

# Evaluation of major political institutions by residents of the countries with economies in transition: a comparative analysis according to WVS.

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## Abstract

How much do people in countries with transitional economies trust basic political institutions such as the government, the parliament, political parties, the justice system, the armed forces, and the police? How much is the degree of confidence influenced by individual-level socio-economic characteristics such as education, age, income, gender, marital status, and social status? Are there any similarities between the attitudes of the inhabitants of countries with transitional economies and those of residents of developed countries? The present study aims to answer these questions. This article presents empirical evidence, introducing results obtained using the data from the fifth wave of the World Values Survey. It is noteworthy that in most countries with transitional economies, the level of confidence in security institutions (the army, police, etc.) and in the judicial system is higher than the level of confidence in the national government. Likewise, the national government receives higher confidence ratings than the parliament or political parties. To identify individual determinants of trust, ordered logit models were established. The dependent variables were the answers to the questions "How much do you trust the government," "How much do you trust the parliament," etc., (with possible responses from 1 – "completely trust" to 4 – "do not trust.") The abovementioned characteristics of individuals were used as independent variables together with two macroeconomic indicators for entire nations: PPP GDP per capita and the Corruption Perception Index. The most interesting of the results obtained were as follows. In the countries with economies in transition, the availability of higher education reduces the credibility of the main political institutions (although the opposite was found to be true for some institutions in OECD countries). The degree of confidence increases with personal income of the individual, but in transition countries with lower GDP per capita, the level of trust is higher (whereas this is not the case in OECD countries). The main results have been used to generate policy suggestions.

## 1. Introduction

The credibility of the main institutions of a country is critical to its operation, affecting both its rate of economic growth (as confirmed empirically in (Glaeser, 2004), (Acemoglu et al., 2005), (Asoni, 2008), and (Lee, 2009)) and the behavior of its voters during elections (confirmed empirically in (Arendt, 2006) and (Scott, 2008)).

Numerous researchers have attempted to identify factors that influence the degree of trust of citizens of different countries in basic social, political, and financial institutions. The following is a brief review of studies whose focus is closest to that of the present work.

Bean C. (2003) compared confidence levels in 14 different Australian institutions, using multiple regression analysis to evaluate several dimensions of confidence. For this purpose, Bean used ten independent variables: gender, age, education, occupational grade, trade union membership, subjective social class, religious denomination, church attendance, region of residence and political party identification. One of the interesting results of this analysis was that there was no general trend with regard to the credibility of the institutions considered. Their credibility levels were sometimes static, sometimes decreased, and sometimes even increased; for example, the credibility of the army has grown in recent years. Another interesting finding is that confidence levels are correlated with important socio-demographic characteristics such as gender and educational level. Similarly, age was found to be significantly related to almost all of the dependent variables. Tranter and Skrbiš (2009) also studied the determinants of confidence in Australia but focused specifically on youth. They found that the degree of confidence in parents, relatives, friends, neighbors, teachers, politicians, religious leaders, police, and television depends on the sex, religion, and family characteristics of the respondent. Tao et al. (2010), using data from surveys of 2,005 residents of Chinese villages, showed that respondents' attitudes toward local authorities depend on their age and party membership and on whether they run their own businesses but not on education. Ivkovic S. (Ivkovic S., 2008) studied the determinants of public support for the police in 28 countries. They found that the respondents' views of the police – both their general confidence levels and their specific beliefs about police ability to control crime – were affected by the respondents' gender and age and by the quality of governance in their country of residence.

Several researchers have noted that not only analyzing the socioeconomic characteristics of individuals but also taking into account certain macroeconomic indicators for the countries in which those individuals live can significantly increase the explanatory power of models.

For this purpose, multilevel models are often used in this research. Cammett and Lynch (2008) analyzed the 2006-2007 European Social Survey for 40,000 residents of Eastern and Western Europe, using variables such as individual education levels, age, employment status, and nationality. They found that when health care services are provided by private companies and financed privately, the degree of trust in national governments

decreases (the relevant variables were used at the country level). Another interesting study in this vein is that of Korbiel I. et al. (2009), who studied trust in the police, the court systems and the parliaments of 25 European countries based on the third wave of the ESS. As independent variables, the researchers considered individual education levels, household income, gender and age. As second-level variables, the authors used the corruption index, the index of democratic development, GDP at purchasing power parity and the crime rate. At the individual level, the coefficient for gender was non-significant, and at the country level, only the coefficient of the corruption index was significant. Kelleher C. et al. (2007) used an ordinal logit model that included education, race, age, sex, ratio of women to men in the workforce and a measure of income inequality as the independent variables for explaining public confidence in the branches of the state government. Again, the coefficient of the variable representing the level of corruption was significant in all models.

The current paper continues to address the relationship between the socioeconomic characteristics of citizens and their attitudes toward their main political institutions, including the government, the police, and the parliament. With the help of ordered logit models using data from the fifth wave of the World Value Survey for 10 transition countries, we consider the influence of the social and economic characteristics of individuals on their confidence in social and political institutions. We also compare the results obtained for transition and OECD countries. This paper is organized as follows. Section 2 describes the data, variables and models used in this study. Section 3 describes the results of the model estimation and presents an interpretation of the results. Section 4 concludes the paper with some policy-related suggestions.

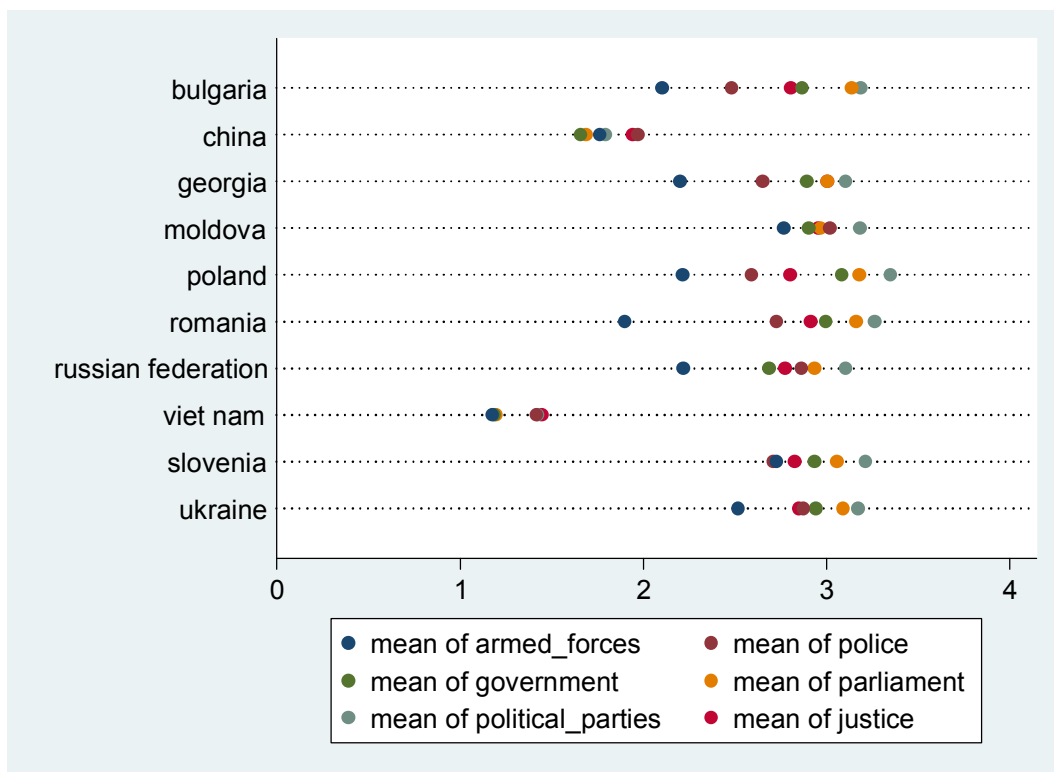
## **2. Data, Variables and Models**

The data for this study were taken from the fifth wave (2007-2008) of the World Values Survey (WVS). The WVS contains a great deal of information on individual features such as age, sex, education, income and wages as well as information on demographic characteristics. We used these features as the independent variables in our empirical analysis. The WVS also contains a series of questions regarding the attitudes of individuals toward their main social and political institutions, including the armed forces, the police, the government, and the parliament. Appendix 1 provides a list of the transition countries studied and indicates the number of respondents from each. We compared these countries with OECD countries, whose information is presented in Appendix 2.

In our estimated models, which are described in the next section, we used the following as our dependent variables: Armed\_Forces, Police, Government, Parliament, Political\_Parties, and Justice. Our questions were as follows: “How much confidence do you have in the armed forces, police, government, parliament, political parties, the judicial system, and the press?” (We created a separate question for each individual organization.) The possible responses were 1 – “A great deal,” 2 – “Quite a lot,” 3 – “Not very much,” and 4 – “Not at all.”

For each of the 10 transition countries, the average level of confidence of the residents in each of the six institutions was calculated. Figure 1 shows the results. The abscissa scale contains responses to the questions regarding confidence in all of the institutions being analyzed; again, a value of 1 corresponds to the response "a great deal" and a value of 4 to the response "not at all". Thus, the farther a point is to the right (indicating the average level of trust in a specific institution), the less the citizens of the country trust that institution.

**Figure 1. The transition countries**

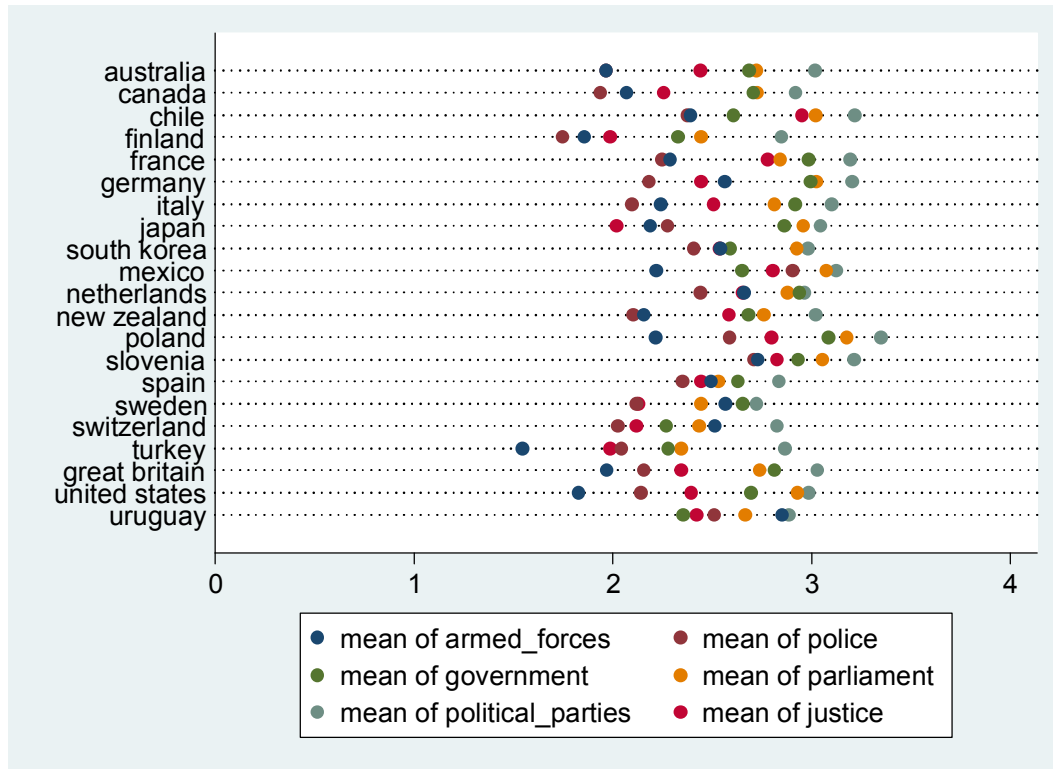


As Figure 1 indicates, the highest level of confidence is in Vietnam. China and Vietnam are slightly different from the other transition countries. Chinese citizens trust the government most and the police least. In the other transition countries, the army is the most

popular institution, followed by the police, then the government, then the parliament, and finally the nation's political parties.

We have done similar calculations for the OECD countries. The results are shown in Figure 2.

**Figure 2. The OECD countries**



These results indicate that for the OECD countries, almost all points are located (as was also true for the transition countries) between 2 and 3, but the order of the points is different. The most popular institutions in OECD countries are the police, the army, and the judicial system. The least popular institutions, as in countries in transition, are political parties.

To develop a better understanding of the determinants of the attitudes of citizens of transitional countries regarding their citizens to main political institutions, we ran a series of ordered logit models.

The standard ordered logit model is as follows:

Let  $-\infty = c_0 < c_1 < \dots < c_{m-1} < c_m = \infty$  be a set of points on  $\mathbb{R}$ ,

$$\{y_i = k\} \Leftrightarrow \{c_{k-1} < y_i^* < c_k\},$$

with  $y^*$  the latent variable, which is linearly dependent on the explanatory factors.

Then, let

$$\Pr(y_i = k | x_i) = F(c_k - x_i'\beta) - F(c_{k-1} - x_i'\beta), \quad k = 1, \dots, m \quad (1),$$

where  $F$  is a function of the logistic distribution.

As independent variables, we used the following individual characteristics: age (the variable *Age*), gender (the variable *Sex*), secondary or higher education (the variables *Educmid* and *Eduhigh*), income (the variable *Income*), marital status (the variable *Marital*), managerial experience (the variable *Supervisor*), and unemployment (the variable *Unemployed*).

A description of the independent variables used in the models is presented in Appendix 3.

To take into account not only the individual characteristics of the inhabitants of these countries but also the macroeconomic indicators for the nations themselves, we included in our models the country-level variables *GDP* and *CPI* (Corruption Perception Index, calculated by Transparency International, [www.transparency.org](http://www.transparency.org)).

### 3. Results

The results of the estimations of the ordered logit models for transition countries are presented in Table 1; for OECD countries, they are presented in Table 2.

**Table 1. Results of the estimation of the ordered logit models for transition countries**

Independent Variables	Dependent variables					
	Armed Forces	Police	Government	Parliament	Political Parties	Justice
Sex	0.232***	-0.043	-0.005	0.051	-0.006	-0.116***
Age	0.014	0.039***	0.031***	0.044***	0.024***	0.048***
Agesq	-0.000	-0.000***	-0.000***	-0.000***	-0.000**	-0.000***
Educmid	1.029***	1.108***	1.259***	1.268***	1.224***	1.151***
Eduhigh	1.378***	1.332***	1.68***	1.7***	1.585***	1.558***
Income	-0.062***	-0.08***	-0.095***	-0.096***	-0.079***	-0.096***
Marital	-0.213***	-0.246***	-0.244***	-0.281***	-0.208***	-0.233***
Unemployed	0.622***	0.634***	0.619***	0.56***	0.637***	0.633***
Supervisor	-0.232***	-0.195***	-0.303***	-0.311***	-0.257***	-0.179***
CPI	0.174***	-0.24***	0.006	-0.09***	-0.12***	-0.058**

GDP	0.000***	0.000***	0.000***	0.000***	0.000***	0.000***
Age turning point	65	58	54	57	64	63

\*, \*\*, \*\*\* - significant at 10%, 5%, and 1%, respectively

\*\*\*\* - calculated by the formula  $-\beta_{age} / 2\beta_{agesq}$

**Table 2. Results of the estimation of the ordered logit models for OECD countries**

Independent Variables	Dependent variables					
	Armed Forces	Police	Government	Parliament	Political Parties	Justice
Sex	0.082***	-0.143***	0.025	0.117***	-0.002	-0.018
Age	0.018***	0.018***	0.023***	0.025***	0.034***	0.021***
Agesq	-0.000***	-0.000***	-0.000***	-0.000***	-0.000**	-0.000***
Educmid	0.031	0.017	-0.106***	-0.012	-0.06	-0.137***
Eduhigh	0.319***	0.03	-0.218***	-0.288***	-0.231***	-0.285***
Income	-0.021***	-0.006	-0.044***	-0.047***	-0.048***	-0.048***
Marital	-0.205***	-0.224***	-0.117***	-0.163***	-0.113***	-0.185***
Unemployed	0.392***	0.31***	0.431***	0.401***	0.414***	0.322***
Supervisor	-0.151***	0.112	0.045	0.084**	0.121***	0.071**
CPI	0.026*	-0.199***	-0.052***	-0.119***	-0.019	-0.058**
GDP	0.000***	-0.000***	0.000***	-0.000	-0.000***	-0.000***
Age turning point ****	47	31	44	43	48	59

\*, \*\*, \*\*\* - significant at 10%, 5%, and 1%, respectively

\*\*\*\* - calculated by the formula  $-\beta_{age} / 2\beta_{agesq}$

Based on the results of the estimation of the ordered logit models, one can conclude the following:

- Women in both transition and OECD countries trust the army less than men do.
- The influence of age on confidence levels is parabolic: initially, the trust level decreases, but upon reaching a particular turning point, it then increases. Note that the turning point

is higher for the inhabitants of countries with transitional economies than for residents of the OECD countries.

- The presence of higher or secondary education reduces the degree of confidence in major social and political institutions for citizens of transition countries. For residents of OECD countries, this relationship of dependence only exists for the army. More educated residents of OECD countries have more confidence in their government, their parliament, their political parties and their judicial system.
- Increases in income and having a family, both in transition countries and in OECD countries, increases confidence in these institutions.
- Unemployment in both transition and OECD countries creates a lower level of trust in political institutions.
- Supervisors in transition countries are more trusting of all institutions (whereas this is not the case for residents of OECD countries).
- Although the level of public confidence in major institutions increases with personal income, increased per capita income in transition countries reduces the degree of trust in all basic institutions. For residents of OECD countries, the same relationship holds only for the government and the army. Increased per capita income in OECD countries increases the degree of confidence in the police, the parliament, political parties, and the judicial system.
- The less corrupt a country is, the higher its citizens' level of confidence in all political institutions except the army. For the armed forces, the opposite relationship emerged, both for OECD countries and for countries in transition.

#### **4. Concluding remarks**

The results obtained yield the following conclusions and policy implications.

- To increase the confidence of the residents of countries with transitional economies in the main political institutions in those nations, different strategies will have to be used than are used in developed countries. It will be necessary to take into account the specificities of countries with economies in transition. In particular, it will be important to keep in mind that in countries with economies in transition, more educated citizens are more critical of major political institutions.
- Similar recommendations can be made with regard to middle-aged people, who are more critical about major institutions than are young and old people.



- Marital status creates greater confidence in basic institutions; therefore, it makes sense to promote family values.
- The degree of confidence in major social and political institutions increases with income. Thus, creating favorable conditions for increases in welfare (e.g., by decreasing the tax burden and helping to develop small- and medium-sized enterprises, particularly by providing affordable loans), could lead to an increase in public trust.
- Reducing corruption on the national level should increase the credibility of almost all political institutions.

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### Appendix 1. List of transition countries

<b>№</b>	<b>Country</b>	<b>Number of respondents</b>
1	Bulgaria	845
2	China	993
3	Georgia	1,066
4	Moldova	984
5	Poland	815
6	Romania	1,447
7	Russian Federation	1,554
8	Viet nam	1,309
9	Slovenia	909
10	Ukraine	625

### Appendix 2. List of OECD countries

<b>№</b>	<b>Country</b>	<b>Number of respondents</b>
1	Australia	1,338
2	Canada	1,812
3	Chile	919
4	Finland	975
5	France	937
6	Germany	1,737
7	Italy	912
8	Japan	859
9	South Korea	1,191
10	Mexico	1,467
11	Netherlands	839
12	New Zealand	730
13	Poland	815
14	Slovenia	909
15	Spain	1,068
16	Sweden	910
17	Switzerland	1,083
18	Turkey	1,212

19	Great Britain	831
20	United States	1,159
21	Uruguay	913

### Appendix 3. List of independent variables

Name of variables in the WVS	Values	New variables	Values
X003 – Age	Continuous	Age= X003	Continuous
		Agesq= age*age	Continuous
X001 – Sex	1 – male, 2 – female	sex= X001	1 - male, 2 - female
X025r – Education level	1 – lower, 2 – middle, 3 – upper	Educlow(reference category)	1, if X025r =1 0, if X025r ≠ 1
		Educmid	1, if X025r =2 0, if X025r ≠ 2
		Educhigh	1, if X025r =3 0, if X025r ≠ 3
X028 – Employment status	1 - Full time, 2 - Part time, 3 - Self employed, 4 – Retired, 5 – Housewife, 6 – Student, 7 – Unemployed, 8 - Other	Unemployed	1,if X028 =7 0, if X028 ≠ 7
X007 – Marital status	1 - Married, 2 – Living together as married, 3 - Divorced, 4 – Separated, 5 – Widowed, 6 – Single, 7 - Divorced, Separated or – Widowed, 7 – Living apart but steady relation	Marital	1,if X007 = 1,2; 0, if X007 ≠ 1,2
X047 – Scale of incomes	1 – lower step, ..., 10 – tenth step	Income = X047	1 – lower step, ..., 10 – tenth step
X031 – Are you supervising someone?		Supervisor =X031	0 – no, 1 – yes