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‘Second-order’ institutions: national institutional quality as a yardstick for EU evaluation

Pieterjan Desmet, Joost van Spanje and Claes de Vreese

ABSTRACT The extent to which democracy functions successfully in the European Union is a hotly debated issue. Some citizens feel that EU democracy functions well as it is, whereas others perceive a democratic deficit. Which factors contribute to this variation in opinion? In this paper, we focus on the effect that the quality of national institutions has on citizens’ perceptions of the democratic performance of the EU. From voter survey data from 21 EU member states (N = 32410), we find that better quality national institutions correlate to lower rates of satisfaction with the EU’s democratic performance. In addition, this effect is stronger amongst citizens who are more knowledgeable about national politics. We conclude by discussing the implications of our findings for our research field in particular and for society in general.

KEY WORDS Democratic performance; European Union; institutional quality; national institutions; political knowledge; satisfaction with European democracy.

INTRODUCTION Evaluations of the democratic performance of European institutions vary from individual to individual and from member state to member state. Research suggests that opinions about the performance of a democratic regime are contingent upon cost-benefit assessments that people make about the regime (Alvarez and Franklin 1994). These individual cost-benefit assessments can be based on various considerations, including evaluations of political performance (Klingemann and Fuchs 1995; Rose and Mishler 2002), economic performance (Anderson and Guillory 1997; Lewis-Beck 1988; Rose et al. 1998) and expectations of governance in the near future (Stokes 2001; Echegaray and Elordi 2001).

The European supranational polity is different from national democratic systems in many ways and the opinion-forming process at the European level is therefore likely to be different from the national level. European decision-making becomes attractive when benefits can be generated, or when the contrast between the performance of national and European
institutions shows the nation-state in an unfavourable light (Sánchez-Cuenca 2000). The balance between perceptions of supranational and national institutions may be crucial in evaluations of the democratic performance of the European Union (EU). Therefore, we need to take the characteristics of national institutions into account in order to further our understanding of citizens’ evaluations of the quality of the EU’s democratic process. Previous research used subjective indicators such as citizens’ trust in national institutions (Karp et al. 2003) and objective measures of corruption (Sánchez-Cuenca 2000) to account for these national characteristics. This study contributes to the existing literature by incorporating the characteristics of specific institutions into one single indicator of the quality of national institutions. As such, we provide an objective measure of the quality of national institutions as a contextual determinant for individual assessments of the EU’s democratic performance.

Furthermore, we deploy political knowledge as a moderator in this process. The effect of political knowledge on evaluations has been studied by many scholars and has yielded mixed results (for an overview, see Karp et al. 2003). To date, no attempt has been made to study the impact of political knowledge as a moderator of the effect of the quality of national institutions on evaluations of the EU’s democratic performance. According to Rohrschneider (2002), the contrast in the quality of institutions between the two levels increases the salience of the EU’s democratic deficit. Higher levels of domestic political knowledge can strengthen the effect of this correspondence between the national and supranational level.

In short, this paper aims to make several contributions: at the analytical, the theoretical and the societal level. We make an analytical contribution by incorporating specific institutional characteristics into one single indicator of the quality of national institutions, and by deploying political knowledge as a moderator within this process; at the theoretical level, we try to explain how individual judgments are formed and influenced, both by individual and national contextual factors; at the societal level, it is important to fully understand the way in which individual assessments of the democratic performance of the EU are formed and influenced, in order that the concerns of the European population can be appropriately dealt with.

The main focus of this study is the impact on evaluations of the EU’s democratic performance of objective differences in the quality of national institutions between different countries. After defining evaluations of the EU’s democratic performance as a distinct dimension of attitudes towards the EU, we will articulate our expectations about the impact of differences in the quality of national institutions on evaluations of the EU’s democratic performance. Next, we will link these differences between countries to the potential impact of political knowledge on EU evaluations, addressing the key question: does political knowledge condition the effect of national institutional quality on democratic performance evaluations of the EU?
Democratic Performance at the European Level

Attitudes towards European governance are structured along related but distinct dimensions (Rohrschneider 2002; Scheuer 2005). They can be directed towards different objects, and they can be of affective or utilitarian nature (Boomgaarden et al. 2011). This distinction is partially based on Easton’s model of system support (1975). Easton differentiates between three different objects of political support: the community, the regime, and the authorities; and two modes of support: specific and diffuse. Whereas specific support depends on the output of politics and policies, diffuse support varies between different objects of support. Lindberg and Scheingold (1970) differentiated between affective and utilitarian support for respectively vague ideals and policy interests. To fully capture the multi-dimensionality of EU attitudes, studies of public opinion about the EU should reflect upon these different types of support. A recent analysis of Boomgaarden et al. (2011) resulted in five distinct dimensions. In our study, we set out to explain democratic performance, which concerns the evaluation of the actual functioning of a democratic political system. It contains judgments about the quality of European institutions and democratic procedures. In line with Rohrschneider (2002), Scheuer (2005) suggested that citizens do not connect their evaluations of the EU’s democratic performance with their political support for further integration. These evaluations serve as building blocks towards future support, and are as such crucial considerations in the process of opinion formation (Sánchez-Cuenca 2000; Rohrschneider 2002). We pursue this line of work and assess evaluations of democratic performance above and beyond general support for the EU.

Antecedents of Democratic Performance Evaluations in the EU

Previous studies have suggested different views on the question of whether people’s opinions of the EU are primarily conditioned by the European or by their national environment. Some scholars consider the EU to be the most important factor determining people’s opinions about the European policy level (Gabel 1998a; Gabel 1998b; Eichenberg and Dalton 1993). EU events and policies are crucial for creating and influencing evaluations. According to Gabel (1998a), more information and higher awareness leads to non-conditional views of the EU. Support then will be developed in response to the performance of the EU itself, and consequently the public will agree to cede national sovereignty regardless of their assessment of the nation-state. By attributing losses or benefits to the European level, they evaluate whether European institutions are working satisfactorily (Kritzinger 2003). Other scholars regard the nation-state as the central factor influencing public opinion about the supranational level (Anderson 1998; Janssen 1991; Martinotti and Stefanizzi 1995). Lack of interest, knowledge or information (Anderson 1998; Bennett 1996; Meyer, 1999) prevents people from developing opinions specifically regarding the EU. Furthermore, the perception of national factors is more direct and
more immediate (Kritzinger 2003). ‘For most people, this means that they rely on what they know and think about domestic politics’ (Anderson 1998: 576). Compared to the national level, the European policy level is considered of minor importance or ‘second-order’ (Schmitt 2005).

A similar pattern can be found in the literature on actual voting behaviour. Schmitt (2005) found confirmation for the longstanding second-order national election model (Reif and Schmitt, 1980) in the European Parliamentary (EP) elections of 2004. Owing to a lack of information about the EU, citizens use cognitive shortcuts from national politics to determine their EP vote (Schmitt 2005). As such, national politics remains the central issue in EP elections. However, recent findings suggest that European issues increasingly matter in EP elections. Studies from the EP elections in 1999 (Van der Brug et al. 2007), 2004 (de Vries and Tillman 2010), and 2009 (de Vries et al. 2011) demonstrate that attitudes towards the EU affect voting in EU elections. Confirmation of this ‘Europe matters’ model can also be found in the EU referendum literature on the importance of attitudes towards the EU in affecting voting behaviour (Hobolt 2009).

Recent studies have suggested a third possibility, viewing the interplay between national and European factors as the central determinant (Burgoon 2009; Rohrschneider 2002; Sánchez-Cuenca 2000). In a study of social welfare politics, Burgoon (2009) compared three perspectives on how provision at one level affects support for provision at another. First, provision at the national level could dampen support for European-level welfare policies; second, provision at the European level could undermine support for national welfare policies; and finally, the two could have separate politics, with little influence on one another. Additionally, Burgoon suggested a fourth perspective, treating both levels as imperfect substitutes:

This view comes closest to Sánchez-Cuenca’s claim (2000) that citizens are mindful of how EU governance has opportunity costs for national governance, judging such costs as lower to the extent that national governance is found lacking owing to, for instance, corruption (Burgoon, 2009: 433)

If the European level and the national level are, indeed, imperfect substitutes, then provision at one level will indirectly affect demand at another level. Although Burgoon based his claim only on the domain of social welfare, his claim might be applicable to the quality of national and supranational institutions in general.

The Quality of National Institutions

Many authors agree that the quality of institutions matters in democratic evaluation (Aarts and Thomassen 2008; Almond and Verba 1964; Anderson and Guillory 1997; Blais and Gélinau 2007; Klingeman 1999; Klingeman and Fuchs 1995; Rose and Mishler 2002; Wagner et al. 2009). Wagner et al. (2009) established a positive correlation between high-quality institutions and satisfaction
with national democracy. They used six characteristics of institutions: rule of law, corruption, shadow economy, regulation of political executive recruitment, regulation of political participation and checks and balances. Do these measures of the quality of national institutions have a similar influence on the evaluation of institutions at a higher (supranational) level, namely the EU?

According to Sánchez-Cuenca (2000), support for the EU depends on the interplay between national and supranational politics, which is ‘based on the effect of popular perceptions about national and supranational institutions: the worse citizens’ opinions of national institutions and the better their opinion of supranational ones, the stronger their support for European integration’ (Sánchez-Cuenca 2000: 169).

We expect to see a similar effect on evaluations of the EU’s democratic performance. The quality of national institutions provides a framework that is unique for every country. National institutions then function as a yardstick for evaluations of democracy at a higher level. Similarly, Rohrschneider (2002) argued that the quality of national institutions affects the effect that the EU’s perceived democratic deficit has on support for it. “The quality of national institutions affects how much weight individuals attach to flaws of EU-institutions” (Rohrschneider 2002: 465). In countries with high quality institutions, the contrast in the quality of institutions between the two levels increases the salience of the EU’s democratic deficit, which in turn increases the probability that this issue will negatively influence citizens’ evaluations of the democratic performance of the EU. In countries where the difference in the quality of institutions is balanced in favour of the EU, the structures of the EU can be perceived as an asset rather than a liability. ‘The quality of national institutions enhances the odds that the EU’s democracy deficit becomes politicized’ (Rohrschneider 2002: 466).

Rohrschneider drew a parallel with the young Central and Eastern European democracies: “One general lesson, then, is that citizens judge new institutions against their experience with the regime that is to be replaced” (Rohrschneider 2002: 472). Citizens’ evaluations of the EU are indirectly shaped by the quality of their own national institutions; in a similar way that evaluations of former regimes affect support for democracies in Central Europe (Mishler and Rose 1997). The better their own national institutions are, the more critical citizens will be when evaluating supranational institutions. An earlier attempt to study attitudes towards the EU within Eastern and Central European countries has been done by Christin (2005). He researched the effect of political and economical reforms in Eastern European countries on attitudes towards the EU during the 1990s, before these countries became EU members. His results confirmed his expectation that efficient democratic performance at the national level enhances the prevalence of scepticism about the EU’s democratic performance (Christin 2005). Sánchez-Cuenca (2000) found evidence for a direct effect of the quality of national institutions on support for the EU. He stated that higher levels of corruption at the national level directly increase support for the EU. In this article, we move beyond this focus on corruption and apply
the same logic to six characteristics of national institutions. We expect to see a contrast effect of institutional quality on citizens’ evaluations of the EU’s democratic performance.

Hypothesis 1: The higher the quality of citizens’ national institutions, the more negative their evaluations of the EU’s democratic performance will be.

**Political knowledge: know more, like more?**

Several studies have shown that political knowledge is correlated to characteristics of institutions, such as political efficacy and political support (Almond and Verba, 1964; Weatherford, 1991). Scholars studying the effects of political knowledge on evaluations of the EU have reported mixed results (Karp *et al.* 2003). Depending on the theoretical argument, one could expect to see either positive or negative effects of political knowledge on evaluations of the democratic performance of the EU. Most studies did not distinguish between knowledge of domestic politics and knowledge specifically relating to the EU. However, it is crucial that this distinction is taken into account: as even individuals who are well informed in general do not necessarily hold knowledge concerning specific domains, such as EU-level policies (McGraw and Pinney 1990). In this study, we treat the national and supranational policy level as imperfect substitutes (Burgoon 2009; Sánchez-Cuenca 2000). Therefore, we need to distinguish between knowledge of domestic politics and knowledge of European politics.

We expect that knowledge of domestic politics will moderate the effect of the quality of national institutions on citizens’ evaluations of the EU’s democratic performance. The more aware citizens are of their domestic politics, and therefore of the difference between domestic and supranational institutions, the less positive they will be about European institutions. When the quality of national institutions is low, knowledge of domestic politics will have a positive effect on those evaluations. In these countries, the balance is in favour of the supranational level. Awareness of the flaws of one’s own domestic institutions makes evaluations of supranational institutions more positive.

Hypothesis 2: The greater the extent of citizens’ knowledge of national politics, the greater the negative effect of the quality of national institutions will be on citizens’ evaluations of the EU’s democratic performance.

**METHODS**

**Data**

We rely on data from a voter survey conducted three weeks before the EP elections of 2009 in 21 member states. The survey was conducted using Computer Assisted Web Interviewing (CAWI). It included a number of items intended to measure individual perceptions and evaluations concerning democratic satisfaction, political trust, efficacy, knowledge, interest and participation. It was held
in 21 of the current EU member states. As such, testing aggregate- and individual-level variables simultaneously is possible.

To assess whether the quality of institutions at national level affects evaluations of the EU’s democratic performance, country-level data is added to our dataset. Kaufmann, et al. (2002) filtered out six aggregate governance indicators from a large variety of partly overlapping governance indicator databases. On a yearly basis, the World Bank provides a Governance Index based on these indicators. We used the 2008 data (The World Bank Group 2010) on the indicators.

MEASURES

Dependent variable

In the extant literature, evaluations of the democratic performance of the EU have been operationalized in several ways. Some scholars used support for integration (Janssen 1991; Sánchez-Cuenca 2000) to test citizens’ attitudes towards the EU. Other scholars used satisfaction with (European) democracy (SWD) as their variable of interest (Aarts and Thomassen 2008; Anderson and Guillory 1997; Karp et al. 2003). Boomgaarden et al. (2011) distinguished the democratic performance dimension from four other dimensions of attitudes concerning the EU. We will use this democratic performance scale of four items (Cronbach’s Alpha = 0.828; Explained variance = 66%; Eigenvalue = 2.64) as our dependent variable to measuring evaluations of the EU’s democratic performance. As such, we constructed an adequate measure of evaluations of democratic performance at the European level: firstly, because we used four items instead of one; secondly, because the four items loaded nicely on the same component of attitudes concerning the EU; and thirdly, because the separate items measured evaluations of the EU’s performance more precisely. The first item measured levels of satisfaction with European democracy: ‘How satisfied or dissatisfied are you with the way democracy works in the European Union?’ Respondents could choose between seven categories, ranging from ‘not at all satisfied’ (1) to ‘very satisfied’ (7). For the other three items, respondents had to indicate to what extent they agreed with the following statements: (a) ‘The European Union functions according to democratic principles. (b) The decision making process in the European Union is transparent. (c) The European Union functions well as it is’. Again, respondents could choose between seven possible answers, ranging from ‘strongly disagree’ (1) to ‘strongly agree’ (7). By averaging the responses to these items, we created a democratic performance scale, ranging from 1 to 7 (see Table 1).

INDEPENDENT VARIABLES

Institutional quality

As mentioned earlier, we developed an indicator of good governance using the six measures used by the World Bank in their Governance Index. Kaufmann et al.
(2002) defined governance broadly as the traditions and institutions by which authority in a country is exercised. They flesh out six indicators of good governance from the large variety of indicator databases. ‘Voice and accountability’ captures the process by which authority is selected and/or replaced; it includes other aspects of domestic politics such as civil liberties, political rights and independence of the media. ‘Political instability and violence’ taps into the likelihood of wrenching changes in government, which has a direct effect on the continuity of policies. ‘Government effectiveness’ measures the quality of public service provision, the competence of civil servants and the credibility of the government. ‘Regulatory burden’ is focused on the existence of regulatory burdens and policies hostile to the market. ‘Rule of law’ measures the extent to which the agents abide by the rules of society and have confidence in the judiciary. ‘Control for corruption’ measures how successful a country is in keeping the exercise of public power for private gain to a minimum (Kaufman et al. 2002). As these indicators partially overlap, the estimate of quality of governance for each country is the mean of these six indicators. As such, we created a unique objective measure of the quality of national institutions (Eigenvalue = 5.12; Explained variance = 85.33%; Cronbach’s Alpha = 0.94). Looking at the scores for each country in Figure 1, we notice that the national institutions of Bulgaria have the lowest score (0.26) and that institutional quality is highest in Denmark (1.80).

### Knowledge of domestic politics

Our second independent variable is knowledge of domestic politics. We make a distinction between knowledge of domestic politics and knowledge of EU
politics. To measure the extent of respondents’ knowledge of domestic politics, we used two multiple-choice questions relating to their national political system (see Appendix). A ‘don’t know’ option was included. Incorrect and ‘don’t know’ answers were coded 0; correct answers were coded 1 (for descriptive statistics of the variables used, see Table 1). After adding up the scores for each individual, we divided them by two for analytical convenience.

Satisfaction with national democracy

Owing to a lack of knowledge, people may fail to distinguish between the national and the supranational level. While more knowledgeable citizens have a greater store of EU information available, less knowledgeable citizens tend to use evaluations of national governments (Karp et al. 2003; Martinotti and Stefanizzi 1995). This is in line with theories of survey item response: citizens’ responses to survey questions are based on the most salient and immediate considerations available (Zaller 1992: 49-51). As such, the effect of satisfaction with national democracy potentially wipes out the indirect effect that knowledge of
domestic politics has on EU evaluations. Therefore, we control for satisfaction with national democracy. We used the original ‘satisfaction with democracy’ measure: ‘Regardless of who is in government, on the whole, how satisfied or dissatisfied are you with the way democracy works in [COUNTRY]?’ Note that we mention explicitly that this evaluation of their nation’s democratic performance should not take into account the performance of the current government. Again, this item is measured on a scale ranging from 1 to 7, with 4 as the middle category.

CONTROL VARIABLES

- **Benefits of EU membership:** previous research suggested that individuals’ levels of support for the EU are positively related to the perceived economic benefits a member state derives from EU membership (Gabel and Palmer 1995; Karp et al. 2003). Similarly, the perceived costs and benefits of EU membership for one’s own country are also likely to affect evaluations of the EU’s democratic performance. We therefore control for this effect. As in the Eurobarometer, respondents are asked to assess whether their country benefits from its EU membership. “[COUNTRY] has on balance benefited from being a member of the European Union.” This item is measured on a scale ranging from 1 to 7, with 4 as the middle category.

- **EU-specific knowledge:** to measure the extent of respondents’ knowledge of EU politics, we asked two multiple-choice questions about the recent institutional reforms of the EU (see Appendix). We followed the same coding procedure that we used for the domestic political questions.

- **Socio-economic Background:** three variables were included to control for other potentially confounding factors: age, gender and education (Karp et al. 2003). We used a dummy for education by dividing the respondents in three groups: low education, middle education and high education, which generally equates to the completion of primary school (low), high school (middle) and university or college (high).

- **GDP per capita:** at the national level, we included GDP per capita as a control measure of economic wealth, which is likely to be correlated with lower levels of satisfaction with European institutions (Sánchez-Cuenca 2000).

- **Net benefit of EU membership:** the net transfers from the EU to the country in question can be a good predictor of levels of support for the EU in that country (Karp et al. 2003). Therefore, we included the net benefit (percentage of GDP) each country gets from EU membership as a control measure.

- **Years of EU membership:** levels of awareness of the difference between the quality of national and of European institutions can depend on the number of years that a country has been a member of the EU. Therefore, we control for the number of years that each country has been a member of the EU.
ANALYSIS

To test the hypotheses formulated above, we employ multilevel modeling techniques. We do not use the more common approach of estimating ordinary (OLS) regression models, as the assumption of independence of the residuals, fundamental to OLS regression analysis, is violated. This is because the values of the dependent variable are more similar among citizens from the same country than among citizens from different countries. Eleven percent of the variance of the dependent variable (significantly different from zero, \( p < .001 \)), can be attributed to this nesting of citizens within countries. If we ignored this nested structure of our data, we would underestimate the standard errors of the regression coefficients, which might lead us to interpret relationships as statistically significant even when they are not (so-called ‘type-1 errors’). Multilevel modeling remedies this problem (e.g., Goldstein 2003; Snijders and Bosker 1999). We distinguish between two levels of analysis, the individual level and the national level, and simultaneously estimate effects at both levels as well as cross-level interaction effects.

RESULTS

The results are displayed in Table 2. The random effects model (Model 1) shows the negative effect of the quality of national institutions has on evaluations of democratic performance. A difference of one unit in institutional quality, for example between Poland (0.63) and Austria (1.63), causes a decrease in EU democratic performance evaluations between Poland and Austria of 0.450 (significant at the \( p = 0.01 \) level) on a scale from 1 to 7. These results support our first hypothesis: that the quality of national institutions has a significant negative effect on evaluations of the EU’s democratic performance. We controlled for the effect of perceived costs and benefits of EU membership for one’s own country. Our results show that these perceived benefits have a significant (\( p < 0.01 \)) effect (\( b = 0.274 \)) on evaluations of the EU’s democratic performance. Citizens who perceive their country’s benefits to be optimal (7) are far more satisfied with the EU’s democratic performance than those who perceive those benefits to be minimal (1): their evaluation of EU democratic performance is 1.644 higher on a seven-point scale. Furthermore, we controlled for the net benefits that each country acquires from EU membership, and for the effect of economic wealth on EU democratic performance evaluations. Neither of these control variables had a significant effect, nor did the inclusion of these variables alter the results.

As our next step, we added the interaction of domestic political knowledge with the quality of national institutions in order to test hypothesis 2. The results are displayed in the second column (Model 2) of Table 2, which indicates that the interaction between knowledge of domestic politics and the quality of institutions has a significant (\( p < 0.01 \)) negative effect (\( b = -0.310 \)) on evaluations of the EU’s democratic performance. The negative effect that the quality
of national institutions has on evaluations of the EU increases as the level of domestic political knowledge increases. Furthermore, we notice that the model fit significantly (2*LL decreases 18 points) improves when this interaction is added. This result confirms the expected moderating effect of domestic political knowledge on the link between national institutional quality and EU-evaluations (hypothesis two). We controlled for the interaction between satisfaction with national democracy and knowledge of politics, which had, as theoretically expected, a significant (p < 0.05) negative effect (b = −0.027)⁸.

### DISCUSSION

The aim of this study was twofold: to assess the influence of the quality of institutions at the national level on evaluations of the EU’s democratic performance, and to explore the moderating effect of political knowledge on the influence of institutional quality on those evaluations. As Sánchez-Cuenca (2000) has shown, evaluations of a supranational policy level depend on the interplay between national and supranational institutions. We combined survey data about citizens’ perceptions of political performance with objective measures of the quality of national institutions of 21 EU member states. With this data, we constructed a multilevel model, which enabled us to examine the differential impact of the quality of national institutions on evaluations of the EU’s democratic performance, and the role that knowledge of politics plays with regard to this effect.

### Table 2  Effects of individual- and country-level variables on evaluations of the EU’s democratic performance: multilevel model estimates

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.188 (0.072)</td>
<td>2.198 (0.075)</td>
</tr>
<tr>
<td>Institutional Quality (n = 21)</td>
<td>−0.466∗ (0.049)</td>
<td>−0.472∗ (0.052)</td>
</tr>
<tr>
<td>Political knowledge (dom)</td>
<td>−0.012 (0.054)</td>
<td>0.319∗ (0.073)</td>
</tr>
<tr>
<td>Political knowledge (EU)</td>
<td>0.014** (0.008)</td>
<td>0.014** (0.008)</td>
</tr>
<tr>
<td>Control:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>−0.033∗ (0.006)</td>
<td>−0.033∗ (0.006)</td>
</tr>
<tr>
<td>Gender</td>
<td>0.118∗ (0.011)</td>
<td>0.118∗ (0.011)</td>
</tr>
<tr>
<td>Age</td>
<td>−0.007∗ (0.000)</td>
<td>−0.007∗ (0.000)</td>
</tr>
<tr>
<td>Media use</td>
<td>0.008∗ (0.002)</td>
<td>0.008∗ (0.002)</td>
</tr>
<tr>
<td>Satisfaction with Nat Dem</td>
<td>0.257∗ (0.012)</td>
<td>0.256∗ (0.012)</td>
</tr>
<tr>
<td>Benefits of EU member</td>
<td>0.274∗ (0.003)</td>
<td>0.273∗ (0.003)</td>
</tr>
<tr>
<td>Interactions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pol know(dom) * Inst Qual</td>
<td>−0.297∗ (0.055)</td>
<td></td>
</tr>
<tr>
<td>Pol know(dom) * SwND</td>
<td>−0.029** (0.010)</td>
<td>−0.028** (0.010)</td>
</tr>
<tr>
<td>(−2\log)</td>
<td>86861.696</td>
<td>86844.471</td>
</tr>
</tbody>
</table>

Note: Standard errors are in parentheses. ∗ p < 0.01; ** p < 0.05. N = 32411.
We found support for the first hypothesis: there is a negative correlation between the quality of national institutions and democratic performance evaluation of the EU. Higher institutional quality at the national level has a negative effect on the evaluation of European governance. Danish citizens, for instance, are in general more critical towards the EU’s democratic performance than, say, Bulgarians. Being confronted with low-quality institutions at the national level makes citizens more positive about European institutions. People might be more willing to adopt supranational policy when the difference between the performance of national and European institutions shows the nation-state in an unfavourable light. As Sánchez-Cuenca (2000) stated, the interplay between supranational and national institutions is crucial for evaluations of the EU’s democratic performance. Sánchez-Cuenca tested this hypothesis using corruption as an indicator of the quality of national institutions. Other scholars used subjective measures of the quality of institutions, such as trust and satisfaction with national democracy (Karp et al. 2003). In this study, we combined six indicators of good governance (Kaufmann et al. 2002) into one indicator of national institutional quality. By using an objective indicator, accounting for a wide range of institutional characteristics, we established a link between contextual factors at the national level and citizens’ perceptions of EU governance. These results also indicate the existence of different perceptions across countries, regarding both the actual performance of European institutions and the expectations that citizens have of those institutions. This finding is important, as it demonstrates that legitimacy concerns should also be acknowledged differentially across countries. The overall pattern of these national differences can be perceived as a division between East and West or as a division between new and old members, because of differential familiarity levels with the EU, stemming from the (lack of a) socialization process. We controlled for both categorizations, but neither the East-West divide, nor the old-new categorization was significant. Still, the fact that Eastern Europeans appear more satisfied with the EU’s democratic performance leaves us with some questions that this study cannot answer. Is this only temporary? Will this pattern (from 2009) persist as citizens in the new member states become more acquainted with the European institutions? Only future research can provide answers to these questions.

A second aim of this study was to explore the moderating effect of knowledge of politics on the effect of the quality of institutions on evaluations of the EU’s democratic performance. Our multilevel dataset enabled us to explore this link for the first time. The results support hypothesis two: the effect of the quality of national institutions on evaluations of the EU’s democratic performance is moderated by knowledge of domestic politics. The negative effect of the quality of national institutions increases as levels of knowledge of domestic politics increase. These findings have several implications. First, it strengthens support for our first hypothesis. The quality of national institutions has a stronger effect on those who know more about national politics. The more citizens know about the politics of their own country, the more they use this knowledge
as a yardstick for evaluation at supranational level. As well as using a differential approach across countries, one should also differentiate within each country in attempting to deal with legitimacy issues. Furthermore, these results confirm the importance of distinguishing between different types of knowledge. Further research should incorporate a direct assessment of political knowledge in the specific domain of EU-level politics.

This paper has established a clear link between the quality of national institutions and evaluations of the democratic performance of EU institutions. National institutional quality does indeed serve as a yardstick for EU evaluation. Furthermore, we have demonstrated for the first time that citizens’ knowledge of domestic politics moderates the effect of the quality of national institutions on evaluations of the EU, and, as such, that European institutions are, indeed, ‘second-order’ institutions.

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NOTES

1 The study was funded by the Dutch National Science Foundation (VICI grant) and by additional grants from the Danish Science Foundation, the University of Amsterdam, and the Swedish Riksbanken Foundation. For more information and documentation, see de Vreese et al., 2010.

2 The countries included in the survey were the Austria, Belgium (both Flanders and Wallonia), Bulgaria, the Czech Republic, Denmark, Finland, France, Germany,
Greece, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Slovakia, Spain, Sweden, and the UK. The country selection includes larger and smaller member states, countries from the North, South, East and West of Europe, as well as both well-established and newer members of the Union. The country selection was finalized based on feasibility.

3 This factor analysis was performed with the same data in a different study (Boomgaarden et al., 2011), where more information on the different dimensions of EU attitudes can be found.

4 We also added a dummy variable (ex-Soviet member states versus other member states) to the analysis to control for democratic history. Adding this variable did not change the results significantly.

5 Multicollinearity with domestic political knowledge is not a problem: Pearson’s $R = 0.211$.

6 Multicollinearity with institutional quality is not a problem: Pearson’s $R = -0.296$.

7 For analytical reasons, we centred the values of both citizens’ knowledge of domestic politics and the quality of national institutions around their mean.

8 We are aware that multicollinearity between both interactions could be a problem here as the tolerance levels (VIF) are high. However, we choose to add this control interaction for theoretical reasons, making this model more conservative and the results more convincing.

REFERENCES


APPENDIX A: POLITICAL KNOWLEDGE

Domestic Political Knowledge: (1) What is the name of the current [NATIONALITY] Minister of Foreign Affairs? STANDARD ANSWER CATEGORIES: (a) [current Minister of Foreign Affairs] (b) [former Minister of Foreign Affairs] (c) [current Secretary of State for European Affairs] (d) [current Minister of Finances] (e) [current Minister of Defense] (2) What is the formal length of a single term of a member of the national parliament, [NAME PARLIAMENT]? (a) 3 years. (b) 4 years. (c) 5 years. (d) 6 years. (e) 8 years. (f) Don’t know.

EU-specific Political Knowledge: (1) How many seats will the European Parliament have AFTER the 2009 election? (a) 385. (b) 412. (c) 651. (d) 736. (e) 867. (f) Don’t know. (2) What is the current number of member states of the European Union? (a) 15. (b) 22. (c) 25. (d) 27. (e) 29. (f) Don’t know.

APPENDIX B: SURVEY

The fieldwork was coordinated by TNS Opinion in Brussels and involved TNS subsidiaries in each country. All subsidiaries comply with ESOMAR guidelines for survey research. A total of 32,411 18 year-old+ respondents participated. In
each country, a sample was drawn from a TNS database. These databases rely on multiple recruitment strategies, including telephone, face-to-face, and online recruitment. Quotas on age, gender and education were enforced in sampling from the database. The average response rate (AAPOR RR1) was 31%. An overview of the composition of our sample vis-à-vis census data per country showed no differences between the adult population and the sample in terms of gender in Austria, Ireland, Slovakia and Spain. The mean difference between the population and the sample was 2.76% (SD = 3.43%). Small deviations occurred, (0-8%), with sometimes women being overrepresented and sometimes men. In general, young voters were slightly overrepresented in the samples. The share of young voters (under 35) deviated 9.62% on average (SD = 8.95%), with a minimum of 1% absolute deviation (overrepresentation) in Italy and Sweden, and a maximum of 34% (overrepresentation) in Greece. The largest underrepresentation of younger voters was found in Latvia (14%). The share of older voters (55+) was not entirely accurately reflected in the sample in the countries (M = 16.57%, SD = 9.91%), with deviations ranging from 1% in France and Britain (overrepresentations) to 33% (underrepresentation in Greece). Most countries had slight underrepresentation of older voters. The German sample had the largest overrepresentation (2%). In terms of education (collapsed in three categories, following the European Social Survey), the sample reflected the population in Ireland and Spain, while deviations (M = 8.12%, SD = 8.37) were found in other countries with higher educated voters being overrepresented in the samples. Underrepresentation was found in Greece (1%), France (6%), Slovakia (5%) and Sweden (11%). In sum, the samples show appropriate distributions in terms of gender, age and education. As we are mostly interested in the underlying relationships between variables, we consider the deviations in the sample vis-à-vis the adult population to be less problematic and we exert appropriate caution when making inferences about absolute values. The questionnaire was developed in English and translated into the original languages. It was then translated back into English. The translation was supervised by the research team and it was carried out by TNS (which also executes and translated the Eurobarometer surveys). Irregularities and problems arising from this process were resolved by deliberation.