TO KNOW IT IS TO LOVE IT? Satisfaction With Democracy in the European Union

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Recent reforms have been designed to enhance the power of the European Parliament to counter criticisms of a "democratic deficit" in the European Union (EU). We examine how citizens now view these institutions and whether such evaluations influence their satisfaction with the way democracy works in the EU. Previous research has maintained that evaluations of the quality of democracy are difficult to assess because opinions about the EU largely reflect opinions about national institutions. Our results indicate that this is not necessarily the case, particularly among those who are politically aware. Those with high levels of political knowledge rely more heavily on evaluations of EU institutions when assessing democracy in the EU. We also find evidence that evaluations of democratic performance in the EU are motivated by the economic benefits and costs associated with membership. The implications for the democratic deficit and the satisfaction with democracy measure are discussed.

Keywords: democratic deficit, European Union, political knowledge, public support, satisfaction with democracy

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THE DEMOCRATIC DEFICIT AND POPULAR SUPPORT FOR THE EUROPEAN UNION (EU)

For much of the past decade scholars have debated whether the EU suffers from a "democratic deficit." Critics contend that the structure of EU institutions and, in particular, the weakness of the European Parliament (EP) allows for only limited accountability and responsiveness producing a democratic deficit (see, e.g., Corbett, Jacobs, & Shackleton, 2000, p. 3; McCormick, 1999, pp. 148-156; Ross, 1995, pp. 2-3). This deficit is sometimes held to explain, at least in part, the lack of enthusiasm for the European project among Europe's citizens. In 1992, for example, only 15% of the EC citizens were satisfied with the degree of "democratic influence" available to them (Niedermayer & Sinnott, 1995). At times when voters are given an opportunity to voice their views on EU matters, such as during direct elections to the European Parliament, there is also little enthusiasm. In the most recent elections, held in 1999, roughly half the citizens in Europe participated, down about 6% from the 1994 elections and much lower than turnout in national elections. Some have suggested that declining civic engagement of this kind is a symptom of discontent and a "crisis of legitimacy" for the EU (van der Eijk & Franklin, 1996, pp. 6-7). Recently, reforms negotiated in the Treaty of Amsterdam (1997) were aimed at remedying some of these complaints and strengthening the EU's democratic accountability by giving the EP greater influence over the appointment of the commission and generally enhancing the powers of the parliament. Such an argument clearly ties dissatisfaction with the EU to dissatisfaction with the institutions of the EU.

Although those who maintain the need for reform emphasize the link between institutions and dissatisfaction, others may take the view that citizens' lack of knowledge about the EU is one of the major impediments to fostering greater appreciation. The backlash against Maastricht and the ratification crisis were attributed, at least in part, to a lack of public engagement and popular debate about integration (Baun, 1996). Indeed, some have taken the perspective that the EU suffers from a communication deficit (Meyer, 1999). Such views are consistent with the theory of social learning that assumes that those who are exposed to a variety of social, psychological, and cognitive influences are typically more supportive of the dominant values, expectations, and institutions of a political community (McClosky & Zaller, 1984, p. 12). Accordingly, greater public debate and communication could play an important role in legitimizing the EU. According to Inglehart (1970, p. 47), "Cognitive mobilization is a necessary but not sufficient condition for the development of support for European Community." The implication from this line of reasoning is that if only voters knew more about the EU and its institutions, they would learn to value it more. Any explanation of opinion toward the EU should, then, stress factors such as voter knowledge and access to information (via, for example, the media).

This article examines how citizens now view EU institutions, whether such evaluations influence their satisfaction with the way democracy works in the EU, and how knowledge conditions the relationship between institutional evaluations and satisfaction with democracy. Previous research has maintained that evaluations of the quality of democracy are difficult to assess because opinions about the EU largely reflect opinions about national institutions. We examine whether this is the case. In particular, we identify factors from the extant literature that are important to evaluations of democratic performance. We then apply these factors in the context of democratic performance in the EU. We hypothesize that evaluations of EU performance are more likely to reflect the performance of the national government when knowledge levels are low. However, when understanding of the EU is greater, evaluations of the EU's democratic performance are more likely to reflect evaluations of EU institutions.

THEORIES EXPLAINING EVALUATIONS OF DEMOCRATIC PERFORMANCE IN THE EU

Previous studies of public opinion and European integration have stressed various motivations (see Gabel, 1998, and Hix, 1999, for review). A series of papers has, for example, demonstrated a link between popular support for European integration and economic benefits from membership (see especially Eichenberg & Dalton, 1993; Gabel, 1998; Gabel & Whitten, 1997), a wide range of ideological orientations (Anderson, 1998; Janssen, 1991), and satisfaction with national institutions (Sanchez-Cuenca, 2000). From this literature on attitudes regarding the EU and from the literature on evaluations of democracy, we derive three explanations for satisfaction with democracy in the EU: confidence in EU institutions, economic benefits derived from EU membership, and cognitive mobilization.

INSTITUTIONAL CONFIDENCE

Theoretically, democratic legitimacy and democratic institutions are inseparable. Cross-national research on satisfaction with democracy has found that institutions can condition satisfaction with democracy (Anderson & Guillory, 1997; see also Lijphart, 1999, pp. 286-287), and evaluations of institutions are closely linked to satisfaction with democracy (see

Klingemann, 1999, and Norris, 1999). Claims of a democratic deficit in the EU tend to emphasize the lack of direct popular control over the major decision-making institutions of the EU. For example, the Council of Ministers has weak representational linkages and no transparency but high prominence in the EU decision-making process (Niedermeyer & Sinnott, 1995). The assumption driving recent reform is that the legitimacy of the EU could be enhanced by strengthening the EP, which is the only institution that is directly accountable to the people. In other words, if the EP, with its strong representational links, becomes more prominent in the decision-making process, citizens will evaluate EU democracy more favorably. This assumes, of course, that citizens are more likely to place their trust in the EP and be more skeptical of institutions that are beyond their direct control.

ECONOMIC BENEFITS

The economy is viewed as one of the primary determinants shaping attitudes toward the democratic process and has been found to have a strong impact on satisfaction with democracy (Anderson & Guillory, 1997; Clarke, Dutt, & Kornberg, 1993). Scholars have assumed that citizens form opinions on European unification on the basis of either their personal or their country's perceived costs and benefits of association. For example, an individual's level of EU support is found to be positively related to the economic benefits derived by his or her country and by the individual (Gabel & Palmer, 1995; see also Anderson & Reichert, 1995). Eichenberg and Dalton (1993) find that support for the EC is related to national economic conditions, with inflation emerging as the strongest economic influence. Gabel (1998) finds that those in occupations that economically benefit from integration are more supportive than those in occupations that are adversely affected by integration.

Tests of more direct measures of benefits or costs of membership on attitudes toward the EU have met with mixed results. Carrubba (1997) suggests that net financial transfers from the wealthier and more industrial member states to poorer and more agricultural states are used as a tool to further the integration process rather than being motivated on the basis of economic need. Many of the contributors of EU funds, according to Carrubba, are happy to pay off the skeptics in exchange for deeper levels of integration. But earlier empirical evidence fails to find that such transfers increased support for the EC (Eichenberg & Dalton, 1993). Such transfers have been the subject of public debate, particularly among those contributing a disproportionate share, and have, in subsequent work, been seen to have an impact (Gabel, 1998; Gabel & Palmer, 1995; Gabel & Whitten, 1997). Therefore, we might expect them to influence evaluations of the democratic process.

One further implication is that EU evaluations will depend, in part, on whether voters know about the economic consequences. Even here, however, we should be careful. On one hand, not all evaluations of economic effects should affect assessments of the EU. After all, the EU has very little responsibility for the usual macroeconomic indicators (e.g., unemployment) used in popularity function models. On the other hand, we should, for example, expect to see economic benefits that result from EU membership to be more important in EU evaluations for those who are politically aware.

COGNITIVE MOBILIZATION

As we have suggested earlier, political knowledge may bring a greater awareness of the democratic deficit or the costs and benefits of EU membership. Political knowledge may also work independently by fostering greater acceptance of dominant norms and existing institutions. Although levels of awareness of most EU institutions are low (Niedermayer & Sinnott, 1995), those who have some knowledge may be more or less satisfied with the way democracy works, depending on the theory.

Following the theory of cognitive mobilization, we should expect a positive relationship between political knowledge and legitimacy. Persons with more political knowledge may find the EU more familiar and less threatening. Inglehart's (1970) assertions about the link between political skill and support for European integration is supported by Janssen (1991, p. 467), who concludes that greater understanding makes the process of integration less threatening. Similarly, Anderson (1998, p. 586) finds that those who are most interested in EU politics are also the most supportive of their country's participation in the EU.

As an alternative, one might expect to find a negative relationship between knowledge and EU support for the following reasons. First, following the democratic deficit hypothesis, one should expect to see lower levels of satisfaction among those who are more politically aware. This follows from the expectation that politically knowledgeable individuals may be more likely to know that the EP, even though directly elected, is not analogous to their own parliaments in terms of control over policy. Those who lack the political knowledge may fail to distinguish between their own national parliament and the EU (see, e.g., Anderson, 1998). This expectation also fits with theories of the survey response. If citizens respond to questions based on the most salient and immediate considerations available (Zaller, 1992, pp. 49-51; Zaller & Feldman, 1992), low-knowledge citizens are more likely to have evaluations of the national government available because these are more prominent in news coverage than the workings of the EU. More knowledgeable citizens

are likely to have a greater store of information about the EU available when asked to evaluate the democratic performance of the EU. Second, citizens who are politically aware may show greater concern over questions of accountability and responsiveness often raised by EU critics.

Within the general set of findings regarding support for the EU, Anderson's (1998) work is especially interesting from the point of view of arguments relating to the democratic deficit. He argues that in the face of widespread ignorance about the EU citizens form their assessments about the EU on the basis of assessments of national institutions and, in particular, on the basis of satisfaction or dissatisfaction with national politics. It is an argument very much in keeping with the idea that knowledge of the EU is closely tied to voter assessments of the EU. There are, however, some ambiguities: Is it that if voters knew more they would know more about the benefits of EU membership, or that if they knew more they would know more about the failings of the EU? On one hand, greater knowledge of the EU could bring a greater awareness of the kinds of benefits (subsidies, increased trade) identified by Gabel (1998) and others. On the other hand, knowledge of the EU could bring with it a greater appreciation of, and frustration with, the democratic deficit. That is, even as knowledge about the EU grows, evaluations could become either more positive or more negative. Greater knowledge about the EU could generate either response. But one implication is clear: As knowledge grows, then summary evaluations of the EU should be more strongly rooted in evaluations of the EU rather than evaluations of national actors and institutions.

MEASURES AND DATA

One of the most widely used indictors of attitudes toward the political system is a question asking respondents to evaluate their satisfaction with democracy. The item is intended to measure support for the political system and is assumed to be an indicator of the diffuse support necessary for institutions to build legitimacy. The question has been widely administered in a number of countries and regularly appears on Eurobarometer (EB) surveys. Some have criticized the measure for being ambiguous and value laden (Norris, 1999) and as having multiple interpretations (Canache, Mondak, & Seligson, 2001). Nonetheless, the measure does seem to perform well as an indicator of generalized attitudes toward the political system (Fuchs, Guidorossi, & Svensson, 1995) and correlates with other measures of regime performance such as confidence in parliament and confidence in government (Klingemann, 1999). Therefore, for our analysis we use it as an indicator of evaluations of system performance.

Throughout the 1990s, the EB has included another measure asking respondents to evaluate the way democracy works in the EU. Niedermayer and Sinnott (1995) have observed that satisfaction with democracy in one's own country and the EU are correlated. In 1989 the EB asked citizens whether the way the EC works is democratic. The correlation between this measure and satisfaction with one's own country's democracy was .30 (Niedermayer & Sinnott, 1995, p. 286). In 1993, when the format of the satisfaction with democracy in the EU was changed to mirror the wording of the satisfaction with own country's democracy, the correlation increased to .42, leading Niedermayer and Sinnott (1995) to speculate that elicited responses may also include an assessment of the working of democracy in general rather than being limited to an assessment of "the way the EU works.' In a later study, Blondel, Sinnott, and Svensson (1998, pp. 76-77) compare the overall distributions for satisfaction with own country's democracy and satisfaction with EU democracy following the 1994 EP elections (and thus prior to Sweden, Finland, and Austria's entrance into the EU) and find little difference in levels of satisfaction. They conclude that the two measures must be tapping the same underlying construct, that is, evaluations of the national government, and consequently reject it as an indicator of EU performance.¹ Therefore, satisfaction with own country's democracy and satisfaction with EU democracy may be seen as evaluations of general system performance, but the question remains as to which level of government is being evaluated and whether some citizens distinguish between national and supranational evaluations.

We rely on data from EB 52.0 conducted in October-November 1999. The EB 52 includes a number of items measuring institutional performance and satisfaction with democracy. There are also several items available that measure political knowledge or "cognitive mobilization." To assess the impact of confidence of EU institutions we rely on a series of questions that measure trust in EU institutions. Of all the EU institutions, the Court of Justice received the highest level of confidence, but still, more than half distrusted the institution. In contrast, just a quarter trusted the European Commission, whereas 36% said they could trust the EP. Although these aggregate differences may suggest that evaluations of each of the institutions vary across individuals, a common factor analysis suggests otherwise. A single, very strong factor emerges from the factor analysis, accounting for 80% of the variance across the nine measures (eigenvalue 7.2). This strongly suggests that individuals tend not to distinguish one EU institution from another. In

^{1.} Responses to the European Union (EU) question may also be influenced by the question order. In all of the Eurobarometer surveys, the question about one's own country's democracy precedes the question about EU democracy, raising the possibility of a contagion effect.

other words, those who distrust the EP are also likely to distrust other EU institutions. For the analysis, each of the items was coded so that a negative value was associated with distrust and a positive value with trust. A single index, ranging from –1 to 1, was formed by taking the mean of all the institutions that the respondent was able to evaluate. Therefore, if a respondent did not give an evaluation of an EU institution it was not included in the scale.

In addition to trust in institutions, we are also interested in how evaluations of the power of the EP influence evaluations of how democracy works. We expect that citizens who believe the EP has little power will be more likely to be dissatisfied with democratic performance. The measure is based on the following question: "As it stands now, how much power do you think the European Parliament has? Please give me your opinion using this scale, on which 1 indicates 'no power at all' and 10 indicates 'a great deal of power." The scale has been reversed so that weakness of the parliament is associated with positive values and those without an opinion are placed in the median of the scale.

There are several indicators that can be used for cognitive mobilization. One measure assesses subjective knowledge of the EU, its policies, and its institutions. The variable ranges from 1 to 10. Other items measure factual knowledge. Two questions measure knowledge of EU individuals. These include identifying the president of the European Commission and the European commissioner appointed by the government. Two other questions measure knowledge of national figures, the minister of finance and the minister of foreign affairs. These four items form a reliable index ($\alpha = .75$). One of the potential problems with using subjective knowledge of the EU is the possibility that those who are more supportive of integration may report a higher degree of knowledge than those who are less supportive. There is some evidence that this is the case. Subjective knowledge of the EU is positively correlated (r = .14) with support for European integration, whereas the relationship with factual knowledge is weak (r = .04). We therefore rely on factual knowledge rather than subjective knowledge for the remainder of the analysis.

Benefits and costs of EU membership can be measured in a number of ways. The EB typically asks respondents to assess whether their country benefits, in the following way: "Taking everything into consideration, would you say that [your country] has on balance benefited or not from being a member of the European Union?" Note that this question asks individuals to evaluate the overall benefits of membership (which might also include trade, monetary stability, economic growth, etc.) rather than simply the direct net benefits that accrue from the EC budget (see also Eichenberg & Dalton, 1993, p. 514). A more narrow and objective indicator of specific costs and benefits can be

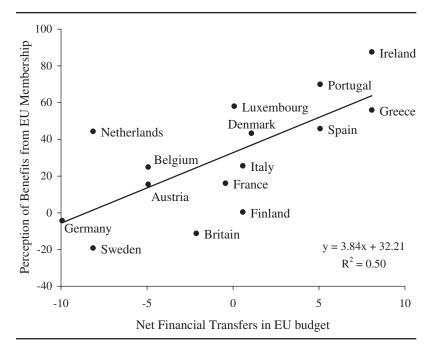


Figure 1. Relationship between net financial transfers and perceived benefits. Source of net transfers: Begg & Grimwade (1998, p. 96).

Note: EU = European Union. Benefits represent the difference between affirmative and negative responses.

determined by calculating the ratio of total payments to EU to receipts (see Begg & Grimwade, 1998). Excluding spending by the EU on administration, Germany has always been a significant net contributor. Other net contributors include Belgium, the Netherlands, Austria, Sweden, and the United Kingdom. Greece, Spain, Ireland, and Portugal are identified as net beneficiaries.

Figure 1 shows the relationship between net financial transfers that the country receives in the EU budget and the perceptions of the benefits of EU membership, indicated by the difference in each country between the proportion of those who say EU membership benefits and those who say it does not benefit their country. The relationship between perceived benefits of EU membership and the amount of net benefits is strong. On average, the net beneficiaries are far more likely to believe their country benefits from EU membership whereas the net contributors are the least likely to believe they benefit. Ireland believes it benefits the most whereas Sweden has the lowest figure, followed by Great Britain and Germany. The relationship is strength-

ened if spending on EU administration is taken into account, which makes Belgium and Luxembourg net beneficiaries. Overall this suggests that citizens are likely to evaluate the benefits of EU membership more narrowly in terms of direct payments from the EU budget. We therefore rely on this objective measure of costs and benefits for the remainder of the analysis.

RESULTS

DISTINGUISHING BETWEEN NATIONAL AND SUPRANATIONAL EVALUATIONS

To assess whether citizens make distinctions between democratic performance at the national and EU levels, we first compare overall levels of satisfaction across the two measures in each of the member states. As Figure 2 reveals, there are substantial gaps between satisfaction with democracy in one's country and satisfaction with EU democracy in at least half of the member states. In one case, almost twice as many Italians are satisfied with the way democracy works in the EU as compared to the way it works in Italy. In Sweden, Denmark, the Netherlands, and Great Britain the relationship is reversed, indicating a substantial withdrawal in support for the EU. Among those countries most satisfied with democracy in the EU are Ireland, where almost 80% report being either fairly or very satisfied, and Spain, where over 70% report being fairly or very satisfied. Unlike most stable democracies but like other transnational institutions, the EU is not likely to enjoy a reservoir of diffuse support. Transnational institutions do not have a history or tradition to sustain them nor have they accumulated much of a track record of success or effectiveness (Caldeira & Gibson, 1995). As a consequence, the processes or workings of the EU are likely to be viewed with some skepticism. However, citizens in some countries appear to be willing to suspend their skepticism and offer positive evaluations of democracy in the EU whereas others do not.

Although the overall correlation between the satisfaction with EU democracy and satisfaction with democracy in one's own country is .58, there is substantial variation in the correlation of these measures within countries. Spain and Portugal have the highest correlation (.76), and the Netherlands and Denmark have the lowest (.44). Given these wide variations, the context in which individuals make these evaluations is obviously an important factor.

There is some evidence that the criteria that individuals use to evaluate democratic performance may differ depending on whether one is evaluating democracy in one's country or evaluating democracy in the EU. Previous research has shown that joblessness (Clarke et al., 1993) and inflation

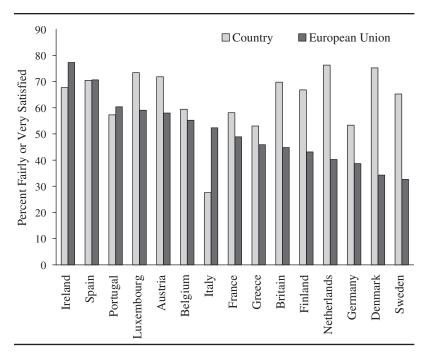


Figure 2. Satisfaction with democracy in country and in the European Union.

(Eichenberg & Dalton, 1993) reduce satisfaction with democracy. Therefore, we use a Misery Index that combines inflation and unemployment. The top of Figure 3a shows the relationship between the Misery Index and the proportion of people satisfied with democracy in one's own country, and the bottom of the figure shows the effect of the Misery Index on satisfaction with EU democracy. The figure illustrates that the summary indicator of the economy is negatively related to satisfaction with democracy, but the negative impact of unemployment and inflation does not extend to the EU. The bivariate regression estimates that a one-unit increase in the Misery Index will depress satisfaction in the country by 1.45%, but the fit of the model is weak ($R^2 = .20$). The poor fit of the model can be attributed to Spain, which has a high rate of unemployment but also a high level of satisfaction. Removing Spain

2. Although Eichenberg and Dalton's (1993) study shows that of all economic indicators, inflation had the strongest relationship to satisfaction with democracy, monetary union means that all Euro-zone countries essentially share the same inflation rate. Therefore, even though we include both inflation and unemployment in a summed Misery Index, most variation in the index is due to unemployment.

improves the model fit ($R^2 = .53$) and alters the slope to -2.9 (see dashed line in Figure 3a). Given Spain's relatively short experience with democracy, it seems more likely that the measure taps evaluations toward the democratic process and is, therefore, less influenced by economic factors. As for the democratic performance of the EU, inflation and unemployment together appear to have little effect. Again, Spain has high leverage that produces a positive coefficient but the overall fit is very weak.³

We next examine the impact of net financial transfers in the EU budget on both measures of satisfaction with democracy. Given that the indicator is a more direct measure of the costs and benefits of EU membership we should expect to see a stronger impact on satisfaction with EU democracy and little or no relationship with satisfaction with country's democracy. This expectation is supported by the empirical evidence. Figure 3b indicates that net financial transfers explain about 35% of the variance in EU satisfaction, whereas there is no relationship at all between the transfers and satisfaction with democracy in the country (see top of Figure 3b). Looking at satisfaction with EU democracy, those countries that contribute much more than they receive are the least satisfied. Both Germany and the Netherlands are on the regression line, whereas Sweden is a bit lower. The two other net contributors, Austria and Belgium, are above the line. If we were to include administrative benefits, Belgium and Luxembourg would move much closer to the regression line, improving the overall fit. The countries receiving much more than they give are the most satisfied. These include Portugal, Spain, Greece, and Ireland. Altogether, this suggests that economic factors have less influence shaping attitudes toward the democratic process in the EU than in their respective countries.

It also is possible that within any given context individuals may respond differently depending on their level of political knowledge. Citizens who do not understand or are not aware of how the EU works may simply be responding to a question about the legitimacy of the EU on the basis of the performance of their own national government. To investigate this possibility, we analyzed the correlations between the two measures at different levels of political knowledge. The results support this hypothesis. At high levels of political knowledge individuals are more likely to distinguish between democratic performance in their own country and in the EU (r = .50). At lower

^{3.} Although not reported here, we also examined the relationship between change in gross domestic product and satisfaction with one's own country's democracy. The strong Irish economy and the high level of satisfaction with the European Union (EU) make the country an outlier, exerting leverage on attitudes toward the EU but not on attitudes toward democratic performance in the country. Best fitting model was .16 for satisfaction with EU democracy and .05 for satisfaction with country's democracy when Ireland was removed.

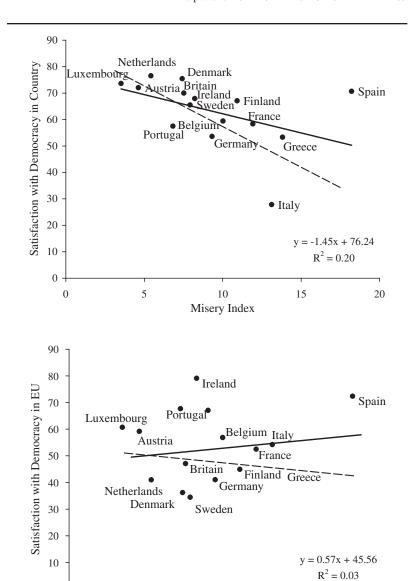


Figure 3a. Impact of economy on measures of satisfaction.

Note: EU = European Union. Dashed line shows regression with Spain removed.

10

Misery Index

15

20

5

0 +

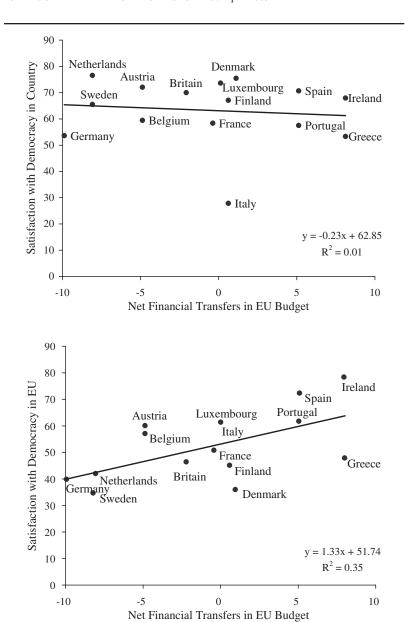


Figure 3b. Impact of net financial transfers on measures of satisfaction. Note: ${\rm EU}={\rm European\ Union}.$

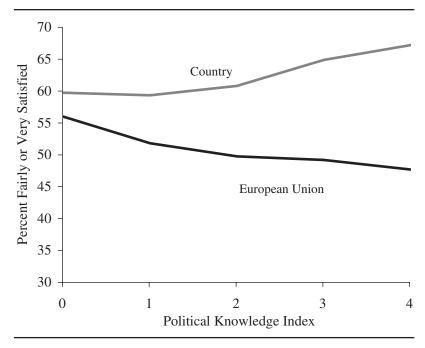


Figure 4. Impact of political knowledge on satisfaction.

levels of political knowledge, evaluations of democratic performance in one's country are more closely tied with evaluations of the EU (r = .68). In short, evaluations of the democratic performance of the EU are more reliable at higher levels of political knowledge.

Figure 4 shows the relationship between political knowledge and satisfaction. As political knowledge increases, satisfaction with EU democracy declines by about 10%. The effects of political knowledge on satisfaction with own country's democracy run the other direction and increase by about 8%. The resulting gap among the most knowledgeable is 20%, whereas there is less than a 5% difference at the lowest level of political knowledge. These bivariate results demonstrate support for the democratic deficit hypothesis. Those who are the most knowledgeable are more likely to view the democratic performance of the EU with skepticism. They are also more efficacious and more likely to be satisfied with the way democracy works in their own country, consistent with the cognitive mobilization hypothesis but only at the national level.

MULTIVARIATE ANALYSIS

Given that political knowledge is likely to influence how citizens evaluate democratic performance in the EU, we proceed by estimating two separate models for low and high political knowledge along with a full sample model that includes political knowledge as a control variable. The low-knowledge model includes those who failed to identify any of the four actors, whereas the high-knowledge model includes those who correctly identified all of the actors. Because this reduces our sample size, it is a conservative test of the hypotheses. We also estimate a model with the full sample. Because the dependent variable is ordinal (with four categories), we use ordered logit.

Our main independent variables are the indicators of cognitive mobilization, trust in EU institutions, and economic benefits described in the previous section. However, given that satisfaction with democracy is related to other factors, such as evaluations of the economy, we need to control for these in a multivariate model. To measure evaluations of economic performance we rely on a pocketbook question: "What are your expectations for the year to come? Will 2000 be better, worse or the same, when it comes to the financial situation in your household?"

Because support for European integration may influence satisfaction with EU democracy, we include it as a control variable. We create a measure using a preference for the speed of integration (a 7-point scale in which 1 equals "standstill" and 7 equals "run as fast as possible") and an evaluation about the current speed of integration (a 7-point scale in which 1 equals "standstill" and 7 equals "run as fast as possible"). Two dummy variables are created by combining these categories. Respondents are classified as "impatient about integration" if they think the current speed of integration is moving more slowly than they would prefer. Respondents who think the current speed of integration is faster than they would prefer are classified as "fearful about integration." Those whose preferences match evaluations of the current speed are coded as having preferences consistent with the current pace of integration and are used as the residual category.

Besides political knowledge, we include a few additional measures that indicate levels of cognitive engagement: news consumption and political discussion. News consumption is measured by an index of daily exposure to TV, newspapers, and radio (α = .70). The index ranges from 0 to 12. Political discussion is measured with a 3-point scale, where 0 indicates that the respondent never discusses politics when together with friends and 2 indicates that the respondent frequently discusses politics. We also control for age, gender, and level of formal education. The EB typically measures level of formal education by the age of completion and, in the case of the EB 52, the measure

takes on three values depending on one's age group when formal schooling was completed or whether one is still studying. We use dummy variables to distinguish between these groups, leaving those with the lowest level of education as the residual category. Finally, because we are most interested in explaining why citizens might view the EU differently from their own country, we include satisfaction with democracy in one's country as a control variable. This allows us to control for the effects that might not be specific to the EU. The results are reported in Table 1.

The results for the low-political-knowledge model indicate that aside from satisfaction with democracy in one's own country, few other variables are significant predictors of satisfaction with EU democratic performance. The exceptions are trust in EU institutions, which has a positive impact, and discussion of politics, which leads to greater dissatisfaction. In addition, those citizens who reside in a country that is a net beneficiary are more likely to be satisfied with the performance of the EU.

In contrast, the high-political-knowledge model reveals that those who are more politically aware place a much greater emphasis on institutions in their evaluations of democratic performance—both in terms of trust in EU institutions and evaluations of the weakness of the parliament. The coefficient for trust is larger among high-knowledge citizens than among low-knowledge citizens. Furthermore, evaluations of the weakness of the EP is a significant factor only for those citizens with high knowledge. Here we also see that among those with high political knowledge, those with more education are more dissatisfied than those with less formal education.

The low- and high-knowledge models also show that satisfaction with one's own country's democracy is significantly related to satisfaction with EU democracy. However, the effect is much stronger for low-knowledge citizens. This result supports the hypothesis that evaluations of national democratic performance are used as a proxy in evaluating EU democracy but that the effect is conditioned by levels of political knowledge. As expected, those with higher levels of knowledge are less likely to rely on national evaluations and more likely to rely on EU level evaluations.

These results hold up in the full model that includes all respondents. Those with political knowledge are significantly less likely to be satisfied with the way democracy works in the EU. Consistent with the democratic deficit hypothesis, those who discuss politics frequently with others are more likely to be dissatisfied. However, evaluations of EU democracy do not appear to be related to media coverage, as frequent exposure to various types of media does not have a significant impart in any of the models.

Concerns for one's pocketbook appear to have no influence on evaluations of the EU. In another model not reported here we estimated the impact of

22 Table 1 Explaining Satisfaction With the European Union by Levels of Political Knowledge, Ordered Logit Model

| | Low Knowledge Only | | High Knowledge Only | | Full Sample | | Range | |
|-----------------------------|--------------------|------|---------------------|------|-------------|------|---------|---------|
| | Coefficient | SE | Coefficient | SE | Coefficient | SE | Minimum | Maximum |
| Intercept 1 | 3.24** | 0.39 | 1.82** | 0.34 | 1.94** | 0.16 | | |
| Intercept 2 | 6.31** | 0.42 | 4.63** | 0.35 | 4.86** | 0.16 | | |
| Intercept 3 | 10.72** | 0.48 | 8.30** | 0.38 | 8.78** | 0.18 | | |
| Satisfaction with | | | | | | | | |
| democracy in country | 2.41** | 0.09 | 1.46** | 0.06 | 1.78** | 0.03 | 1 | 4 |
| Pocketbook | 0.10 | 0.09 | 0.10 | 0.07 | 0.07 | 0.04 | 1 | 3 |
| Trust in EU institutions | 0.62** | 0.07 | 1.03** | 0.06 | 0.84** | 0.03 | -1 | 1 |
| Weakness of the EP | -0.05 | 0.03 | -0.15** | 0.02 | -0.10** | 0.01 | 1 | 10 |
| Political knowledge | _ | _ | _ | _ | -0.13** | 0.02 | 0 | 4 |
| Discuss politics | -0.26* | 0.09 | -0.06 | 0.07 | -0.13** | 0.04 | 0 | 2 |
| News consumption | 0.01 | 0.02 | -0.02 | 0.02 | -0.01 | 0.01 | 0 | 12 |
| High education | -0.13 | 0.15 | -0.42** | 0.08 | -0.22** | 0.05 | 0 | 1 |
| Student | 0.22 | 0.18 | -0.33* | 0.17 | -0.10 | 0.08 | 0 | 1 |
| Fearful about integration | -0.07 | 0.17 | -0.12 | 0.13 | -0.17* | 0.07 | 0 | 1 |
| Impatient about integration | -0.13 | 0.14 | -0.22* | 0.10 | -0.12* | 0.05 | 0 | 1 |
| Female | 0.06 | 0.11 | 0.13 | 0.08 | 0.09* | 0.04 | 0 | 1 |
| Age | -0.06 | 0.04 | -0.13** | 0.03 | -0.08** | 0.01 | 1 | 6 |
| Net beneficiary | 0.06** | 0.01 | 0.05** | 0.01 | 0.05** | 0.00 | -10 | 10 |
| Pseudo R^2 | 0.57 | | 0.43 | | 0.47 | | | |
| n | 1,591 | | 2,762 | | 10,092 | | | |

Note: EU = European Union; EP = European Parliament. **p < .01. *p < .05.

these evaluations on satisfaction with own country's democracy and found a significant effect. Therefore, as we have seen in the aggregate bivariate analysis, evaluations of economic performance influence satisfaction with country's democracy but do not influence satisfaction with EU democracy. Instead, the effects of economic benefits appear to be largely based on costs and benefits associated with the EU budget. We might have expected net financial transfers to have a stronger impact on those with high levels of political knowledge. However, the size of the coefficients remains the same. Interestingly, in the full sample there is not a linear relationship between evaluations of EU integration and satisfaction with EU democracy. Both those fearful about integration and those who are impatient with integration are less likely to be satisfied with democracy in the EU than those whose preferences about integration are consistent with the pace of integration.

CONCLUSION

Theories about a democratic deficit in the EU have largely remained untested because researchers have assumed that citizens lack the sophistication to distinguish between their own national institutions and those of the EU. The few empirical analyses of evaluations of democratic performance tend to support this view. Our findings indicate that individuals are capable of making these distinctions and that evaluations of the EU and national institutions are motivated by different factors. Whereas economic concerns are evident when it comes to evaluating national performance, citizens, particularly those with higher levels of political knowledge, are likely to evaluate the performance of the EU by its institutions. Dissatisfaction with the EU is influenced by a lack of confidence in EU institutions and the perception that the EP is weak.

Citizens are also likely to evaluate the quality of the democratic performance in the EU in terms of costs and benefits of membership. Previous research has failed to find a relationship between these transfers and support for integration (Eichenberg & Dalton, 1993). Others have assumed that electorates in contributing states are unaware of the transfers and thus provide them as side payments to further the integration process (Carruba, 1997, p. 487; Gabel, 1998; Gabel & Palmer, 1995). Our findings suggest that this is no longer the case. If pro-integrationist governments are providing transfers as side payments to further the integration process, they do so at the risk of undermining support for the EU in their own country.

These findings have implications for those concerned about enhancing the legitimacy of the EU. Although recent reforms have been implemented to

meet some of the concerns raised in elite circles about the democratic deficit, politically aware citizens remain skeptical. Aside from further institutional reform, diffuse support for the EU may well depend on how costs and benefits are distributed across the member states.

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