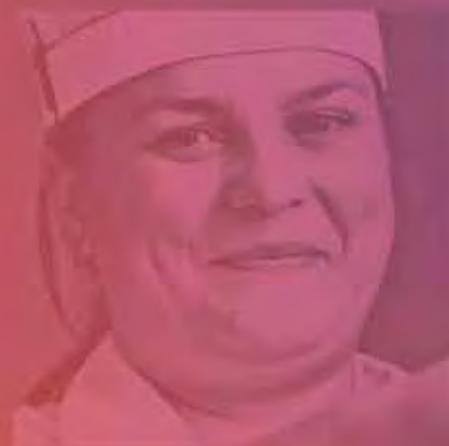




# 2

## Attitudes and values

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## Introduction

More than two decades have passed since the collapse of the Berlin Wall in 1989, and the period since then has been one of profound upheaval for most people in the region, from central Europe to central Asia. The political and economic systems of most countries have been transformed, to a greater or lesser extent, and the region as a whole has become integrated into the global economy to a degree that was unimaginable 20 years ago. The effects of the transition on economic variables such as gross domestic product (GDP) growth, unemployment, investment and exports have been well documented. What is less well understood is how transition has affected people's attitudes and values: their overall sense of well-being and optimism, their views on markets, democracy and the role of the government, and their attitudes towards particular population groups.

This chapter identifies some preliminary answers provided by the second round of the Life in Transition Survey (LiTS II) conducted in 2010. The survey reveals that people in the transition region remain, on average, almost as happy as they were at the time of the first round (LiTS I) in 2006 – an encouraging result, given the negative changes in the economic environment in the meantime. At the same time, however, most of them are significantly less satisfied than their western European neighbours.<sup>1</sup> Moreover, their hopes that their children's lives will be better than their own, although still much higher than those in more developed and richer countries of western Europe, seem to have fallen. Support for market economics and democracy remains reasonably strong in many countries, even though several of the new European Union (EU) member states are experiencing less positive attitudes in this respect than in 2006. People's preferences for democracy in particular lag well behind those recorded in western Europe.

Results of LiTS II are particularly interesting when compared to those of the previous round in 2006, which was the first systematic attempt to measure some of these attitudes and values across the whole transition region. LiTS I was carried out at a time when the region was generally prospering economically, with many countries enjoying a sustained period of growth.

In most cases, this was combined with progress in reforms and increasing economic and political integration into the wider world. Since then, a global economic crisis has occurred that has had a very negative impact on most transition countries. In 2009 alone, average (weighted) economic growth in the region was -5.2 per cent, with some countries – notably Armenia, the three Baltic states and Ukraine – suffering double-digit (in percentage terms) falls in GDP. There was, however, a partial recovery in 2010, with average GDP growth estimated at 4.2 per cent. LiTS II was therefore carried out at a time when, in most cases, the worst of the crisis had passed, although the trauma was still evident.

LiTS II records how key attitudes and values have evolved since 2006, but goes beyond the scope of LiTS I in two important ways. First, this round has also included five western European “comparator” countries – France, Germany, Italy, Sweden and the United Kingdom – which contrast with the transition region quite strikingly in a number of ways. Second, a number of new questions have been included on attitudes and values, notably with regard to willingness to pay for better public services and tolerance towards other groups in the population. This chapter presents both simple tabulations, as well as some econometric results that explain in more detail how different attitudes and values are linked to socio-economic characteristics.

## Life satisfaction and optimism about the future

In recent years studies of subjective well-being, or happiness, have attracted great interest around the world.<sup>2</sup> The evidence from transition countries is rather limited, but results so far suggest a relatively low level of life satisfaction on average, with some countries typically scoring near the bottom of the worldwide scale.<sup>3</sup> The LiTS II results suggest that a sizeable gap remains between the transition region and western Europe. At the same time, they show huge variation within the region, which can be partially explained by differences in the impact of the crisis (see Chapter 1). They also point to an interesting link between life satisfaction and optimism; within the transition region, people in the happier countries are more likely to believe that their children will do better than their own generation.

In LiTS I and II, respondents were asked the extent to which they agreed with the following statement:

***All things considered, I am satisfied with my life now.***

There were five response options (other than don't know or refuse to answer): strongly disagree, disagree, neither disagree nor agree, agree and strongly agree. In LiTS II, towards the end of the survey, respondents were posed a similar question: “All things considered, how satisfied or dissatisfied are you with your life as a whole these days?” and asked to score their response on a 10-point scale, with 1 meaning completely dissatisfied and 10 completely satisfied. The answers to the two questions are broadly comparable; for ease of comparison with 2006, Charts 2.1 and 2.2 below focus on responses to the first question, while the regression analysis uses the 10-point scale because it contains a wider variation of responses. The charts

<sup>1</sup>Earlier research has also shown a major gap between the transition regional and western comparators. For example, Deaton (2008) shows, using Gallup World Poll data, that people in the transition countries are exceptionally dissatisfied with their lives, and much more so in the earlier World Values Surveys than in the 2006 World Poll. There are several reasons for these lower levels of reported happiness: (i) unfairness and inequality; (ii) deterioration of provision of public goods; (iii) income volatility and increased uncertainty; and (iv) change in aspiration levels.

<sup>2</sup>There are some methodological problems associated with asking people to rate their level of satisfaction on a given scale, and comparisons across countries should be treated carefully because of linguistic, cultural and other differences that may be difficult to control for. Nevertheless, social scientists have

increasingly come to the view that such responses contain valuable information.

<sup>3</sup>See Sanfey and Teksoz (2007), Guriev and Zhuravskaya (2009) and Easterlin (2009). Guriev and Zhuravskaya (2009) find that the ‘happiness gap’ – the difference in life satisfaction between transition and non-transition countries – is statistically significant at the 1 per cent level and large in magnitude. Sanfey and Teksoz argue that socio-economic groups that exhibit relatively higher levels of happiness include students, people with higher levels of education and those with higher incomes. In addition, happiness declines with age until the early-50s and is slow to recover afterwards. Lastly, satisfaction levels are highest in those countries where standards of economic governance are most advanced and where inequality is lower.

group together the last two response options (“agree” and “strongly agree”), which are then divided by the total to show the percentage of “satisfied” people.

There is little change in overall life satisfaction in the transition region between 2006 and 2010. In the latter survey round, 42.7 per cent agree or strongly agree with the first statement above, compared to 44.2 per cent four years previously.<sup>4</sup> This is a surprising but encouraging result, given that the previous round was carried out during the economic boom while the latter survey was conducted in the wake of the crisis. It suggests a degree of resilience among the populations of the region, deriving perhaps from the years of hardship that many endured in the early years of transition.

Chart 2.1 shows the percentage of satisfied people in each country in 2010 and, excluding the western European comparators, in 2006. Life satisfaction has increased in 13 transition countries and decreased in 16.<sup>5</sup> The chart also demonstrates that few countries in the transition region come close to the high levels of life satisfaction seen in western Europe. Four of the top five countries are western European; only Italy among the comparators lags behind, with a satisfaction rate of around 50 per cent compared to around three-quarters of the sample in France, Germany and the UK and close to 90 per cent in Sweden. Perhaps surprisingly, levels of life satisfaction are higher in Tajikistan than in any other transition country. As this country is also the poorest country in the region (in terms of GDP per capita), it shows clearly that income is not the sole determinant of life satisfaction. The next four most satisfied transition countries are Uzbekistan, Slovenia, Poland and Mongolia. The lowest rates of happiness are in Romania and Hungary – both EU members – followed by Armenia and Georgia, two Caucasus countries.

The three Baltic states, Belarus, Romania and Slovenia experienced the biggest falls in life satisfaction between 2006 and 2010. With the exception of Belarus, these countries endured severe contractions during the economic crisis. In contrast, Azerbaijan and Mongolia, both of which were relatively insulated from the global downturn, witnessed a big rise in satisfaction, as did Montenegro, which is surprising given that country’s sharp recession in 2009. This suggests that GDP growth rates may significantly influence the differences in satisfaction across countries. This supposition is supported by a simple cross-country regression of the changes in life satisfaction on the 2009 GDP growth rate, whereby almost one-quarter of the variation in the former is explained by variation in the latter. In other words, countries that recently experienced larger GDP falls also saw their average life satisfaction contract.

How is life satisfaction related to socio-economic variables, such as respondents’ age, gender, education and so on, and how important are country-level variables? These questions can be addressed using econometric techniques. Within the transition country sample, the level of life satisfaction on the 1-10-point scale is regressed on a number of control variables in order to look at the relationship between each variable and life satisfaction (see column 1 in Table 2.1).<sup>6</sup>

**Table 2.1**  
**Life satisfaction and optimism<sup>5</sup>**

	Life satisfaction	Optimism
Monthly income <sup>1</sup>	0.476*** (0.0721)	-0.0259 (0.0394)
Female	0.0804* (0.0413)	0.0288 (0.0177)
Divorced	-0.370*** -0.1	-0.0152 -0.0506
Widowed	-0.131* -0.0744	0.056 -0.0533
Bachelor's level of education	0.826*** -0.24	-0.00899 -0.123
Master's level of education	1.048*** -0.283	0.122 -0.147
Age	-0.0246*** (0.00558)	-0.0110*** (0.00352)
Age squared	0.000408*** (0.0000968)	0.000173*** (0.0000511)
Very bad health	-1.900*** (0.125)	-0.437*** (0.112)
Unemployed	-0.555*** (0.0735)	-0.0799* (0.0433)
GDP per capita, 2009	0.201 (0.141)	-0.260 (0.0905)
Life satisfaction		0.0887*** (0.0114)
N	23,911	21,183
R-sq	0.149	0.069
adj. R-sq	0.149	0.068

Source: LITS II (2010) and World Development Indicators.

Note: + and - signs indicate whether a variable is positively or negatively associated with life satisfaction (or optimism).

\*\*\* significant at 1 per cent level of significance, \*\* significant at 5 per cent level of significance,

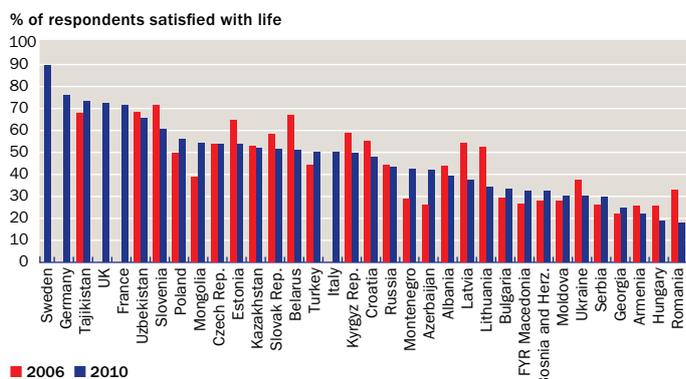
\* significant at 10 per cent level of significance.

<sup>1</sup> Log of monthly income.

**Table 2.2**  
**Questions on market economy and democracy**

Market economy (choose one)	Democracy (choose one)
1. A market economy is preferable to any other form of economic system.	1. Democracy is preferable to any other form of political system.
2. Under some circumstances, a planned economy may be preferable to a market economy.	2. Under some circumstances, an authoritarian government may be preferable to a democratic one.
3. For people like me, it does not matter whether the economic system is organised as a market economy or as a planned economy.	3. For people like me, it does not matter whether a government is democratic or authoritarian.

**Chart 2.1**  
**Comparative life satisfaction levels, 2006 and 2010**



Source: LITS I (2006) and LITS II (2010).

Note: Percentage of satisfied people includes respondents who strongly agree or agree with the statement, “All things considered, I am satisfied with my life now.”

<sup>4</sup> These figures and all other regional averages in this chapter are based on simple averages of the country scores.

<sup>5</sup> The Czech Republic is included among the transition countries in LITS II, although the EBRD has not made any new investments in the country since 2008.

<sup>6</sup> The regressions are carried out by ordinary Least Squares (OLS) and hence assume that the life satisfaction variable is “cardinal”, meaning that the difference in satisfaction between a score of 1 and 2 is the same as between 2 and 3, 3 and 4, and so on. Alternative estimation techniques that do not require this assumption lead to similar results.

One of the most important correlates of life satisfaction appears to be income. A rise in the log of monthly income (measured by the sum of expenditure and saving) is associated with a statistically significant increase in life satisfaction on the 10-point scale. However, the extent to which this happens varies significantly across countries. A more detailed regression analysis (not shown here) suggests that in countries such as Albania, Hungary or FYR Macedonia, a slight increase in people's income is linked with a big rise in life satisfaction, whereas there is little correlation between the two in Azerbaijan, Belarus or Uzbekistan. Further research may reveal what lies behind these differences.

A number of other interesting results emerge from the life satisfaction regression analysis.<sup>7</sup> Women generally seem to be happier than men. Divorce, separation and widowhood are associated with lower levels of life satisfaction compared with being single. The relationship between life satisfaction and age follows the familiar U-shape from many other studies, meaning that it first decreases with age and then begins climbing again, in this case from around 44 years of age. Unsurprisingly, health status can have a particularly strong impact on a person's life satisfaction; someone in very bad health is generally two full points lower on the satisfaction scale relative to a very healthy person. The results also suggest that people value employment beyond its function as a source of income. An unemployed person is likely to be at least half a point less satisfied with his or her life relative to an employed one. Lastly, there is a positive link between education and life satisfaction, especially at university levels.

One of the encouraging results of LiTS I was the fact that over 55 per cent of respondents felt a sense of optimism in so far as they tended to agree with the statement: "Children who are born now will have a better life than my generation." LiTS II shows a mild, but statistically significant, decline in that percentage, with about 49 per cent of the sample agreeing or strongly agreeing. Chart 2.2 shows a scatter plot of this variable and life satisfaction rates by country. The chart shows that people in

most transition countries are more optimistic about the future than their counterparts in western Europe. This is unsurprising since the western populations already have much higher living standards (on average) and do not have much reason to believe, or hope, that their children will do significantly better.

Another point of interest is that the relationship between the two variables – life satisfaction and optimism – within the transition sample is actually positive. This is evident from the chart, and it persists in a formal regression equation (see column 2 in Table 2.1). By way of example, Tajik respondents are not only happy at present but also believe that future generations will have an even better life, whereas those in Romania are relatively unhappy (compared with other countries) and also think that children born now will not have a better life. The regression results also show that married people are more optimistic compared to single respondents. Age and health status seem to have a similar effect on optimism as they do on life satisfaction. Interestingly, there is no statistically significant link between optimism and monthly expenditure.

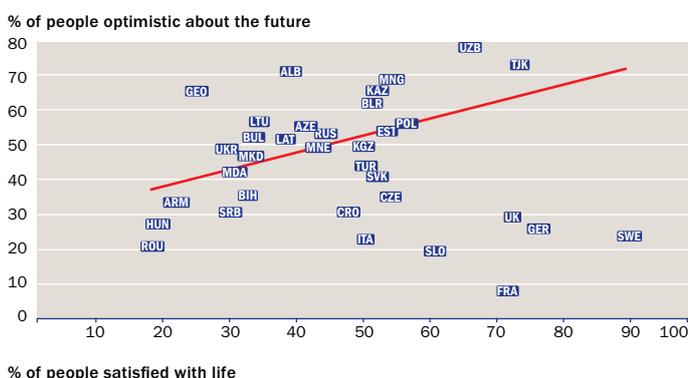
### Political and economic system preferences

One of the most interesting and widely publicised findings of LiTS I was the fact that, after approximately 15 years of transition in most countries, there was a relatively strong degree of support in most countries for both democracy and a market economy. But has this support been shaken by the severe economic downturn since then? This section shows that there is still relatively little desire to return to the past, even though attitudes towards democracy and market economics have become less positive in some countries (including all EU entrants from the region except for Bulgaria).

Table 2.2 shows the two pertinent survey questions in this respect; in each case there are three options, and respondents are asked to say which one they agree with most. It is important to understand that they are not asked if they prefer a planned economy or an authoritarian government, but rather whether, under some circumstances, these socio-economic features might be preferable to, respectively, a market economy and democracy.

Chart 2.3 presents the main results across the whole transition sample. As in 2006, more people (about one-third of the sample) prefer the combination of market economy and democracy to any other combination of responses. Barely 10 per cent of respondents said that both a planned economy and an authoritarian government may be preferable under some circumstances. The data also show that more people unequivocally prefer democracy as a political system than a market economy as an economic one. Almost 45 per cent of respondents choose democracy over any other political system, whereas less than 40 per cent would opt for a market economy under any circumstances. Nearly one-quarter of respondents feel that the type of economic system that they live under is not important to them and over one-fifth think similarly about the political system.

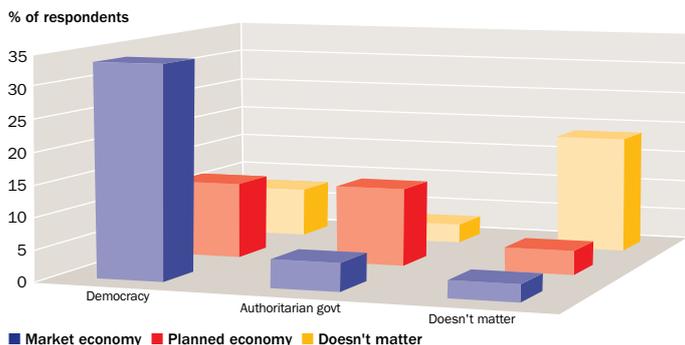
Chart 2.2  
Optimism and life satisfaction, 2010



Source: LiTS II (2010).  
Note: Regression line includes only the transition countries.  
People satisfied with life includes respondents who agree or strongly agree with the statement - "All things considered, I am satisfied with my life now." Optimistic people includes respondents who agree or strongly agree with the statement - "Children who are born today will have a better life than my generation."

<sup>7</sup>It is important to emphasise that these correlations do not imply a causal relationship from these variables to reported well-being. There are likely to be important feedback effects from life satisfaction to variables such as income, health and marital status. Disentangling and better understanding these relationships will require further research.

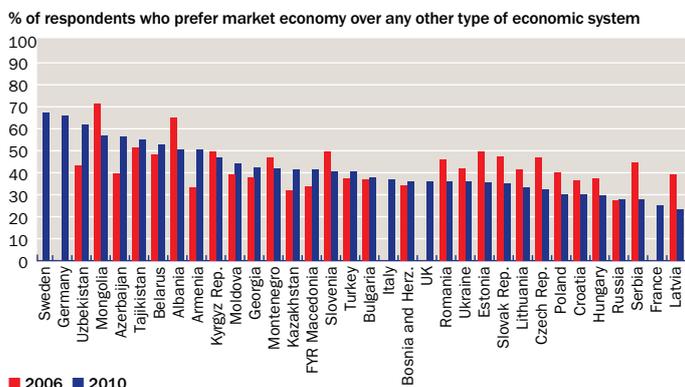
Chart 2.3  
Socio-economic preferences: primacy of democracy and a market economy, 2010



Source: LITS II (2010).

Although the main result appears to be encouraging evidence of the resilience of support for democracy and markets through the economic crisis, cross-country analysis reveals a major variation across transition countries and also a drop in support for both democracy and the market economy relative to 2006. Chart 2.4 shows that there is less support for a market economy in 16 countries of the region, with particularly notable falls in Albania, Mongolia, Serbia and some of the EU countries. In fact, Bulgaria is the only EU entrant that has not seen a drop in support for a market economy. It is worth pointing out that less than 30 per cent of UK respondents and less than one-quarter of the French sample also give unequivocal support to markets.<sup>8</sup>

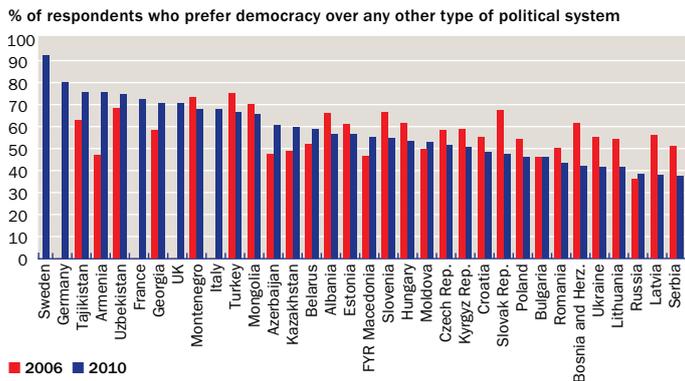
Chart 2.4  
Comparative levels of support for a market economy, 2006 and 2010



Source: LITS I (2006) and LITS II (2010).  
Note: Percentage of respondents who prefer market economy includes respondents who agree with the following statement: "A market economy is preferable to any other form of economic system."

The proportion of respondents for whom democracy is the preferred political system varies even more across the transition countries (see Chart 2.5). In this case, only four transition countries join the five western comparator states in the group in which over 70 per cent of respondents clearly prefer democracy to any other political system – Armenia, Georgia, Tajikistan and Uzbekistan. In 11 transition countries 50 per cent of respondents or fewer express a clear preference for democracy, including, rather surprisingly, some EU members. Of these, Latvia, Lithuania and Romania experienced particularly sharp economic contractions during the crisis. This could explain their lower support levels for a market economy, but it scarcely provides a reason for the declining preference for democracy. Rather worryingly (and mirroring people’s preferences regarding the market economy), attitudes towards democracy have become less positive since 2006 in all EU entrant countries except Bulgaria.

Chart 2.5  
Comparative levels of support for democracy, 2006 and 2010



Source: LITS I (2006) and LITS II (2010).  
Note: Percentage of respondents who prefer democracy includes respondents who agree with the following statement: "Democracy is preferable to any other form of political system."

Table 2.3 below examines the correlates of support for markets and democracy through regression analysis for transition countries. The results suggest that women and older people are less likely to support a market economy and democracy, whereas well-educated (to master’s degree level) and happier people are more likely to do so. The regression confirms the

Table 2.3  
Political and economic system preferences<sup>8</sup>

	Prefer market economy and democracy
Female	-0.0764*** (0.0237)
Life satisfaction	0.0361*** (0.00812)
Bachelor's level of education	0.223* (0.131)
Master's level of education	0.326** (0.143)
Age	0.00499*** (0.00321)
Age squared	-0.000158*** (0.0000452)
GDP per capita, 2009	-0.262*** (0.06)
Number of observations	19,875

Source: LITS II (2010) and World Development Indicators.  
Note: + and - signs indicate whether a variable is positively or negatively associated with respondents’ preferences for market economy and democracy.  
\*\*\* significant at 1 per cent level of significance,  
\*\* significant at 5 per cent level of significance,  
\* significant at 10 per cent level of significance.

<sup>8</sup>It may very well be that the perception in the western comparator countries of the "planned economy" as the other economic system option in LITS II is somewhat different to that in post-communist countries. It may even be the case that people in the EU entrant countries are also developing a more "western" understanding of the term (meaning government intervention in, and regulation of, markets as opposed to the non-market planned economy system seen under various communist regimes).

casual observation that support for markets and democracy is low in many of the richer transition countries, since it demonstrates a negative relationship with a country's overall income level as represented by its per capita GDP.

## Government spending priorities

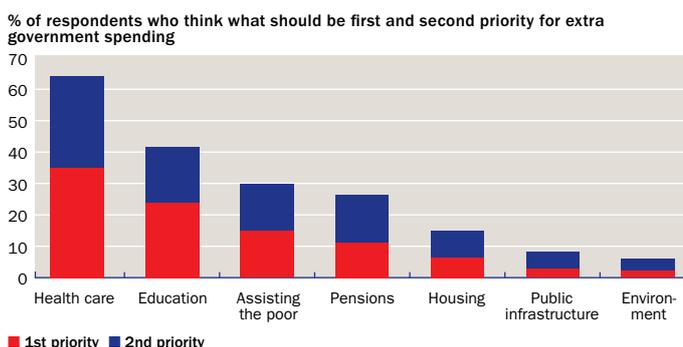
One of the most important effects of the crisis has been the squeeze on public spending. Revenues have dropped while rising unemployment and poverty have put increasing pressure on social benefit provision. This has compelled governments to make priorities and focus spending on areas where it is most needed. The LiTS II results show that it is typically health and education that receive most support for extra spending, but also that countries differ greatly in the extent to which respondents are prepared to pay for better services.

The survey asked the following question:

***In your opinion, which of these fields should be the first and second priorities for extra government spending?***

The priority options are: education; health care; housing; pensions; assisting the poor; environment (including water quality); and public infrastructure.<sup>9</sup> The results are shown in Chart 2.6 and reveal that, on average, almost two-thirds of respondents in transition countries consider health care to be either the first or second priority area for additional government spending. Education, at a distant second, is the first or second priority for just over 40 per cent. Less than 30 per cent similarly prioritise assisting the poor and a little over one-quarter advocate additional spending on pensions. Housing, public infrastructure and environment represent government priority spending areas for far fewer respondents. These results mirror those in 2006.<sup>10</sup> The cross-country variation in these responses is shown in the country assessments in this report (see pages 56-113).

**Chart 2.6**  
**Priorities for government spending in transition countries, 2010**



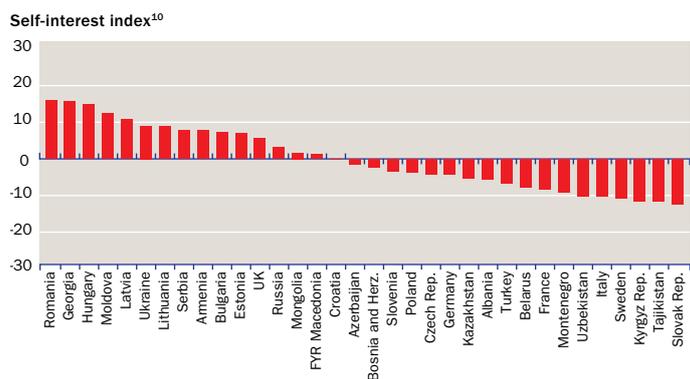
Source: LiTS II (2010).  
Note: Data corresponds to percentage of respondents' first and second preferences for priority additional government spending.

Data on government spending preferences allow further analysis not only of people's attitudes towards the role of their governments but also of cross-country differences in the responses. Here, two interesting questions are explored that may benefit from further research.

The first issue to consider is the extent to which people are "self-interested" and favour government spending directed towards areas where they themselves would benefit. With background data on individual respondents, it is possible to calculate how many people with poor health think that health care is a high government spending priority, how many old people believe the government should direct extra cash to pensions and how many poor people would have their government focus on alleviating poverty. The resulting three proportions are highly correlated within countries and therefore suggest a more general concept of self-interested behaviour in each country beyond that of the specific three groups, which can be analysed based on LiTS II data. They can be averaged by country to construct a "self-interest" index, in the sense that a high and positive value of the index means that many respondents in a given country want their government to spend mainly on people like themselves, while a low and negative value indicates that a large proportion prefer spending on areas that may not directly benefit them.<sup>11</sup>

Chart 2.7 shows that Romania, Georgia and Hungary lead the countries with the highest values on the self-interest index. At the other end of the spectrum are the Slovak Republic and Tajikistan. Most EU countries, including four of the five western comparators, record negative values. It is possible that self-interest is related to life satisfaction, as evidenced by the fact that Romania, Georgia and Hungary are three of the four lowest-ranked countries in the overall life satisfaction scale (see Chart 2.1), whereas Sweden and Tajikistan are at the top of the satisfaction ranking.

**Chart 2.7**  
**Priority spending self-interest index: highest to lowest values, 2010**



Source: LiTS II (2010).  
Note: The data encompass percentage of respondents who prefer additional government spending contingent upon their status, that is, older people on pensions, people with poor health on health, working poor on helping the poor.

<sup>9</sup> Respondents could also add categories not included on the list.

<sup>10</sup> Strictly speaking, the results of the two rounds are not directly comparable because an extra category ("assisting the poor") was added in 2010.

<sup>11</sup> The index is constructed, first by "de-meaning" the data (that is, by taking an average across countries for each category and then calculating the difference between each country's value and the average), and second by taking an average of the three de-meaned values. As the values are demeaned, the index value for the average country is approximately zero and for other countries it takes positive and negative values, depending on whether the original values were larger or smaller than the mean.

## Life in Transition

LiTS II also allows an investigation of people's willingness to pay for better services, and again reveals major differences across countries. Respondents were asked the following question (and to indicate yes or no to options a, b, c and d):

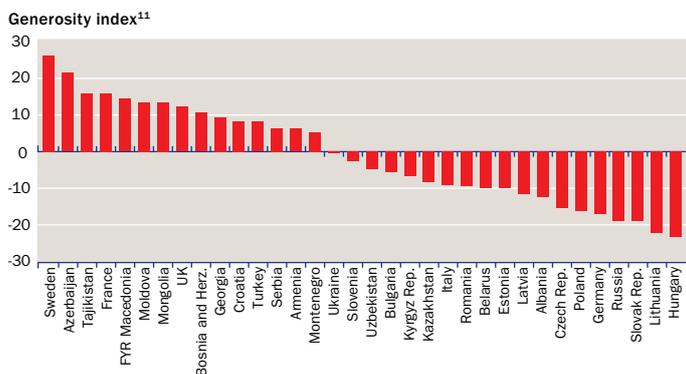
**Would you be willing to give part of your income or pay more taxes, if you were sure that the extra money was used to: (a) improve public education; (b) improve the public health system; (c) combat climate change; (d) help the needy.**

In respect of education, health care and assisting the poor, after calculating the number of people who are willing to contribute to the improvement of each service and dividing by the number who think that the service is either the first or second priority for additional government spending, the average of the three proportions<sup>12</sup> can then be calculated. This yields a "generosity" index, indicating how many people are willing to additionally contribute to a service that they think the government should support. A higher, positive value of the

index means that respondents are in principle willing to forgo some of their own money to fund service improvements, whereas a lower, negative value means that people believe the government should resolve their priority issues without their personal contribution.

Chart 2.8 shows the cross-country variation in this index. People are most willing to give up their own money in Sweden (a western comparator country), followed by Azerbaijan (the first-ranked country from the transition region) and then Tajikistan and France in third place. At the bottom end of the scale are three EU members – Hungary, Lithuania and the Slovak Republic – followed by Russia and then Germany (another comparator country). The position of countries on the index does not seem to reflect either how well-off they are or how satisfied their people are on average.

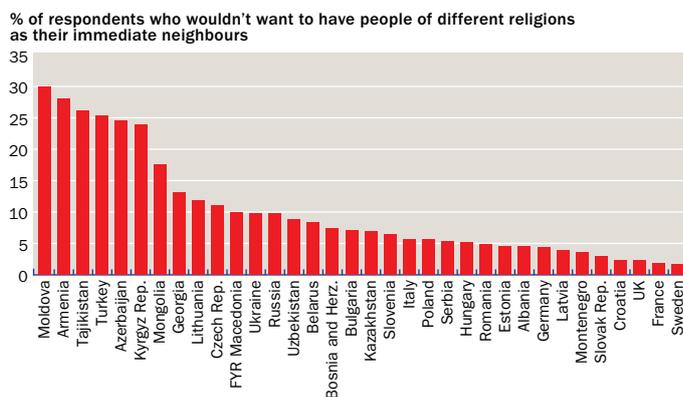
**Chart 2.8**  
Priority spending generosity index: highest to lowest values, 2010



Source: LiTS II (2010).

Note: The generosity index encompasses the percentage of respondents who are willing to forego parts of their income if the money was used to improve parts of the public system which they deemed to be a first or second priority for additional government spending.

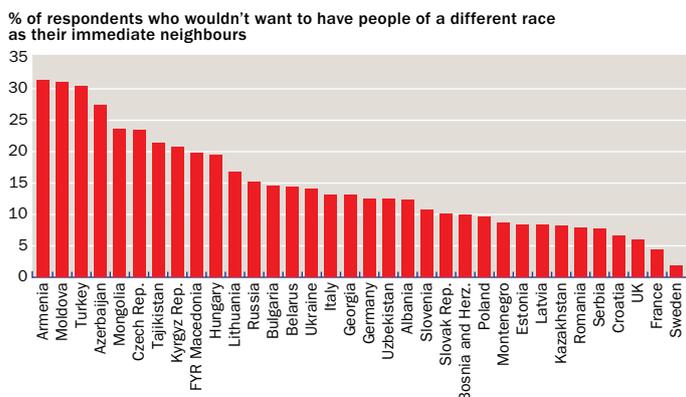
**Chart 2.9**  
Attitudes towards people of a different religion, 2010



Source: LiTS II (2010).

Note: Data show percentage of respondents who would not like to have people of different religions as neighbours.

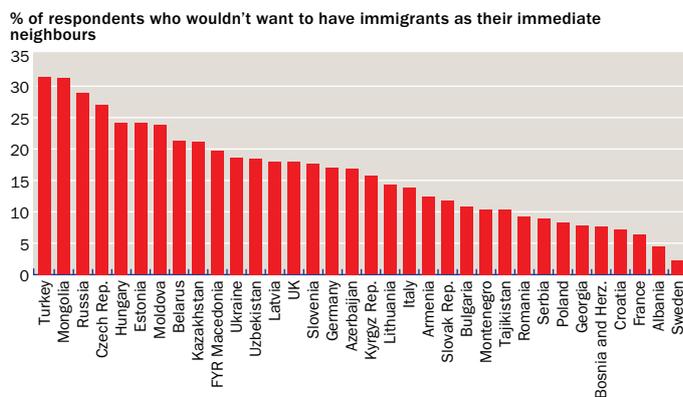
**Chart 2.10**  
Attitudes towards people of other races, 2010



Source: LiTS II (2010).

Note: Data show percentage of respondents who would not like to have people of a different race as neighbours.

**Chart 2.11**  
Attitudes towards immigrants, 2010



Source: LiTS II (2010).

Note: Data show percentage of respondents who would not like to have immigrants as neighbours.

<sup>12</sup> Similarly to the self-interest index, each proportion is de-measured across all countries before inclusion in the average. This ensures comparability across the three service areas. As shown earlier, average transition region public support for education, health care and assisting the poor varies significantly. De-measuring ensures that the base effect of higher support for health care, for example, does not interfere with the analysis, which focuses on the difference between public preference for government spending on a service area and its own willingness to contribute to that area. See also footnote 10.

## Tolerance

One of the drawbacks of LiTS I was that it revealed little about people's tolerance or prejudices towards other groups of people. This is obviously a sensitive area, and questions of this nature can provoke uneasiness or even hostility among respondents. Also, the answers should be treated with great caution, as they may in some cases be biased by social norms and the desire of some people to give socially acceptable responses rather than reveal their true beliefs. Nevertheless, it is important to try to get a better understanding of attitudes to minority groups, particularly those of a different race, nationality or religion. In LiTS II, therefore, respondents were presented with a list of 15 different groups and asked to disclose which category or categories they would not like to have as neighbours.<sup>13</sup> Among many interesting findings, the data reveal relatively tolerant attitudes towards different religions but less so towards immigrants and people of a different race.

Chart 2.9 shows that people in general claim not to object to having those of a different religion as neighbours. However, in six transition countries the proportion expressing such an aversion reaches over 20 per cent: Moldova (where it reaches 30 per cent), Armenia, Tajikistan, Turkey, Azerbaijan and the Kyrgyz Republic. Econometric analysis (see column 1 in Table 2.4) suggests that such attitudes are sometimes associated with lower levels of education and economic well-being.

The results are rather different when it comes to stated attitudes towards people of a different race and immigrants. Negative feelings towards people of a different race as neighbours reach a maximum of over 30 per cent in Armenia, Moldova and Turkey – see Chart 2.10. Regarding immigrants, the most negative attitudes are in Turkey and then Mongolia, although neither is a particularly high-immigration country – see Chart 2.11. At the most tolerant end of the scale are Sweden and France (in the comparator group), as well as several south-eastern European transition countries – Albania, Bosnia and Herzegovina and Croatia. There is limited statistical association between these attitudes and variables such as gender and education.

Table 2.4  
Tolerance<sup>14</sup>  
The extent to which people do not want to live with...

	People of a different religion	People of a different race	Immigrants
Female	-0.0123 (0.0274)	0.00215 (0.0235)	-0.0222 (0.025)
Bachelor's level of education	-0.514* (0.193)	-0.465*** (0.139)	-0.305* (0.185)
Master's level of education	-0.689*** (0.22)	-0.480*** (0.154)	-0.312 (0.208)
GDP per capita, 2009	-0.346*** (0.0892)	-0.140* (0.0717)	0.0368 (0.066)
Number of observations	23,827	23,827	23,827

Source: LiTS II (2010) and World Development Indicators.  
Note: + and - signs indicate whether a variable is positively or negatively associated with whether people would not like to have members of specified groups living as neighbours.  
\*\*\* significant at 1 per cent level of significance,  
\*\* significant at 5 per cent level of significance,  
\* significant at 10 per cent level of significance.

## Conclusion

LiTS II provides some fascinating insights into the minds of people in the transition region, only some of which have been addressed in this chapter. It is worth emphasising the heterogeneity across the region and the need to examine results at the individual-country level. However, cross-country analyses can also put these results in perspective and may even lead to findings that reveal important differences from one country to another.

Several conclusions can be drawn from this brief examination of attitudes and values. On the positive side, people in the transition region have shown resilience in the face of the economic crisis. Although the region has gone through a deep recession and is still feeling the aftershocks in many cases, the level of life satisfaction has changed little since 2006. Optimism for future generations has declined only moderately. As before, there is little support for a return to authoritarianism or the planned economy, even though positive attitudes towards democracy and the market economy have declined in richer transition countries including almost all EU entrants. However, many people believe that the type of socio-economic system that they live under makes little difference to their lives. Respondents still consider that health care and education are the main priorities for extra government spending, but there is a big variation across countries in the extent to which people are prepared to make personal sacrifices for improvements in these services.

LiTS II includes for the first time five non-transition western European countries. The chapter has revealed important differences between these countries and the transition region. People in the comparator countries tend to be happier, more supportive of democracy and political liberties, and more tolerant of groups of people different from themselves. Taken together, these results point to a lingering gap between the transition region and western Europe, not just in terms of living standards or GDP per capita, but also in certain core attitudes and values. Whether this gap will close over time remains to be seen.

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<sup>13</sup> Before presenting the list, the interviewer emphasised the sensitive nature of the question and reiterated that the survey was strictly confidential.

<sup>14</sup> GDP per capita is expressed in logarithms. Some control variables are not reported in the table.