungary, Slovakia and Poland (for the two remaining countries, Malta and Slovenia, either the regional referendum results or the corresponding socio-economic indicators were not available). The analysis with the individual data is based on the March/April 2002 Candidate Countries Eurobarometer (CCEB) opinion poll commissioned by the European Commission and carried out by Gallup Europe in all 13 candidate countries (i.e. also including Bulgaria, Romania and

¹⁰ These figures, however, combine receipts from Structural and Cohesion Funds with the CAP.

Turkey, in addition to the ten countries scheduled to become members in 2004).¹¹ The CCEB survey includes the responses of 14,163 individuals and contains extensive information on their socio-economic characteristics, in addition to their intended vote in the referendum on EU membership. The data set contains approximately 1,000 respondents per country, except for Cyprus and Malta with 500 respondents each and Poland and Turkey with 2,000 each. The surveys were carried out by means of face-to-face interviews and are representative at the national level.¹²

Table 1 reports the support for EU membership as measured by the CCEB survey conducted in Spring 2002. While supporters of accession are the largest group in every country, several of the countries scheduled for accession in 2004 – the Baltics, Czech Republic, Malta, Poland and Slovenia – appear rather unenthusiastic about EU membership, with those in favor of membership accounting for 50% or less of all respondents. Ironically, the countries that were not invited to participate in the next enlargement – Bulgaria, Romania and Turkey – show particularly high support for EU membership. Clearly, the low share of supporters is not necessarily due to high opposition to membership but rather reflects the fact that by early 2002, a non-negligible part of respondents remained undecided (12% on average). Nonetheless, the outcomes of the ensuing referenda reveal a similar pattern of reserved enthusiasm as Table 2 demonstrates (for Cyprus, where no referendum on accession was held, the table reports the result of the latest available opinion poll). The referenda results show that in all countries except Malta, a resounding majority of voters cast a vote in favor of their country's membership in the EU. However, again with the exception of Malta, high support for membership comes on the background of low participation rates. In fact, only in Lithuania and Slovenia did more than half of eligible voters endorse their country's EU membership. Low participation, however, need not indicate indifference about the referendum's outcome. As all candidate countries except the Czech Republic had limits

¹¹ We are grateful to Robert Manchin of The Gallup Organisation Europe for kindly making these data available to us.

¹² To the best of our knowledge, this is the only CCEB dataset currently available. Between one and two CCEB surveys were carried out per year since the Eurobarometer survey was extended to the candidate countries in 2001 but the primary data of these surveys so far have not been released publicly.

requiring a certain minimum participation (usually 50%)¹³ for the referendum to be valid, not voting was just as effective (if not better) a strategy for an opponent of EU membership as voting against, especially when opinion polls conducted shortly before the vote predicted low turnouts. For example, had enough of those opposed to EU membership not voted, turnouts in Poland and Slovakia would have fallen below the 50% threshold. Thus, a voter who was opposed to accession was more likely to thwart the referendum by not participating than by voting against it.¹⁴

To ascertain how participation in the referenda on EU membership compares with participation in regular elections, the last column of Table 2 reports turnout rates recorded in the most recent parliamentary election in each country. In three cases (Hungary, Slovakia and Slovenia) turnout was lower in the referendum than in the previous election by ten percentage points or more while the opposite was the case only for Poland. The remaining six countries are more or less equally split between those that had somewhat higher turnout in the referendum (Lithuania and Estonia) and those that experienced a small decline in turnout compared to the most recent election (Malta and the Czech Republic), with Latvia reporting almost no change. Hence, while strategic considerations may have contributed to low participation in some countries, this does not appear to be a generally shared phenomenon.

¹³ In Hungary, while the turnout fell short of the 50% required threshold, the result was nonetheless valid according with Hungarian law because more than one-quarter of the electorate voted Yes. The Czech Republic is the only country which did not require a 50% turnout or any other minimum participation in order for the referendum to be legally binding. Nonetheless, even there the 50% threshold was politically and psychologically important.

¹⁴ It is not clear what would have happened if any country had failed to receive popular endorsement for accession. Possible outcomes include submitting the decision to the parliament, repeating the referendum or staying out.

Table 1 Intended Voting in EU Referenda (Spring 2002 CCEB)

Country	In favor	Against	Will not vote	DK/RA	No of respondents
Bulgaria	72.6	6.8	6.9	13.7	1000
Cyprus	65.4	17.2	3.8	13.6	500
Czech Rep.	50.8	18.4	13.5	17.3	1000
Estonia	43.4	27.4	15.8	13.4	1010
Hungary	74.0	5.8	7.2	13.0	1020
Latvia	41.8	36.8	8.4	13.0	1000
Lithuania	50.3	16.7	10.6	22.4	1015
Malta	42.2	34.0	5.0	18.8	500
Poland	53.3	24.1	13.4	9.2	2000
Romania	84.3	3.6	3.5	8.6	1049
Slovakia	68.1	9.9	11.2	10.7	1067
Slovenia	55.3	27.4	6.2	11.1	1002
Turkey	69.8	23.4	2.3	4.4	2000
CC's total	60.2	19.4	8.5	11.9	14163

Source: Candidate Countries Eurobarometer (CCEB), March/April 2002, Gallup Europe

Notes: The table reports answers to the following question: "Would you personally vote for or against it [EU membership]?" DK/RA stands for 'Don't know' and 'Refuse to answer' responses.

Table 2 Results of Referenda on EU Accession

Country	Turnout %	Yes %	No %	Support ^a %	Date	Recent Turnout ^c
Cyprus^b	n.a.	58	25	n.a.	Fall, 2002	n.a.
Malta	91.0	54	46	49.1	March 8, 2003	97.0 (2003)
Slovenia	60.3	90	10	54.3	March 23, 2003	70.1 (2000)
Hungary	45.6	84	16	38.3	April 12, 2003	70.5 (2002)
Lithuania	63.3	91	9	57.6	May 10-11, 2003	58.2 (2000)
Slovakia	52.2	93	7	48.5	May 17, 2003	70.0 (2002)
Poland	58.9	77	23	45.4	June 7-8, 2003	46.3 (2001)
Czech Republic	55.2	77	23	42.5	June 13-14, 2003	58.0 (2002)
Estonia	63.0	67	33	42.1	Sept. 14, 2003	58.2 (2003)
Latvia	72.5	67	32	48.6	Sept. 20, 2003	71.5 (2002)

Source: Gallup Europe, Enlargement Poll Monitor (<http://www.gallup-europe.be/epm/>), and Electionworld.org. Candidate countries are ordered chronologically, according to the referenda dates. Only countries that will be part of the next enlargement are included.

^a Percentage of eligible voters who supported accession.

^b Cyprus approved EU membership without holding a referendum; the results of the latest available opinion poll are therefore reported.

^c Participation rate in the most recent parliamentary election (the year to which the figure refers is in parentheses).

Table 3 presents summary statistics for the dependent variables in the regional analysis – the share of those who voted in favor of their country’s membership in the EU, in addition to the turnout rate. The analysis is carried out at the level of districts (the so-called *okresy* in the Czech Republic and Slovakia, *maakond* in Estonia, *rajons* in Latvia and Lithuania, *megye* in Hungary and *powiat* in Poland), with 77 observations for the Czech Republic, 16 in Estonia, 33 in Latvia, 60 in Lithuania, 20 in Hungary, 79 in Slovakia and 373 in Poland. As the mean vote shares are computed as average values across regions, they differ somewhat from the national figures reported in Table 1. There is notably less regional variation in the Yes vote in the Czech Republic, Estonia, Slovakia, Lithuania and Hungary than in Poland and Latvia. In the case of Poland, this is due to relatively low support for EU membership in underdeveloped Eastern Poland, alongside the Ukrainian and Belorussian borders. In fact, all ten *powiats* with a majority vote against EU membership are located in Eastern Poland.¹⁵ Similarly in Latvia, five of the thirty-three *rajons*, which reported an overall majority vote against membership, are all (bar one) bordering either Russia or Belarus.¹⁶ None of the regions in the Czech Republic, Estonia, Lithuania, Slovakia or Hungary reported a majority vote against accession. In all seven countries, turnout displays considerable variation across regions; in the Czech Republic and Hungary, turnout in fact varies much more than the Yes vote (the corresponding coefficients of variation are 6.9% for turnout vs 3.1% for the Yes vote in the Czech Republic and 11.1% and 2.3%, respectively, in Hungary).

Table 3 Regional Results of EU Referenda

Country	Turnout [%]		Yes Vote [%]	
	Mean	St.Dev.	Mean	St.Dev.
Czech Republic	55.36	3.82	76.33	2.33
Estonia	62.46	3.38	65.33	4.03
Hungary	44.32	4.96	84.25	1.93
Latvia	70.91	5.51	69.36	13.31
Lithuania	63.25	5.70	90.40	3.52
Poland	56.11	5.82	74.35	10.33
Slovakia	51.27	5.59	92.82	2.35

Notes: Means are computed as averages across regions and as such are different from the nationwide results reported in Table 1.

¹⁵ These *powiats* were Janowski, Wysokomazowiecki, Skierniewicki, Siedlecki, Lomzynski, Losicki, Radzynski, Zamojski, Wegrowski and Lubelski.

¹⁶ These *rajons* were Daugavpils city, Daugavpils, Rezekne, Kraslavas and Ludzas.

Table 4 reports summary statistics for the socio-economic indicators used to explain voting and turnout at the regional level.¹⁷ All seven countries report considerable regional variation in unemployment and wages. While unemployment is moderate in the Czech Republic and Hungary, it reaches double digits in Latvia, Estonia, Slovakia and Poland. Finally, Poland stands out among the candidate countries by having a large share of employment in the agricultural sector.¹⁸

Table 4 Descriptive Statistics of Regional Indicators

Country	Unemployment Rate [%]		Average Wage [local currency]		Agriculture [%]		Industry and Construction [%]	
	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Czech Republic	9.94 ^c	4.15	13,940.82 ^c	1,363.39	6.90 ^c	4.34	48.74 ^c	7.96
Estonia	10.88 ^d	3.88	5,073.94 ^d	999.24	12.63 ^d	6.89	31.69 ^d	5.34
Latvia	11.65 ^e	6.52	119.09 ^b	24.08	n.a.	n.a.	n.a.	n.a.
Lithuania	13.33 ^c	4.93	842.50 ^c	156.64	n.a.	n.a.	n.a.	n.a.
Hungary	6.07 ^c	2.07	91,059.95 ^c	13,252.59	5.85 ^c	2.38	39.99 ^c	7.45
Poland	17.77 ^b	6.55	1,636.86 ^a	220.93	41.35 ^b	24.74	26.20 ^b	12.91
Slovakia	15.09 ^e	6.88	12697.23 ^e	2600.43	6.86 ^e	3.43	40.96 ^e	8.53

Sources: Regional data obtained from the central statistical offices of the individual countries. Agriculture, industry and construction are expressed as shares in total employment. Means are computed as averages across regions and as such are different from the nationwide values.

Data pertain to: ^a 1999; ^b 2000; ^c 2001; ^d 2002; ^e first half of 2003.

5 Regional Determinants of Support for EU Membership

As Tables 1, 2 and 3 illustrate, support for EU membership as revealed in the opinion polls and the actual referendum results varies considerably across and also within countries. The variation in turnout is even greater. The first step in our analysis is to study the determinants of support for EU membership and turnout as reflected in regional results of the EU accession referenda. Our analysis comprises the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Slovakia and Poland. We analyze the support for membership and turnout separately as it is possible that those who opposed EU membership may have chosen not to vote, hoping that their abstention will be more

¹⁷ Descriptive statistics for the individual-level analysis are omitted to save space. They are available from the authors upon request.

¹⁸ Table 4 reports simple, unweighted means of the various indicators. Nation-wide, nearly 20% of Polish employment is in agriculture.

effective in keeping the turnout below the legally mandated minimum threshold, thus rendering the result invalid. As we are primarily interested in the patterns of support which can be generalized across the seven candidate countries and because each referendum was held with essentially the same underlying question, we pool regional data across all countries. The choice of explanatory variables is then dictated by the need to find the ‘smallest common denominator’ in terms of availability and comparability of data across countries. We thus regress support for membership and turnout on regional unemployment rates, average wage and employment in the main branches of the economy: agriculture, industry (which includes also construction), and services (as the omitted category).¹⁹ All regressions also contain country dummies.

The results obtained with the support for EU membership are reported in Table 5, while those for participation are in Table 6. We report four regression equations in each Table, first we regress support and participation on regional unemployment and average wage alone, then we add shares of employment in agriculture and industry and finally, we include in the previous two regression specifications a dummy which distinguishes districts surrounding major urban centers in the Czech Republic, Hungary, Slovakia and Lithuania.²⁰ This last dummy is included to distinguish suburban regions from other rural areas that may have similar economic conditions but are far away from major cities – residents of suburban regions often work in the nearby city and therefore their political preferences may be closer to those of urban dwellers rather than to those of rural residents.

¹⁹ Results of country-by-country analysis, and results obtained with additional explanatory variables are reported in the Appendix.

²⁰ These urban centers are the following (with the corresponding suburban regions in parentheses): Prague (Prague East and West), Plzen (Plzen South and North and Rokycany), Brno (Brno-vicinity), Budapest (Pest), Bratislava (Malacky, Pezinok and Senec), Kosice (Kosice-vicinity), Alytus (Alytus-region), Kaunas (Kaunas-region), Klaipėda (Klaipėda-region) and Vilnius (Vilnius-region).

Table 5 Regional Determinants of Support for EU Membership: Pooled Data

Pooled Yes Vote	1		2		3		4	
Unemployment Rate	0.081	(0.060)	0.244***	(0.038)	0.083	(0.060)	0.248***	(0.038)
Wage Ratio	-0.025	(2.769)	-1.648	(1.840)	-0.059	(2.775)	-1.732	(1.849)
Agriculture	-	-	-0.333***	(0.018)	-	-	-0.332***	(0.018)
Industry & Construction	-	-	0.019	(0.027)	-	-	0.021	(0.027)
Poland	-2.570***	(0.792)	8.359***	(0.580)	-2.520***	(0.790)	8.487***	(0.587)
Hungary	8.150***	(0.534)	8.394***	(0.559)	8.173***	(0.552)	8.472***	(0.606)
Slovakia	15.993***	(0.527)	15.066***	(0.530)	16.003***	(0.524)	15.104***	(0.529)
Estonia	-11.158***	(1.087)	-9.425***	(1.412)	-11.107***	(1.088)	-9.277***	(1.424)
Latvia	-7.186***	(2.328)	-	-	-7.137***	(2.333)	-	-
Lithuania	13.695***	(0.588)	-	-	13.697***	(0.589)	-	-
Suburb	-	-	-	-	0.737	(0.936)	1.680**	(0.749)
Constant	75.624***	(2.731)	77.014***	(2.537)	75.585***	(2.729)	76.805***	(2.540)
R-Squared	0.446		0.798		0.446		0.798	
F-Statistic	330.39		309.04		297.70		273.22	
P-value	0.000		0.000		0.000		0.000	
No. of Observations	658		565		658		565	

Notes: All estimated with pooled OLS, heteroskedasticity-robust standard errors are in parentheses. Unemployment rate is in percent. Wage ratio is the ratio of regional average wage to the national average wage. Agriculture and industry/construction are percentage shares of total employment, with services being the omitted category (structure of employment is not available for Latvia and Lithuania). The Czech Republic is the omitted category with respect to country dummies.

Table 6 Regional Determinants of Participation in EU Referenda: Pooled Data

Pooled Turnout	1	2	3	4
Unemployment Rate	-0.255*** (0.039)	-0.237*** (0.029)	-0.251*** (0.039)	-0.229*** (0.029)
Wage Ratio	3.187* (1.706)	0.938 (1.296)	3.098* (1.711)	0.774 (1.312)
Agriculture	- -	-0.214*** (0.012)	- -	-0.212*** (0.012)
Industry & Construction	- -	-0.087*** (0.023)	- -	-0.082*** (0.023)
Poland	2.272*** (0.595)	7.682*** (0.585)	2.402*** (0.587)	7.932*** (0.578)
Hungary	-11.694*** (1.038)	-12.689*** (1.061)	-11.633*** (1.034)	-12.538*** (1.061)
Slovakia	-2.420*** (0.756)	-3.301*** (0.775)	-2.394*** (0.746)	-3.226*** (0.763)
Estonia	7.948*** (0.765)	7.401*** (0.898)	8.080*** (0.766)	7.690*** (0.900)
Latvia	16.595*** (0.857)	-	16.724*** (0.858)	-
Lithuania	9.010*** (0.867)	-	9.015*** (0.868)	-
Suburb	- -	- -	1.911 (1.183)	3.285*** (1.073)
Constant	54.755*** (1.734)	62.334*** (1.781)	54.653*** (1.739)	61.924*** (1.781)
R-Squared	0.488	0.624	0.489	0.629
F-Statistic	105.580	141.640	93.78	125.25
P-value	0.000	0.000	0.000	0.000
No. of Observations	658	565	658	565

Notes: All estimated with pooled OLS, heteroskedasticity-robust standard errors are in parentheses. Unemployment rate is in percent. Wage ratio is the ratio of regional average wage to the national average wage. Agriculture and industry/construction are percentage shares of total employment, with services being the omitted category (structure of employment is not available for Latvia and Lithuania). The Czech Republic is the omitted category with respect to country dummies.

Significance levels: *** 1%, ** 5% and * 10%.

Significance levels: *** 1%, ** 5% and * 10%. The results for support and participation are quite dissimilar, suggesting that different considerations were driving voting behavior and participation in the referenda. The unemployment rate is positively related to support for EU membership (although it is only significant after we control for the structure of employment). In contrast, higher unemployment rates translate into lower participation in the referenda. The opposite holds for wages (although the estimated coefficients are at best marginally significant): they appear with a negative sign in the regressions for support and with a positive sign in those for participation. As discussed above, it is not clear whether lower turnout in high-unemployment and low wage regions (with the qualification that the results for wages are not highly significant) indicates indifference or opposition towards EU membership. These results show, nevertheless, that while depressed regions tend to have a significantly lower turnout rate, the voters who do cast

their votes in these regions show greater support for EU membership – possibly in anticipation of EU membership improving their regions’ economic malaise.

Columns 2 shows that when we add employment in the main sectors of the economy (except for Latvia and Lithuania for which comparable employment data were not available), we find that the share of employment in agriculture is negatively correlated with the support for EU membership and (along with the share of employment in industry) also with turnout. Thus, it seems that workers in these sectors fear they will lose out or at least do not expect to benefit as much from accession compared to the service sector (the omitted category). In particular, the negative impact of employment in agriculture on support for accession and turnout may also reflect fears concerning the opening up of the market for agricultural goods and disappointment with the low level of subsidies from the CAP which farmers in the new member countries will receive. Similarly, the negative coefficient obtained for industrial employment may be motivated by fears that membership in the EU will accelerate the downsizing of inefficient firms.

Suburban districts display higher support for membership and higher participation than regions with comparable economic conditions that are further away from major cities (however, the coefficient is only significant when the regressions include the employment variables). This suggests that economic conditions in the adjacent urban region (which tend to be more favorable than conditions in rural areas) have an important impact on suburban voters’ political preferences.

Finally, the coefficients on country dummies are all strongly significant, both for support and participation, indicating that there are important differences in support for EU membership across countries beyond that which can be attributed to different objective economic conditions (at least as measured by the very basic indicators used in our analysis).

6 Individual Determinants of Support for EU Membership

The previous section found that support for membership was higher but turnout was lower in depressed regions. It also observed that both support for accession and turnout were lower in regions with a large share of employment in agriculture and industry. These results, however, were obtained at an aggregate level – by analyzing regional

variation in support for membership and participation. While these results yield valuable insights for our understanding of pro-EU sentiment in the candidate countries, as they were obtained at the regional level, their extension to the individual-voter level is not straightforward. Therefore, we now extend this analysis by using data from the March/April 2002 CCEB survey. The dependent variable is based on responses to the following question: “*And if there were to be a referendum tomorrow on the question of (our country)’s membership, would you personally vote for or against it?*” whereby the possible answers included: “*for*”, “*against*”, and “*I would not go to vote*”. As in the preceding section, we consider both the support for EU membership and participation in the referendum. As ‘not going to vote’ was presented as one of the alternatives in parallel with voting for or against accession, we analyze the respondents’ choices jointly by means of a multinomial logit regression (see Alvarez and Nagler, 1998, for a discussion of the applicability of different statistical methods to decisions situations with multiple choices). This method requires that one of the choices be designated as the base category, therefore, to make the interpretation of the coefficient estimates straightforward, we designate “*voting against*” as the base category. The results are presented in Table 7. The first column presents the coefficient estimates for the probability of choosing “*voting in favor*” compared to “*voting against*”. The second column, similarly, reports the coefficient estimates characterizing the probability of choosing “*not voting*” rather than “*voting against*”.

A number of socio-economic variables are included among the explanatory variables: gender, marital status, age (including a quadratic term), number of children in the household, number of household members, dummies for education, occupation and place of residence (village, small town or city), respondents’ history of unemployment (number of unemployment spells over the past five years) and household income or standard of living. Concerning the latter, we report regressions estimated using self-reported well being (rich, comfortable, average, getting along or poor, with rich/comfortable being the reference category). The results obtained with income quartiles (nationally based) and an indicator stating whether the respondent considers their household income higher than necessary, sufficient or insufficient to meet their household’s needs (insufficient income being the omitted category) are qualitatively very similar and therefore are not reported

(they can be obtained from the authors upon request). Finally, we also include dummies indicating the respondent's country in order to take account of country specific effects.

Table 7 Individual Determinants of Intended Voting in Favor of EU Membership

	Will vote for membership		Will not vote	
Female	-0.041	(0.052)	0.373***	(0.083)
Married/remarried/cohabiting	-0.017	(0.063)	-0.306***	(0.096)
Age	-0.040***	(0.010)	-0.058***	(0.016)
Age squared.	0.0004***	(0.0001)	0.0005***	(0.0002)
Number of children	0.025	(0.025)	0.063*	(0.039)
Household size	-0.029	(0.023)	0.011	(0.036)
Education: Secondary	0.142*	(0.075)	-0.399***	(0.117)
Education: University	0.353***	(0.089)	-0.463***	(0.141)
Student	0.342***	(0.138)	-0.564***	(0.211)
Self-employed	-0.137	(0.117)	-0.178	(0.205)
White-collar professional	0.202**	(0.085)	-0.107	(0.138)
House person	0.017	(0.103)	-0.151	(0.174)
Unemployed	0.056	(0.102)	-0.271*	(0.167)
Retired	-0.032	(0.102)	0.029	(0.161)
Farmer/fisherman	-0.319**	(0.157)	-0.868***	(0.334)
Unemployment experience: once	-0.045	(0.080)	0.029	(0.127)
Unemployment experience: twice/more	0.019	(0.101)	0.286*	(0.160)
Well-being: average	-0.422***	(0.090)	-0.084	(0.156)
Well-being: getting along	-0.767***	(0.094)	-0.170	(0.161)
Well-being: poor/very poor	-1.098***	(0.112)	-0.256	(0.182)
Small/mid-sized town	0.140**	(0.062)	-0.153	(0.096)
City	0.239***	(0.066)	-0.104	(0.104)
Cyprus	-1.377***	(0.195)	-1.543***	(0.331)
Czech Rep.	-1.972***	(0.164)	-0.478**	(0.224)
Estonia	-2.239***	(0.158)	-0.699***	(0.216)
Hungary	-0.112	(0.190)	-0.296	(0.260)
Latvia	-2.483***	(0.157)	-1.641***	(0.233)
Lithuania	-1.594***	(0.166)	-0.535**	(0.230)
Malta	-2.653***	(0.187)	-2.067***	(0.315)
Poland	-1.817***	(0.149)	-0.685***	(0.203)
Romania	0.845***	(0.236)	0.095	(0.317)
Slovakia	-0.657***	(0.177)	-0.091	(0.238)
Slovenia	-2.163***	(0.162)	-1.660***	(0.243)
Turkey	-1.399***	(0.158)	-2.699***	(0.276)
Constant	3.931***	(0.303)	1.800***	(0.445)
Log likelihood	-8000.1285			
Pseudo R ²	0.103			
Wald χ^2	1418.71***			
No. of observations	11,263			

Notes: The dependent variable corresponds to the following question: “*And if there were to be a referendum tomorrow on the question of (country) ’s membership, would you personally vote for or against it?*” Possible answers are ‘for’, ‘against’, and ‘will not vote’. Both equations are estimated jointly by multinomial logit with ‘will vote against EU membership’ being the base category. Heteroskedasticity-robust standard errors are in parentheses. The omitted categories are: male, not married or not cohabiting, primary education, manual worker, no past unemployment experience, rich/very comfortable/comfortable well-being, village/rural area, and Bulgaria. Significance levels: *** 1%, ** 5% and * 10%.

In order to interpret how the various factors affect respondents' choices over the three alternative courses of action (voting in favor, voting against or not participating), one has to consider both sets of results jointly. Accordingly, women are less likely than men to participate in the referendum whereas the opposite holds for married respondents, but neither gender nor marital status is correlated with supporting membership among those who intend to vote. Older respondents are less likely to choose either voting in favor or abstaining, suggesting that age is correlated with the probability of voting against EU membership (the relationship is U-shaped, however, so that support and non-participation start increasing again once the respondent reaches 50 years of age). Higher education and being a student both increase the likelihood of participating and voting in favor of EU membership. Having a white-collar occupation, a higher standard of living (or higher income), and living in a town or city are all associated with higher support for accession but do not affect the choice between voting against or not participating. Current unemployment and having experienced two or more unemployment spells in the past have an opposite effect on participation, suggesting that unemployed respondents are more likely to participate, except for those who have a history of multiple past unemployment spells. Neither being currently unemployed nor having had unemployment spells in the past, however, affects the respondents' support for the EU (unemployment may lower support for accession indirectly because it lowers the respondents' well-being but does not appear to have an effect going beyond that). Farmers, finally, are less likely to cast a vote in favor of EU membership and, even more so, less likely to abstain, indicating that farmers are quite strongly opposed to entering the EU.

Even after controlling for individual characteristics, the country dummies remain strongly significant, indicating that there are important differences in attitudes towards the EU also at the aggregate level. In particular, most countries, with the exception of Romania and Hungary, are less supportive of the accession than Bulgaria (which is the omitted country), with Malta, Estonia, Latvia and Slovenia appearing especially skeptical about accession. Interestingly, Turkey, which appeared strongly pro-EU (along with Bulgaria, Hungary and Romania) when reviewing aggregate numbers, turns out less enthusiastic about EU membership after we control for individual characteristics. It is

interesting to note that Bulgaria, Hungary, Romania and Slovakia, which show relatively high rates of support for EU membership, have also higher rates of intended non-participation than the other countries. This may indicate that the high aggregate levels of support for EU membership in these countries may in fact disguise the fact the opponents of accession tend to choose non-participation rather than cast a negative vote.

Voters in any election are faced with two distinct decisions: they must first decide whether to participate or not and, second, choose how to cast their vote. So far, we were only able to analyze the attitudes towards EU membership for those respondents who indicated that they would participate in the referendum. This is dictated by our data, as the respondents who did not intend to vote (or were undecided) were not asked which outcome they would, nevertheless, prefer. We can, however, obtain an insight into the preferences of abstainers by using a question which asks respondents whether they think their country will benefit from EU membership (*“Taking everything into consideration, would you say that (our country) could get advantages or not from being a member of the European Union?”*). Cross-tabulating responses to this question with those on intended voting indicates that voting intentions are indeed closely correlated with expectations on gains from membership: only approximately 5% of those who intend to vote in favor of accession think that their country could not gain from it; among those opposed to EU membership, 15% expect their country to gain nonetheless.

We can thus divide the respondents into four groups: (1) those who believe their country will not benefit from membership and do not intend to participate, (2) those who believe their country will not benefit from membership but intend to participate, (3) those who believe their country will benefit from membership but do not intend to participate, and (4) those who believe their country will benefit from membership and intend to participate. Again, we analyze respondents’ decisions over multiple choices and therefore employ a multinomial logit model. We designate the EU pessimistic respondents who intend to vote (this being the second largest category of the four) as the base category. Regression results with income measured again by self-reported well-being are reported in Table 8.²¹

²¹ The results with the other two measures of income are qualitatively very similar and therefore are not reported here but can be obtained from the authors upon request.

Table 8 Interaction between Attitudes towards the EU and Intended Participation in Referendum

	EU pessimist – will not participate (1)	EU optimist – will not participate (2)	EU optimist – will participate (3)
Female	0.270** (0.138)	0.337* (0.176)	-0.038 (0.055)
Married/remarried/cohabiting	-0.409*** (0.155)	-0.172 (0.217)	-0.080 (0.066)
Age	-0.012 (0.027)	-0.065* (0.038)	-0.037*** (0.011)
Age squared.	0.0002 (0.0002)	0.0005 (0.0004)	0.0003*** (0.0001)
No. of children	0.001 (0.068)	-0.033 (0.101)	0.020 (0.026)
Household size	0.000 (0.059)	0.033 (0.082)	-0.017 (0.024)
Education: Secondary	-0.278 (0.193)	-0.319 (0.308)	0.080 (0.079)
Education: University	-0.503** (0.231)	-0.285 (0.355)	0.241*** (0.093)
Student	-1.057*** (0.391)	0.491 (0.421)	0.350** (0.147)
Self-employed	-0.011 (0.326)	0.017 (0.475)	0.009 (0.126)
White collar professional	-0.420* (0.235)	0.301 (0.289)	0.193** (0.089)
House person	-0.227 (0.328)	0.322 (0.373)	0.086 (0.109)
Unemployed	-0.182 (0.281)	-0.141 (0.374)	-0.013 (0.106)
Retired	0.262 (0.246)	0.291 (0.395)	0.051 (0.106)
Farmer/fisherman	-0.194 (0.394)	-1.185 (1.048)	-0.371** (0.159)
UE experience: Once	-0.279 (0.229)	0.205 (0.275)	-0.009 (0.083)
UE experience: twice/more	0.193 (0.261)	0.740** (0.305)	0.068 (0.106)
Well-being: Average	-0.578** (0.267)	-0.344 (0.287)	-0.592*** (0.097)
Well-being: Getting along	-0.406 (0.273)	-0.442 (0.306)	-0.878*** (0.102)
Well-being: poor/very poor	-0.717** (0.311)	-1.145*** (0.397)	-1.316*** (0.119)
Small/mid-sized town	-0.404*** (0.163)	0.027 (0.203)	0.077 (0.065)
City	-0.174 (0.173)	-0.334 (0.246)	0.207*** (0.069)
Cyprus	-1.975*** (0.787)	-0.618 (0.811)	-0.976*** (0.206)
Czech Rep.	-0.395 (0.356)	-0.293 (0.596)	-1.995*** (0.164)
Estonia	-0.209 (0.333)	-0.088 (0.587)	-1.946*** (0.157)
Hungary	-0.027 (0.406)	0.860 (0.616)	0.180 (0.195)
Latvia	-1.450*** (0.378)	-1.922*** (0.724)	-2.395*** (0.155)
Lithuania	-0.177 (0.359)	0.469 (0.589)	-1.343*** (0.167)
Malta	-3.003*** (0.778)	-1.576** (0.806)	-2.482*** (0.188)
Poland	-0.314 (0.306)	-0.057 (0.544)	-1.762*** (0.146)
Romania	-0.115 (0.446)	0.295 (0.734)	0.514** (0.209)
Slovakia	-0.179 (0.359)	0.663 (0.560)	-0.886*** (0.168)
Slovenia	-1.331*** (0.379)	-0.687 (0.593)	-1.943*** (0.161)
Turkey	-2.630*** (0.477)	-1.799*** (0.648)	-1.281*** (0.156)
Constant	0.377 (0.733)	-0.388 (1.019)	4.091*** (0.311)
Log likelihood	-6464.680		
Pseudo R2	0.105		
Wald χ^2	1179.10***		
No. of observations	9853		

Notes: All three equations are estimated jointly by multinomial logit with ‘EU pessimist – will participate’ being the base category. Heteroskedasticity-robust standard errors are in parentheses. The dependent variable combines answers to the question “*Taking everything into consideration, would you say that (country) could get advantages or not from being a member of the European Union?*” with an indication on intended participation in the referendum on EU membership. The omitted categories are: male, not married or cohabiting, primary education, manual worker, no past unemployment experience, rich/comfortable well-being, village/rural area, and Bulgaria. Significance levels: *** 1%, ** 5% and * 10%.

The results for the EU optimists who intend to vote are similar to those obtained above for the Yes vote – not surprisingly, as the two regression equations are estimated over very similar supports. As before, however, one should consider results across all three categories jointly to make proper inferences about attitudes towards the EU. Women are less likely to participate however there is little difference between those who are optimistic and those who are pessimistic about EU membership. Married respondents are less likely to be non-voting pessimists and, therefore, more likely to belong in any of the three remaining categories. Both of these results further refine the findings reported previously. The probability of being an optimist (voting or not) falls with age so that older people tend to be less enthusiastic about accession, but the effect again appears U-shaped (at least for those who intend to vote) and becomes positive after reaching approximately the age of 62). Students, those with university education and white-collar professionals are more likely to be optimists and cast their vote and less likely to be non-voting pessimists (i.e. education and skills are also positively correlated with overall participation). Again, farmers appear strongly skeptical about the entry into the EU. The pattern for subjective well-being is similar across all three categories: poorer respondents are less likely to belong to any category and thus are more likely to be pessimistic about accession and also participate in the referendum; this effect is particularly strong for the least affluent group. Finally, while current unemployment does not significantly affect any category, those who had been unemployed at least twice in the past are more likely to be optimistic about accession but abstain from voting. Thus, while unemployment experience does not make people more pessimistic about EU membership, it does seem to discourage them from voting in the referendum – a finding that is similar to the one obtained for unemployment in the regional analysis.

7 Conclusions

EU membership is widely expected to bring large gains to the ten countries that are due to enter in 2004. Yet, in recent opinion polls as well as in the referenda on accession that took place in the course of 2003, support for EU entry was far from overwhelming. In a number of cases (for example Malta, the Czech Republic and Estonia), it appeared conceivable beforehand that the referendum would not pass. Although all the referenda

eventually resulted in an endorsement for accession, these high rates of support often disguised very low rates of voter turnout. In some countries (e.g. Poland and Slovakia), the turnouts barely exceeded the legally mandated 50% threshold which was required to make the vote binding.

This paper sheds some light on these developments by analyzing regional and individual determinants of support for accession and voters' participation in the referenda. We argue that accession will affect the citizens of the new member countries in two ways: through efficiency gains and new economic opportunities arising from accession to the European Single Market, and by being included in the EU-wide system of redistribution via Structural and Cohesion funds and the Common Agricultural Policy. However, each effect will have different implications for the various socio-economic groups, with some gaining and others undoubtedly losing. By relating voting behavior in the referenda or voting intentions as expressed in opinion polls, to regional and individual socio-economic characteristics, we can identify the winners and losers of this EU enlargement.

We find that those with favorable and relatively flexible human capital tend to support EU membership. In particular, those with high education (or still in school), white-collar occupations, high income, young age and living in urban areas are more likely to participate in the accession referenda and vote in favor of EU membership. Similarly, regions with favorable economic conditions (low unemployment and high wages) display greater turnout (albeit not greater support). In contrast, and surprisingly, those who should in principle benefit from redistribution in the EU – the elderly, blue-collar workers, less educated, those with repeated history of unemployment, those living in rural areas and also those living in underdeveloped or agricultural regions – tend to be against accession and/or do not vote.

Hence, it appears that the nationals of the new member states tend to put a greater weight on the gains from improved efficiency and new opportunities while they discount potential benefits from receiving subsidies from the richer EU member states. While the latter conclusion appears surprising at first sight, it seems warranted given that the transfers which the new members will receive after accession have been revised and in

effect scaled down considerably compared to expectations and also relative to the transfers received by other less developed entrants in the wake of previous enlargements.

Another plausible explanation is that voters perceive accession to the EU as a natural continuation, and indeed ultimate outcome, of the post-communist transition from central planning to a market economy, and therefore their support for EU membership reflects whether they gained or lost from market-oriented reforms (and whether they expect to gain from further liberalization and intensification of competition). Indeed, the supporters of EU membership tend to have similar socio-economic profiles as voters of liberal, pro-reform parties (see Fidrmuc, 1999a,b; Jackson, Klich and Poznańska, 2001; and Doyle and Fidrmuc, 2003).²² Furthermore, membership in the EU, and eventually in the EMU, will impose important constraints on national fiscal policy and thus the ability of governments to compensate those made worse off by accession as well as the on-going reform process (Vlachos, 2003, makes a similar point about voting in the Swedish referendum preceding that country's EU entry in 1995).

Finally, and importantly, our findings show that voters in the candidate countries supported accession holding greater efficiency and economic integration rather than fiscal transfers as their primary motivation. There is little political will among the current EU members to finance extending the transfers and subsidies to the ten new member countries without a substantial reform of the redistribution system. The voters in the candidate countries appear to be aware of this but they approved the accession nonetheless. Thus, while the scaling down of the scope for transfers and subsidies (relative to initial expectations) probably helped drive down the support for EU membership, the other benefits (efficiency improvements but also increased political and economic stability and other gains) made the prospect of EU membership sufficiently attractive to sway a critical mass of voters in favor of accession.

²² A study by Tucker, Pacek and Berinsky (2002), using the 1996 Eurobarometer survey, also found that regardless of demographic characteristics, the “winners” from transition are more likely to support accession to the EU than the “losers”.

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