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## Political economics and citizens' engagement in Croatia: a differential analysis



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# Introduction

- After the **fall of communism**, a new market system and **democracy** were introduced into **Croatia**, with **controversial results**.
- Some institutional issues emerged during the transition processes, triggering convergence towards EU countries. However, **Croatia still differs in some ways from other European countries**.
- We evaluate the features of Croatian civil society and how Croatians participate in politics: in sum, **whether Croatians hold their politicians accountable**.

# Literature review: Partisanship

- ❑ **Left-wing** parties value **equality** and economic security, while **right-wing** counterparts place a premium on **moral traditionalism and social order** (Ciuk et al. 2017).
  
- ❑ **Conservative** citizens' concerns (Williamson, Skocpol and Coggin, 2011):
  - Size of **government**.
  - **Economy over social issues**.
  - Criticism of unauthorized **immigration**.
  
- ❑ **Leftist parties** are in favor of (García-Sánchez et al. 2014):
  - **Broader public sector** (distribution of wealth).
  - Increased **public spending and debt**.
  
- ❑ **Rightist parties** (García-Sánchez et al. 2014):
  - **Budgetary discipline**
  - **Reduced spending**

# Literature review: citizens' engagement: perception about economy and politics

- ❑ Citizens need to be informed in an objective way. Dubois and Blank (2018) explain that in a high-choice media environment, there are fears that individuals will select media that reinforce their existing beliefs (*echo chambers*). These authors provide evidence of **polarization** in some media. In Croatia, this polarization would be mirroring the polarization already taking place in political parties' programs.
- ❑ Bisgaard (2015) shows that citizens' identification with a political party directs their thinking about reality: studies find that **party identifiers** tend to **perceive economic conditions as being markedly more favorable when their party holds office**.

# Literature review: citizens' engagement: perception about economy and politics

- ❑ **2011 protests in Croatia** intervened in the political arena. Criticism of institutions was expressed at the protests, showing that the **public had become more interested in political issues**. An assessment of the electoral turnout in Croatia will confirm whether Croatians' engagement on politics is currently as high as the 2011 unrest showed (Lalić 2011: this topic deserves attention).
- ❑ Croatia has advanced both in the area of **free elections and association**, yet it still needs to develop incentive policies for elections and civic activism to **keep the government accountable and transparent** (Florentina and Dritero, 2020)

# Literature review: trust, budget transparency and corruption

□ Literature on political trust has recognized competing expectations:

- On the one hand, trust could be a sentiment of civil affirmation that inspires political engagement and participation in politics.
- On the other hand, the trusting may be satisfied with government and view it as needing little monitoring, so trust could weaken the impulse to participate in politics (Citrin and Stoker, 2018).



**We will research the levels of trust and political participation in Croatia.**

# Literature review: Hypotheses

**H1: Political partisanship in Croatia is driven by same values and principles as the rest of Europe.**

**H2: Interest in politics/current affairs is similar in Croatia to that in the rest of Europe.**

**H3: The partisanship alignment bias predicted by the literature holds in Croatia.**

**H4: The trend of increasing political polarization observed across the world holds in Croatia.**

**H5: Political participation through electoral turnout in Croatia is similar to the rest of Europe.**

**H6: Croatia is similar to the rest of Europe in terms of corruption, budget transparency and trust in parliament and politicians.**



# Variables

	Variable	Description
Dependent	<i>Irscale</i>	Placement on left right scale. 0 Left - 10 Right
Income	<i>gincdif</i>	Government should reduce differences in income levels. 1 Agree strongly - 5 Disagree strongly
	<i>hinctnta</i>	Household's total net income, all sources. 1 1st decile - 10 10th decile
	<i>lknemny</i>	How likely not enough money for household necessities next 12 months. 1 Not at all likely - 4 Very likely
	<i>imprich</i>	Important to be rich, have money and expensive things. 1 Very much like me - 6 Not like me at all
Redistribution	<i>sbstrec</i>	Social benefits/services place too great strain on economy. 1 Agree strongly - 5 Disagree strongly
	<i>sbprvpv</i>	Social benefits/services prevent widespread poverty. 1 Agree strongly - 5 Disagree strongly
	<i>sbeqsoc</i>	Social benefits/services lead to a more equal society. 1 Agree strongly - 5 Disagree strongly
	<i>sbbsntx</i>	Social benefits/services cost businesses too much in taxes/charges. 1 Agree strongly - 5 Disagree strongly
	<i>sblazy</i>	Social benefits/services cost make people lazy. 1 Agree strongly - 5 Disagree strongly
Immigration	<i>imsclbn</i>	When should immigrants obtain rights to social benefits/services? 1 Immediately on arrival – 5 They should never get the same rights
	<i>imbgeco</i>	Immigration bad or good for country's economy. 0 Bad for the economy – 10 Good for the economy
Social welfare system	<i>uentrjb</i>	Most unemployed people do not really try to find a job. 1 Agree strongly - 5 Disagree strongly
	<i>lbenent</i>	Many with very low incomes get less benefit than legally entitled to. 1 Agree strongly - 5 Disagree strongly
	<i>bennent</i>	Many manage to obtain benefits/services not entitled to. 1 Agree strongly - 5 Disagree strongly
Environment	<i>impenv</i>	Important to care for nature and environment. 1 Very much like me - 6 Not like me at all
Personal features	<i>rlgblg_r</i>	Belonging to particular religion or denomination. 1 Yes - 0 No (recoded)
	<i>gndr_r</i>	Gender. 0 Female - 1 Male (recoded)
	<i>agea</i>	Age of respondent, calculated. Age in years
	<i>blgetmg_r</i>	Belong to minority ethnic group in country. 1 Yes - 0 No (recoded)

# Regression

$$y_{it} = \gamma + \sum \beta_j x_{jit} + cntry\_XX\_r_k + essround_t + \varepsilon_{it}$$

- $y_{it}$  represents our dependent variable *lrscale*: where would you place yourself on this scale, where 0 means left and 10 means right?
- $\gamma$  is the intercept
- $x_{jit}$  is the vector of explanatory variables and  $\beta_j$  is a vector of parameters to be estimated.
- To control for fixed country effects, we introduce  $cntry\_XX\_r_k$  (33-1 dummy variables accounting for the 33 EU countries surveyed in ESS).
- To control for annual shocks that affect all surveyed countries simultaneously, all regressions include  $essround_t$  (9-1 dummy variables to control for the 9 ESS waves).
- Error term is  $\varepsilon_{it}$ .
- Subscripts  $i$  and  $t$  represent interviewee and ESS wave (2002, 2004, 2006, 2008, 2010, 2012, 2014, 2016, 2020), respectively.
- Panel data methodology is not suitable because interviewees are not repeated in each wave.

# Regression results

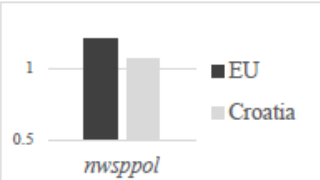
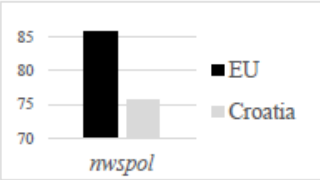
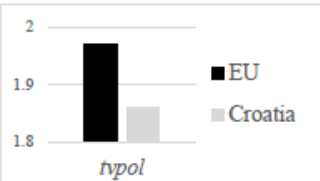
**TABLE 3**  
Regression, base model

Dept. variable: <i>lr</i> scale 0 Left - 10 Right		Definition	Expect sign	European countries		Croatia		
				OLS	Ordered probit	OLS	Ordered probit	Multilevel
Income	<i>gincdif</i>	Government should reduce differences in income levels.	(+)	***0.32 32.4	***0.15 32.0	**0.24 2.1	**0.11 2.2	***0.25 3.1
	<i>hinctnta</i>	Household's total net income, all sources.	(+)	***0.02 7.0	***0.01 8.1	-0.02 -0.7	-0.01 -0.9	-0.03 -0.9
	<i>lknemny</i>	How likely for there not to be enough money for household necessities next 12 months.	(-)	***-0.05 -4.8	***-0.02 -4.5	-0.06 -0.5	-0.03 -0.6	-0.06 -0.3
	<i>imprich</i>	Important to be rich, have money and expensive things.	(-)	***-0.09 -12.1	***-0.06 -17.2	0.05 0.8	0.02 0.7	0.04 0.5
Redistribution	<i>sbstrec</i>	Social benefits/services place too great strain on economy.	(-)	***-0.14 -12.9	***-0.04 -8.8	0.06 0.5	0.03 0.5	0.06 1.1
	<i>sbprvpv</i>	Social benefits/services prevent widespread poverty.	(+)	**0.02 2.4	***0.02 5.1	**-0.31 -2.5	***-0.14 -2.7	**-0.25 -2.2
	<i>sbeqsoc</i>	Social benefits/services lead to a more equal society.	(+)	*0.02 1.8	0.00 0.8	0.20 1.5	0.09 1.5	0.15 1.1
	<i>sbsbntx</i>	Social benefits/services cost businesses too much in taxes/charges.	(-)	***-0.14 -13.2	***-0.07 -15.0	***-0.32 -2.6	***-0.14 -2.6	***-0.32 -6.7
	<i>sblazy</i>	Social benefits/services cost make people lazy.	(-)	***-0.10 -9.4	***-0.03 -7.0	-0.12 -1.0	-0.05 -0.9	**-0.14 -2.0
Immigration	<i>imsclbn</i>	When should immigrants obtain rights to social benefits/services?	(+)	***0.13 13.2	***0.07 15.9	*0.18 1.7	*0.08 1.7	**0.13 2.1
	<i>imbgeco</i>	Immigration bad or good for country's economy.	(-)	***-0.02 -4.2	***-0.01 -5.0	**-0.11 -2.4	**-0.05 -2.4	**-0.10 -2.4
Social welfare system	<i>uentrjb</i>	Most unemployed people do not really try to find a job.	(-)	***-0.089 -8.6	***-0.04 -9.5	-0.00 0.0	0.00 0.1	0.00 0.0
	<i>lbenent</i>	Many with very low incomes get less benefit than their legal entitlement.	(+)	***0.071 6.6	***0.02 4.4	0.03 0.3	0.02 0.3	0.02 0.7
	<i>bennent</i>	Many manage to obtain benefits/services they are not entitled to.	(-)	***-0.05 -4.5	**-0.01 -2.0	0.03 0.2	0.00 0.1	0.07 0.5
Environment	<i>imperv</i>	Important to care for nature and environment.	(+)	***0.08 8.7	***0.03 8.4	-0.04 -0.5	-0.01 -0.3	-0.06 -1.1
Personal features	<i>rigblg_r</i>	Belonging to particular religion or denomination.	(+)	***0.50 25.2	***0.26 28.2	***1.08 4.3	***0.50 4.4	*1.06 1.8
	<i>gndr_r</i>	Gender	¿?	***0.10 5.6	***0.04 4.4	0.11 0.5	0.05 0.6	0.10 0.4
	<i>agea</i>	Age of respondent, calculated.	(-)	***0.00 8.5	***0.00 8.8	0.00 0.2	0.00 0.1	0.00 0.0
	<i>blgetmg_r</i>	Belong to minority ethnic group in country	(-)	***-0.75 -17.0	***-0.31 -14.7	*-0.96 -1.7	*-0.47 -1.8	-1.05 -1.5
N				50,713		552		
R-squared				0.12				

# Graphic analysis

FIGURE 1

Searching for news about politics in Croatia

Variable	Groups				Student's t-test for the comparison of two means
	cntry_HR_r= 0		cntry_HR_r= 1		
	Remaining European countries		Croatia		
	Mean	Observations	Mean	Observations	
 <p><i>nwsppol</i></p>					
<i>nwsppol</i> Newspaper reading, politics/current affairs on average weekday	1.21	166,912	1.07	2,097	***7.07
 <p><i>nwspol</i></p>					
<i>nwspol</i> On a typical day, about how much time (in minutes) do you spend watching, reading or listening to news about politics and current affairs?	85.67	87,795	75.53	1,793	***3.07
 <p><i>tvpol</i></p>					
<i>tvpol</i> On an average weekday, how much of your time watching television is spent watching news or programmes about politics and current affairs?	1.97	315,072	1.86	2,976	***4.36

*g.*: \*10%, \*\*5%, \*\*\*1%. Total number of observations 318,048.

Sample is ESS round 4 (2008), 5 (2010) and 9 (2020) All countries vs. Croatia.

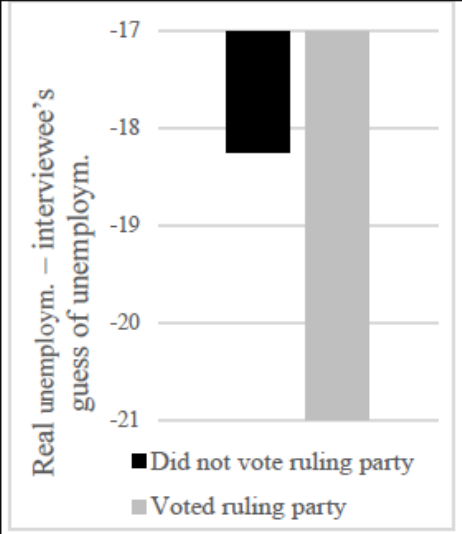
Variables description:

- *cntry\_HR\_r*: Country is Croatia 1, otherwise 0.
- *nwsppol*: Newspaper reading, politics/current affairs on average weekday: 0 No time at all, 1 Less than 0,5 hour, 2 0,5 hour to 1 hour, 3 More than 1 hour, up to 1,5 hours, 4 More than 1,5 hours, up to 2 hours, 5 More than 2 hours, up to 2,5 hours, 6 More than 2,5 hours, up to 3 hours, 7 More than 3 hours.
- *nwspol*: On a typical day, about how much time (in minutes) do you spend watching, reading or listening to news about politics and current affairs?
- *tvpol*: On an average weekday, how much of your time watching television is spent watching news or programmes about politics and current affairs? 0 No time at all, 1 Less than 0,5 hour, 2 0,5 hour to 1 hour, 3 More than 1 hour, up to 1,5 hours, 4 More than 1,5 hours, up to 2 hours, 5 More than 2 hours, up to 2,5 hours, 6 More than 2,5 hours, up to 3 hours, 7 More than 3 hours.

**FIGURE 2**

*Optimism in citizens who voted for the ruling party in Croatia*

# Graphic analysis

Variable	Groups				Student's t-test for the comparison of two means
 <p>Real unemploy. – interviewee's guess of unemploy.</p> <p>■ Did not vote ruling party ■ Voted ruling party</p>	<i>elect2007_voted_the_ruling_party=0</i>		<i>elect2007_voted_the_ruling_party=1</i>		
	Interviewee did not vote for the party that is currently ruling Croatia		Interviewee voted for the party that is currently ruling Croatia		
	<b>Mean</b>	<b>Observations</b>	<b>Mean</b>	<b>Observations</b>	
<i>uemplwk_error_optimist</i>					
Real unemployment – interviewee's guess of unemployment	-18.24	323	-20.99	365	***2.53
Optimistic > 0 Pessimistic < 0					

Sig.: \*10%, \*\*5%, \*\*\*1%. Total number of observations 688.

Sample is ESS round 4 (2008), Croatia subsample.

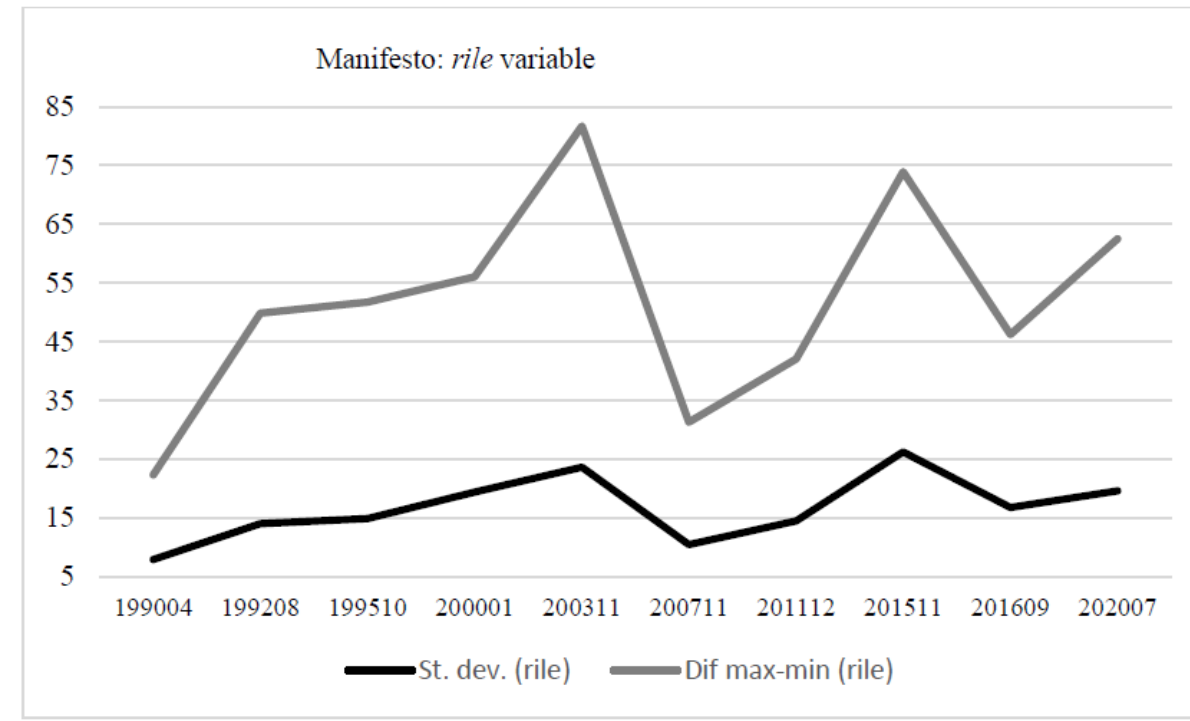
Variables description:

- *uemplwk\_error\_optimist*: Real unemployment of the country – interviewee's guess of their country's unemployment. This latter variable coded as *uemplwk* on ESS round 4 and ESS round 8: "Of every 100 people of working age in [country] how many would you say are unemployed and looking for work? If you are not sure please give your best guess."
- *elect2007\_voted\_the\_ruling\_party*: Interviewee voted for party currently ruling Croatia 1, otherwise 0.

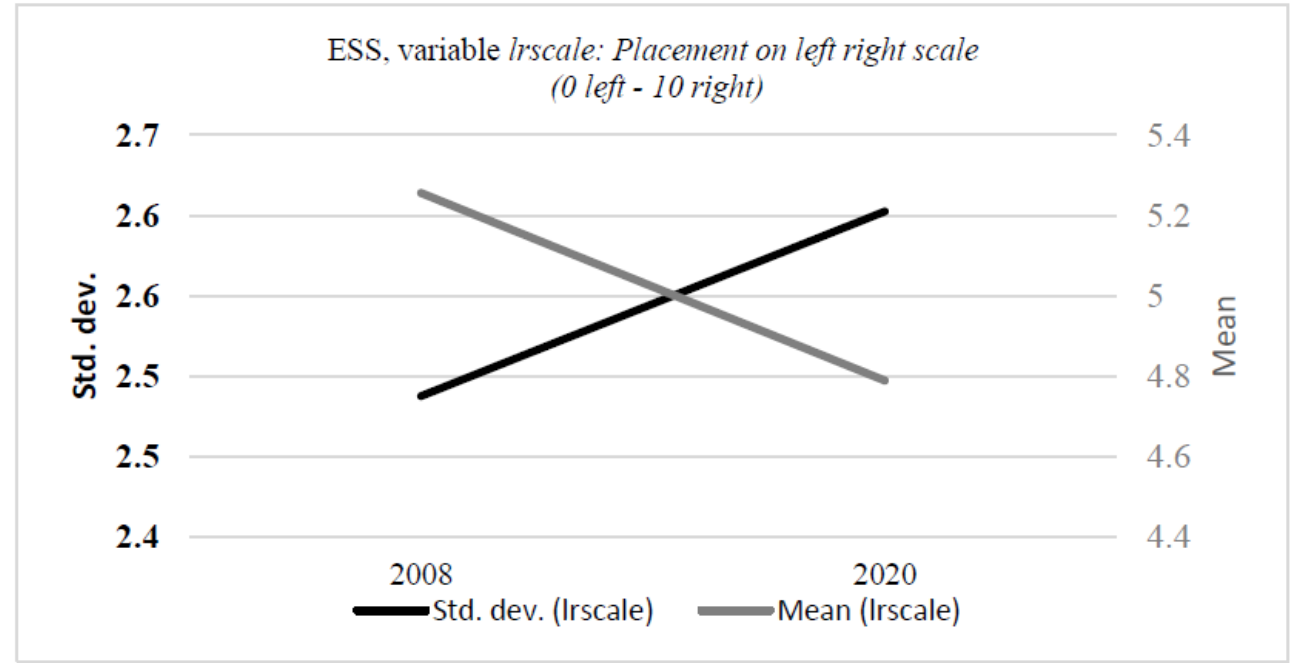
# Graphic analysis

FIGURE 3

Political polarization trend in Croatia



Variable *rile*: left (minimum value) vs right (maximum value). Manifesto dataset (<https://manifesto-project.wzb.eu/>).



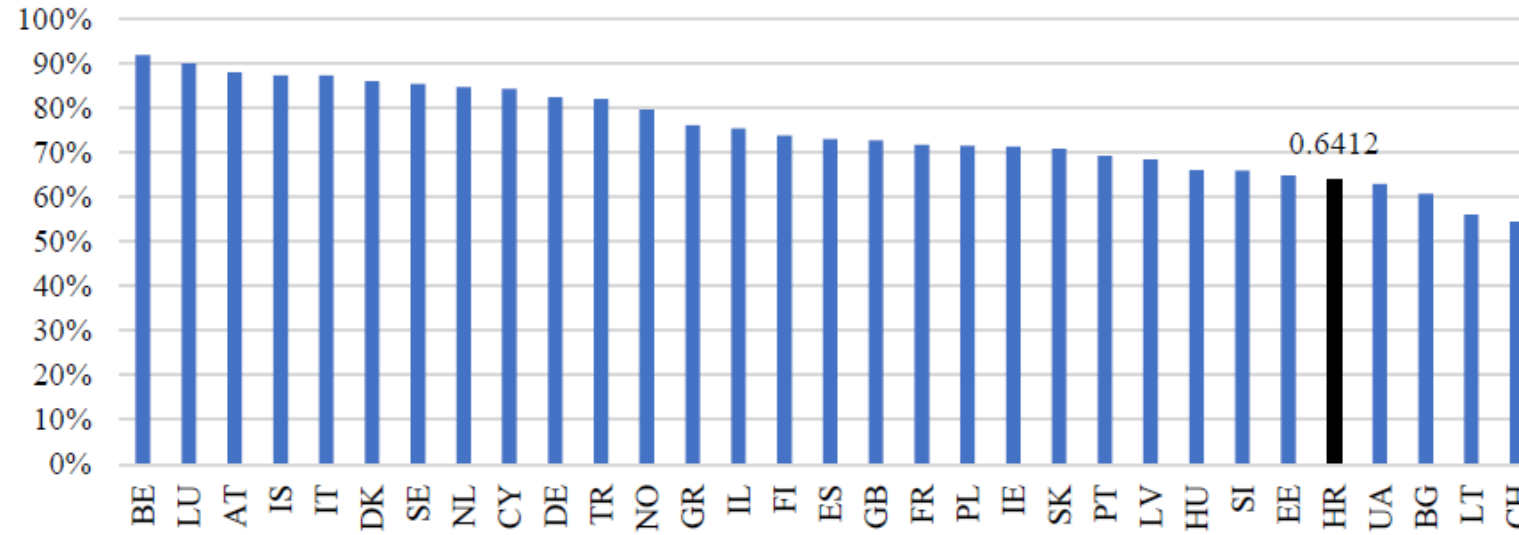
Variable *lrscale*: European Social Survey.



# Graphic analysis

FIGURE 4

Voter turnout (%), average of previous parliamentary election (*voter\_turnout\_parliam*)



Variable	Groups				Student's t-test for the comparison of two means
	Remaining European countries		Croatia		
	mean	obs.	mean	obs.	
<i>voter_turnout_parliam</i> Voter turnout in last parliamentary election.	0.7518	30	0.6412	1	***5.89

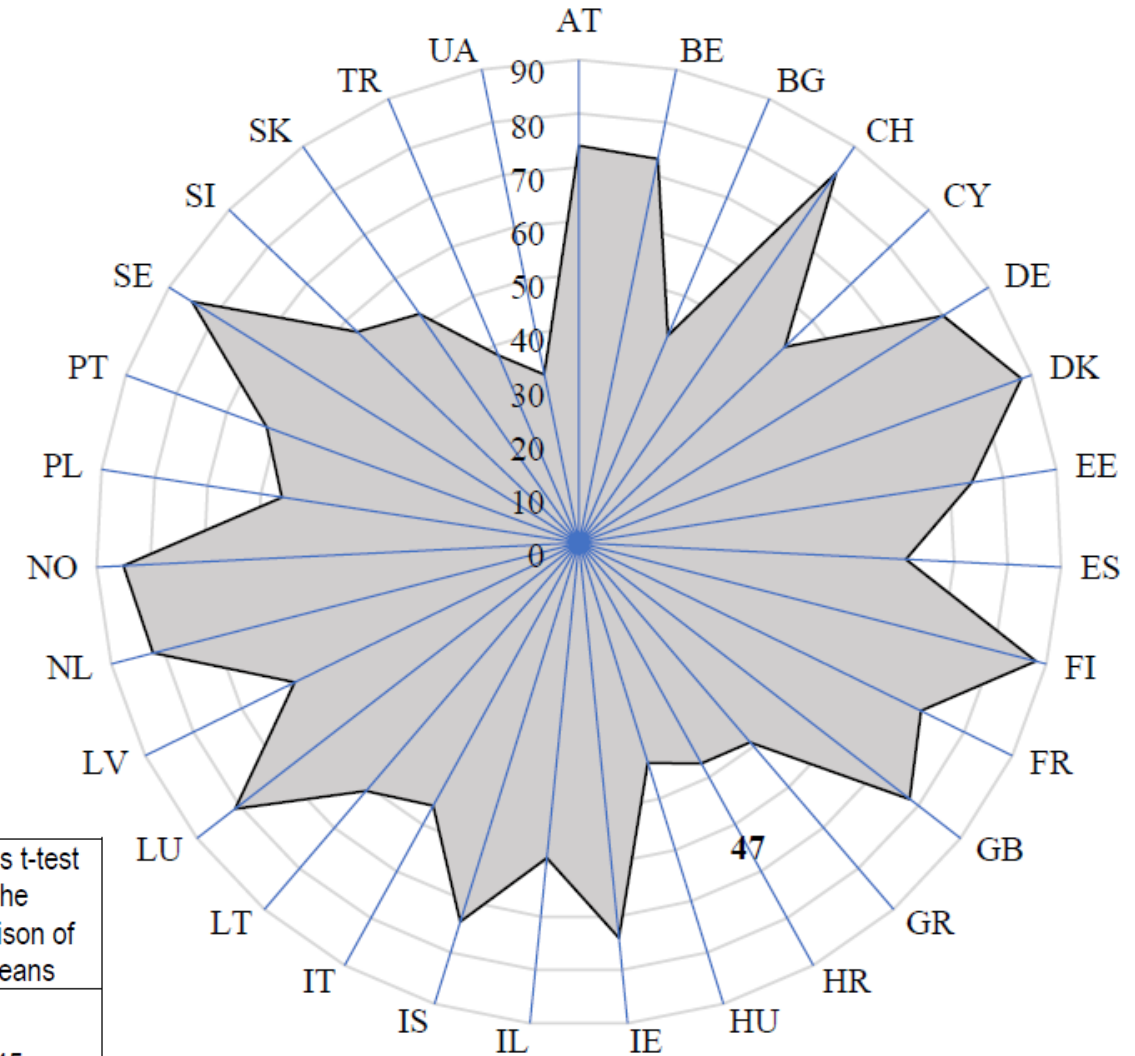
Sig.: \*10%, \*\*5%, \*\*\*1%. Total number of observations 31.

Variable *voter\_turnout\_parliam*: Voter turnout in last parliamentary election. Source: Voter Turnout Database (<https://www.idea.int/data-tools/data/voter-turnout>)

# Graphic analysis

FIGURE 5

Corruption perception index 2021. Transparency International



Variable	Groups				Student's t-test for the comparison of two means
	Remaining European countries		Croatia		
	mean	obs.	mean	obs.	
<i>cpi_2021</i>	65.7	30	47.0	1	***6.45
Corruption perception index (higher value means lower corruption).					

Sig.: \*10%, \*\*5%, \*\*\*1%. Total number of observations 31.

Variable *cpi\_2021*: 2021 Corruption perception index, Transparency International. Higher values mean cleaner (less corrupt) countries.

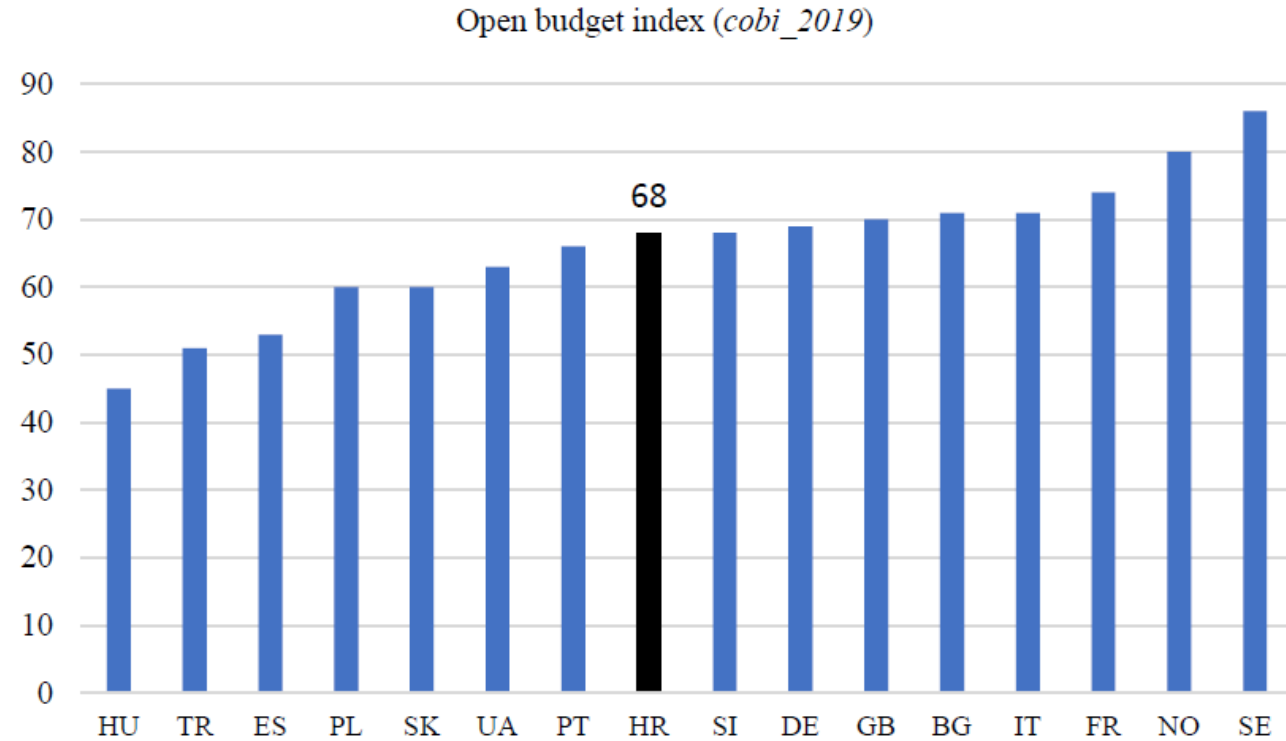
(<https://www.transparency.org/en/cpi/2021>).



# Graphic analysis

FIGURE 6

Budget transparency, Open Budget Partnership



Variable	Groups				Student's t-test for the comparison of two means
	Remaining countries		Croatia		
	mean	obs.	mean	obs.	
<i>cobi_2019</i> Open budget index (higher value means timely and comprehensive budget).	44.4	116	68.0	1	***-11.14

Sig.: \*10%, \*\*5%, \*\*\*1%. Total number of observations 117.

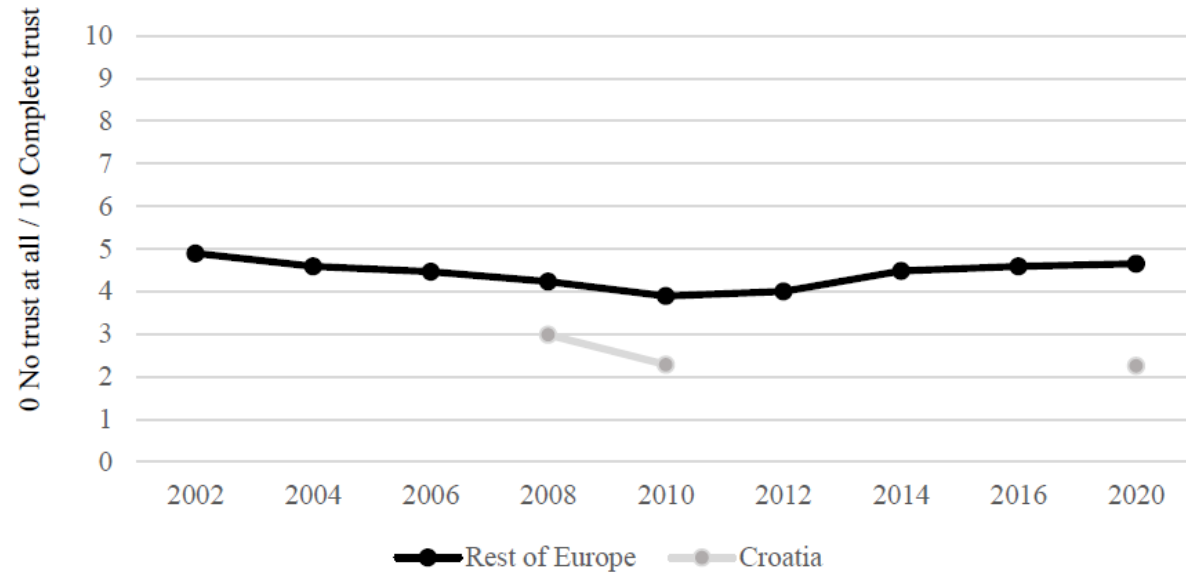
Variable *cobi\_2019*: 2019 Open budget index, as computed by the Open Budget Partnership. Higher value means more budget transparency.

Note: t-test performed with the rest of the world, as EU had some missing values. Data available at <https://internationalbudget.org/open-budget-survey/>

# Graphic analysis

**FIGURE 7**

*Trust in country's parliament*



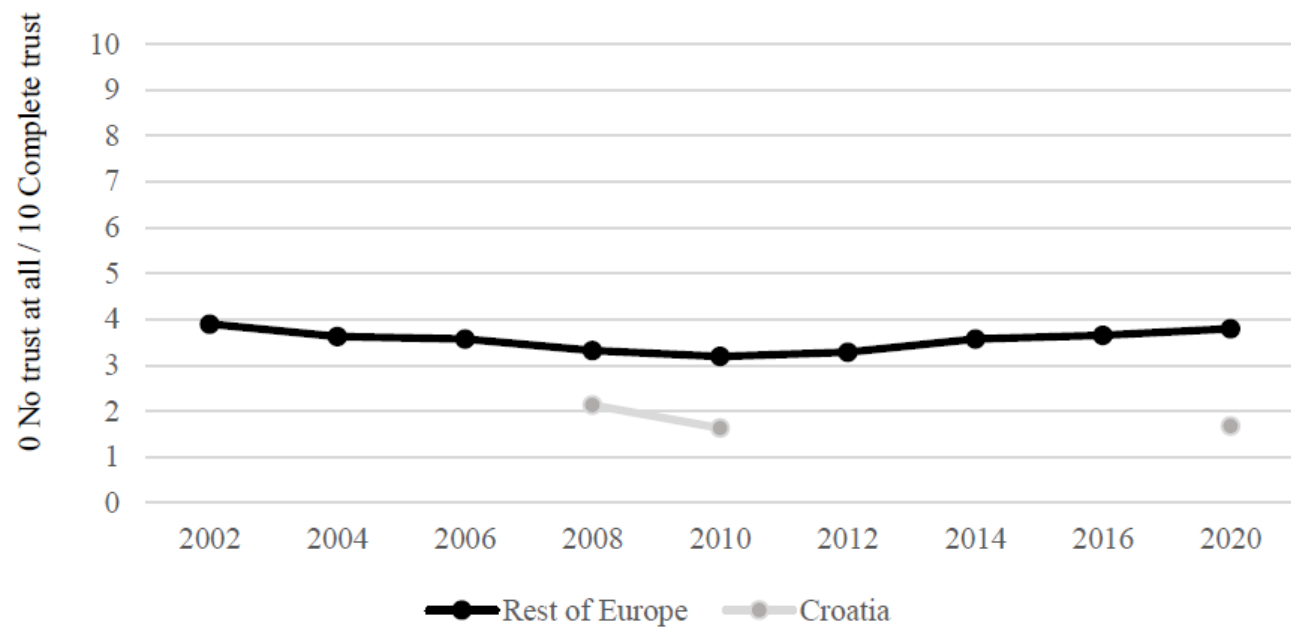
Variable	Groups				Student's t-test for the comparison of two means
	Remaining European countries		Croatia		
	mean	obs.	mean	obs.	
<p>Trust in country's parliament</p>					
<i>trstprl</i>					
Trust in country's parliament (higher value means more trust)	4.40	406,259	2.48	4,852	***51.12

Sig.: \*10%, \*\*5%, \*\*\*1%. Total number of observations 411,111.

ESS variable *trstprl*: Trust in country's parliament. "Please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. [Country]'s parliament?"

# Graphic analysis

**FIGURE 8**  
*Trust in politicians*



Variable	Groups				Student's t-test for the comparison of two means
	Remaining European countries		Croatia		
	mean	obs.	mean	obs.	
<i>trstplt</i>	3.53	409,088	1.80	4,851	***49.82
Trust in politicians (higher value means more trust)					

Sig.: \*10%, \*\*5%, \*\*\*1%. Total number of observations 413,939.

ESS variable *trstplt*: Trust in politicians. Please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Politicians?

# Conclusions

- It seems that Croatian citizens' values do not perfectly predict their political alignment, which may be a consequence of the lack of interest of Croatian people in politics:
  - The role of government in reducing **income inequality** (*gincdif*), the impact of **social benefits** in terms of taxes (*sbbsntx*), **immigration** (*imbgeco*) and **religion** (*rlgblg\_r*) significantly impact political partisanship in the way predicted by the literature, and all these features mimic other European countries.
  - The impact of **social benefits/services on the prevention of poverty** (*sbprvpv*) works in the opposite way to that predicted by the literature and shown in other European countries i.e., conservative Croatians are more in favor of this policy.
- Furthermore, Croatian political parties will face problems to implement the **median voter strategy**, because polarization is an issue that is increasing over the years. This polarization clearly decreases the quality of Croatian democracy and jeopardizes the median voter assumption.

# Conclusions

- **Trust of Croatians** in their political system (parliament, politicians) is **extremely low**. Most probably, it is due to the high level of **corruption** and to the **post-communism effect**. The habits learned during the communist period, based on the belief that the state worked against the individual rather than for it, prevent Croatians from trusting their political system.
- The country missed the opportunity to implement ambitious reforms in this regard when opting to join the **EU and NATO**. We believe that the joint effect of corruption and distrust explains the low engagement in elections, which in turn means **low electoral turnout**. This low level of trust most probably explains why Croatians do not keep up with political or economic news. We confirm that **citizens' distrust of government stemming from communism still holds, 30 years after the disintegration of Yugoslavia**.

# Conclusions

- As policy implications from this research, we can highlight the **positive finding of the Croatian budgetary process, which outperforms the international standard**, and that should be capitalized on by the Croatian government, and used as a landmark to campaign about increasing citizens' involvement in public affairs.
- The target should be to achieve an **electoral turnout similar to the remaining European countries, i.e., 75%**. In a nutshell, our findings align with Vuković (2017), in a claim for an institutional push that encourages both **greater transparency and accountability to voters**, and that **punishes corrupt politicians**.

**Thank you for your  
attention**