Determinants of public attitudes towards the Euro: comparing the Czech Republic and Slovakia

Master Thesis

Abstract
The ultimate goal of this study is to discover public attitudes towards the euro in the Czech Republic and Slovakia as cases of Central and Eastern European member states with divergent monetary strategies. The thesis applies a multidisciplinary framework logic in studying public opinion on European integration. The model consists of three interconnected dimensions – economic, political and ideational – that are part of a single causal mechanism aiming to explain public attitudes towards the euro. This is studied in a context-specific environment, key to unrevealed factors which resulted in opposing attitudes of Slovak and Czech citizens toward the single currency. The findings undoubtedly confirmed the strong impact of political ideology on integration decisions in the Czech society and showed national identification as a factor that matters to Slovak citizens.

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1. Introduction and research question

1.1 Introduction

The introduction of the single European currency in 1999 brought new challenges for European societies and revealed the advantages and disadvantages associated with the fact that Eurozone member states use the euro. The ideas of the Economic and Monetary Union (EMU) originated in the phase of progressive economic policies with the main goal of full capital flow liberalization. After the collapse of the Bretton Woods system, the adoption of the single market accelerated the process of European integration and gave light to the idea of monetary integration between the European currencies. After the signing of the Treaty of Maastricht on European Union [1992], the stage-approach was adopted. This meant that in the building of the EMU the adoption of the euro and the introduction of the common monetary policy under the supervision of the European Central Bank (ECB) is the third and last stage of the EMU (European Parliament, 2017). Today, all EU member states, with the exception of the United Kingdom and Denmark, which obtained 'opt-out' in Protocols annexed to the Treaty, are under a formal obligation to join the last stage of the EMU, and thus, adopt the single currency, the euro. This is defined in the Treaty on the Functioning of the European Union [2007], United Kingdom: EMU opt-out clause [1992] and Denmark: EMU opt-out clause [1992]. This means that even 'late comers' are required to give up their national currency and become Eurozone members.

In 2004, the EU's "Big Bang" enlargement to include Central and Eastern European (CEE) countries then brought to light certain questions on how to integrate states that transition from command to market economies, and from socialist to democratic systems into the current sophisticated common economic and monetary structures of the EU. For this reason, these newcomers have been given the status of the *"members states with derogation"* until their public finances and national economies have matured enough for the adoption of the euro (Helisek, 2013). Specifically, this means that these economies cannot join the EMU until they fulfil the formal nominal convergence criteria (Maastricht criteria), which focus on economic alignment with the euro area. Therefore, it is mandatory for the governments of non-Eurozone member states to produce annual convergence reports on economic alignment with the euro area. While this is an unsurprising mitigating approach towards the countries that go through massive political-economical post-transition changes, the question that remains unrevealed is why each of these 11 countries adopted divergent monetary strategies towards the single currency (five adopted, six did not).[1]

First of all, it is a fact that European integration and the EMU was built on ideas of rational choice theory which favours neoliberalism, economic efficiency and interest-centred approach. For these reasons, the European Commission (EC) prefers macroeconomic assessments of members states with derogation prior to joining the EMU. The EC issues biennial convergence reports on the economic development and conditions for adopting the single currency in

[1] The accession to the EU after 2004: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Slovakia, Slovenia, Romania.

Bulgaria, Romania, the Czech Republic, Croatia, Hungary and Poland (European Commission [EC], 2016). Moreover, the rationalist view dominated also research focusing on nominal convergence criteria assessment and economies' preparedness assessment (Kovarova & Sulganova, 2012; Helisek, 2013; Polyak, 2016).

Secondly, it is important to consider that this rationalist (instrumental) approach cannot provide a complex answer to why some CEE member states did not adopt the euro. The macroeconomic conditions of these Eurozone candidate countries are relevant topics to be studied. Nonetheless, the decision about the adoption of the common European currency is primarily a societal and political choice. Therefore, pure economic arguments do not explain attitudes of citizens who decide in public polls. There are microeconomic factors on the individual level that influence the country's European integration decisions. This idea is further supported by researchers who attempt to explain the reasons behind different decisions of the CEE countries and answer the question of why they adopted divergent monetary strategies to the Eurozone membership (Pechova, 2012; Allam & Goerres, 2011; Palankai, 2015). They argue that in order to deeply understand the countries' decisions regarding European integration, socio-psychological, political and ideational factors need to be taken into account when conducting an assessment of public attitudes (de Vries & van Kersbergen, 2007; Rohrschneider & Whitefield, 2006; Garry & Tilley, 2009; Allam & Goerres, 2011). Because of these convincing arguments, this thesis follows a multidisciplinary outlook on the issue of the euro adoption, studying complex conditions that impact an individual's choice about the euro.

1.1.1 The cases of the Czech Republic and Slovakia

There are studies that look closely at the example of the two CEE member states, the Czech Republic and Slovakia because these countries have a close economic, political and social relationship, and share many historical commonalities since they existed as one country until the dissolution of Czechoslovakia (sometimes referred to as "break-up" or "velvet divorce") effective on 1 January 1993 (Dissolution of Czechoslovakia, 2015). Despite this historical fact, however, they chose different paths regarding their support for the adoption of the euro (Pechova, 2012; Polyak, 2016). While Slovakia adopted a positive political approach that led to the adoption of the euro in January 2009, a more cautious approach was taken in the Czech Republic, which did not set a date for currency adoption. Therefore, these two cases represent CEE countries that happened to have divergent monetary strategies despite objective common traits. As such, this study attempts to provide a fuller explanation of the factors behind these public decisions on support for the euro in the Czech Republic and Slovakia. More concretely, the goal of this research is to analyse what role the political, economic and ideational factors have in the shaping of the public attitudes towards euro support in the two countries.

1.2 Research question

In order to find out the differences between the factors influencing public attitudes towards the euro support in the Czech Republic and Slovakia, this paper will address the following research questions:

What are the factors that impact the public attitudes towards the euro support in the Czech

Republic and Slovakia?

- ✓ *Which factors are greater determinants of public attitudes towards the euro in the Czech Republic?*
- ✓ *Which factors are greater determinants of public attitudes towards the euro in Slovakia?*
- ✓ *What implications do these findings have for future adoption of the euro in the Czech Republic (and potentially in other non-euro CEE countries)?*

The research question essentially falls within the area of studying EMU and public opinion and support for Eurozone membership in post-Communist countries. Broadly, this study joins the efforts of European integration theories of public support in the field of public administration. The type of the research is positive, empirical and explanatory.

1.2.1 Academic relevance of the research

As stated above, the research on this issue was dominated by rationalist views focusing on the economic assessment of the convergence criteria and on how the economy is aligned with the economies of the euro area member states. The studies apply the instrumental reasoning on the macroeconomic or microeconomic level, highlighting integration benefits and utilitarian self-interests of Eurozone membership. Nevertheless, this study argues that public opinion about the euro in these two countries is affected to a great degree by noneconomic factors – attitudes towards domestic politics, feelings of social identities (Elgün & Tillman, 2007). As some other researchers attempted to develop an alternative theoretical framework to understand public choices about the euro in post-communist countries (de Vries & van Kersbergen, 2007). This thesis applies the concept of one single multidisciplinary explanatory framework in studying public attitudes in the Czech Republic and Slovakia. The reason is that economic, political and ideational explanations are non-competing, rather they all try to frame citizens' attitudes toward integration from different views but as parts of a single causal mechanism.

The diversity in the research on economic integration is present in the studies about the Czech Republic and Slovakia, too. There are various instrumental economic studies and some other works that adopt a multidisciplinary approach. Firstly, there is a study on the promotion of the benefits from mutual trade for the Czech exporters (Helisek, 2013). Secondly, another study examines Slovak and Czech export performance during the economic crises, aiming to explore the changed external environment of the highly open and export oriented economies (Polyak, 2016). Thirdly, there are studies that evaluate the fulfilment of the Maastricht nominal and real convergence criteria by the Czech Republic and contribute to the research by comparing the effects of crises on the internal and external economic balance of both countries (Kovarova & Sulganova, 2012; Bolotov, Cajka, & Gajdusova, 2013). On the contrary, other researchers highlight a crucial role of political factors and shared ideas and beliefs in public discourses about the common European currency in Czech and Slovak society (Allam, 2006; Pechova, 2012; Cabelkova, Mitsche, & Strielokowski, 2015). These propositions are further extended in the sociological study of people's attitudes toward the adoption of the euro in the Czech Republic, focusing on the role of the ideas and democratic values that are reinforced in the EU (Cabelkova et al., 2015).

There is a clear gap in the literature, where people's attitudes in the context of the countries' environments specific need to be examined in order to understand causations. This is the reason for a more detailed approach in studying the political, economic and ideational factors that impact people's attitudes towards the euro in the Czech Republic and Slovakia. The significance of the individual factors captured in three perspectives of public attitudes toward the single currency is tested by using the Eurobarometer dataset and comparing the results among countries. This thesis will contribute to a fuller explanation of the puzzle on how monetary integration theories work for newcomers in the EU and fill a research gap that researchers in the multidisciplinary framework stream have identified.

1.2.2 Societal relevance of the research

Another aim of this thesis is to enrich the debate over the euro adoption in the Czech Republic. There is a conflict amongst the Czech academic, political and economic elite towards the single currency. Because of this, research on this topic also responds to the Czech society's dilemma about forming a clear position toward the European Union and on its role in the integration process in the coming years (Houska, 2017). The country currently holds a periphery role and the discussion regarding the adoption of the euro periodically returns to the fore during elections periods. This was true in 2013 as well as in the public discourse of October 2017 parliamentary elections (Rousek & Neprašová, 2017). And there are several ways on how this affects the citizens' choices for the EMU.

Firstly, the intellectual or political society in the Czech Republic cannot agree on the outcomes of the adoption of the common currency. On one hand, there are voices from representatives of the Czech companies that are in favour of the euro. This is due to the fact that in a strongly export-oriented Czech economy, big companies are paying already in Euro and its influence is gradually expanding (Prokeš & Lukáč, 2017). This confirms the growing trend of 'euroization' and the high-level of connectedness of the country with the euro area, especially with main business partners – Slovakia and Germany (Palankai, 2015; Prokeš & Lukáč, 2017). On the other hand, the adoption of the new currency is not supported by the Czech national bank, which presents traditional rhetoric statements not to 'hurry' to decisions and to wait until the problems of Eurozone will be resolved (Houska, 2017). The fragile support is also expected in the post-election political environment due to the fact that the winning political party ANO (meaning "YES") has expressed opposition to the common currency (Vainert, 2017). All of these contradictory views are often presented emotionally in media, influencing an individual's choice for the euro. The importance of these political factors is even growing when debates become more contested, because it polarizes the Czech society.

Secondly, there is a puzzle to this debate, regarding the economic perspective of the problem. The Czech economy has come out of the economic crisis and achieved great macroeconomic results such as reaching the lowest unemployment rate in the EU and high production growth driven by export (Czech News Agency [ČTK], 2017a, 2017b). Therefore, there are no objective formal reasons for the country to not join the Eurozone. This only emphasises the importance of the question of why the Czech Republic has such an unclear position on the next, post-crisis phase of European integration and why Czechs have so distant attitudes towards the euro. On

the other hand, the Slovak community has a much clearer opinion on the role of smaller countries like the Czech Republic and Slovakia. According to the Slovak ex-minister of finance Ivan Miklos for instance, these must be at the centre of the Union, meaning in the Eurozone (Houska, 2017).

For these reasons, this thesis can serve as an important insight into the political and societal debate regarding the adoption of the euro in the Czech Republic as well as among non-Eurozone members. The research on which factors influence citizens' decisions about support for the euro and comparisons of results with the Slovak society could provide an important understanding of what future public discourse should focus on. Another outcome of the study is that it could mitigate investigation on the question of whether it is possible to resolve the paradox of why most Czechs seem to refuse the euro despite still wishing to stay at the centre of European events (Rousek & Neprašová, 2017). After all, the decisions on such strategies are political and not economical and therefore need to be adequately addressed in the public context.

2. Literature review and conceptual framework

2.1 Theorizing public opinion and support regarding European integration

The fast track European integration was established by the creation of the EMU with the single currency, a tendency to delegate more responsibilities to the EU-level, large-scale EU enlargements and as a result of recent economic crises. But these determinants also produced scepticism towards such integration decisions amongst EU public. This negative effect translated to lack of public support for EU integration and for Brussels' policy decisions and resulted in more contested EU public affairs in recent years. This is even more visible in studying specific decisions on monetary integration, namely, the loss of 'appetite' for late joiners to become Eurozone members and their hesitation to adopt the EU's 'foreign' currency. The question of what can explain the change in public attitude toward European integration is strongly embedded in previous research. Theories of public opinion have their origin in economic utilitarian explanations where net personal or national benefits are explanatory factors. This is generally done by macroeconomic country performance analyses of the effects of public support for the EU project. Furthermore, the conceptualization is done by assessing factors from the microeconomic perspective and considering the benefits for EU citizens. Here the idea is that market liberalization including the adoption of the common currency creates differential effects for citizens based on several aspects (de Vries & van Kersbergen, 2007).

2.2 Concept of the social-psychological wellbeing of the individual

Other theories have emerged as a response to this instrumental reasoning based on utilitarian judgement linking EU public support to economic interests. The reason is that the individual is not only affected by personal or national benefits but by the exposure to news coverage capturing political elites' opinion (Hooghe, Marks, & Wilson, 2002), by political contest (Pechova, 2012), political institutions (Garry & Tilley, 2009), ideas (Cabelkova et al., 2015), identities (Risse, 2003; Hooghe and Marks, 2005) and historical experience in the country (Pechova, 2012; Palankai, 2015). All of this has an impact on *the individual social-psychological wellbeing* reflecting the fact that the citizens are not only economically anxious, but they are affected by feelings of social/national identity, satisfaction/dissatisfaction with the political system and personal security.

Using this individual-wellbeing concept allows theorizing public attitudes towards the EMU through a multidisciplinary lens. This is addressed in the research on this topic regarding efforts to create a complex theoretical framework of non-competing, but complementing perspectives that can explain the EU citizens' support (Rohrschneider & Whitefield, 2006; de Vries & van Kersbergen, 2007; McLaren, 2007). More concretely, this concept is explained as a 'double political allegiance' toward the supranational institutions that originate in the primary allegiance to the nation station (de Vries & van Kersbergen, 2007). In principle, the concept must be understood in its broadest sense, namely economic, social and psychological security and wellbeing offered by the government to national public (de Vries & van Kersbergen, 2007, p. 313). Other studies also apply this alternative theoretical framework in explaining the euro support (Allam & Goerres, 2011; Pechova, 2012; Palankai, 2015). And due to the fact that the

complex causal mechanism takes into account many factors in a broader perspective, this approach will be used in this study.

2.3 Country-specific dynamics of public attitudes in CEE countries

Another effect of using the concept of citizens' social-psychological wellbeing is that individuals perceive their own experiences with the economic and political performance of the domestic country, often based on their exposure to national public discourse. Thus, public attitudes reflect country-specific dynamics because the individual is a member of a specific nation and the state is still considered as the best unit for recognizing national discourse and realizing the differences in identities amongst the states (Pechova, 2012). It can also be seen as an arena for 'legitimizing discourses' that are "best understood as the historically informed sum of the inter-subjectively held belief of both elites and masses within a particular country" (Pechova, 2012, p. 783). Therefore, support for the euro is country-context specific and influences public attitudes in country-specific environments through perceptions of economic and non-economic determinants.

Obviously, the pattern of the diversity between Eastern and Western countries public opinion to European integration can be revealed, too. The attitudes of societies in the CEE states distinguish historical experience with the communist regime when compared with the so-called 'old' democracies. More concretely, it is considered that market norms and benefits based on instrumental reasoning generally have a less significant effect on public attitudes in post-communist societies. It is due to the lack of previous personal experiences within market-liberal systems in these countries. Therefore, citizens might project their ideological values onto situations where experience is limited. The transition research focusing on post-communist countries suggests that the citizens of CEE countries are much more likely to evaluate integration policies based on *values* rather than payoffs, namely the economic, political and values connected to national independence (Rohrschneider & Whitefield, 2006).

The idea of adapting integration theories to political-economic conditions in Central and Eastern Europe was further elaborated in research. For instance, there is a study whose results confirmed a significant effect of noneconomic factors; this used the exposure of citizens to the consequences of economic integration shaping utilitarian judgements as an explanatory variable (Elgün & Tillman, 2007). This is also demonstrated in another study that attempts to create a single pan-European model that accounts for explanations for attitudes of Easterns, as well as Westerns (Garry & Tilley, 2009). For this reason, a broader range of factors that reflect this heterogeneity and context specific environment are included in this study about public support for the euro.

Since the main analysis of this thesis focuses on the *social-psychological wellbeing of the individual* as a member of Slovak and Czech society in the population of CEE member states, all three perspectives are captured in the model. The key concepts are within the economic, political and ideational dimensions. There is a pattern of general interconnections amongst these considered factors (Palankai, 2015). The strength of these factors' influence in each

country will be researched in order to explain differences in support for the euro. Consequently, the central hypothesis is presented as follows:

H: *The economic, political and ideational individual factors have different effects on public support for the euro in the Czech Republic and Slovakia.*

In general, this primarily allows a demonstration of how much weight citizens attach to these various factors while deciding about the integration issue of euro adoption.

2.3.1 Economic dimension

The first group of factors can be considered to belong to the economic dimension.

Utilitarian studies mostly argue that citizens' attitudes are explained by personal economic benefits or aggregated benefits of country macroeconomic performance. The authors of this scholarship claim that the utilitarian evaluations of welfare are significant determinants of public support for economic integration, however its effect is diminished for higher income groups (Gabel, 1998; Ray, 2004). This is especially true in evaluating the consequences of strong economic integration policies such as euro area membership. Despite this, arguments that the consequences of economic integration affect public support on the issue are relevant; feelings of individual security about economic prospects shape attitudes to a greater level than pure economic consequences in the case of CEE countries. Specifically, individuals feel anxiety or calmness about their current economic conditions and project these expectations to the future.

The concept of individual security about economic prospects is further confirmed in more recent transitional studies that focus on direct personal experiences and future expectations about country-level economic performance (Rohrschneider & Whitefield, 2006). Firstly, the idea is that citizens' individual economic experiences are influenced by performance of national regimes in implementing liberal market structures and reforms. The logic here is that when citizens evaluate domestic economies positively, the idea of having the common currency seems rather more appealing than when liberal market reforms are perceived negatively (Rohrschneider & Whitefield, 2006, p. 149).

Secondly, the micro-level models suggest that citizens' engagement in international market structures is based on the level of individual human capacity, which is important when adapting to these new international market structures and acceptance of the new currency as well (Rohrschneider & Whitefield, 2006). On the other hand, human capital is not considered important for individuals that have not been exposed to the economic consequences of integration policies associated with Eurozone membership (Elgün & Tillman, 2007). Therefore, it is the concept of microeconomic positive (negative) perceptions and prospections of economic reality that is the major predictor in this dimension. This is because projecting current subjective economic experiences onto what the future might bring impacts the individual's attitude toward the euro. And due to the fact that these individual subjective

experiences differ based on the country of residence, this "differentiates that individual from others in different countries" (Allam & Goerres, 2011, p. 1402).

An alternative view is predicting the effect of retrospective economic evaluations on attitude toward the EMU. This is based on the logic that citizens make decisions about economic policy via projecting past economic conditions onto the future (Garry & Tilley, 2009). Despite the fact that retrospective economic evaluations are relevant in research, perceptions about prospective economic conditions should sufficiently serve the purpose of this study.

For these reasons, the following hypothesis will give answers to whether microeconomic determinants can predict euro support and whether these indicators have a stronger effect in the countries discussed:

Economic Experience

H1: *Citizens with positive (negative) economic perceptions of reality and expectations are more (less) likely to support the euro.*

2.3.2 Political dimension

Political factors represent the second perspective of the model as a group of noneconomic determinants. After all, the choice of support for the euro is in principle a political one because the political structures in the country are under question (Palankai, 2015). Economic factors on their own cannot explain why the Czech Republic made a remarkable effort to join the Eurozone at first, then became unable to finalise its Eurozone accession (Palankai, 2015). This is further supported by Helisek (2013), who argues that there are no objective economic barriers for the country to join the euro area. Thus, political factors affect the decision about the adoption of the single currency in a way that is politically and socially acceptable for the country. Therefore, dimension focuses on the political aspects affecting social-psychological wellbeing when deciding on an attitude toward the euro (de Vries & van Kersbergen, 2007).

In general, social and political acceptance regarding giving up the national currency and becoming familiar with the new European currency are affected by domestic political systems. It is the political system with all political institutions, political parties and democratic measures in place that determines if the individual feels politically and economically secure and able to more positively handle quick changes that come with changing currency. In a nutshell, individuals are in a better psychological position to trust further economic and political integration if they trust national institutions (Allam & Goerres, 2011, p. 1405).

Political institutions

The origins of the idea that citizens employ proxies of domestic political environment while responding to questions on further integration process comes from the classic political author Anderson (1998). The argument about citizens' satisfaction with political institutions in the domestic country has been further elaborated in previous research on public attitudes towards the EU institutional structures (Rohrschneider & Whitefield, 2006; de Vries & van Kersbergen, 2007; Elgün & Tillman, 2007; McLaren, 2007; Allam & Goerres, 2011). For example, there is

a presumption that perception about domestic political system translated to the European level will result in a positive relationship between satisfaction with domestic political regime and support for Eurozone membership (Elgün & Tillman, 2007, p. 393). Furthermore, there is a general idea that trust in national institutions is one of the key predictors of trust or distrust in the EU institutions, especially for citizens less knowledgeable of the EU (McLaren, 2007).

On the other hand, there are alternative hypotheses about the effect of trust in domestic institutions. Dissatisfaction with domestic political system can also produce increased support for integration because of a transfer of authority to a 'more trustable' supranational institution due to the perception of a poorly functioning domestic regime (Sanchez-Cuenca, 2000). Another hypothesis is that there is a tendency to refuse to abandon national political institutions in favour of the euro if the national system performs good. One explanation for this might be that European integration can hamper the capacity of national political elites to provide the individual with socio-economic security and wellbeing (de Vries & van Kersbergen, 2007). Additionally, these fears are sometimes presented very emotionally by political elites in heavily competitive debates within the national discourse (Palankai, 2015). Moreover, another reason could be that the public in post-communist countries faces transnational transitions in a shorter time period, meaning it is not able to adapt so fast to continuous changes (Rohrschneider & Whitefield, 2006).

All in all, it is clear that increased levels of trust in domestic political institutions are associated with increased levels of trust in furthering the European integration processes, which greatly depends on the national context. Due to this paradox, competing hypotheses of the influence of trust in national political institutions on support for the euro are presented:

Domestic Political Trust
H2a*: Citizens who tend to trust domestic political institutions are more likely to support the euro.*
H2b: *Citizens who tend not to trust domestic political institutions are more likely to support the euro.*
H2c: *Citizens who tend to trust domestic political institutions are less likely to support the euro.*

Democracy
The concept of satisfaction with the domestic political system would also suggest that there is a relationship between satisfaction with the domestic democracy and acceptance of the single European currency. The idea is again that individuals in post-communist countries such as the Czech Republic and Slovakia give much more weight to democratic values rather than relying only on a cost-benefit analysis when it comes to decisions about the euro (Cabelkova et al., 2015). The logic here is that citizens satisfied or dissatisfied with the way democracy works in their country might project these attitudes onto the elements of the EMU (Anderson, 1998). Therefore, trust in *domestic democracy* can result in positive attitudes towards the euro as an institutional proxy. On the other hand, the way democratic regimes perform in post-communist countries also implies a competing hypothesis that the better *national democracy* works, the greater the opposition to the EU initiative regarding euro adoption might be (Rohrschneider &

Whitefield, 2006). Alternatively, dissatisfaction with *national democracy* can produce positive attitudes toward the transfer of power to the transnational body and accelerate euro area membership. As a result, analysing the following competing hypotheses will depend on the country we relate to:

Democracy
H3a: *Citizens who tend to trust in domestic democratic system are more likely to support the euro.*
H3b: *Citizens who tend not to trust in domestic democratic system are more likely to support the euro.*
H3c: *Citizens who tend to trust in domestic democratic system are less likely to support the euro.*

In addition, some authors highlighted the fact that satisfaction with the way democracy works at the EU level provides powerful evidence of feelings (positive or negative) about European integration, and that this satisfaction has its own independent role (McLaren, 2007; Cabelkova et al., 2015). Furthermore, satisfaction with EU democracy is an explanatory determinant in investigating East-West heterogeneity in attitudes toward the EU. However, the results of this study on heterogeneity showed that the factor of EU democracy is not stronger in post-communist countries than in the 'old' democracies (Garry & Tilley, 2009). The theses about the importance of an evaluation of democracy in the EU might be important when assessing feelings about the EU integration project as a whole. Nonetheless, including opinions on the EU institutions and democracy to the explanatory model of this thesis could cause endogeneity problems when evaluating euro support (Allam & Goerres, 2011, p. 1408).

It is also important to note that political institutions and political parties are all intrinsic elements of the democratic system. Having said this, this thesis only considers how citizens are satisfied with the functioning of democracy in their country *in general* as it demonstrates more than just satisfaction or dissatisfaction with the government of today (McLaren, 2007). Moreover, a discussion regarding the concept of democracy as such is not included in this thesis because it is understood in the reality of modern European states nowadays.

Left-right ideological placement
Another proxy that might will prove significant in the mechanism forming attitudes towards the euro is political partisanship. Political parties and public elites' opinions frame the 'mass' opinion toward European integration in the process of political discourse. And again, the way that the individual's attitude about integration issues is formed remains country-specific.

Namely, there has always been an assumption that the ideological characteristics of the political party influence how voters perceive integration to a certain degree. A traditional view is a system that classifies left-wing and right-wing politics as opposing, creating division between values on the left-right dimensional scale. It is the left-right ideological dimension that structures party competition regarding the issue of European integration and the euro (Hooghe et al., 2002). Centrist parties tend to be more pro-integration, while peripheral parties on both extremes of the spectrum tend to be Eurosceptic and against joining the third stage of the

EMU.[2] Therefore, extreme left parties and extreme right parties share a common feature of Euroscepticism and opposition to the euro, despite being differently motivated (Hooghe et al., 2002; Marks, Wilson, & Ray, 2002). Furthermore, party conflict and strong political polarization - based on beliefs about the euro - can diminish support for the common currency in general. This is especially true in the reality of post-communist countries prioritizing values over benefits with often charismatic political leadership (Hooghe & Marks, 2005; Rohrschneider & Whitefield, 2006).

There are some alternative views that challenge whether opinion on European integration truly varies along the left-right axis (Marks et al., 2002; Allam & Goerres, 2011). It can also depend on general national attitudes towards policies, suggesting that nations with more "rightist" domestic policies will observe the support for the euro focused on the left-wing (Ray, 2004). Moreover, besides a traditional left-right spectrum, there is a non-traditional political dimension forming party families along the TAN-GAL political spectrum that is of considerable importance.[3]

In order to test the significance of ideological placement in the Czech Republic and Slovakia, this factor is included as part of the political explanations for support for the euro. However, there are some considerations that need be taken into account before analysing this explanation. Firstly, parties' ideological positions represent their stance on economic issues (Hooghe et al., 2002). Secondly, the ideological party position has independent influence on the euro issue whether the party is or isn't part of the current government. It is because the party is free to interact consistently with voters based on the national economic and social conditions. Finally, party's position on the issue of the euro then mediates the significance of this factor at the individual level because it can act as a cue for supporters of that party and reflect the national context (Ray, 2003; Rohrschneider & Whitefield, 2006).

Because the Czech Republic and Slovakia can be thought of as post-communist countries with tendencies toward more "rightist" national policies, the relationship between the individual left-right placement and the euro support would suggest that left-wing voters are more willing to adopt the euro and are more internationalist. On the other hand, left-wing voters see also disadvantages of economic integration because it can increase inequality and diminish the capacity of national governments to regulate markets. Therefore, they could be less supportive of the euro because it can be perceived to lead to a loss of control over the national economy that they would like to stimulate. The following hypotheses reflect these competing views and show how party polarization affects citizens' decisions about the euro:

Left-right placement

H4a: *Left-wing voters are more supportive of the euro.*

H4b: *Left-wing voters are less supportive of the euro.*

[2] Centrist parties: Social democratic, Christian democratic, liberal and conservative parties

[3] TAN = parties considered as traditional, authoritarian or nationalistic; GAL = parties considered as green, alternative or libertarian.

H4c: *Voters more polarized on the ideological spectrum are generally less supportive of the euro.*

2.3.3 Ideational dimension

The most recently tested theories lay along the ideational dimension capturing citizens' identities. Feelings of belonging to the nation and one's sense of social identity are considered to affect the individual to a great level and have been hypothesized in the social identity theory. The theories conceptualizing national identity and derived European identity ask whether the inhabitants of the EU member states truly have feelings of being "European" or whether they identify themselves only in the context of their own nationalities (Hooghe & Marks, 2005; Elgün & Tillman, 2007; McLaren, 2007). The exclusive identification with the nation-state is also expected to be an even more powerful explanation of attitudes towards European integration than the cost-benefit analysis or than trust in national institutions (Hooghe & Marks, 2005; McLaren, 2007). Because of this, studying how strong national identification is in relation to citizens' attitudes towards the euro is an important element of the multidisciplinary framework in explaining support of the single common currency in the Czech Republic and Slovakia.

Collective identities are formed inside the nation-state over decades through national traditions, myths, beliefs and understandings of how Europe matters. And these socially constructed ideas in the identity discourse might have built up the country-specific differences in whether 'Europeanness' is or is not included in understandings of nationality. Furthermore, money has intrinsic value in what it represents because it is "the most important identity markers in people's daily lives" (Risse, 2003, p. 488). Therefore, the ideational discourse could have produced an emotional attachment to one's national currency and to what the euro might stand for. As such, before studying how the individual identifies with the euro, it must be considered that one can hold multiple identities and an increase in one of them does not necessarily decrease feeling for the others: it is not a zero-sum game (Risse, 2003). Thus, the concept of multiple identities enables the individual to have emotional attachment toward the national currency while already feeling sympathy for the common European currency as a symbol of a 'club of modern European states'.

The non-contradictory pattern of *'country first, but Europe too'* has been further elaborated in research. For instance, the concept is refined as a distinction between exclusive and inclusive national identities when an individual is not able to perceive multiple nationalities as a part of an internal identity for the first, while is possible to be 'Moravian, Czech and European' at the same time for the second one (Hooghe & Marks, 2005). Nevertheless, even a sense of national exclusiveness can produce conflicting outcomes depending on specific political and social constructions. Firstly, national pride in the sense of feelings of nationalism and superiority towards others can have a significant negative effect on support for the euro (Carey, 2002). It leads to feelings of hostility towards this "foreign" currency and less willingness to grant the EU legitimate authority over monetary policy (Elgün & Tillman, 2007). Furthermore, the negative effect of exclusive national identity is particularly likely to occur in the reality of public discourse where political elites are divided on the issue (Hooghe & Marks, 2005). On

the other hand, exclusive national identity where public elites are united in opinion towards the euro can trigger positive attitudes about its adoption due to the proudness of belonging to the Eurozone 'club'. Because the construction of this national identity is based on the realness of domestic arenas, expectations about its strength and effect on support for the euro depends on the national context being theorized.

The main hypothesis differentiates between individuals with exclusive national identity versus others with somewhat mixed identities. The reason for this is that mixed identities cannot be just separated, and it is not highly significant whether the individual perceives nationality first or Europeanness first, as long as they feel that they have several identities. The concept of Risse's *'marble cake'* explains that these multiple identities are meshed and blended into each other, and will be followed in this thesis (Risse, 2003, p. 491).

Exclusive national identity

H5: *Citizens expressing a strong sense of national identity perceive the euro in a negative way and are less supportive of the common European currency.*

There are several other remarks to this hypothesis. Firstly, the opposite effect of exclusive national identity leading to positive effect on support for the euro will be taken as a confirmation for the thesis of 'proudness' to belong to modern European states with united political elites in the public discourse. Secondly, a sense of "Europeanness" might be already intrinsically included in what exclusive national identity means. Nevertheless, since evaluation of post-communist countries that historically evolved parallel next to the 'western' European project is being done, this endogeneity problem is not expected to cause major disruptions in this study. And third, this approach is different from the concept of the 'European citizenship feeling' because feelings of being EU citizens do not provide causal links with the domestic versus European and are not necessary in the model. In particular, the simple possession of EU citizenship formally does not tell us about feelings of identification with the EU, nor with the Eurozone.

3. Research design and data collection

3.1 Research design

The major interest of this study is to discover public attitudes towards the euro. For this reason, a quantitative large-N research design has been chosen in order to test hypotheses and answer the research questions. This allows an uncovering of the differences in the outcomes of public support for the euro in the Czech Republic and Slovakia. Moreover, this will enable an extensive study of quantitative data for many cases with relevant theoretical aspects, revealing if the hypothesised distributions of indicators comply with the theoretical model (Toshkov, 2016).

The research design operationalizes the multidisciplinary framework of individual perceptions toward the euro using the measurement-valid multidimensional quantitative model along the dimensions of the concepts. The primary level of observation is cases of individuals as inhabitants of the Czech Republic and Slovakia. This individual level is applicable for the analysis as well. Further details of the data collection strategy, operationalization and quantitative technique are discussed in the following sections of this chapter.

3.1.1 Data sources

Designing a unique questionnaire and collecting specific statistical material to test hypotheses would be the best way to find causal mechanisms. Nevertheless, for the time being, existing statistical databases are evaluated. There are several reliable databases that have consistently been used in studies of European integration and public attitudes. The analysis of public opinion in both countries is performed using data from the Eurobarometer database for the EU member states. The dataset of Standard Eurobarometer survey 86.2 from 2016 was chosen, with the data collected in the Czech Republic and Slovakia between 3 and 16 November 2016. The dataset provides a suitable set of individual-level questions that need to be tested in order to understand the effects of economic, political and ideational factors on support for the euro.[i]

The universe of the data represents the population of residents in each member state that are aged 15 years and over (EC, 2017). Residents over 15 years old in the Czech Republic and Slovakia create also the target population in the research design. The sample includes approximately a thousand individuals (i.e. cases) from each country and individuals are also units of data collection.

Additionally, the analysis is complemented by country-specific information in order to interpret the results. This might include Maastricht Criteria Assessment or public discourses, including positions of political parties and public representatives towards the euro. This will help to causally infer conclusions based on the results of the quantitative analysis. For example, relevant sources from Czech and Slovak official governmental reports and the positions of the Czech and Slovak national bank governors and reports from the European Commission will be added if needed. This will enrich the overview of the problematics and present the positions of the important public actors towards the EMU.

3.1.2 Operationalization

The dependent and main explanatory variables are ultimately testing stated conceptual hypotheses. The observable indicators provide *indirect proxies* to measure assumptions and represent dimensions of the multidisciplinary concept.

Dependent variable

The dependent variable *Euro support* is described as attitudes of citizens toward the European economic and monetary union with the single currency, the euro, analysed independently to whether the resident country uses the currency or not.[4] The reason for this is that an attitude reflects long-term individual position toward the euro as a symbol of the modern European state. The outcome variable is derived from the standard question in the Eurobarometer survey on a variety of the EU proposals, including support for the euro, which is:[5]

What is your opinion on each of the following statements? Please tell me for each statement, whether you are for it or against it.

(1) A European economic and monetary union with one single currency, the euro

The Eurobarometer measure has the following values: 1=for; 2=against; 3=don't know or refusal to answer. *Euro support* is dichotomized to create a nominal binary variable with values of 1 or 0, where 1=support for the euro; 0=opposition to the euro. Indifferent variables with value '3' have been recoded as missing values and excluded from the analysis because they do not reflect whether the individual has opinion or not (McLaren, 2007). In such way, 32 cases have been withdrawn from the sample of Slovakia and 31 cases from the sample of the Czech Republic.

Of course, the model can be partially related to explanations connected to support for EU membership and for European economic integration in general. There is an appealing presumption that "the attitude towards the EU as a whole and towards the Euro probably mutually reinforce each other" and this is an interesting relationship to be studied (Allam & Goerres, 2011, p. 1408). Nevertheless, this study only attempts to explain support for the euro because there is a societal distinction between these two phenomena in the respective countries. Therefore, both concepts are assumed to be at least theoretically separated from each other (Rousek & Neprašová, 2017).

Independent variables

The independent variables are captured in the study according to the perspective they are linked to. Each perspective incorporates one or several individual-level indicators tapped into hypothesized aspects of the theory. This part provides the description and specification of the measures used, with recoding and additional comments included.

[4] Slovakia adopted the euro in 2009 while Czech Republic has no date for the Eurozone accession.

[5] QA17

Economic Experience

Firstly, six indicators measuring the causal mechanism of the first hypothesis *(H1)* related to *Economic Experience* are created and operationalized as individual perceptions about current and future economic reality. The effect of perceptions of the current individual and national economic experience is measured by using the following standard survey question:[6]

How would you judge the current situation in each of the following?

(1) The situation of the (NATIONALITY) economy
(2) Your personal job situation
(3) The financial situation of your household

The original ordinal variables are: 1=very good; 2=rather good; 3=rather bad; 4=very bad have been reversed to 4=very good; 3=rather good; 2=rather bad; 1=very bad. Answers such as 'don't know' or refusals (5= 'don't know' category) have been excluded from the analysis.

The effect of positive/negative prospective expectations is measured by using a question about the personal and national economic situation in the year to come:[7]

What are your expectations for the next twelve months: will the next twelve months be better, worse or the same, when it comes to...?

(1) The economic situation in (OUR COUNTRY)
(2) The financial situation of your household
(3) Your personal job situation

The ordinal variable holds the scale 1=better; 2=worse; 3=same and 4=don't know. Again, 'don't know' answers have been recoded as missing values and the initial scale has been reversed, with -1 representing 'negative expectations' and 1 representing 'positive expectations' (Garry & Tilley, 2009).

Domestic Political Trust

Second, Domestic Political Trust is operationalized as a proxy for political hypotheses H2a, H2b, H2c by evaluating seven categories of trust related to a range of domestic political institutions by using the following question:[8]

I would like to ask you a question about how much trust you have in certain institutions. For each of the following institutions, please tell me if you tend to trust it or tend not to trust it.

(1) Justice\ the (NATIONALITY) legal system
(2) The police

[6] QA1a.
[7] QA2a.
[8] QA8a.

(3) The army
(4) Public administration in (OUR COUNTRY)
(5) Political parties
(6) The (NATIONALITY) Government
(7) The (NATIONALITY) Parliament – Lower House

A categorical variable, with 1=tend to trust; 2=tend not to trust; 3=don't know, has been recoded as follows: every positive answer indicating trust in that institution is scored 1, each negative answer is scored 0. Then, the mean of responses is used to create a combined index ranging from 0 to 1, 1=trust in all the institutions, 0=trust in none of the domestic political institutions.[9] This should produce a variable that has a positive effect on attitude towards the euro, applying H2a that higher values of the index and higher levels of trust are correlated with higher support for the euro (Elgün & Tillman, 2007). Opposite findings would be treated as a confirmation of competing hypotheses *H2b* and *H2c* and explained in regards to the context of the reference country.

Democracy
Thirdly, the question about the degree of satisfaction with democracy in the country has been used as a proxy for trust in domestic democratic system in order to test political hypotheses H3a, H3b, H3c. This applies the rationale that if citizens are satisfied with the way domestic democracy works, they are more likely to trust the national system in implementing changes connected to the euro and support the currency adoption. This item reads as follows:[10]

On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the way democracy works in (OUR COUNTRY)? (1) Very satisfied; (2) Fairly satisfied; (3) Not very satisfied; (4) Not at all satisfied; (5) Don't know.

The last category of responses (5) has been removed from the analysis and a reversed ordinal measure of democracy satisfaction has been created, where 4 represents 'very satisfied'; 3 means 'fairly satisfied'; 2 reads as 'not very satisfied' and 1 accounts for 'not at all satisfied'. This will reflect a positive effect of higher satisfaction with democracy on support for the euro. Or on the contrary, will confirm competing hypotheses (higher levels of trust in national institutions associated with lower support for the euro or lower levels of trust associated with higher support for the euro).

On another note, there are also other ways to measure democracy and its effect on European integration decisions. For example, a study which operationalizes democracy more extensively is the sociological study with the data provided by the Czech Institute of Sociology. The paper confirms that the more respondents believe that values of equality, democracy, justice, solidarity, tolerance and cooperation are being reinforced in the EU, the more they support

[9] The mean of responses is counted only from exact responses 'tend to trust' or 'tend not to trust'. 'Don't know' answers are not part of the index. If a respondent was able to score 4 answers, the mean is done from 4 values. This allows to compare across the cases, even though some individuals were not able to score every institution.
[10] QA18a.

adoption of the euro (Cabelkova et al., 2015). Nevertheless, the usage of a general concept of democracy is theoretically more relevant in this study since several interconnected hypotheses are being tested.

Left-right self-placement

Next, to operationalize the last hypotheses in the political dimension (H4a, H4b, H4c), a survey item in regard to the individual ideological position on the left-right scale is used, with 1 representing 'left' and 10 representing 'right':[11]

In political matters people talk of "the left" and "the right". How would you place your views on this scale?

1 Left	2	3	4	5	6	7	8	9	10 Right

'Refusal' and 'don't know' answers were ignored and the analysis is done from the respondent's view on the scale from 1 to 10, recoded to 5 categories of the left-right ideological self-placement:

Values	**Categories**	**Description**
1	(1-2) Left	Extreme Left
2	(3-4)	Left
3	(5-6) Centre	Centre
4	(7-8)	Right
5	(9-10) Right	Extreme Right

The findings in connection with the issue of the euro are interpreted regarding the context of the Czech and Slovak political and social environments. Core expectations still state that the further the respondent's position is from the 'centre' (5-6), the less supportive the respondent is of the euro. Furthermore, nations with more 'rightist' public policies will see support for the euro on the left/extreme left. And on the whole, nations with generally more polarized voters will exhibit lower levels of support for the euro.

Exclusive national identity

Finally, to test the last hypothesis *(H5)*, the Eurobarometer question is used, which asks:[12]

Do you see yourself as …? (1) (NATIONALITY) only; (2) (NATIONALITY) and European; (3) European and (NATIONALITY); (4) European only; (5) None; (6) Refusal; (7) Don't know.

[11] D1.
[12] QD3.

The number of 'don't know' and 'spontaneous' responses (5-7) have been omitted from the analysis and the main distinction is made between individuals with nationality-only identification and all others. This includes respondents with multiple identities meshed in 'marble cake' and the ones with exclusive European identity (Risse, 2003). This allows comparing the effect of the dichotomous explanatory variable (1=nationality only; 0=all other reference values) and the intensity of the national identification in both countries (de Vries & van Kersbergen, 2007; McLaren, 2007).

3.2 Quantitative analysis and the model

The type of research carried out is a quantitative analysis of the reference variables from the questionnaire mentioned above. In particular, the quantitative technique of simple and multiple regression analyses with complementary descriptive statistics is used in order to properly evaluate correlations of explanatory variables to the outcome.

At first, a series of simple binary logistic regressions for each explanatory variable is performed separately, focusing on the single significance toward the outcome of interests (equation 1). Regressions are run for both countries individually, so the results between the Czech Republic and Slovakia amongst variables can be compared. Based on these results, variables are compared according to their significance in countries and it is assessed whether this can account for the difference in the outcome variable of support for the euro.[13]

$$\ln\left[\frac{P(y=1)}{1-P(y=1)}\right] = \alpha + \beta x \qquad (1)$$

Afterwards, the relevance of each dimension is tested by running multivariate logistic regressions for each country. This is complemented by testing paired combinations of the economic, political and ideational models. This allows a comparison of the significance of the relationships between dimensional factors toward the outcome in both countries because some might be more significant for one country than for another.

Finally, the full model of all independent variables including control variables is evaluated through performing a complete multivariate logistic regression of the outcome variable. This enables obtaining independent results for each country in the model for the Czech Republic (1) and in the model for Slovakia (2):

[13] Inspiration to compare the results in the regions comes from the study of Garry and Tilley (2009) on investigating East–West heterogeneity.

Table 1: Multivariate logistic regressions: comparing the Czech Republic and Slovakia

Country	The Czech Republic (model 1)	Slovakia (model 2)
Independent variables	*Economic dimension* (Economic Experience)	*Economic dimension* (Economic Experience)
	Political dimension (Domestic Political Trust, Democracy, Left-right self-placement)	*Political dimension* (Domestic Political Trust, Democracy, Left-right self-placement)
	Ideational dimension (Exclusive national identity)	*Ideational dimension* (Exclusive national identity)
Control variables	Age, Gender, Social status, Education etc.	Age, Gender, Social status, Education etc.
Dependent variable	*Euro Support* (Binary)	*Euro Support* (Binary)

The full model is described by the following equation (2) for the multivariate logistic regression where y accounts for the binary variable *Euro support*, x_k for each of the covariate or/and control variable and β_k demonstrates a coefficient for each variable implicating a direction of the relationship.

$$\ln\left[\frac{P(y=1)}{1-P(y=1)}\right] = \alpha+\beta_1 x_1+\cdots+\beta_k x_k \qquad (2)$$

Only after testing these full models, are judgements about the main hypothesis (*H)* conducted and determinants effecting support in regards to Czech and Slovak nations can then fully excel.

Macro-level variables are not added in regression analyses because these would cause additional difficulties with the need to perform multi-level modelling and include additional controls and checks.[14] However, a contextual factor of the analysis matters and therefore, a content analysis of public discourses and macro-level country factors are added in order to explain findings and reveal causality from the observational data to discover trustworthy causal relationships (Toshkov, 2016).

3.2.1 Control variables

Confounding variables on the individual level are added to the full model of multivariate logistic regression to improve the explanatory power of the model (Table 1). This further allows to take omitted confounder bias into consideration and isolate the influence of other socio-structural characteristics historically predictive of attitudes toward European integration (Garry & Tilley, 2009).

[14] GDP growth, unemployment rate, real/nominal convergence, current account balance variables, business cycle, the vote share of Eurosceptic parties etc.

There are seven control variables. Gender is a dummy variable coded 1 if the respondent is female and 0 if male (Elgün & Tillman, 2007).[15] Age is recoded into an interval scale of six categories: 15 - 24 years, 25 - 34 years, 35 – 44 years, 45 – 54 years, 55 – 64 years and 65+ years.[16] Education represents a year when the respondent stopped full-time education counted only after the age of fourteen.[17] All education finished after the age of twenty-two is combined into one category, this means that the variable runs from value 0, representing education up to fourteen, to value 8, representing higher education finished after the age of twenty-two. Social class is operationalized as self-reported perceived social class and this variable is preferred rather than a statement about occupational status because it provides long-term status information.[18] The measures have the following categories: working class (1), lower middle class (2), middle class (3) and upper and upper-middle (4). Locality captures characteristics of the place of residence, where rural is coded as 1, 2 for a small or mid-sized town and as 3 for a large town.[19] *Discuss politics* are two control variables that account for respondent's general interest in national and European political matters. This explores the thesis that citizens that are generally more interested in political affairs will have an opinion about the issue of the euro (Ray, 2003).[20] The control is coded where 1 represents that the respondent discuss politics 'never', 2 'occasionally' and 3 'frequently'.

3.3 Validity, generalizability and limitations

The internal validity of research in terms of possibility to reproduce the research design and analyse the data is satisfactory because the results, clarification about used data, variables and coding are all provided in this study. Furthermore, statistical uncertainty is measured at standard critical levels of significance and therefore findings can be causally applied to the target population consisting of Czech and Slovak citizens. The limitation is that a number of observations in regression analyses severely declined with the exclusion of non-responses, such as 'don't know', 'spontaneous' and 'other' answers that cannot be taken into account. On the other hand, the increased number of observations produces heterogeneity and thus, the statistical generalizability and representivity of these samples is relatively suitable for at least theoretically revealing patterns for the population of the reference countries (Toshkov, 2016).

The question at stake is whether discovered patterns can be generalized further to the general population forming cases of citizens of CEE member states. Additional country-context specific conditions to apply findings to the population of individuals of CEE countries must be assumed. This covers historical, socio-economic, ideational and structural characteristics that serve as a satisfactory explanation of divergent monetary strategies regarding the adoption of the euro.

[15] D10.
[16] D11.
[17] D8.
[18] D63.
[19] D25.
[20] D71a.

Another remark is that there is a theoretically relevant concern of reversed causality in investigating attitudes towards domestic political institutions and the euro. It is presumed that individual attitudes towards the euro cause attitudes towards domestic political institutions. Nonetheless, due to specific history of CEE countries and their accession to the EU after 2004, attitudes towards domestic political institutions are considered to exist causally prior to attitudes towards the euro.

4. Empirical analysis and findings

The original Eurobarometer dataset including data for all EU member states was adjusted in order to reflect the data and results only for the Czech Republic and Slovakia. By doing this, the reference dataset provides a total of 1004 cases from the Czech Republic and 1007 from Slovakia for observation and analytical causation. A country dummy was created to differentiate between Czech data (value 1) and Slovak data (value 0). The number of cases was adjusted in each country to reflect missing values according to the needs of analyses. The variables were incorporated in Stata (Data Analysis and Statistical Software) and analysed by running logistic regressions. Logistic regression is a common approach in the literature of public support for European integration and it is a suitable choice to analyse dichotomous dependent variable of support for the euro (1 representing 'for' and 0 representing 'against'). Besides the dependent variable, there is a total of 10 independent variables - 8 categorical variables, one continuous and one dummy variable - aiming to test theoretical assumptions (chapter II). Furthermore, there are 6 categorical confounding variables and one dummy control variable added to regression analysis of the full model.

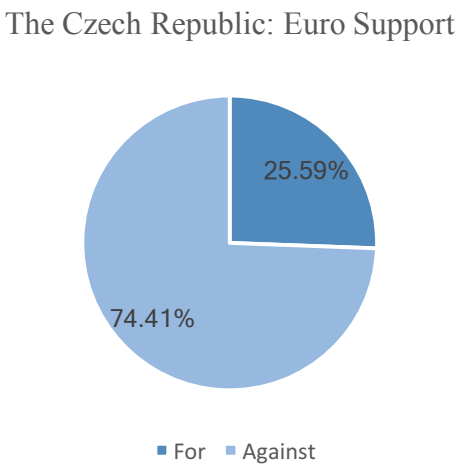
The number of variables then suggests a number of tested models that enable to reveal individual and complex causal mechanism in both countries. More concretely, there were 20 simple binary logistic regressions conducted at the first stage (10 for each country) and 14 models of multivariate logistic regressions (7 for each country including the full model) at the second stage. Regressions were performed for both countries in parallel. The stage approach is not necessary, but preferred, in order to test a preliminary significance and a direction of each single factor toward the outcome of *Euro Support*. Only afterwards, applied multiple logistic models with inclusion of several independent variables help to see enhanced effects of political, economic and ideational indicators. All statistical tests are carried out at a standard confidence level of 95%, which means that effects are considered statistically significant at p-value less than .05 (the probability of 95% that the difference is a real effect and not caused by chance) (Kremelberg, 2011).

This chapter presents the outcome variable with its values in both countries, obtained results at the first stage with simple models, at the second stage with multiple models and causal interference of findings toward hypotheses and the research questions.

Euro Support

The research question aims to reveal causal factors that influence attitudes towards the euro in the Czech Republic and Slovakia, but also applies under a condition that there is an existing difference in the outcome variable of support for the euro in both countries (p.5). 'Support' in this thesis is not understood only as the adoption of the currency (since Slovakia already uses the euro), but as general individual support which is demonstrated in the survey. For this reason, it is essential to first analyse the difference in support for the euro, as a significant difference exists in attitudes toward the single common currency (Figures 1 and 2).

Slovak citizens who use the currency in everyday life seem to be generally much more supportive of the euro in contrast to Czech society. While approximately 83% Slovak citizens expressed support for the euro, only 26% Czech citizens expressed the same opinion. The majority of individuals in the Czech Republic (74.41%) are against the EU proposal for the single currency. This descriptive statistic includes 973 observations for the Czech Republic and 975 for Slovakia.



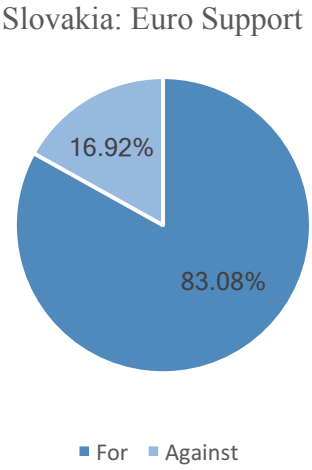


Figure 1: Support for the euro in the Czech Republic Figure 2: Support for the euro in Slovakia
*Source: Gesis, Eurobarometer 86.2 (2016)

Levels of support for the euro proved to be undoubtedly different in both countries. The following sections of this chapter attempt to explain these differences tested against chosen key explanatory variables in three dimensions of the multidisciplinary concept (economic, political, ideational).

4.1 The Czech Republic and Slovakia: simple models & results

Each binary logistic regression serves as a statistical test for each individual indicator that operationalizes the hypotheses theorized in chapter II. Results of regressions are presented as causal references toward the variables in each dimension of the concept.

4.1.1 Economic dimension

Regression analyses were performed for six economic individual variables connecting concepts of current economic perceptions and prospections with the outcome variable.

In the Czech Republic, the *national economy* variable has the strongest influence on support with a pseudo r-squared of 0.0389 and a chi-statistics value of 42.69.[21] The relationship proves to be positive with beta coefficient of 0.76 at a level of significance of 0.05 (>0.001). The second most significant relationship is between *Expected national economy* (reflecting individual prospections about the national economy in 2017) and *Euro Support*. The beta coefficient value of 0.63 suggests positive and significant relationship (p-value< 0.001) with r-

[21] McFadden R-squared; chi-statistics: likelihood ratio test (LR test).

squared 0.0242 and chi-statistics 26.65. Next the variables of financial situation of household - *Financial Household* and *Expected Financial Household* – prove to be likewise individually statistically significant at a confidence level of .05 with positive effects on support for the euro. Nevertheless, effects are considerably smaller than the effects of national economy. The variable *Financial Household* holds more significant values (chi2= 18.32; Pseudo R2= 0.0166; p-value< 0.001; B= 0.509; Std. Error= 0.122) than expectations about financial situation of household in the next year to come (chi2=11.82; Pseudo R2=0.0107; p-value= 0.001; B= 0.438; Std. Error= 0.128).

The weakest factor in the economic dimension belongs to proxies of personal job situation (variables *Job Personal* and *Expected Job Personal*). While perceptions about the current personal job situation report to have a minor positive and significant impact, expectations about the future job situation are non-significant and therefore, the null hypothesis of no effect is true (p-value= 0.199).

Similarly with Slovakia, the current experience with the national economy proves to be the strongest economic factor with positive effect, but with relatively smaller values (chi2= 28.26; Pseudo R2= 0.0325; p-value < 0.001; B= 0.716; Std. Error= 0.137). The second strongest economic factor with a positive effect happens to be the variable *Financial Household* reflecting the individual perception about the household situation. Chi-statistics is 26.36 with pseudo r-squared of 0.0305 and beta coefficient of 0.658 (Std. Error= 0.128). Furthermore, expectations regarding household financial situation have more than twice as much of a big effect in comparison with the Czech Republic, due to the chi-statistics value of 24.65 and pseudo r-squared of 0.0282 (p-value< 0.001; B= 0.726; Std. Error= 0.149). *Variable Expected National Economy* has a relatively solid and similar positive effect on the dependent variable *Euro Support* as in the Czech Republic with minor differences (chi2= 25.14; Pseudo R2 = 0.0287; B= 0.636; Std. Error= 0.123).

In contrast to Czech individuals, Slovaks attribute much more value to their job prospects. The current individual perceptions are notably more significant in the analysis with pseudo r-squared 0.0232 and chi-statistics 17.07. Prospections about job reveal to be also statistically significant (p-value< 0.001; chi2= 14.49; Pseudo R2 = 0.0187).

To sum up, the hypothesis about microeconomic perceptions and prospections of reality can be considered somewhat confirmed, but not entirely (H1, p.12). Perceptions and expectations about national economy and personal situation in regard to the household have a positive and significant effect on support for the euro in both countries. Nevertheless, personal job situation seems to be the only predictor in Slovakia because it proved to be non-significant in the Czech Republic. On the whole, Czechs assign much more value to national economic proxies when deciding their attitude toward the single currency, while Slovaks seem to be more sensitive to their personal economic conditions.

4.1.2 Political dimension

Trust, Democracy and Left-Right Placement indicators were chosen as statistical proxies to measure hypotheses in political dimension (chapter II; H2a, H2b, H2c, H3a, H3b, H3c, H4a, H4b, H4c).

The most significant predictor of support for the euro in the political dimension is the institutional proxy for democracy which showed a strong positive and significant effect in both countries. Simple binary regressions resulted in value of 0.0950 for pseudo r-squared in Slovakia and 0.0657 in the Czech Republic. This means that this factor individually explains the relationship with support for the euro to the greatest level out of all the indicators (the Czech Republic: chi2= 72.20; p-value< 0.001; Slovakia: chi2= 82.36; p-value< 0.001). It is apparent that citizens in the Czech Republic and Slovakia attach a lot of weight to democratic values, and satisfaction with the way national democracy works is a strong determinant of public attitudes toward the euro. This individual analysis confirmed the existence of a positive association between trust in the domestic democratic regime and the tendency to support the euro, but the effect is considerably larger in Slovakia (H3a confirmed, H3b, H3c disconfirmed, p.14). This also shows that Czech citizens who are satisfied with national democracy are a bit less supportive of the euro than the Slovaks. This finding partially accounts for the difference in the outcome of support for the euro in contrast to Slovakia (Rohrschneider & Whitefield, 2006).

Trust is measured as the combined index of trust in seven domestic political institutions and takes values from 0 to 1 (0 for the minimum trust and 1 for maximum trust). The results in the Czech Republic prove that trust in domestic political institutions is a highly impactful factor when citizens decide about the euro with a strong and positive effect (chi2= 60.37; Pseudo R2= 0.0546; p-value< 0.001; B= 1.89; Std. Error= 0.250). Yet in Slovakia, the effect of trust is shown to be an even stronger individual predictor of euro support with chi-statistics bigger (71.13) and pseudo r-squared higher (0.0804). The odds ratios of 6.62 in the Czech Republic and 11.00 in Slovakia suggest that individuals who tend to trust domestic political institutions are respectively 6.6 and 11 times more likely to vote for the euro in comparison with citizens with negative attitudes towards domestic institutions. This interpretation proves that the hypothesis about the positive relationship between trust in national institutions and support for the euro is true for both countries (H2a, p.13) and disregards competing hypotheses (H2b, H2c, p.13). Nonetheless, citizens in Slovakia are more sensitive to this political indicator than in the Czech Republic, which accounts for some difference in attitudes towards the euro.

The most interesting and controversial relationship is between individual left-right placement and public support for the euro. On the one hand, the indicator *Left-Right Placement* demonstrates quite a significant strength in the Czech Republic because chi-statistics has a value of 21.48 and r-squared holds value 0.0206 (p-value<0.001; B= 0.323; Std. Error= 0.071). Despite this, the interpretation of regression and direction of the relationship is a bit tangled because higher values (and the positive direction of the relationship) indicate that rightist individuals support the euro more compared to voters on the left side of the political spectrum. Therefore, additional logistic regression is run in order to hold the influence of the first group

of extreme left voters on *Euro Support* constant. This analysis can reflect a change in support by other groups compared to the first group. This logistic regression reports the strongest and most significant correlation exists only for the groups of right voters and extreme right voters (chi2= 31.13; p-value<0.05). In particular, this model explains the relationship between this key explanatory variable and the outcome to an even greater level with pseudo r-squared value of 0.0299. Moreover, it resulted in non-significance of groups of left and centre voters for the prediction of support for the euro in the Czech Republic. In Slovakia on the other hand, the variable of left-right placement proves to be the weakest and least statistically significant determinant of public support for the euro with a p-value 0.229 (chi2= 1.46; pseudo R2 = 0.0019). An additional regression analysis with constant value will not help to reveal causation between these two indicators. According to these simple models, the ideological left-right self-placement has no effect on public support for the euro in the Slovak society.

Finally, isolated descriptive statistics of relations between variables of *Euro Support* and *Left-Right Placement* show remarkable public polarization in the political spectrum for cases of Czech citizens and also produce evidence that hypothesis H4c is true (p.16). The mean of value of support for the euro for extreme left voters is 0.207 and for left voters is 0.18 whereas right and extreme right voters report value 0.399 and 0363. This means that support in its maximum (0.399) on the right-wing is more than twice as large as in its minimum (0.18) amongst left-wing voters. On the contrary, the Slovak population is much more united on the issue of euro, where the difference in mean of support amongst the left-right category groups is minimal (the highest difference is between extreme-left and extreme-right voters, 0.062). This confirms that where society faces high political polarization, support for integration is generally lower (Hooghe & Marks, 2005; Rohrschneider & Whitefield, 2006).

Since this proxy also represents the influence of political parties on the individual support, where political parties are polarized on this integration issue, public support is considerably smaller. A competing argument might be that this is biased because Slovakia already adopted the euro and society is supportive of the currency that it uses. Nonetheless, a historical analysis by other researchers provides an evidence that Slovak society is able to gather support more easily and stays united when it comes to the euro or important integration issues at stake rather than Czech society (Pechova, 2012). This finding may suggest that certain Czech political and public actors are often able to influence public support for the euro to a greater degree than in Slovakia. Additionally, this finding supports the assumption about responsiveness of the public in CEE countries toward political parties based on ideological appeals and values (Rohrschneider & Whitefield, 2006). All in all, this fact serves as an important insight while studying the impact of certain societal actors and political parties on public opinion in the Czech Republic, and potentially in Hungary and Poland (Pechova, 2012).

To summarize, by looking at the individual effect of political left-right placement, hypothesis H4b is confirmed in the Czech Republic (Left-wing voters are less supportive of the euro). However, this relationship is statistically non-significant in Slovakia. Moreover, polarization in the political ideological spectrum proved to have a considerable effect on general support for the integration issue of the euro.

On the whole, particular political determinants are the most impactful in all dimensions. This confirms the prediction that individuals who do not have enough information about economic determinants or consequences use political factors as proxies while deciding about integration issues (including adoption of the euro).

4.1.3 Ideational dimension

This section presents the only tested factor of *Exclusive Identity*. This demonstrates the difference in public attitudes toward the euro between people with nationality-only identity and those holding multiple identities.

The results indeed confirm that this factor is a relevant determinant of support for the euro as the theory suggests (Risse, 2003; Hooghe & Marks, 2005; Allam & Goerres, 2011). In Slovakia, this factor showed a substantially significant effect on *Euro Support* because the regression analysis reported value of 74.92 for chi-statistics and 0.0853 for pseudo r-squared (p-value< 0.001). Moreover, the beta coefficient of -1,532 (Std. Error= 0.185) reveals that exclusive national identity has an expected negative effect on support for the euro. Similarly with Slovakia, the Czech results show that on one hand, there is a statistically significant relationship between those who identify themselves only with the nation-state and opinion 'against' the euro, and on the other hand, between those who have multiple nationalities and support the euro. On the other hand with Slovakia, the effect of this factor is notable smaller with chi-statistics of 35.34 and a pseudo r-squared of 0.0320 (B= -0.920; Std. Error= 0.160).

Overall, while citizens who express only national identification are less willing to support the adoption of the euro as a 'new' currency, citizens with multiple identities have more pro-euro views. This confirms the prediction about the effect of exclusive national identity. In particular, this effect is smaller in the Czech Republic than in Slovakia (H5: Citizens expressing strong national identification perceive the euro in a negative way and are less supportive of the common European currency). Consequently, this partially explains the difference in public attitudes toward the euro in both countries.

4.2 The Czech Republic and Slovakia: multiple models & results

The section focusing on the individual impacts of each of the indicators showed that a majority of them are statistically significant and therefore require theorising. Namely, particular hypothesised effects can be confirmed regarding perceptions and expectations about national economy, households' financial situation, trust in the democratic regime and political institutions, identity and left-right placement (in the case of the Czech Republic), and personal job situation (in the case of Slovakia). However, in order to reveal a complex causal mechanism of public opinion about the euro, there is a need to run multivariate regression analyses. These regressions compare economic, political and ideational models and paired models of economic-political, economic-ideational, political-ideational dimensions. Moreover, the 'best fit' model, which explains the most of euro support 'variation' (besides the full model) is included as a combination of selected relevant economic, political and ideational factors for each country.

There are 12 multivariate models (6 for each country) and the results are presented in a summary of multivariate logistic regressions shown in table 2 (the Czech Republic) and table 3 (Slovakia). Statistics of exclusive identity in tables enable a comparison of fit amongst values of multivariate models. Tables provide a summary of beta-coefficients for each variable in regression analyses with p-values and include information about pseudo r-squared and chi-statistics for each regression.

Table 2: Multivariate logistics models - support for the euro in the Czech Republic

EuroSupport (DV)	Model 1 (economic)	Model 2 (political)	Model 3 (identity)	Model 4 (economic-political)	Model 5 (economic-ideational)	Model 6 (political-ideational)	Model 7 (best fit)
NationalEco	0.518***			0.210	0.506***		0.243
	(0.000)			(0.200)	(0.001)		(0.101)
FinancialHH	0.134			0.097	0.056		0.030
	(0.438)			(0.600)	(0.752)		(0.835)
JobPersonal	-0.004			-0.183	-0.020		
	(0.978)			(0.296)	(0.905)		
ExpNationalEco	0.380**			0.187	0.285		0.199
	(0.010)			(0.230)	(0.057)		(0.155)
ExpFinancialHH	0.256			0.243	0.227		
	(0.120)			(0.152)	(0.169)		
ExpJobPersonal	-0.186			-0.216	-0.105		
	(0.308)			(0.251)	(0.570)		
TRUST		0.974***		0.754*		0.901**	0.730*
		(0.000)		(0.018)		(0.001)	(0.012)
Democracy		0.725***		0.630***		0.680***	0.599***
		(0.000)		(0.000)		(0.000)	(0.000)
LeftRightPlace		0.221**		0.215*		0.177*	0.182*
		(0.003)		(0.012)		(0.023)	(0.023)
ExcIdentity			-0.920***		-0.719***	-0.504**	-0.437*
			(0.000)		(0.000)	(0.004)	(0.016)
_cons	-2.670***	-4.028***	-0.710***	-3.842***	-2.123***	-3.542***	-4.018***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
N	741	882	967	681	737	878	862
pseudo R^2	0.046	0.084	0.032	0.089	0.062	0.092	0.100
chi2	40.64	86.38	35.34	74.50	54.62	94.63	101.40

p-values in parentheses; McFadden R-squared
Source: Stata output - logistic regressions coefficients from Eurobarometer 86.2
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3: Multivariate logistics models - support for the euro in Slovakia

EuroSupport (DV)	Model 1 (economic)	Model 2 (political)	Model 3 (identity)	Model 4 (economic-political)	Model 5 (economic-ideational)	Model 6 (political-ideational)	Model 7 (best fit)
NationalEco	0.398*			0.027	0.271		
	(0.020)			(0.895)	(0.136)		
FinancialHH	0.339			0.289	0.242		0.131
	(0.121)			(0.272)	(0.285)		(0.572)
JobPersonal	0.002			-0.103	-0.021		-0.045
	(0.994)			(0.659)	(0.919)		(0.825)
ExpNationalEco	0.196			0.108	0.178		
	(0.258)			(0.576)	(0.323)		
ExpFinancialHH	0.494*			0.439	0.448		0.544**
	(0.033)			(0.087)	(0.069)		(0.003)
ExpJobPersonal	0.081			0.144	0.080		
	(0.725)			(0.573)	(0.745)		
TRUST		1.372***		1.081*		1.399***	1.293**
		(0.000)		(0.014)		(0.000)	(0.002)
Democracy		0.899***		0.797***		0.771***	0.583***
		(0.000)		(0.000)		(0.000)	(0.000)
LeftRightPlace		0.080		0.003		0.023	
		(0.374)		(0.975)		(0.803)	
ExcIdentity			-1.532***		-1.424***	-1.333***	-1.282***
			(0.000)		(0.000)	(0.000)	(0.000)
_cons	-0.307	-1.013**	2.358***	-1.082	0.965	0.049	0.246
	(0.502)	(0.009)	(0.000)	(0.077)	(0.063)	(0.910)	(0.647)
N	716	796	961	616	710	792	727
pseudo R^2	0.070	0.125	0.085	0.146	0.140	0.182	0.191
chi2	48.40	92.72	74.92	87.36	95.84	134.41	133.57

p-values in parentheses; Mc-Fadden R-squared
Source: Stata output - logistic regressions coefficients from Eurobarometer 86.2
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

4.2.1 Dimensional models

If each dimension is studied in detail, the political model together with model 3 (identity) provide the best causal explanations for the outcome in the Czech Republic. It is because all the variables in the models are statistically significant and directions of the relationships prove to be as expected. This means that trust, satisfaction with the way democracy works, ideology and identity are all strong determinants of the support for the euro and explain variation amongst public attitudes towards the euro to a greater degree than economic factors. While all variables of the political model have positive signs - which further confirms expectations from the analysis of their particular effects, - exclusive identity reflected negative association as expected.

In the economic model (model 1), perceptions and expectations about national economy are the only variables that matter. This also confirms the assumption that Czech citizens are much more perceptive toward macroeconomic aspects of national economy influencing their opinion

about the euro. Accordingly, Czech citizens are more responsive to public information about the macroeconomic situation of the Czech Republic and its harmonization with the Eurozone. The reason might be that Czech citizens are often informed about the risk of the accepting the euro for the long-term sustainability of the financial management of the government. Additionally, Czech reports highlight a lack of long-term economic convergence, measured in the real price level and the level of purchasing power parity, and a disproportion in the economic structure of the Czech economy compared to the Eurozone (Ministry of Finance of the Czech Republic & Czech National Bank [CNB], 2017; Czech Government & CNB, 2007). As a consequence, citizens' negative opinions about the adoption of the euro mirror such negative views about the domestic economy. Nevertheless, there is a problem of argumentation in official governmental reports. This is due to the fact that the Czech Republic's macroeconomic cyclic harmonization with the euro area is high and the country easily fulfils the Maastricht criteria. Furthermore, the Czech Republic experiences outstanding continuous GDP growth and has one of the lowest and most stable unemployment rates in the EU (Krejčí, 2017). Therefore, there is no objective reason why the country should not enter ERM II and accept the euro in the medium-term. As a result, perceptions of citizens about the national economy based on the national context and how it can be changed, could justify why attitudes are so different compared to Slovak population. Nevertheless, the effects of these macroeconomic individual variables are very low to draw such causal conclusions.

On the other hand, the economic model fits Slovak data only for the variable of national economy, with higher p-value (0.020>0.000) and variable of expectations about financial situation of households, which takes on a significant value (table 3). This is also a distinctive attribute of the Slovak population, which is more sensitive toward personal microeconomic situation. This might be connected to the fact that Slovakia cannot influence macroeconomic indicators completely because monetary policy is fixed, so individuals place much more value on personal economic conditions. Logically, these indicators are actually the ones each individual can influence, so it is not surprising that individuals plan based on prospects of their own financial situation.

Additionally, there is a considerable difference between the Slovakia's political model and the results from Czech data. While variables of trust and democracy prove to have significant impact in both countries, an analysis of a proxy for left-right political self-placement confirms that this factor is not statistically significant for Slovak citizens. This finding serves as an example of a country-context difference, which leads to different public opinions about integration even for objectively similar countries that existed as a single state in the past (chapter I). More concretely, when political parties unite regarding which path to take in the EMU, political polarization diminishes and this factor becomes irrelevant for society's decision about an acceptance of the euro. Again, as the descriptive statistics showed in regard to this factor, where society is less politically polarized, the left-right ideological placement will diminish its effect on the decision about the euro. This is also probably associated with the fact that when society becomes united on the issue of the euro, societal costs of supporting this idea become more bearable, even though they are not objectively lower compared to other countries (e.g. the Czech Republic) (Pechova, 2012, p. 781).

4.2.2 Combined models

Analyses of paired models (economic-political; economic-ideational; political-ideational and the 'best fit' model) reveal that the most well-suited is the model 6 (political-ideational). In this case, the pseudo r-squared has relatively high values for the Czech Republic as well as for Slovakia (CZ: Pseudo R2 = 0.0919; chi2= 94.63; SK: Pseudo R2 = 0.1819; chi2= 134.41). And despite the particular insignificance of the variable of left-right ideology for Slovakia, the model 6 in this reference country has a notably higher goodness-of-fit, which means that the model "fits" the observed data more closely (The Pennsylvania State University, 2017).

Additional regressions were run in order to predict what combination of factors for each country would provide the best fit in terms of goodness-of-fit, high pseudo r-squared and further validate most significant determinants of euro support. As a result, the best fit for the Czech Republic (model 7, table 2) turns out to be the combination of three economic variables (*National Economy, Expected National Economy* and *Financial Household*) with all the political and ideational factors. This regression analysis reveals the ultimate significance of determinants of democracy, political ideology, trust in political institutions and identity. The factor of satisfaction with domestic democracy holds the strongest association (p-value<0.001). For Slovakia, the best fit model proves to be consisting of perceptions about microeconomic indicators (*Financial Household Situation* and *Personal Job Situation*) and political-ideational factors. In comparison to the Czech model, the Slovak one excludes the left-right self-placement variable and national economic variables, which also happened to constitute a substantial difference. Left-right ideological views cannot be taken as a key explanatory variable for Slovakia, while in the Czech Republic, this is one of the most impactful factor. Thus, the full model of all the variables including controls needs to be tested in order to validate the differentiation of the causal mechanism in both reference countries. Furthermore, this confirms the main hypothesis H (p.11). That is, studying cases of individuals more closely in the country-context environments show that not always the same determinants are difference-makers amongst population of CEE countries.

4.3 The Czech Republic and Slovakia: full models & findings

As mentioned in the previous section, the full model includes all the explanatory variables, all the confounding variables and provides a more complex outlook on what is and is not considered important when studying public attitudes towards the euro in the Czech Republic and Slovakia (Table 1, chapter III, p.24). The following table 4 shows a summary of regressions with beta coefficients, p-values and allows to assess goodness-of-fit and variation amongst observations based on pseudo r-squared.

Table 4: The full multivariate logistic regression models: the Czech Republic and Slovakia

EuroSupport (DV)	Full model 1 - The Czech Republic	Full model 2 - Slovakia
NationalEco	0.222	-0.047
	(0.211)	(0.839)
FinancialHH	0.173	0.208
	(0.415)	(0.462)
JobPersonal	-0.329	-0.168
	(0.093)	(0.510)
ExpNationalEco	0.110	-0.005
	(0.524)	(0.981)
ExpFinancialHH	0.346	0.455
	(0.072)	(0.105)
ExpJobPersonal	-0.334	0.051
	(0.124)	(0.853)
Democracy	0.506**	0.716***
	(0.004)	(0.000)
LeftRightPlace	0.226*	-0.029
	(0.021)	(0.796)
TRUST	0.726*	1.239**
	(0.037)	(0.008)
ExcIdentity	-0.296	-1.433***
	(0.184)	(0.000)
Control variables		
Education	-0.070	0.067
	(0.271)	(0.400)
Gender	-0.101	0.244
	(0.602)	(0.322)
SocialClass	0.148	-0.255
	(0.281)	(0.117)
DiscussNPolitics	0.259	0.231
	(0.247)	(0.475)
DiscussEPolitics	0.108	0.158
	(0.617)	(0.623)
Age	-0.216**	-0.040
	(0.007)	(0.668)
Locality	0.214	-0.178
	(0.143)	(0.277)
_cons	-3.670***	0.207
	(0.000)	(0.818)
N	619	577
pseudo R^2	0.113	0.213
chi2	84.72	122.01

p-values in parentheses; McFadden R-squared
Source: Stata output - logistic regressions coefficients from Eurobarometer 86.2
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

According to the results of the full model in the Czech Republic, the most significant factors impacting public attitudes toward the euro support are satisfaction with the way domestic democracy works, trust in national political institutions and the individual's position on the left-right spectrum (table 4). Slovak results are similar regarding political variables of trust in democratic regime and political institutions. Nevertheless, while in the Czech Republic all the political determinants in the multidisciplinary concept are relevant causes for support for the euro (confirmed hypotheses H2a, H3a, H4b; p.13-15), variable of left-right placement was determined to be insignificant in Slovakia (hypotheses H4a,b do not apply in Slovakia). However, the proposition about political polarization and its generally negative effect on the euro support is true, because Czech society turned out to be more polarized on the political spectrum, as opposed to the more united Slovak population (H4c, p.16).

A surprising outcome is the unimportance of exclusive identity in the Czech sample. The ideational variable of *Exclusive Identity* was significant when analysing the indicator individually and as a part of the combined models. Despite this, the results of the full model refuted the significance of this factor for the assessment of the complex causal mechanism of public attitudes in the Czech Republic (H5 rejected for the Czech Republic, p.17). On the contrary, this determinant is one of the strongest in Slovakia (p-value<0.001). It is hard to find any causal explanation for this finding, since identity was confirmed to be a strong aspect in previous studies on European integration public opinion (Hooghe & Marks, 2005; Elgün & Tillman, 2007; McLaren, 2007; Allam & Goerres, 2011). The most probable explanation is that citizens of the Czech Republic give much more importance to ideological values (left-right placement factor) and political proxies rather than to identity. It can also clarify the strength of the effect of the ideological self-placement on support for the euro in the Czech Republic and its irrelevance in Slovakia.

Besides these three key explanatory factors, a control variable of *Age* demonstrated to be quite significant in the Czech Republic (p-value=0.007). Including controls in the full model should have revealed influence of other determinants causing the outcome of support for the euro. Unexpectedly, the control of age has a negative and relatively strong effect on public attitudes toward the euro in the Czech Republic. According to a study, higher aged groups are more likely to oppose euro adoption than youngsters, and the determinant of age proved to be decisive (Cabelkova et al., 2015). The reason is that older citizens might remember prior monetary currency reforms, namely, during the time of communist regime in Czechoslovakia, which were always followed by waves of protests and social anxiety. Moreover, middle-aged groups also remember monetary crises in 1997 when the Czech Republic had to give up fixed exchange rate regime after speculative attacks on the Czech crown (Pechova, 2012). This might have led to general fear in Czech society of abandoning autonomy monetary policy and adopting the euro (Allam, 2006). However, the factor of age remains a research puzzle because it is not clear why for Czechs this would be important in regards to supporting of the euro, but not for Slovaks. This may be due to the fact that Slovakia has gone through similar monetary crises while being part of Czechoslovakia, as well as during the 90s (1998). Another explanation might be that the Czech population is more politically and socially divided, which

would go along with the confirmed hypothesis of significance of ideological left-right self-placement compared to the Slovak population.

The economic determinants are confirmed to be non-significant for Slovakia and for the Czech Republic in the complex causal mechanism of public attitudes towards the euro, and H1 is rejected. In spite of this, there is a closer causal effect of the personal job situation variable and expectations about households' financial situation in Slovak results (as these variables would be significant at a level of confidence 90%). Nevertheless, previous analyses confirmed its disputed effects, and thus, cannot be undoubtedly taken as a part of causes of attitudes towards the euro.

4.4 Summary

The following summary table presents an overall perspective of confirmed and disconfirmed hypotheses in the Czech Republic and Slovakia.

Table 5: The summary of hypotheses based on the results of the statistical analysis

Hypotheses	The Czech Republic			Slovakia		
***H* (main hypothesis)**	Yes					
Regression analysis	Individual effects	Combined models	Full model	Individual effects	Combined models	Full model
H1	Partially	No	No	Yes	No	No
H2a	Yes	Yes	Yes	Yes	Yes	Yes
H2b	No	No	No	No	No	No
H2c	No	No	No	No	No	No
H3a	Yes	Yes	Yes	Yes	Yes	Yes
H3b	No	No	No	No	No	No
H3c	No	No	No	No	No	No
H4a	No	No	No	No	No	No
H4b	Yes	Yes	Yes	No	No	No
H4c*	Yes			Yes		
H5	Yes	Yes	No	Yes	Yes	Yes

* Analysis based on descriptive statistics (p.31).

The results provide strong evidence to confirm political hypotheses about democracy and trust. This means that citizens who are more satisfied with the way democracy works and who trust domestic political institutions are more willing to vote 'for' the euro. The political factor of ideological self-placement showed to be the most important for the Czech Republic, proving that political ideology for Czechs does matter. On the contrary, there is no supportive evidence for such conclusions in Slovakia. The most surprising result is the unimportance of the factor of exclusive identity on the Czech sample. While this ideational factor is one of the strongest in the theory about the other noneconomic factors that influence integration decisions of citizens.

5. Conclusions and discussion

This thesis has sought to discover the reasons behind divergent monetary strategies towards the euro amongst the CEE countries from the individual-level perspective. The research applies the concept of the social-psychological wellbeing of the individual in investigating attitudes of citizens toward the euro. Furthermore, this study supports the idea that a formation of public attitudes toward the euro is sensitive to the political and social context of the country that citizens live in (Garry & Tilley, 2009). Therefore, the cases of Czech and Slovak citizens are chosen in order to test relevant hypotheses about public attitudes toward the single currency. This is due to the fact that despite both countries share many commonalities, citizens have very different opinion about the euro. A more detailed view on these differences enables to discover context-based heterogeneity in the modelling framework.

The ultimate aim of this study is to answer the research questions and contribute to the debate about the euro adoption in the Czech Republic and other CEE countries:

What are the factors that impact the public attitudes towards the euro support in the Czech Republic and Slovakia?

- ✓ *Which factors are greater determinants of public attitudes towards the euro in the Czech Republic?*
- ✓ *Which factors are greater determinants of public attitudes towards the euro in Slovakia?*
- ✓ *What implications do these findings have for future adoption of the euro in the Czech Republic (and potentially in other non-euro CEE countries)?*

The factors are grouped along the three dimensions of the concept that explain public support for the euro in multidisciplinary lens. Namely, the economic, political and ideational determinants that are all part of one broad explanatory framework. Because these factors have different effects on citizens in both countries, this accounts for the difference in support for the single currency.

In general, findings of this thesis prove that microeconomic perceptions of reality and expectations about the future of personal and national economic situation are not relevant when studying public attitudes towards the euro in both countries. This also confirms assumptions that political and other factors are connected to values, identities and ideas, which rather serve as proxies for citizens when they decide about supporting the euro.

First of all, the results ultimately confirmed that political factors are great determinants of public support towards the euro. Trust in domestic political institutions and satisfaction with national democracy have strong impact on citizens when they decide on whether to accept the common European currency or not. The most surprising finding is the undoubted significance of individual self-placement on the left-right political spectrum. This confirmed to be a strong determinant of support for the euro in the Czech Republic and this is relatively new in the research about public opinion toward the euro in CEE countries. This also partially fills the gab

the full model for Slovakia, it reported statistical non-significance in the model for the Czech Republic. This confirms
in studying political ideology in the causal mechanism of factors that influence support for the euro that other researchers have identified (Allam & Goerres, 2011). Therefore, future research should take into consideration this factor when studying European integration issues, especially for CEE countries hesitating to join the third stage of the EMU. This result could also serve as an important advice for the future public discourse that accompanies the eventual adoption of the euro in the Czech Republic. Remembering that Czechs reply to domestic ideological appeals more often and can be more sensitive to politically polarized environment when they decide about the euro.

Secondly, another remarkable finding is the contradictory effect of national identity for decisions about the euro. On one hand, exclusive identification with the nation-state proved to be important when assessing the individual effect of this indicator or as an aspect in the analysis of combined-models. On the other hand, the effect of exclusive identity proved to be insignificant when testing the whole multidisciplinary concept (the full model) with all the factors and confounders in the Czech Republic. Most probably, its effect has diminished in favour of enhancement of political factors. This does not mean to refuse the significance of ideas and identities, however. There might be other impactful ideational factors in the Czech Republic which were not included in this study, such as a country's historical experience (Allam & Goerres, 2011) (Pechova, 2012).

For Slovakia, this thesis provides robust evidence that political determinants of trust in domestic political institutions and satisfaction with national democracy are likewise great determinants of public attitudes towards the euro. Nevertheless, according to the results of the analysis, the determinant of ideological self-placement is not important in the causal mechanism for Slovakia and this contradicts the finding in the Czech Republic. Instead, the factor of national identity proved to be highly influential when people decide if they support the euro (as the currency in use). And these findings appear to be dominating and lead to a different outcome of public support for the euro in the Czech Republic and Slovakia.

Thirdly, another conclusion is that age was found to be significant in the Czech data when studying public support for the euro. Older people are less likely to support adoption of the euro, while youngsters are generally more supportive of the common European currency. This hypothesis has been already addressed in the research on the euro in the Czech Republic (Cabelkova et al., 2015). Nevertheless, this finding needs to be considered as another difference-maker in the analysis since this factor does not have effect in the Slovak society at all. This can be justified by the fact that the Czech society is generally more socially and politically stratified on integration topics when compared with the more united Slovak nation.

Finally, the theorised concept showed better goodness-of-fit for the results in Slovakia where it provided a higher value of explained variation amongst the data. This suggests that there are still gaps in explanation about Czech attitudes towards the euro. A solution to tackle this might be to include additional explanatory variables in the Czech model. For instance, this could be

other ideational and political variables or indicators that represent macroeconomic conditions, because the country-level variables were not included in this study.

To conclude, findings of this research highlight the need for evaluation of public attitudes toward European integration issues from a multidisciplinary perspective. Namely, this research enriched the interdisciplinary concept of public opinion proving that economic determinants are not important for decisions about the euro. Instead, political and ideational factors serve as proxies for formation of attitude toward the euro in the CEE countries. Moreover, by using the context-based approach, the results enabled to discover the factors that account for the difference in public attitudes towards the euro in Slovakia and the Czech Republic. Future research on this issue should take into consideration these facts and study public attitudes in the Czech Republic and other CEE member states in multidisciplinary lens with inclusion of other political, identical and ideational factors, because this could bring the understanding of support for the euro closer to the truth.

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[i] Data Collectors are TNS Aisa, Prague, Czech Republic and TNS Slovakia, Bratislava, Slovakia.
Data collection has been done by face-to-face interview or face-to-face interview: CAPI (Computer Assisted Personal Interview).