

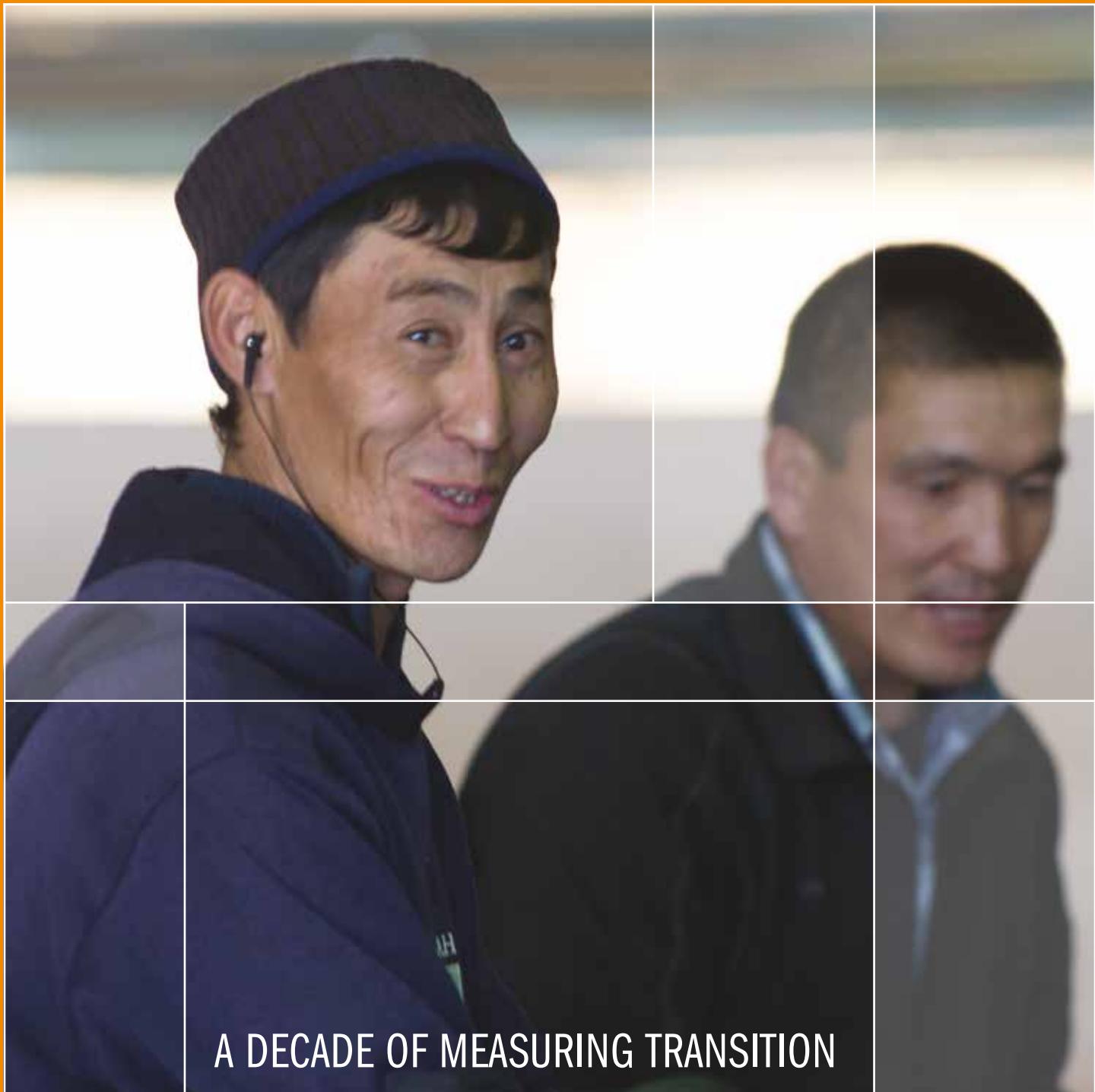


European Bank
for Reconstruction and Development

Life in Transition



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A DECADE OF MEASURING TRANSITION



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About this report



Since its inception in 1991 in the wake of the collapse of communism in eastern Europe, the European Bank for Reconstruction and Development (EBRD) has been committed to developing open and sustainable market economies. The Bank has been heavily involved in areas such as banking-sector reform, price liberalisation, privatisation of state-owned companies and the creation of proper legal frameworks – all of which are vital ingredients for structural change.

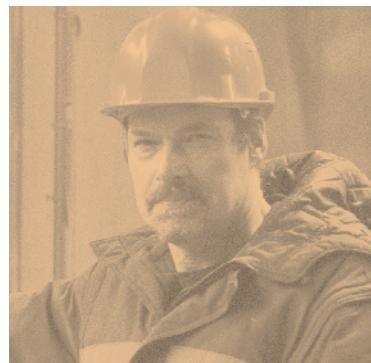
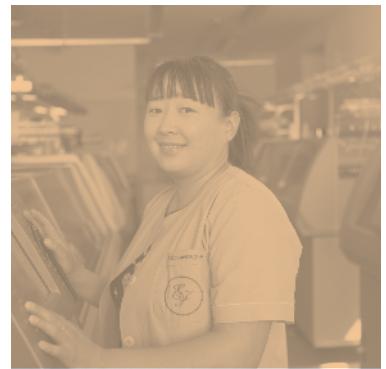
To continue its work in furthering progress towards ‘market-oriented economies and the promotion of private and entrepreneurial initiative’, the Bank needs to understand how transition is affecting the daily lives of people in the region and how it shapes their views on issues such as democracy and the market economy, as well as their satisfaction with life and their hopes for the future.

In order to answer some of these questions, the EBRD has carried out a major survey of households and individuals across the region – the Life in Transition Survey. This publication summarises the main results of the most recent round of the survey, conducted in 2016, and compares it with the previous rounds conducted in 2006 and 2010, in order to share these results with our partners in the region and beyond.



Notes

- The “transition region” in this report refers to the EBRD’s countries of operations that are covered in the third round of the Life in Transition Survey (LiTS): Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Estonia, FYR Macedonia, Georgia, Hungary, Kazakhstan, Kosovo, the Kyrgyz Republic, Latvia, Lithuania, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, the Slovak Republic, Slovenia, Tajikistan, Turkey, Ukraine and Uzbekistan. It also includes Cyprus and Greece, which became recipient member countries of the EBRD in May 2014 and March 2015, respectively. The Bank’s involvement in both countries is expected to be temporary, with no new investment after the end of 2020. Please note the data for Cyprus does not include the northern part of the island.
- The survey was also implemented in the Czech Republic. Please note that the EBRD ceased making new investments in the Czech Republic in 2007 but still manages a portfolio in the country.
- Egypt, Jordan, Morocco, Tunisia and Turkmenistan are not included in the LiTS nor, consequently, in this report.
- Western Europe refers to the comparator countries – Germany and Italy – which allow us to benchmark the transition region against some advanced market economies, thereby giving a clearer perspective on the remaining challenges facing transition countries.
- All charts based on LiTS data use survey-weighted observations. Regional averages in the chapters are based on simple averages of the country scores. Regional averages in the country assessments are based on population-weighted averages of the country scores. Chart notes provide further information about the variables and data sets used in the analysis.



Country abbreviations

Albania	ALB	Greece	GRC	Romania	ROM	Germany	GER
Armenia	ARM	Hungary	HUN	Russia	RUS	Italy	ITA
Azerbaijan	AZE	Kazakhstan	KAZ	Serbia	SER		
Belarus	BEL	Kosovo	KOS	Slovak Republic	SVK		
Bosnia and Herz.	BOS	Kyrgyz Republic	KGZ	Slovenia	SLO		
Bulgaria	BUL	Latvia	LAT	Tajikistan	TJK		
Croatia	CRO	Lithuania	LIT	Turkey	TUR		
Cyprus	CYP	Moldova	MDA	Ukraine	UKR		
Estonia	EST	Mongolia	MON	Uzbekistan	UZB		
FYR Macedonia	FYR	Montenegro	MNG				
Georgia	GEO	Poland	POL				

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Executive summary

In 2016 the Life in Transition Survey (LiTS) covered 51,000 households in 29 transition countries as well as Cyprus, the Czech Republic, Greece and two western European comparator countries (Germany and Italy). This report discusses the major themes that have emerged from data analysis so far and provides detailed assessments for each individual country.

An important first finding of LiTS III is that people's life satisfaction has increased across post-communist countries compared to the situation in 2006 and 2010. As a result, there has been a convergence with the western European comparator countries: the "happiness gap" has closed. Moreover, people in most transition countries are now also more optimistic about the future of younger generations than their counterparts in western Europe – even when controlling for a wide variety of characteristics such as education, income, unemployment, and so on. Life satisfaction reflects many different factors and the first chapter of this report therefore draws together observations about survey respondents' satisfaction with public services and utilities, their material well-being, their attitudes towards minorities and their perceptions of income inequality.

A second core finding discussed in this report is that while levels of corruption have decreased since 2006, both in terms of people's perceptions and their actual experiences, corruption levels still remain relatively high and consequently continue to dominate reform debates across the transition region. Based on the LiTS III data, this report also analyses how corruption erodes people's trust in various institutions and reduces their satisfaction with public services.

Third, the data collected as part of LiTS III show that while educational attainment is relatively equal for men and women in the transition region, such gender equality is not yet reflected in labour market outcomes. This implies that there is still much untapped economic potential in many transition countries. When it comes to paid work, women are less likely to work full-time and are less engaged in the workforce than men. In terms of unpaid work, women bear a disproportionate share of the housework and caring for their families. Many countries surveyed also show a strong preference for traditional family arrangements where the man earns the income and the woman takes care of the children and the home.

The last part of the report examines the impact of the economic crisis on Greek households. This impact has been deep and widespread, affecting over 92 per cent of all Greek respondents. The economic hardships suffered by Greek respondents are reflected in the overall life satisfaction results where Greece currently ranks last among all the surveyed countries. This result is particularly striking as it holds even after controlling for various characteristics of the respondents and when contrasting Greece with countries on a similar level of income. While 48, 42 and 72 per cent of Cypriot, Italian and German respondents, respectively, are satisfied with their lives, this is true for only 24 per cent of those surveyed in Greece.

**1.**

Life satisfaction in the transition region

According to LiTS III, the 10 “happiest” countries can be found in Central Asia and in central Europe and the Baltic states. In contrast, Russia, eastern Europe and the Caucasus, and south-eastern Europe rank at the bottom of the life satisfaction index. Greece has the lowest proportion of respondents who are currently satisfied with their lives, followed by Moldova, Ukraine and Armenia. On average, however, life satisfaction is higher in 2016 than it was in 2006 in almost all the countries that were surveyed in both years. As a result, the life satisfaction (or “happiness”) gap between the transition region and western European comparator countries has finally closed. Moreover, people in most transition countries are currently more optimistic about the future of younger generations than their counterparts in the western European comparators (Germany and Italy).

Satisfaction with public services tends to be higher in central Europe and the Baltic states and in Turkey, and generally lower in Central Asia and in eastern Europe and the Caucasus, although there is considerable variation across individual countries. On average, people are most satisfied with public education (vocational, primary and secondary) and when making requests for official documents. By contrast, people are not satisfied with the quality of local roads in many countries.

LiTS III respondents were also asked which groups of people they would not like to have as neighbours. On average, there has been a positive change in disclosed tolerance towards ethnic and sexual minorities compared to 2010, but the levels remain below those found in the western European comparator countries (Germany and Italy). However, people in the transition region appear to have become slightly less tolerant of immigrants.

**2.**

Governance in the transition region

The average perception of corruption has fallen in the transition region compared to 2006. However, a more detailed analysis shows that the frequency of irregular payments in the health care sector (16 per cent) and when dealing with traffic police (9 per cent) is still high across much of the transition region. The nature of irregular payments also differs by type of public service. About a quarter of such payments related to education appear to be motivated by the desire to express gratitude whereas unofficial payments to traffic police, civil courts or social security services are mostly made because of explicit or implicit requests.

When it comes to people’s willingness to report corruption, the LiTS III results show that there is substantial variation across individuals as to whether they think fighting corruption is possible. For instance, male respondents, active volunteers, highly-educated people and those with higher incomes are less likely to say that there is nothing they can do to fight against corruption.

Chapter 2 of this report also shows that levels of trust in institutions have fallen considerably since 2010. Institutional trust is generally higher in Central Asia and south-eastern Europe and lower in eastern Europe and the Caucasus. Overall, people tend to trust their police, armed forces, president or prime minister, and religious institutions while only about two-fifths of respondents have confidence in their government.



3.

Gender in the transition region

The results of LiTS III show that while educational attainment is relatively equal for men and women in the transition region, such gender equality is not yet reflected in labour market outcomes. Overall, there are higher percentages of women than men with a minimum of a tertiary education in Russia as well as in eastern Europe and the Caucasus and in central Europe and the Baltic states. By contrast, more men than women have post-secondary education in Central Asia, south-eastern Europe and Turkey (as well as Germany and Italy). The results show that women's education can be limited in cultures where marrying and starting a family at an early age is the social norm. More specifically, there is a negative correlation at the country level between teenage fertility and the female-to-male tertiary education enrolment ratio.

Women are less likely than men to be in employment, particularly full-time employment, in all countries, including the western European comparators Germany and Italy. Interestingly, this difference is driven by the partnered sample – partnered women are 17.2 percentage points less likely to be working full-time than partnered men. Among non-partnered women the full-time employment gap is substantially smaller (only 3.1 percentage points). In addition, women with children and women who reside in rural areas are less likely to be in full-time employment compared to men in similar circumstances.

Across all regions, men are more likely to report that they tried to set up a business and they are also about twice as likely to be entrepreneurs as women. When asked about the main reasons for not being able to set up a business, both male and female respondents cite insufficient funding, a change in personal situation, and too much bureaucracy as the main barriers that hold back entrepreneurship.



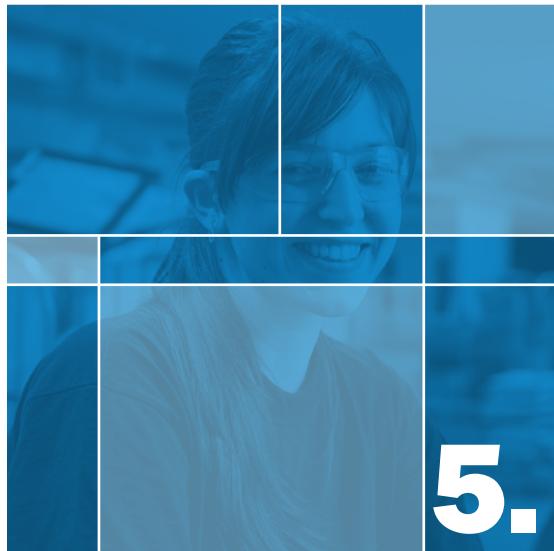
4.

The impact of the crisis on households in Greece

LiTS III data indicate that the impact of the economic crisis in Greece has been deep and widespread. About 76 per cent of Greek households suffered a negative income shock, such as reduced wages or pensions, job losses, delayed or suspended wages and decreased working hours, between 2010 and 2016. In addition, over 92 per cent of those surveyed report that their household was severely affected by economic hardship due to the crisis and the ensuing austerity measures. The impact was heterogeneous, with ethnic minorities, larger families, and households with a female or lower-educated head all more likely to have been (severely) affected.

A comparison of the coping strategies that people adopted shows that families that responded to the challenges in a proactive way, either by increasing their number of working hours or seeking an additional job, are less likely to have been affected by the crisis. The gender and the education level of the household head affects the type of coping strategy adopted: female-headed households and less-educated households were more likely to resort to reducing their consumption of staple foods or cutting back on essential medical expenditures.

An analysis of the perceptions and attitudes of Greek respondents shows that the crisis has had far-reaching consequences. Today, only 1 in 10 Greeks is satisfied with their financial situation and 1 in 4 is satisfied with their life in general. In addition, less than half of the population can afford to meet unexpected expenses. Importantly, respondents who were not affected by the crisis report levels of subjective and material well-being similar to those of German and Italian respondents. Lastly, distrust of the national political institutions, such as the president, the government and the parliament, is widespread.



Annex: The survey and the sampling methodology

The LiTS is a combined household and attitudinal survey that collects information on the socio-economic status of respondents and includes perception-based questions on various economic, political and social topics. The third round of LiTS (LiTS III) was conducted between the end of 2015 and the beginning of 2016 in 34 countries, comprising 32 countries where the EBRD invests and two Western European comparators, Germany and Italy.

The LITS III survey instrument includes nine modules (10 in Greece, where an additional module on the impact of the crisis was administered). The first two collect information on the characteristics of the household, the dwelling they live in and their consumption habits. The remaining modules gather information on asset ownership, working history, entrepreneurial activities, attitudes and perceptions of corruption of the primary respondent. Two modules, namely those on asset ownership and working history, are also asked of a secondary respondent, who is of the opposite gender to the primary respondent.

The survey was designed in two stages and stratified by geographical region and level of urbanity (urban or rural areas). In the first stage, 50 localities that were selected as part of the second round of the LiTS were revisited, and 25 new localities were drawn from the new sample frames in an attempt to rebalance the old sample based on the updated population information. In the second stage, 20 households were selected with equal probability within each Primary Sampling Unit (PSU). A total of 1,500 interviews per country were completed.

The survey was administered face-to-face by means of Computer-assisted Personal Interviewing (CAPI). In all households composed of at least two adult members of opposite genders, a primary and a secondary respondent were selected at random by the software.



Country assessments

The country assessments in this report present the main results from the 2016 survey for each individual country and contrasts these with the LiTS II (2010) findings. The main outcome variables are also broken down by age and income groups. Comparisons with simple cross-country averages for the whole transition region and for the two western European comparator countries (Germany and Italy) are also drawn.



Foreword

The mission of the EBRD is to foster the transition towards open market-oriented economies in its countries of operations. When the Bank was created, there was little doubt about the advantage of a market over a command economy. However, as the transition to market involved economic hardship in many countries, parts of the public have become disillusioned, with reforms slowing down or even being reversed in some cases. It has become increasingly clear that transition is not sustainable unless it is perceived by the public as being fair and of benefit to the majority. This is why it is important to evaluate structural and institutional reforms not just in terms of GDP growth or share of private ownership but also in terms of how reforms are perceived by citizens and how they have impacted their lives. Reforms are, after all, intended to enhance the well-being of the general public. If the public does not see the benefits of the reforms, they will ultimately not be successful.

“

The coverage of LiTS III is the largest we have achieved so far, with 1,500 households interviewed in each country instead of the previous 1,000.

In order to understand how peoples' lives have been shaped and impacted by the changes and upheavals since the fall of communism, the EBRD and the World Bank launched the unique Life in Transition Survey (LiTS) – a large-scale and comprehensive survey focusing on beliefs, perceptions and attitudes of individuals and households across the transition region. The first round of LiTS was conducted in 2006, the second in 2010 and the third in 2016. Over the 10 years since the survey began, its reach has grown significantly. In the first round, 29,000 households were visited in 28 transition countries and the Czech Republic. For the second round in 2010, the survey was extended: over 38,000 households were interviewed in 29 transition countries, the Czech Republic and five western European comparator countries (France, Germany, Italy, Sweden and the United Kingdom). In 2016 the survey covered 51,000 households in 29 transition countries as well as Cyprus, the Czech Republic, Greece and two western European comparator countries (Germany and Italy).

The first two waves of LiTS have provided many insights on subjective well-being and attitudes towards reforms, described in the EBRD's *Transition Reports* – specifically, *People in Transition* (2007), *Crisis and Transition: The People's Perspective* (2011) and *Stuck in Transition?* (2013) – as well as in many academic papers based on LiTS data. This work has established important, and often unexpected, results. The scholars using LiTS have not only identified low levels of life satisfaction among residents of transition countries – and their surprisingly high support for regulations, price controls and reversals of privatisation – but also that historical attitudes towards reforms, the market economy and democracy are persistent (some observed today can be traced back to imperial/colonial legacies) and they depend on individual respondents' age and their personal experience of transition. All three waves of LiTS, including the very latest, show us that transition is very much a work in progress.

The third wave of LiTS is also unique in many respects. The questionnaire was developed in collaboration with the World Bank and Transparency International, and now comprises revised modules on asset ownership and labour participation, an extended module on corruption and governance, and new questions on respondents' family history and anthropometric measures. In Greece, the questionnaire also includes a section on the impact of the economic crisis on households.

The coverage of LiTS III is the largest we have achieved so far, with 1,500 households interviewed in each country instead of the previous 1,000. In addition, interviews were conducted with a female and a male respondent in all households composed of at least two adult members of a different gender. New questions on decision-making in the household and on attitudes and perceptions of gender roles give us the opportunity to observe how men and women's positions in the family differ and whether these are affected by their respective ownership of assets or participation in the labour market. Lastly, of the 75 localities that were visited in each country, 50 had also participated in the 2010 round. This will allow researchers to capture how lives and attitudes have changed over time within the same local communities.

What are the most important findings from the third round of LiTS?

First, the latest data show that people's life satisfaction has increased across post-communist countries compared to the 2006 and 2010 levels and there has been a convergence with the western European comparator countries. Another noteworthy finding is that people in most transition countries are now more optimistic about the future than their counterparts in western Europe. Access to public utilities (such as electricity, water, heating and postal services) is widespread throughout the transition region and satisfaction levels for these services compare well with the averages for the western European comparator countries. LiTS III data also show that people in the transition region almost uniformly think that the gap between the rich and the poor should be reduced – much more so than in 2010.

Second, encouragingly, levels of corruption – both in terms of perception and actual experiences – have decreased since 2006 in many countries in the transition region. Nevertheless, many respondents in this region still believe that the level of corruption among their elected officials and within public services is higher across the board than in western Europe. The perceived level of corruption is highest in the health care sector and lowest when it comes to requesting official documents. There is a negative relationship between the level of service satisfaction and people's experience of needing to make unofficial payments. In most countries, confidence in public sector authorities is relatively low and public officials are more often perceived as being corrupt than is typically the case in the western European comparator countries. The level of trust in institutions overall has also fallen since 2010, though it varies within and across regions.

Third, the latest LiTS III results show that while educational attainment is relatively equal across genders in the transition region, this is not reflected in labour market outcomes. When it comes to paid work, women are less likely to work full-time, less engaged in the workforce than men and earn less than men working a similar job. In terms of unpaid work, women bear a disproportionate share of the housework and caring for their families. There are also fewer businesswomen in the transition region in comparison to western Europe and the proportion of female entrepreneurs in the region has not increased significantly since 2010. Both men and women often cite insufficient financing as the main barrier to setting up a business. Female political participation also remains rather limited in the region as a whole.

Fourth, LiTS III data show that the impact of the economic crisis on Greek households has been deep and widespread. Over 92 per cent of Greek respondents believe that the crisis has affected them, and 76 per cent of Greek households have suffered a negative income shock such as reduced wages or pensions, job losses, delayed or suspended wages and decreased working hours. Compared to eastern European

households interviewed as part of LiTS II in 2010 (who also reported a deep impact of the recent crisis), Greeks have had to resort to cutting the consumption of necessities, non-necessities and services to a greater extent. Furthermore, the impact of the crisis was disproportionately strong for female-headed households, families with a household head who did not complete secondary education, and those with little or no savings. Not surprisingly, the crisis has also affected the respondents' satisfaction levels and their confidence in political institutions. Today, only 1 in 10 Greeks are satisfied with their financial situation and only 24 per cent of respondents say they are satisfied with their life in general, as opposed to 72 per cent in Germany and 42 per cent in Italy. Importantly, the very small minority of Greek respondents who were not affected by the crisis (8 per cent) report a level of financial and life satisfaction similar to, if not higher than, the average in Germany and Italy.

Lastly, despite attitudes towards democracy and the market economy becoming less positive or remaining stable relative to 2010, there is still widespread support for both in the transition region, despite the difficult economic circumstances of the recent past. The survey also provides some evidence on the rather weak recovery from the financial crisis which affected households in many countries in the transition region. On average, only 26 per cent of LiTS respondents report that their households live better than four years ago and only 20 per cent believe that their country is economically better than four years ago.

This report has only scratched the surface of the findings from the third round of the Life in Transition Survey. As with the previous rounds of LiTS, there will be more work by EBRD researchers and external academics based on LiTS III data. This will provide important insights into the impact of reforms and financial crises on beliefs and attitudes, which will in turn inform policy debates in both emerging markets and developed countries.



Sergei Guriev
Chief Economist
EBRD



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About

70%

of respondents in Central Asia
report they are currently happy
with their lives overall.

Life satisfaction in the transition region

Using data from all three rounds of the Life in Transition Survey (LiTS), this chapter analyses the factors influencing life satisfaction in the transition region, studies its evolution over the past decade and investigates whether or not there has been a process of convergence towards the levels in western European comparator countries. Based on the latest available data, the chapter concludes that the life satisfaction gap between the transition region and western European comparator countries has finally closed.

Introduction

Life satisfaction is increasingly recognised as an important aspect of well-being.¹ It is a combination of achieving one's aspirations in life and being able to balance both positive and negative feelings and experiences, and it is strongly associated with outcomes such as morbidity and mortality risks.² Therefore, understanding the determinants of life satisfaction is essential when designing sustainable and sound economic policies.³

Despite economic improvements and strong growth in income per capita and household consumption since 1989, life satisfaction levels remained relatively low in the transition region for a long time.⁴ Indeed, previous research has shown the existence of a large "happiness gap" where people in countries that underwent a transition from a planned to a market economy were significantly less satisfied with their lives than their western European counterparts, even after taking their incomes into account.⁵ The 2008-09 financial crisis contributed to these continuing trends, as those sections of society that benefited least from economic growth prior to the crisis were often the most vulnerable during the recession.

Using data from all three rounds of the Life in Transition Survey (LiTS), this chapter analyses the factors influencing life satisfaction in the transition region, studies its evolution over the past decade and investigates whether or not there has been a process of convergence towards the levels in western European comparator countries. Based on the latest available data, the chapter concludes that the life satisfaction gap between the transition region and western European comparator countries has finally closed.

The first section of this chapter provides a snapshot of the changes in life satisfaction over time and a brief analysis by demographic characteristics. The second section looks at satisfaction with public services and utilities, at determinants of material well-being, and at how differences in these factors affect life satisfaction. Lastly, the chapter concludes with an investigation into social issues, attitudes towards minorities, social interactions and perceptions of income inequality.

¹ Stiglitz et al. (2009).

² Kahneman and Krueger (2006).

³ Extensive research on the "economics of happiness" has shown that life satisfaction is a multi-faceted phenomenon and requires an assessment of many elements, ranging from income and social life, job satisfaction and levels of tolerance of the society, to personal traits (such as optimism) and country level economic indicators. Dolan, Peasgood, and White (2008) provide a comprehensive overview of the topic.

Life satisfaction

A number of stylised findings on life satisfaction have emerged from previous studies: women tend to be more satisfied with their lives; younger people and older people report higher levels of life satisfaction compared to the middle-aged; and transition countries are at the bottom of the life satisfaction ranking. In addition, life satisfaction is positively correlated with education and income and negatively associated with unemployment and ill health.

Life satisfaction is also affected by personal circumstances, such as life experiences, living conditions and social standing, and by country-level characteristics, such as the level of economic development, the quality of public services and utilities and societal attitudes and values, such as the degree of community acceptance of minority groups.

To determine the extent of any similar patterns occurring in the transition region, all three rounds of LiTS have presented respondents with a statement that reads "**All things considered, I am satisfied with my life now**" and asked them the extent to which they agree with it, ranging from 1 ("strongly disagree") to 5 ("strongly agree"). Chart 1.1 shows the percentage of respondents that agreed or strongly agreed with the statement in 2006, 2010 and 2016, with figures presented in decreasing order and grouped by region. The results show a greater degree of variation in satisfaction levels across regions than *within* any of them. In 2016, the 10 "happiest" countries in the sample are from Central Asia and central Europe and the Baltic states, while Russia, eastern Europe and the Caucasus and south-eastern Europe rank at the bottom of the life satisfaction index. At the country level, life satisfaction is higher in Uzbekistan than in any other transition country. The next five most satisfied transition countries are Tajikistan, the Kyrgyz Republic, Estonia, Slovenia and Kazakhstan respectively. By contrast, Greece has the lowest proportion of respondents who are currently satisfied with their lives, followed by Moldova, Ukraine and Armenia.

On the bright side, "life satisfaction" is higher in 2016 than it was in 2006 in almost all the surveyed countries. Life satisfaction has particularly increased in Central Asia, where about 70 per cent of respondents are currently happy with their lives overall. Similarly, life satisfaction among respondents in central Europe and the Baltic states has increased since 2006 and now compares well with Germany and Italy, where 73 and 43 per cent of the population are satisfied with their lives respectively. The only countries that have registered a decline in overall life satisfaction levels since 2006 are Belarus, Moldova, Russia, the Slovak Republic, Slovenia, Turkey and Ukraine – countries which, perhaps not surprisingly, also report the lowest levels of life satisfaction in the entire transition region (with the sole exception of Slovenia).⁶

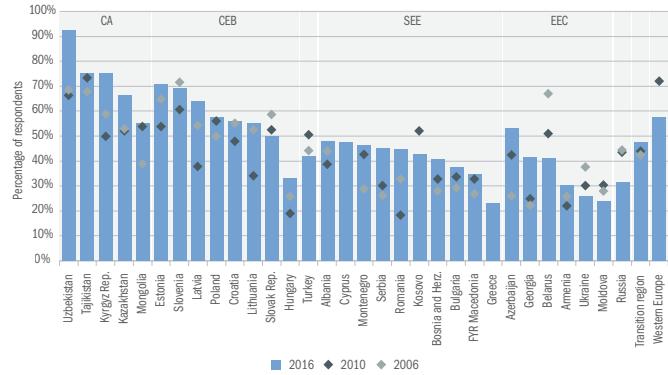
Taken together, these results indicate that the life satisfaction gap between the transition region and western European comparator countries has finally closed. The reason for this apparent "happiness convergence" is twofold: between 2010 and 2016, life satisfaction has, on average, increased in the transition region while it has declined in both Germany and Italy.⁷

⁴ Easterlin (2014) finds that life satisfaction levels in post-communist countries initially fell as incomes declined in the early years of the transition process and then increased following strong economic growth. However, his results still indicate the presence of a transition happiness gap.

⁵ See Sanfey and Teksoz (2007), Deaton (2008), Guriev and Zhuravskaya (2009) and Easterlin (2009).

⁶ Kosovo and the western European comparators were surveyed for the first time in 2010, during LiTS II. Cyprus and Greece were surveyed for the first time in 2016.

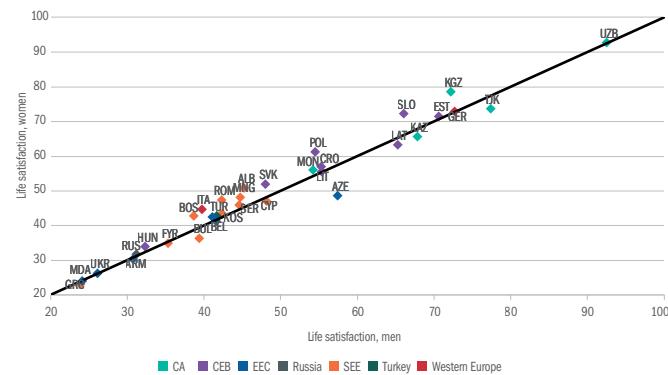
CHART 1.1. Level of life satisfaction in 2006, 2010 and 2016 by country



Source: LiTS I (2006), LiTS II (2010) and LiTS III (2016).

Note: "Life satisfaction" refers to the proportion of respondents in each country who "agree" or "strongly agree" with the statement: "all things considered, I am satisfied with my life now". This chart (and all the other charts based on LiTS data) uses survey-weighted observations. Regional averages are based on simple averages of the country scores. "Western Europe" denotes the average of France, Germany, Italy, Sweden and the United Kingdom in 2010 and the average of Germany and Italy in 2016.

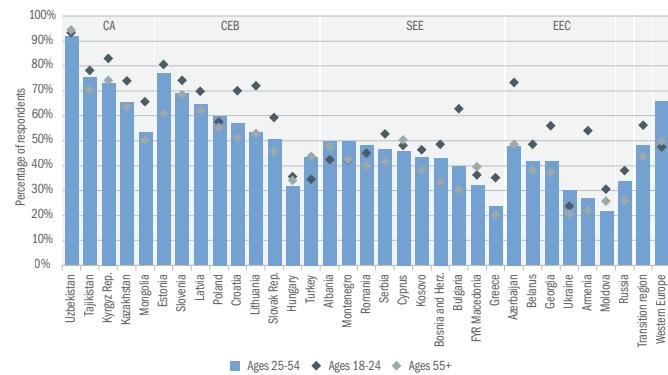
CHART 1.2. Level of life satisfaction in 2016 by country and gender



Source: LiTS III (2016).

Note: "Life satisfaction" refers to the proportion of respondents of each gender and country who "agree" or "strongly agree" with the statement: "all things considered, I am satisfied with my life now".

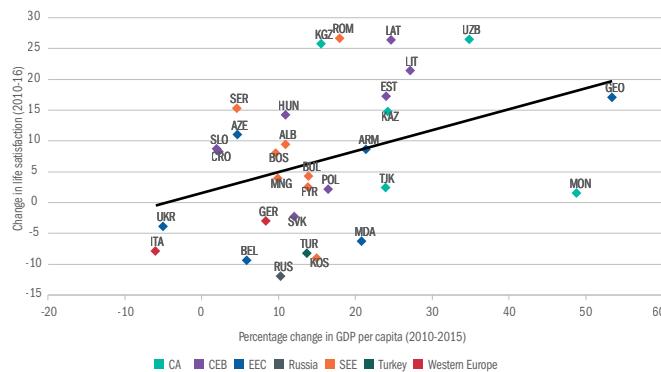
CHART 1.3. Level of life satisfaction in 2016 by country and age groups



Source: LiTS III (2016).

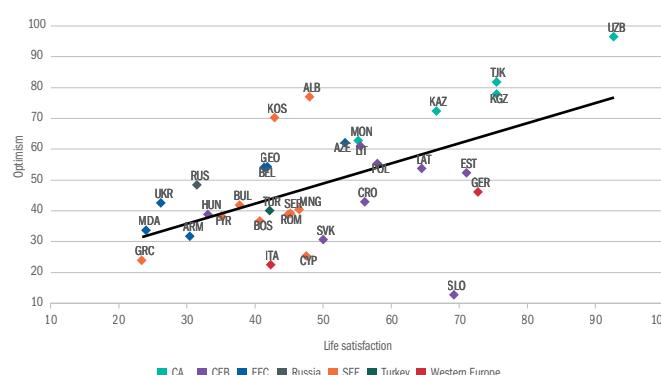
Note: "Life satisfaction" refers to the proportion of respondents in each age group and country who "agree" or "strongly agree" with the statement: "all things considered, I am satisfied with my life now".

⁷ See Chapter 2 of the EBRD's *Transition Report 2016-17*, "The impact of transition on well-being".

CHART 1.4. Change in life satisfaction and change in GDP per capita by country

Source: LITS III (2016), LITS II (2010), World Development Indicators.

Note: "Change in life satisfaction" refers to the difference in the percentage of respondents who agree or strongly agree with the statement "all things considered, I am satisfied with my life now" in 2010 and 2016. "Change in GDP" refers to the percentage change in GDP per capita in PPP terms (constant 2011 international dollars) between 2010 and 2015.

CHART 1.5. Life satisfaction and optimism in 2016 by country

Source: LITS III (2016).

Note: "Life satisfaction" refers to the proportion of respondents who agree or strongly agree with the statement: "all things considered, I am satisfied with my life now". "Optimism" refers to the proportion of respondents who agree or strongly agree with the statement: "children who are born today will have a better life than my generation."

Chart 1.2 compares the percentage of male and female respondents who are satisfied with their lives in all the countries included in the 2016 survey. The chart shows that life satisfaction levels for men and women are highly correlated: in countries where life satisfaction is high, both men and women are more likely to report higher life satisfaction than in countries where levels are lower. However, on average, women report slightly higher levels of life satisfaction than men, apart from in nine countries (Armenia, Azerbaijan, Belarus, Bulgaria, Cyprus, FYR Macedonia, Greece, Kazakhstan and Tajikistan) where men report a higher life satisfaction than women. In Azerbaijan the difference is nearly 10 percentage points, while in the remaining countries the discrepancies are less discernible. In Russia, Turkey and the western European comparator countries, the data indicate almost no gender disparity.

⁸ Guriev and Zhuravskaya (2009) show that the gap in life satisfaction between transition countries and comparable non-transition countries is strongest in older age cohorts.

⁹ A growing body of literature documents a "u-shaped" relationship between life satisfaction and age over most of the life cycle. For example, see Blanchflower and Oswald (2008), Frijters and Beattie (2008) and Stone, Schwartz, Broderick and Deaton (2010).

¹⁰ See Chapter 2 of the EBRD's *Transition Report 2016-17*, "The impact of transition on well-being".

Chart 1.3 shows that, on average, the level of life satisfaction decreases with age in the transition region.⁸ However, in some countries (such as Cyprus, FYR Macedonia, the Kyrgyz Republic and Uzbekistan) life satisfaction is "u-shaped": it decreases towards midlife and increases subsequently towards retirement or from about the age of 55.⁹ Additional analysis of the LiTS data shows that, on average, people who are completing their education and entering the labour market (those aged 25-30) report higher levels of life satisfaction in 2016 than respondents of the same age did in 2010. This may to some extent reflect the recovery from the financial crisis.

Chart 1.4 provides some evidence that life satisfaction dropped more in countries where GDP growth was limited or negative. This is expected since life satisfaction is closely associated with incomes in market economies. The chart reveals that the largest falls in life satisfaction occurred in Russia, Belarus, Kosovo and Turkey respectively. Mongolia is a noteworthy outlier, as the level of life satisfaction has hardly improved since 2010 in spite of its high GDP growth.

Improvements in both life satisfaction and income per capita took place across most of central Europe and the Baltic states. Indeed, findings from the EBRD's *Transition Report 2016-17* suggest that life satisfaction levels in post-communist countries are no longer lower than those in comparator countries. Moreover, when income per capita is controlled for, there is no longer a significant difference between post-communist and other countries.¹⁰

It is also important to note that being unemployed has a significant impact on life satisfaction.¹¹ Regression results show that being unemployed reduces the likelihood of life satisfaction by 12 percentage points, even after accounting for differences in incomes.¹²

Chart 1.5 presents a scatter plot of optimism and life satisfaction rates by country. The data show that people in most transition countries are more optimistic about the future of younger generations than their counterparts in western Europe. This is expected since respondents in western countries already have significantly higher living standards (on average) and therefore have less reason to believe that the next generation will fare significantly better than themselves.

Chart 1.5 also shows that the relationship between life satisfaction and optimism within the transition sample is positive. For example, similarly to 2010, Tajik respondents are not only happy at present but also believe that future generations will have a better life, whereas those in Moldova are relatively dissatisfied (compared with other countries) and also think that younger cohorts will not enjoy a better quality of life. Further analysis of the LiTS III data also shows that married people are more likely to be optimistic compared to those who are single. There is a statistically significant and positive relationship between optimism and monthly income and good health, as well as holding a tertiary-level education.¹³

Chart 1.6 reveals that job satisfaction (that is, a job that matches well with the employee's priorities and preferences, including job performance) remains relatively low in the

¹¹ See Stevenson and Wolfers (2008).

¹² See the EBRD's *Transition Report 2016-17* (Chapter 2, Table 2.1) for detailed regression results on life satisfaction. In summary, cross-sectional analysis shows that education and income are significantly and positively associated with life satisfaction. Women, people who live in rural areas and married individuals are more likely to be satisfied with their lives as well.

transition region. Although cross-country comparisons indicate a substantial variation across countries, on average, the level of job satisfaction has fallen relative to 2010. The average level of job satisfaction in all countries is rather low, with the exception of Estonia (80 per cent), Tajikistan (70 per cent), the Kyrgyz Republic (67 per cent), Kazakhstan (65 per cent), Lithuania (64 per cent) and Slovenia (64 per cent). Only about 30 per cent of respondents are satisfied with their job in Armenia, Georgia, Greece and Moldova, a proportion that is considerably lower than the transition region average of 51 per cent.

Recent research shows that inequality of opportunity in the transition region is higher in terms of getting a “good job” than it is in terms of getting a job in general and also that job satisfaction is one of the most critical influences on life satisfaction.¹⁴ Consistent with this, Chart 1.6 shows that there is a strong positive correlation at the country level between the two variables, which is particularly visible in central Europe and the Baltic states and in Central Asia. This is important as studies find that employment quality contributes to people’s financial, social, physical and emotional well-being. This, in turn, suggests that the adoption of practices such as flexible work options may result in benefits for employers as well as employees.¹⁵

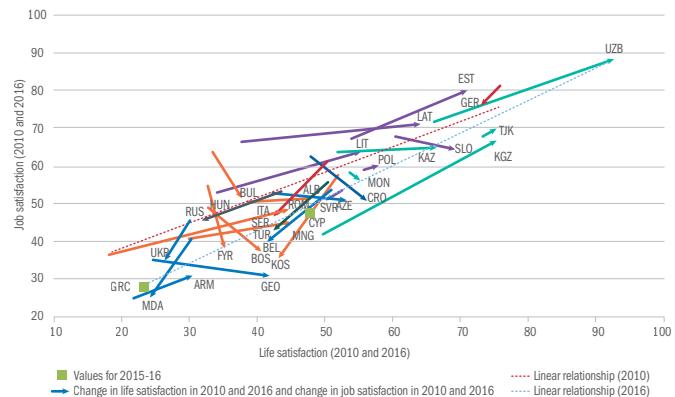
Public service satisfaction

The following analysis focuses on responses to two sets of questions about eight different public services: traffic police; requesting official documents (such as a passport or birth certificate); civil courts; primary or secondary public education; vocational public education; the public health system; requesting unemployment benefits; and requesting other social security benefits.

For each service, respondents were asked “**during the past 12 months, have you or any members of your household used these services?**” All respondents who indicated that they or a household member had used a service in the 12 months preceding the survey were asked a follow-up question: “**how satisfied were you with the quality and the efficiency of the service/interaction?**” Responses were recorded on a 5-point scale: 1 (very dissatisfied), 2 (dissatisfied), 3 (indifferent), 4 (satisfied) and 5 (very satisfied).

The proportion of respondents who interacted with service providers varies considerably according to the type of service and by region (see Chart 1.7). The most frequently accessed service is the public health system, utilised on average by 56 per cent of the population in the 12 months prior to the survey. The countries with the highest utilisation rates are those in central Europe and the Baltic states and in Russia, where approximately 70 per cent of respondents reported that either they or a household member had used services provided by the public health system. This figure is higher than the averages for the western European comparators (55 per cent for Germany and 62 per cent for Italy) and twice the utilisation rate of Turkey. Utilisation rates for other

CHART 1.6. Changes in job satisfaction and life satisfaction in 2010 and 2016 by country



Source: LITS II (2010) and LITS III (2016).

Note: “Job satisfaction” refers to the proportion of respondents who agree or strongly agree with the statement: “all things considered, I am satisfied with my job as a whole.” “Life satisfaction” refers to the proportion of respondents who agree or strongly agree with the statement: “all things considered, I am satisfied with my life now”.

reported services are much lower. The next highest rates are for requests for official documents (21 per cent), interaction with traffic police (19 per cent) and provision of primary or secondary public education (18 per cent).

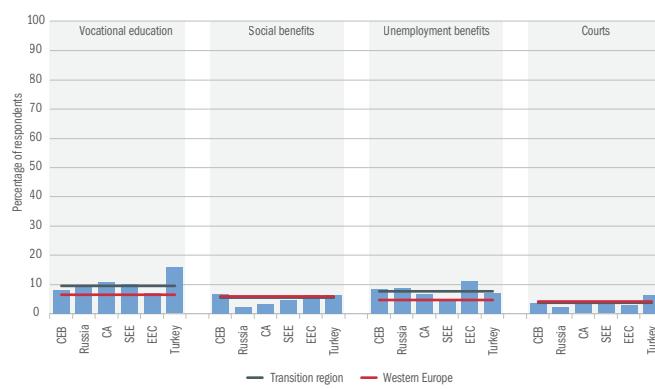
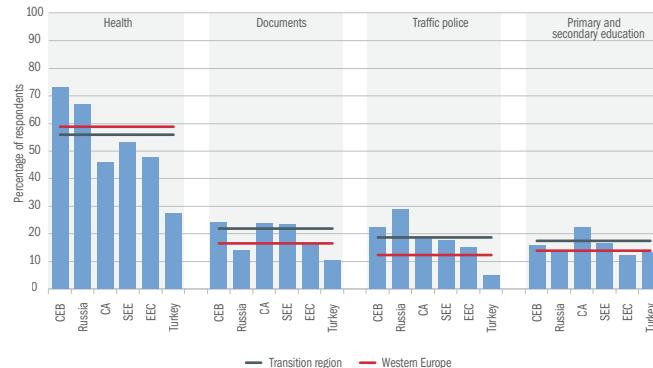
Chart 1.8 illustrates satisfaction with public services by region. The vocational public education system receives the most favourable ratings, with 75 per cent of the respondents who utilised those services reporting to be either satisfied or very satisfied with their quality and efficiency. Similarly, 74 per cent of respondents were satisfied with the service provided by officials when making requests for documents and with the provision of primary and secondary education. Satisfaction with public health care services sits at about 60 per cent, which is substantially lower than the average for Germany (76 per cent) but higher than the average for Italy (54 per cent). By contrast, civil courts and unemployment benefits receive the lowest ratings with only about 45 per cent of respondents reporting to be satisfied with the quality and efficiency of these services.

Overall public service satisfaction levels tend to be somewhat higher in central Europe and the Baltic states and in Turkey, and generally lower in Central Asia and in eastern Europe and the Caucasus, although there is considerable variation across individual countries. Interestingly, the two western European comparator countries, Germany and Italy, rank lower than central Europe and the Baltic states and Turkey for overall satisfaction with the quality and efficiency of public services, with 64 and 53 per cent of respondents reporting to be satisfied respectively. It is also noteworthy that satisfaction with service delivery in transition countries has, on average, increased compared to LiTS II levels (2010).

¹³ See the EBRD’s *Transition Report 2016-17* (Chapter 2, Table 2.1).

¹⁴ For example, see Tait et al. (1989), Judge and Watanabe (1993), Rode (2004) and Chapter 3 of the EBRD’s *Transition Report 2016-17*, “Inequality of opportunity”.

¹⁵ See Silverman et al. (2000), Fernandez-Ballesteros et al. (2001) and Johnson and Krueger (2006).

CHART 1.7. Utilisation of public services in 2016 by region

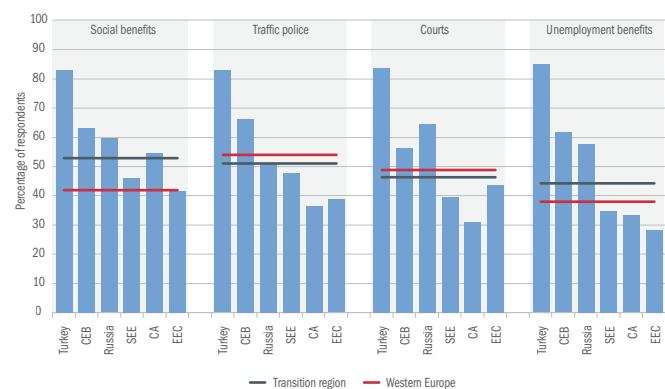
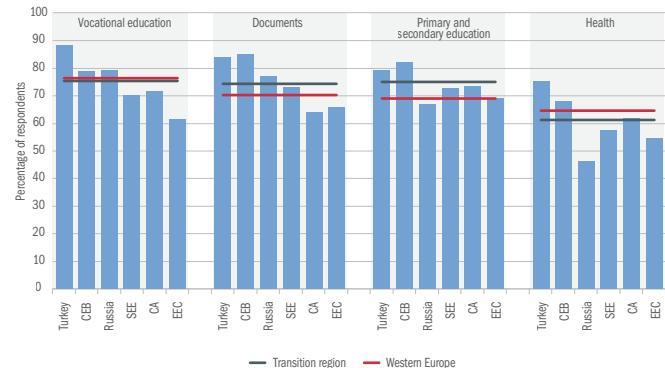
Source: LiTS III (2016).

Note: "Utilisation of public services" refers to the proportion of respondents who report that they or their family members used the given public services over the 12 months prior to the survey.

Factors influencing service satisfaction in public health care and education

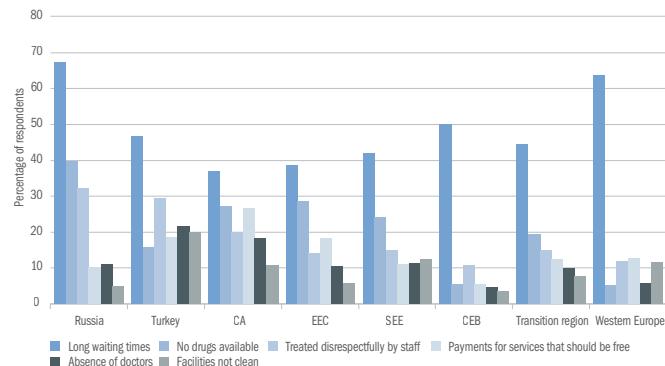
The analysis in this section focuses on the responses provided by users of the public health and public education systems in their countries. All the respondents who stated that someone in their household made use of services provided by primary, secondary or vocational schools or had sought medical treatment in the public hospitals or clinics were asked two additional questions. These questions were intended to elicit information on the most common problems that households might have encountered when using the mentioned services in the 12 months prior to the survey.

Chart 1.9 illustrates the main issues reported by respondents who visited public health clinics or hospitals. Long waiting times are the most recurrent problem, followed by lack of adequate drugs and perceptions of disrespectful treatment of patients by staff. Further statistical analysis shows that the

CHART 1.8. Satisfaction with public services in 2016 by region

Source: LiTS III (2016).

Note: "Satisfaction with public services" refers to the proportion of respondents who report that they were "very satisfied" or "satisfied" with the quality and the efficiency of the given public services over the 12 months prior to the survey.

CHART 1.9. Reasons for public health care service dissatisfaction in 2016 by region

Source: LiTS III (2016).

Note: "Reasons for public health care service dissatisfaction" refers to the proportion of respondents who report the given category as one of the problems encountered in local public clinics or hospitals in the 12 months prior to the survey.

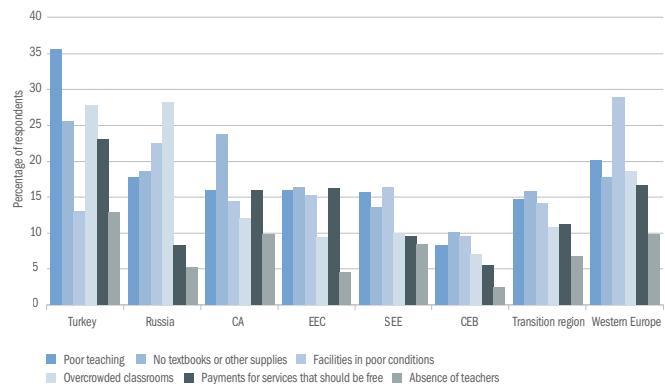
reported level of satisfaction with public health care services is positively associated with life satisfaction; that wealthier and highly educated respondents are less likely to be satisfied with the quality and efficiency of treatment received; and that the perceived necessity of making unofficial payments in order to access services is cause for dissatisfaction.

Looking at the country level, Germany, Italy and Russia report the highest incidence of complaints about waiting times within their public health care systems, with 54, 72 and 67 per cent of interviewed respondents respectively saying that they think waiting times are too long. Respondents in central Europe and the Baltic states follow at 50 per cent, then Turkey (47 per cent) and the countries of south-eastern Europe (42 per cent). Around 40 per cent of respondents in Russia and 30 per cent of respondents in Central Asia and in eastern Europe and the Caucasus report that lack of adequate drug treatment is an important problem. On average, however, LiTS III data show modest progress since 2010 with regard to public perceptions of the quality and efficiency of health care service delivery.

Chart 1.10 shows the main causes for concern in relation to the provision of public education, whether at primary, secondary or vocational level, are “poor teaching”, “no textbooks or other supplies”, “facilities in poor conditions” and “overcrowded classrooms”. Statistical analysis reveals that the reported level of satisfaction with the public education system is also positively associated with life satisfaction and that there is no discernible difference in the type of problems encountered in urban educational facilities as compared to rural ones. In addition, service users who feel that unofficial payments are required to obtain the level of service desired are more likely to report dissatisfaction with education services.

While poor teaching and a lack of textbooks and other supplies are the most common areas of concern about the public education systems in transition countries, disaggregated results show that the rankings vary considerably across regions. In Turkey, dissatisfaction with teaching quality is among the highest across the transition region and substantially higher than the western European comparators (17 per cent for Germany and 23 per cent for Italy), but in central Europe and the Baltic states the level is one of the lowest. Significant differences can also be noted when it comes to satisfaction with classroom size, where the largest difference in averages between the transition region and the western European countries is observed (14 per cent for Germany and 21 per cent for Italy). However, a comparison with the LiTS II data reveals an increase in the proportion of respondents who are either satisfied or highly satisfied with the quality and efficiency of public education within the transition region between 2010 and 2016.

CHART 1.10. Reasons for public education service dissatisfaction in 2016 by region



Source: LiTS III (2016).

Note: “Reasons for public education service dissatisfaction” refers to the proportion of respondents who report the given category as one of the problems encountered in local public schools in the 12 months prior to the survey.

Satisfaction with public utilities and material well-being

People's living conditions can have a big impact on their life satisfaction, including material well-being (that is, asset ownership) and reliable access to basic amenities, including the internet. While these factors are essential to satisfy basic human needs, access to public services and utilities of a high standard can also contribute to a sense of well-being and life satisfaction. Eight types of utilities are considered in Chart 1.11: tap water; electricity (excluding electricity used for heating purposes); fixed telephone line; central/district heating; pipeline gas; postal service; and local roads. All respondents were asked **“do you have access to any given utility in this dwelling?”** and all respondents who indicated that they did were asked **“how satisfied are/were you with the quality of the service?”** Responses were recorded on a 5-point scale: 1 (very dissatisfied), 2 (dissatisfied), 3 (indifferent), 4 (satisfied) and 5 (very satisfied).

Chart 1.11 shows that satisfaction levels with fixed telephone lines, pipeline gas, electricity, water, heating and postal services compare well with the averages for Germany and Italy, where 83 and 77 per cent of respondents report to be either “satisfied” or “very satisfied”. However, a significant proportion of people are not satisfied with the conditions of the local roads, including about 70 per cent of respondents in eastern Europe and the Caucasus and Russia. Turkey is the only country surveyed where most respondents are satisfied with local roads. Respondents in Central Asia are the least likely to report satisfaction with public utilities and in most cases their reported satisfaction levels are the lowest in the transition region and also considerably lower than in the western European comparator countries.

Access to the internet at home, including on a smartphone, varies across regions (see Chart 1.12). Overall, it seems to

be positively correlated with public utility satisfaction and, on average, the figures for the transition region are about 10 percentage points lower than those of Germany (85 per cent) and Italy (80 per cent). In the transition region, access to the internet is higher among those who live in urban areas as opposed to rural areas (except in Kosovo and Turkey). More than 80 per cent of respondents in Estonia, Kosovo, Poland and Russia report having an internet connection at home. Respondents in Azerbaijan, Georgia, Mongolia and Tajikistan are less likely to have internet access at home and face more difficulties obtaining internet access in rural areas compared to their counterparts in the transition region.

The level of material well-being can directly influence life satisfaction,¹⁶ so a few questions in LiTS III were asked to measure this among interviewed respondents and their households, such as:

Do you or anyone in your household possess (or use) the following items:

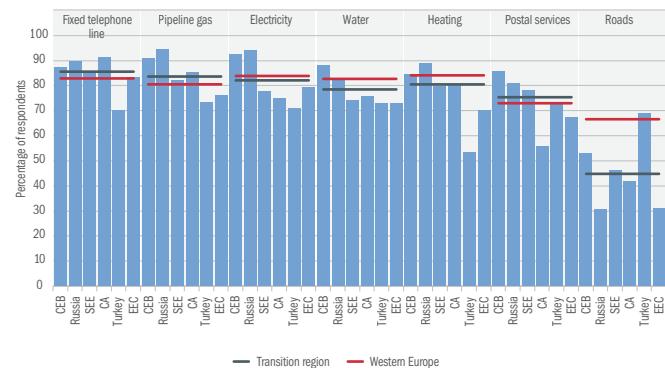
- a) telephone
- b) TV
- c) computer/laptop/tablet
- d) washing machine
- e) car
- f) bicycle
- g) motorcycle.

Chart 1.13 shows the results of the above question, broken down by items and by region. Overall, nearly all surveyed households possess a television, telephone and washing machine. The exception is Central Asia where only 62 per cent of households report having a washing machine. When it comes to the other items (bicycles, cars, computers and motorcycles) there is a visible gap between the transition region countries and the western European comparators where, on average, 62 per cent of German households and 66 per cent of Italian ones respond in the affirmative to these questions. For example, only 40 per cent of respondents in eastern Europe and the Caucasus have a car and about 20 per cent of respondents have a bicycle in Turkey, while more than 70 per cent of respondents have both a car and a bicycle in the two western European comparators.

More than
80%

of respondents in Estonia, Kosovo, Poland and Russia report having an internet connection at home.

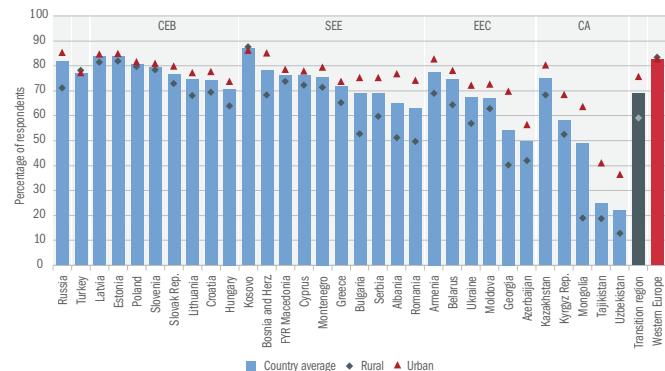
CHART 1.11. Satisfaction with public utilities in 2016 by region



Source: LiTS III (2016).

Note: "Satisfaction with public utilities" refers to the proportion of respondents who report that they were "very satisfied" or "satisfied" with the quality of the given services.

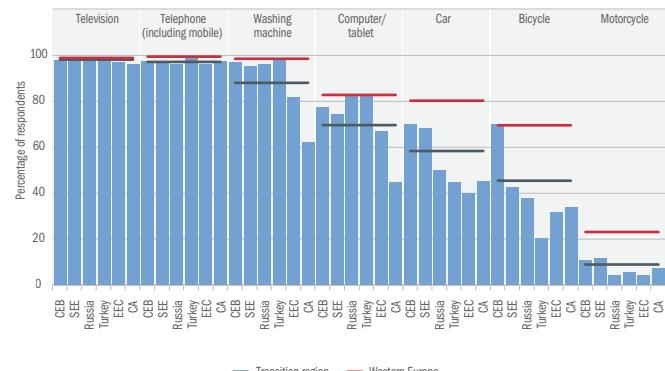
CHART 1.12. Access to the internet in 2016 by country and urban/rural status



Source: LiTS III (2016).

Note: "Access to internet" refers to the proportion of respondents who report that they have access to internet at home, including on a smartphone.

CHART 1.13. Material well-being in 2016 by region



Source: LiTS III (2016).

Note: "Material well-being" refers to the proportion of respondents who report that they possess the given item.

¹⁶ For example, Pradhan and Ravallion (2000) show that subjective poverty lines can be derived using simple qualitative assessments of perceived consumption (food, housing and clothing) adequacy based on a household survey.

Work-life balance is not only important for people's life satisfaction but also for the relationships that people have with their friends, families and the wider community. Earlier research has documented that people are less stressed, have more energy and are more satisfied with their lives when they return from a holiday.¹⁷ With this in mind, LiTS III investigates whether respondents are able to afford at least one holiday a year (results presented in Chart 1.14). Respondents were asked the following question:

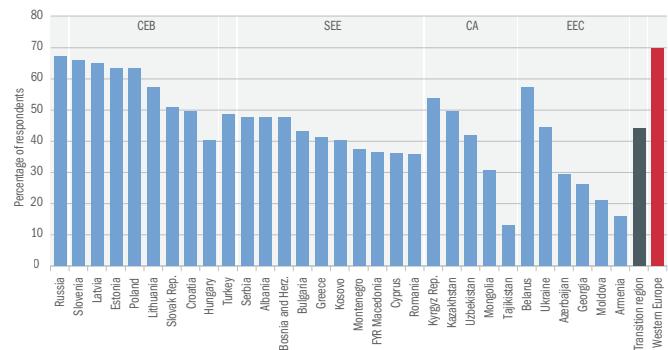
In general, could your household afford (if it wishes), a one-week holiday out of home, including a stay in a second home/country house or at friends/relatives, every year?

As Chart 1.14 illustrates, the highest level of holiday affordability is in Russia, where 68 per cent of respondents indicate that their household can afford an annual one-week holiday away from home, followed by Slovenia, Estonia and Poland. At the other end of the spectrum, the lowest levels of reported affordability are found in Armenia, Azerbaijan, Georgia and Tajikistan, where less than 20 per cent of respondents report that their family can afford a one-week holiday. Altogether, the average reported level of affordability in the transition region is significantly lower than in the western European countries where, 79 per cent of German and 61 per cent of Italian respondents say they can afford a week-long holiday each year.

Chart 1.15 shows the percentage of people in each country who report that their households can afford to consume meat, chicken or fish every second day. The chart demonstrates that most countries in the transition region are close to the high levels of food affordability seen in western Europe, where 96 per cent of Germans and 84 per cent of Italians can afford to consume the aforementioned foods at least three times a week. Armenia, Azerbaijan, Georgia, Kosovo, Tajikistan and Turkey, however, still lag behind, with less than 50 per cent of households saying they can afford to eat meat, chicken or fish every second day, compared to around 65 per cent of the sample in the transition region as a whole.

Chart 1.16 reports the proportion of respondents who say that their household can "easily" meet unexpected expenses of an amount equal to the domestic poverty line with its own resources. As this chart shows, the highest levels of affordability among transition economies are observed in Albania, Central Asian countries (except Mongolia), Kosovo and Turkey. At the other end of the scale, Armenia, Azerbaijan, Bosnia and Herzegovina, Cyprus, Greece and Hungary have the lowest levels of ability to cope with unexpected expenses.

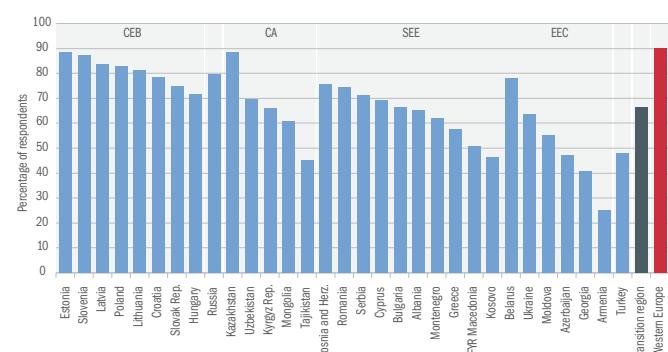
CHART 1.14. Affordability of taking a holiday in 2016 by country



Source: LiTS III (2016).

Note: "Affordability of taking a holiday" refers to the proportion of respondents who report that their household can afford a one-week holiday out of home, including a stay in second home/country house or at friends/relatives, every year.

CHART 1.15. Food affordability in 2016 by country



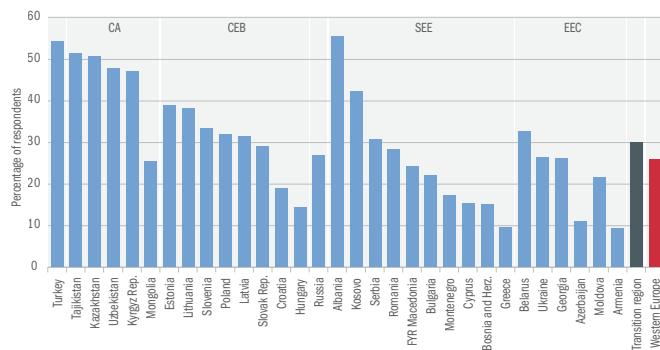
Source: LiTS III (2016).

Note: "Food affordability" refers to the proportion of respondents who report that their households can afford consumption of meat, chicken or fish (or a vegetarian equivalent) every second day.

**Less than
20%**

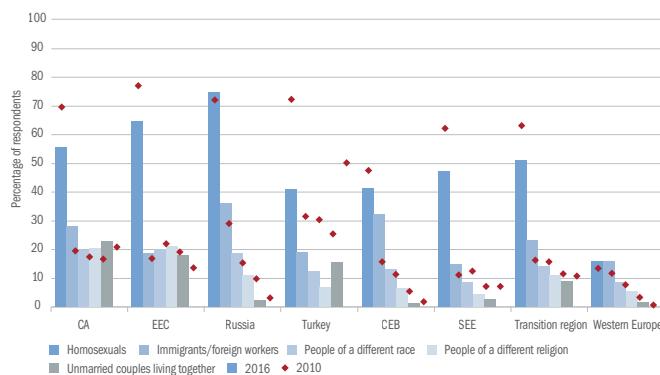
of respondents in Armenia, Azerbaijan, Georgia and Tajikistan report that their family can afford a one-week holiday each year.

¹⁷ See de Bloom et al (2010) and Strauss-Blasche et al (2002).

CHART 1.16. Affordability of unexpected expenses in 2016 by country

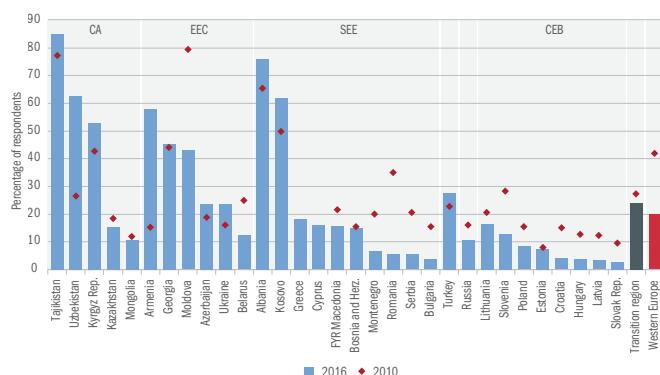
Source: LiTS III (2016).

Note: "Affordability of unexpected expenses" refers to the proportion of respondents who report that their household can "easily" meet unexpected expenses of an amount equal to the domestic poverty line with its own resources.

CHART 1.17. Attitudes towards minority groups in 2010 and 2016 by region

Source: LiTS III (2016) and LiTS II (2010).

Note: "Attitudes towards minority groups" refers to the proportion of respondents who chose the given category as a group that they did not want to have as neighbours.

CHART 1.18. Views on immigration in 2010 and 2016 by country

Source: LiTS II (2010) and LiTS III (2016).

Note: "Views on immigration" refers to the proportion of respondents who report that immigrants make a valuable contribution to the national economy of their country.

Tolerance

The support for recognition and acceptance of minority or indigenous groups is an important indicator of social cohesion, which in turn affects life satisfaction. In LiTS III, respondents were presented with a list of different groups of people and asked to disclose which category or categories they would not like to have as neighbours.¹⁸

Attitudes towards five groups – immigrants and foreign workers; racial minorities; people of a different religion; gay and lesbian people; and unmarried couples living together – are analysed here in more detail.

The results are striking when it comes to stated attitudes towards sexual minorities. Chart 1.17 shows that, on average, more than 50 per cent of people in the transition region would prefer not to have gay or lesbian neighbours. There has nevertheless been a positive change in tolerance perceptions towards gays and lesbians compared to 2010, on average. The increase in tolerance was largest in Turkey and south-eastern Europe, while the trend of acceptance of same-sex relationships has seemingly reversed in Armenia, Kazakhstan, Romania, Russia and Uzbekistan. Introducing constitutional bans on same-sex marriage may have played a role in the decline in tolerance in these countries.¹⁹

About one-third of respondents in Russia and in central Europe and the Baltic states report negative feelings towards immigrants or foreign workers. By contrast, about 85 per cent of people in south-eastern Europe, 89 per cent of respondents in Germany and 80 per cent of respondents in Italy have no issue with having immigrants or foreign workers as neighbours. Chart 1.17 shows that, on average, people in the transition region have become slightly less tolerant of the presence of immigrants in their countries since 2010.

Tolerance of racial minorities shows similar features. Overall, there is a slight rise in the percentage of respondents who say they have no problem having racial minorities as neighbours but a substantial amount of variation across countries can still be observed. There is also no strong evidence that links the changes in attitudes towards sexual and racial minorities, as well as immigrants, with the economic crisis.

In general, people claim not to object to having people of a different religion as neighbours. However, in Central Asia and in eastern Europe and the Caucasus, the proportion of respondents expressing such an aversion reaches about 20 per cent of the sample. In these regions many also express negative feelings towards unmarried couples.

Across the transition countries, the immigrant population has mostly arisen through the free-movement of labour and humanitarian migration, such as refugees and asylum seekers. In order to understand people's views on immigration in the transition region, LiTS III respondents were asked whether they believe that immigrants make a valuable contribution to the national economy of their country. The results are shown in Chart 1.18 and reveal that, on average, only about 25 per cent of respondents answered this question in the affirmative.

¹⁸ Respondents were provided with a list which included various groups of people: a) families with children; b) paedophiles; c) drug addicts; d) people of a different race; e) people who have HIV/AIDS; f) elderly people; g) immigrants/foreign workers; h) homosexuals; i) gypsies; j) people of a different religion; k) poor people; l) heavy drinkers; m) unmarried couples living together; n) Jewish people; and o) people who speak a different language. Due to the sensitive nature of the question, respondents were asked to read out the letter (such as "a", "b", and so on) shown in the questionnaire next to the relevant response

option instead of the response itself. They also had the option to refuse to answer.

¹⁹ See Appendix Table 2.

There is now less support for the presence of immigrant workers in 17 transition countries when compared with the situation in 2010. Support has noticeably dropped in most of south-eastern Europe and in central Europe and the Baltic states (except Albania and Kosovo). In general, respondents from the surveyed EU countries, who mostly benefit from free movement within the Union, are reluctant to indicate that immigrants make a valuable contribution to their national economy. In contrast, Turkey has seen a rise in support for immigration compared to 2010, despite the recent large influx of refugees.

Views on inequality and the income perceptions gap

Household income provides an indication of what sort of goods and services families are able to afford and enjoy, as well as their social standing.²⁰ Respondents in LiTS III were asked to “**imagine a 10-step ladder where on the bottom, the first step, stand the poorest 10 per cent of people in [your country] and on the highest step, the tenth, stand the richest 10 per cent of people in [your country].**” They were then asked to state on which step of the 10-step ladder they believe their household currently rests. The stated position can be interpreted as a subjective ranking of a household’s social standing.

With data on individual incomes, it is possible to calculate the gap between the respondents’ own perceptions of their social standing and their real income. More specifically, the “income perceptions gap” is calculated as the difference between a respondent’s actual income decile and their perceived (that is, self-reported) income decile, averaged by country. Views of relative social standing are particularly important because relative incomes are known to play a larger role in happiness and life satisfaction levels than absolute incomes.

Chart 1.19 shows that in countries where people are more likely to underestimate their position on the income ladder, respondents also tend to agree more that the gap between the rich and the poor should be reduced. In most transition countries, on average, households tend to place themselves in lower deciles on the income ladder than they actually are (except in Albania, FYR Macedonia and Turkey). In addition, the majority of people in the transition region think that the gap between the rich and the poor should be reduced. Contrasting the results from LiTS II with LiTS III shows that people have become more worried about income inequality over the past six years. Notable exceptions to this increasing trend are Belarus, Turkey, Ukraine and Uzbekistan where less than 65 per cent of respondents think that income inequality should be reduced, compared to 77 per cent of respondents in Germany and 83 per cent of respondents in Italy.

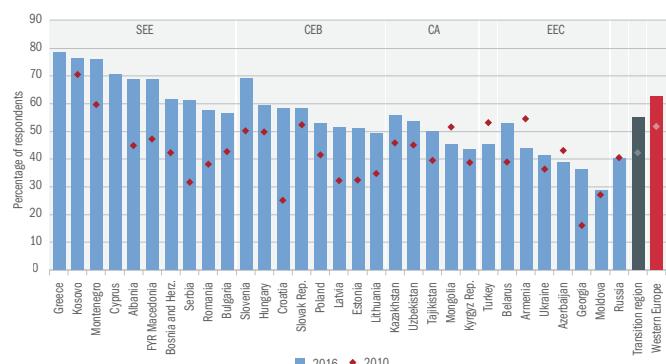
CHART 1.19. Views on inequality and the perceptions gap in 2016 by country



Source: LiTS II (2010) and LiTS III (2016).

Note: “Views on inequality” refers to the proportion of respondents in each country who “agree” or “strongly agree” with the following statement: “the gap between the rich and the poor in our country should be reduced”. “The perceptions gap” refers to the difference between a respondent’s actual income decile and perceived income decile, averaged by country. Lower values imply that respondents overestimate their position in the income ladder. Higher values imply that respondents underestimate their position in the income ladder.

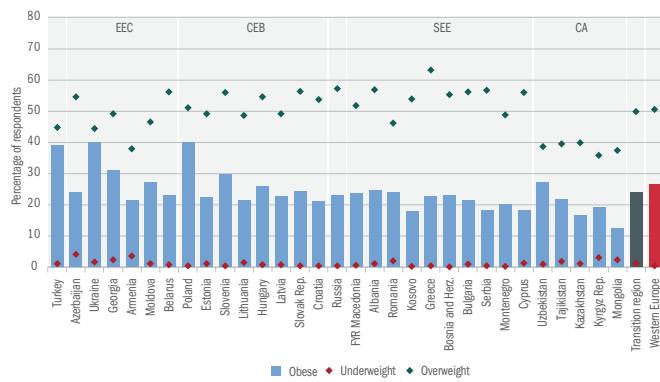
CHART 1.20. Social interactions in 2010 and 2016 by country



Source: LiTS II (2010) and LiTS III (2016).

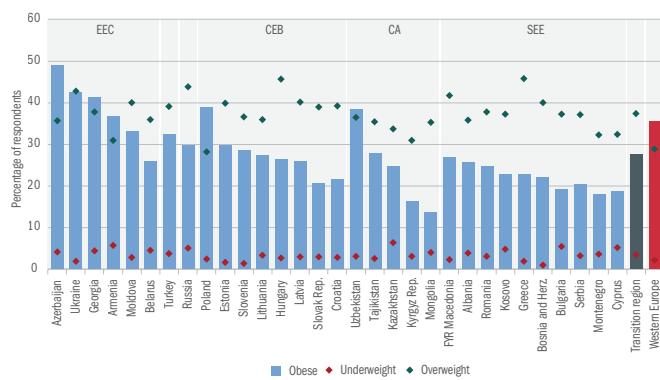
Note: “Social interactions” refers to the proportion of respondents who report that they meet up with “friends or relatives who are not living with you in your household” at least once a week.

²⁰ For an in-depth analysis of inequality in the region, see Chapters 1 and 3 of the EBRD’s *Transition Report* 2016-17, “Convergence and inequality” and “Inequality of opportunity”.

CHART 1.21. Prevalence of obesity among men in 2016 by country

Source: LiTS III (2016).

Note: "Obese" refers to the proportion of respondents with a body mass index (BMI) greater or equal to 30. "Overweight" refers to the proportion of respondents with a BMI greater than or equal to 25 and less than 30. "Underweight" refers to the proportion of respondents with a BMI below 18.5. The World Health Organization calculates BMI as a person's weight in kilograms divided by the square of their height in metres (kg/m^2).

CHART 1.22. Prevalence of obesity among women in 2016 by country

Source: LiTS III (2016).

Note: "Obese" refers to the proportion of respondents with a body mass index (BMI) greater or equal to 30. "Overweight" refers to the proportion of respondents with a BMI greater than or equal to 25. "Underweight" refers to the proportion of respondents with a BMI below 18.5. The World Health Organization calculates BMI as a person's weight in kilograms divided by the square of their height in metres (kg/m^2).

Social life

How people spend their time is an important determinant of their broader life satisfaction. Previous research has shown that strong social ties positively affect mental and physical health and therefore life satisfaction.²¹ Chart 1.20 shows the percentage of respondents who report meeting up with friends or relatives (who do not live in their household) at least once a week. In 2016, 55 per cent of respondents in the transition region answered that they regularly meet up with friends or relatives, compared to 44 per cent in 2010. This indicates that social interactions are increasing in the region, although the incidence is still lower than in the western European comparator countries, with Germany at 64 per cent and Italy at 62 per cent. However, cross-country differences are relatively large – for example, there is a gap of nearly 40 percentage points between the levels reported in Greece, Kosovo and Montenegro (where around 76-79 per cent of respondents meet their friends or relatives at least once a week) and those reported in Azerbaijan and Georgia (where the corresponding figure is around 36-39 per cent). The chart also uncovers some regional patterns: for instance, respondents in south-eastern Europe are more likely to report meeting up with their friends and relatives on a regular basis compared to those in eastern Europe and the Caucasus and in Russia.

Health

According to the World Health Organization (WHO), the incidence of overweight and obesity conditions is projected to increase in almost all countries worldwide. This is a worrying prediction, as the seriousness of the risks associated with these conditions is similar to those caused by HIV/AIDS and tuberculosis in low- and middle-income countries.²² Charts 1.21 and 1.22 show that the highest prevalence of obesity among adults is observed in Azerbaijan, Georgia, Poland, Turkey and Ukraine, where more than 35 per cent of respondents are affected by the condition.²³ The lowest rates of obesity are found in Cyprus, the Kyrgyz Republic, Mongolia, Montenegro and Serbia, where less than one in every five adults is obese.

Women are less likely to be overweight than men in all the countries surveyed, including Germany and Italy. The highest incidence of women reporting to be overweight occurs in FYR Macedonia, Greece, Hungary, Latvia, Moldova, Russia and Ukraine (more than 40 per cent). Among men, on the other hand, the incidence is rather high, with more than 40 per cent of men reporting to be overweight across the entire region (except in Armenia, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan). People in the transition region are also less likely to be underweight: the figures range from 1.6 per cent in Estonia to 6.3 per cent in Kazakhstan and, on average, compare well with the levels found in Germany and Italy, where about 2 per cent of the population is underweight.

²¹ For example, see Umberson and Montez (2010).

²² World Health Organization, Global Health Risks (2009).

²³ This observation is drawn from the self-reported measures of height and weight of LiTS III respondents, which are used to calculate individual body mass index (BMI). The scores are based on weighted averages according to the population size of each country.

The findings from LiTS III suggest that the happiness gap has finally been closed between western Europe and the transition region as a whole, both in terms of living standards and life satisfaction.



Conclusion

The 2008-09 financial crisis has resulted in substantial social and economic costs across the transition region. Countries that experienced the deepest recessions have seen profound social knock-on effects. High unemployment rates, income losses and cuts in social security benefits have put households under severe pressure and worsened social conditions in many transition countries. Notwithstanding these negative developments, evidence from LiTS III shows that people's life satisfaction has increased across all regions compared to pre-crisis levels, except in Turkey and Russia.

This chapter has revealed some important differences with regards to demographic characteristics, public service and public utility satisfaction, tolerance, social interactions and perceptions of social position. Women report slightly higher levels of life satisfaction than men and the level of life satisfaction decreases with age. There is also a substantial amount of variation across countries in the extent to which people accept the presence of minority groups. People in the western European comparator countries tend to be more satisfied with their jobs and more tolerant than respondents in the transition region.

There is a strong case for designing government policies to support individuals to cope effectively with adverse circumstances. It is especially important to deliver effective employment and training support (such as apprenticeships and flexible education programmes, vocational training and so on) to prevent labour market exclusion of discouraged workers after the financial crisis. In health care and education, structural reforms that maximise efficiency and improve services are desirable as opposed to funding cuts that limit access to health care and education for low-income families. Policy-makers should also ensure that effective strategies are being designed and implemented to combat and prevent discrimination and to protect the rights of minorities. Policies may also be considered to widen tax sources to reduce governments' dependence on consumption and labour taxes, and to redesign tax systems in order to address rising income inequality.

Taken together, the findings from LiTS III suggest that the happiness gap has finally been closed between western Europe and the transition region as a whole, both in terms of living standards and life satisfaction. One important result discussed in this chapter is how countries with similar economic characteristics can have very different levels of life satisfaction, which highlights the importance of focusing on factors other than income that shape people's life satisfaction. It also suggests that ample opportunities exist for these countries to learn from each other in order to build strong, happy and healthy communities. ■

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Appendix

TABLE 1.A1. Satisfaction with public service delivery by country

Country	Percentage of respondents satisfied with quality and efficiency of public service delivery							
	Public health system	Primary/secondary education	Traffic police	Official documents	Vocational education	Social security benefits	Unemployment benefits	Civil courts
Turkey	76	79	83	84	89	83	85	84
Estonia	78	90	79	92	92	73	74	66
Latvia	72	82	66	88	73	75	74	53
Slovak Rep.	79	89	75	91	92	51	52	53
Slovenia	78	80	59	85	83	70	55	68
Lithuania	64	67	67	82	76	68	77	54
Uzbekistan	79	88	65	86	87	57	43	49
Romania	70	73	54	83	85	75	72	40
Germany	76	81	62	67	87	41	41	54
Russia	47	67	51	77	80	60	58	65
Bulgaria	62	83	60	82	75	45	37	59
Croatia	71	80	60	74	78	40	50	47
Poland	40	92	52	90	71	44	46	60
Georgia	80	77	65	79	61	40	19	74
Kosovo	57	85	63	82	70	35	43	57
Hungary	58	72	68	76	60	60	47	38
Cyprus	67	67	54	82	66	62	41	37
Armenia	63	81	39	76	73	49	43	37
Greece	45	62	59	77	69	49	46	47
Mongolia	60	73	39	61	75	55	50	31
Italy	54	64	46	72	64	43	37	44
Albania	53	72	54	68	68	38	21	37
Serbia	61	72	35	64	74	42	30	25
Kazakhstan	55	69	38	64	67	54	24	30
Montenegro	54	75	40	69	76	37	23	27
Azerbaijan	52	66	43	67	55	42	21	53
Ukraine	40	65	34	44	54	55	48	54
FYR Macedonia	61	66	50	72	59	12	22	38
Bosnia and Herz.	48	70	40	66	63	30	21	35
Tajikistan	58	63	29	41	67	27	53	37
Kyrgyz Rep.	55	71	24	55	59	55	30	20
Belarus	49	60	39	66	65	34	16	31
Moldova	43	69	22	52	67	25	19	26

Source: LITS III (2016).

Note: "Satisfaction with public services" refers to the proportion of respondents who report that they were "very satisfied" or "satisfied" with the quality and the efficiency of the given public services in the 12 months preceding the survey. Countries are listed in order of average satisfaction rates across all eight categories.

TABLE 1.A2. Attitudes towards minorities by country

Country	Percentage of respondents who would not like these groups as neighbours														
	People of a different race			Immigrants/foreign workers			Homosexuals			People of a different religion			Unmarried couples living together		
	2010	2016	Change	2010	2016	Change	2010	2016	Change	2010	2016	Change	2010	2016	Change
Uzbekistan	12	25	13	18	34	16	57	58	1	9	28	19	30	43	13
Armenia	31	28	-3	12	12	0	70	85	15	28	42	14	15	16	1
Azerbaijan	27	24	-3	17	15	-2	91	58	-33	25	27	2	31	45	14
Georgia	13	27	14	8	25	17	81	56	-25	13	24	11	7	24	17
Kyrgyz Rep.	21	26	5	16	40	24	80	31	-49	24	31	7	21	23	2
Kazakhstan	8	16	8	21	34	13	72	76	4	7	13	6	4	11	7
Russia	15	19	4	29	36	7	72	75	3	10	11	1	3	2	-1
Belarus	14	22	8	21	30	9	71	61	-10	8	12	4	3	9	6
Mongolia	24	26	2	31	28	-3	57	46	-11	18	19	1	10	9	-1
Latvia	8	17	9	18	45	27	59	57	-2	4	8	4	1	1	0
Moldova	31	9	-22	24	18	-6	80	79	-1	30	12	-18	21	5	-16
Tajikistan	21	6	-15	10	5	-5	82	67	-15	26	12	-14	39	29	-10
Romania	8	12	4	9	30	21	63	68	5	5	5	0	4	3	-1
Estonia	8	17	9	24	41	17	45	45	0	5	12	7	1	2	1
Bulgaria	15	19	4	11	35	24	60	51	-9	7	9	2	1	2	1
Lithuania	17	16	-1	14	26	12	60	55	-5	12	13	1	2	2	0
Hungary	19	14	-5	24	45	21	52	38	-14	5	3	-2	3	2	-1
FYR Macedonia	20	7	-13	20	26	6	75	57	-18	10	5	-5	9	5	-4
Ukraine	14	12	-2	19	13	-6	69	51	-18	10	11	1	3	10	7
Turkey	30	13	-17	32	19	-13	72	41	-31	25	7	-18	50	16	-34
Serbia	8	10	2	9	18	9	54	52	-2	5	6	1	3	7	4
Slovak Rep.	10	14	4	12	33	21	40	34	-6	3	3	0	0	1	1
Poland	10	12	2	8	24	16	46	35	-11	6	5	-1	1	0	-1
Croatia	7	6	-1	7	24	17	43	40	-3	2	4	2	1	2	1
Bosnia and Herz.	10	5	-5	8	9	1	54	46	-8	7	5	-2	7	5	-2
Kosovo	18	6	-12	16	3	-13	64	52	-12	13	2	-11	20	4	-16
Slovenia	11	11	0	18	22	4	35	26	-9	6	6	0	3	1	-2
Italy	13	9	-4	14	20	6	22	19	-3	6	6	0	0	3	3
Montenegro	9	4	-5	10	5	-5	64	46	-18	4	1	-3	5	1	-4
Cyprus		7			12			33			4			1	
Greece		8			12			28			6			1	
Albania	12	6	-6	5	2	-3	63	39	-26	5	2	-3	6	2	-4
Germany	12	8	-4	17	12	-5	16	13	-3	4	5	1	0	1	1

Source: LITS II (2010) and LITS III (2016).

Note: "Attitudes towards minorities" refers to the proportion of respondents who chose the given category as a group that they did not want to have as neighbours. Countries are ranked in order of average tolerance (that is, from the least tolerant to most tolerant) rates across all five categories.

A photograph of a woman with long blonde hair, smiling and looking towards the camera. She is wearing a dark jacket over a white shirt with small black dots. She is sitting at a desk, facing a laptop screen which is partially visible at the bottom of the frame. The background is slightly blurred, showing what appears to be an office or study environment.

2.

31%

of respondents in the transition region say that they have either “some trust” or “complete trust” in other people.

Governance in the transition region

The collapse of communism triggered important social, political and economic changes across the transition region. The rapid and radical disintegration and transformation of state institutions created ineffective governance in many countries, where policy-makers were not held accountable for their decisions, leading to an increase in corrupt practices. And despite high-profile efforts by governments to combat corruption, it remains prevalent in many transition countries and continues to dominate reform debates.

Introduction

In order to grasp the importance of good governance in the transition region, it is essential to define it in context. Good governance can be described as “predictable, open and enlightened policy making; a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law.”¹

Corruption, on the other hand, can be defined as the misuse of public authority in the interests of illegitimate gain. It is a multifaceted and complex phenomenon, involving bribery in government contracts and benefits, tax evasion, theft of public assets as well as political corruption, among others.² Corruption is not only a major barrier to sustainable economic, political and social development but it poses a serious threat to good governance, jeopardising the adequate functioning of public institutions.

The collapse of communism triggered important social, political and economic changes across the transition region. The rapid and radical disintegration and transformation of state institutions created ineffective governance in many countries, where policy-makers were not held accountable for their decisions, leading to an increase in corrupt practices. And despite high-profile efforts by governments to combat corruption, it remains prevalent in many transition countries and continues to dominate reform debates.

Extensive empirical research has shown that corruption undermines social and economic development as well as people's trust in society.³ More specifically, it distorts the composition of public expenditure, discourages foreign and domestic investment and leaves the poorest parts of the population at a significant disadvantage.

At a broader level, corruption also weakens political and economic systems. For example, the absence of trust caused by corruption may negatively impact the effectiveness of democracy, and the functioning and quality of institutions, including financial markets. Indeed, research suggests that trust is one of the key determinants of good governance and a well-functioning market economy.⁴

¹ See World Bank (1994).

² See World Bank (1997).

³ For example, see Chetwynd, Eric and Spector (2003); Fisman and Svensson (2007); Mauro (1995); Olken (2006); Olken and Pande (2011); Svensson (2005); and Transparency International (2016).

⁴ For example, see Becker et al. (2016); Helliwell and Wang (2010); and Uslaner (2005).

Although it is widely accepted that corruption in many transition countries has increased since the fall of the Berlin Wall, this is neither an inevitable nor an irreversible development.⁵ All three rounds of the Life in Transition Survey (LiTS) have explored the various factors that facilitate corruption and contain a series of detailed questions on citizens' perceptions and experiences of it.⁶

Data from LiTS allow us to study how corruption affects institutional trust and public service satisfaction. More specifically, this chapter is interested in re-visiting the relationship between governance and corruption in the transition region to provide insights into:

- Changes in corruption perception and experience over the past decade
- The relationship between corruption and citizen satisfaction with public services
- The connection between experiences of corruption and institutional quality (such as media freedom, democracy and other governance indicators)
- Correlations between corruption and social trust.

Corruption in the transition region

All three rounds of LiTS have asked respondents how often someone like themselves feels compelled to make unofficial payments or gifts in the following situations:

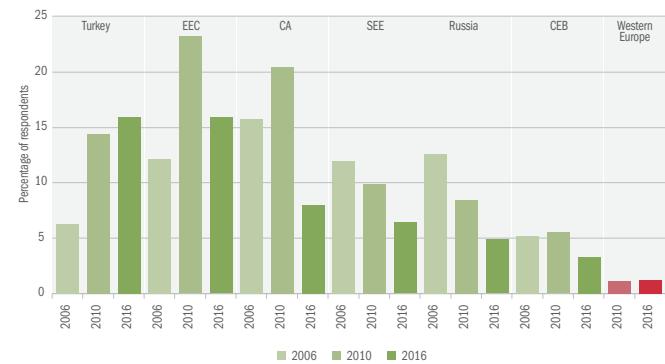
- Interacting with the traffic police
- Requesting official documents (passport, visa, birth or marriage certificate, land register, and so on) from authorities
- Going to the courts for a civil matter
- Receiving public education (primary or secondary)
- Receiving public education (vocational)
- Receiving medical treatment in the public health system
- Requesting unemployment benefits
- Requesting other social security benefits.

The levels of perceived corruption are presented in Chart 2.1, which shows the proportion of respondents who report that it is "usually" or "always" necessary for them to make unofficial payments or gifts.

As Chart 2.1 illustrates, the average perception of corruption has fallen across all regions compared to 2006, except Turkey and eastern Europe and the Caucasus. In fact, respondents in Turkey are among the most inclined in the transition countries to believe that bribes are necessary for dealings with public sector authorities and institutions. In contrast, there has been a significant drop in Central Asia – only less than 10 per cent of respondents believe that irregular payments are an issue. Similarly, respondents in central Europe and the Baltic States, south-eastern Europe and Russia report that perceptions of corruption in their public institutions have fallen since 2006. In total, the perceived level of corruption as measured by this indicator has fallen in 20 countries over the past 10 years.

The most remarkable reductions can be seen in Albania (a fall of 17 percentage points), Ukraine (13 percentage points) and Russia (8 percentage points). Levels of perceived corruption in many transition countries now compare well with the western European average (0.3 per cent for Germany and 2.1 per cent for Italy). Cyprus, Estonia, Latvia and Kosovo remain the least corrupt transition countries according to this measure, with lower levels of perceived corruption than in Italy. Altogether, the 2016 data indicate a general trend of convergence towards the low average levels of perceived corruption in Germany and Italy.

CHART 2.1. Perceived corruption in 2006, 2010 and 2016 by region



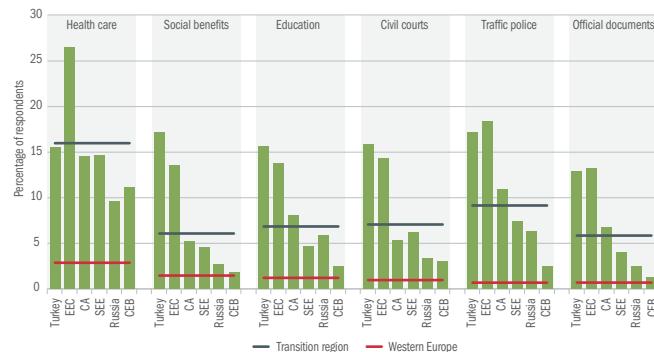
Source: LiTS I (2006), LiTS II (2010) and LiTS III (2016).

Note: "Perceived corruption" refers to the proportion of respondents in each country who report people like themselves usually or always have to make unofficial payments or gifts averaged across all public services covered by the survey. This chart and all the other charts based on LiTS data use survey-weighted observations. Regional averages are based on simple averages of the country scores. "Western Europe (2010)" denotes the average of France, Germany, Italy, Sweden and the United Kingdom and "western Europe (2016)" denotes the average of Germany and Italy.

**Less than
10%
of respondents in Central Asia believe
that irregular payments are an issue.**

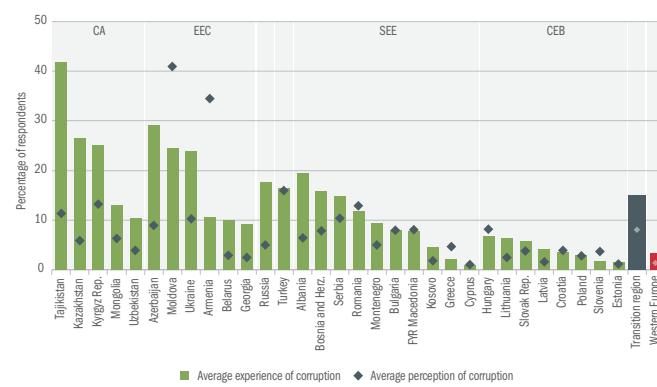
⁵ For example, see Johnson et al. (2000), Roland (2001), and Shleifer and Treisman (2014).

⁶ The EBRD-World Bank Business Environment and Enterprise Performance Survey (BEEPS), a firm-level survey based on face-to-face interviews with managers, provides an assessment of governance and corruption from the perspective of firms. See, for example, De Rosa et al (2010); Diaby and Sylvester (2014); and Steves and Rousse (2003).

CHART 2.2. Perceived corruption in 2016 by public service and by region

Source: LiTS III (2016).

Note: "Perceived corruption" refers to the proportion of respondents in each country who say people like themselves usually or always have to make unofficial payments or gifts while interacting with a given public service.

CHART 2.3. Experience versus perception of corruption in 2016 by country

Source: LiTS III (2016).

Note: "Average perception of corruption" refers to the proportion of respondents who say people like themselves usually or always have to make unofficial payments or gifts averaged across all public services covered by the survey. "Average experience of corruption" refers to the proportion of respondents who say they or a member of their household have made unofficial payments or gifts in the past 12 months averaged across all public services covered by the survey.

Chart 2.2 shows the perception of corruption broken down by public services and by region. Interestingly, the chart shows the perceived frequency of irregular payments within the health care sector (16 per cent) and to a lesser extent when dealing with traffic police (9 per cent) are particularly high in the transition region. Although corruption has decreased in all public services across the transition region since 2006, the levels remain well above western European comparator averages (Germany and Italy), where only less than 5 per cent of respondents believe that it is necessary for people to make unofficial payments to access public services.

Chart 2.3 shows the differences between respondents' corruption perceptions and their actual corruption experiences. The darker coloured diamonds represent the proportion of respondents in each country who report that irregular payments to public sector authorities are necessary, while the bars display the proportion of respondents who state that they (or a member of their household) actually made an unofficial payment to public officials in return for services in the previous calendar year. The countries are sorted by the experience of corruption.

Similar to the findings in LiTS II (2010), the gap between perception and experience is the greatest in the countries where respondents report the highest levels of real corruption experience. This apparent underestimation of actual corruption is particularly pronounced in Russia as well as Central Asia and eastern Europe and the Caucasus. For example, only 11 per cent of respondents in Tajikistan state that unofficial payments were usually or always necessary. However, on average, 42 per cent of Tajiks report that they have in fact made irregular payments to the public authorities. By contrast, 35 per cent of Armenian respondents say that unofficial payments are usually or always necessary but only around 10 per cent of respondents state that they or a family member have actually made such unofficial payments, which is considerably lower than the reported perception of unofficial payments. In Russia, only 5 per cent of people believe that they need to make unofficial payments to access public services, while 18 per cent say that they have actually made an unofficial payment. This disparity might be due to the differences between the messages that people received from all forms of media (such as print, broadcast and online) and their daily life experiences.

There are only six countries – Bulgaria, Croatia, Estonia, FYR Macedonia, Poland and Turkey – in which the differences between perceptions of corruption and actual levels of it are strikingly small. Another noteworthy finding is that the levels of corruption (both perception and experience) in many central European countries (including the Baltic states) are low and have converged with the levels found in Germany and Italy. However, the average experience of corruption is higher than the average perception, often up to three times higher. This might reflect the different reasons for making unofficial payments (such as higher incidences of unofficial payments made in gratitude as opposed to extortive reasons).

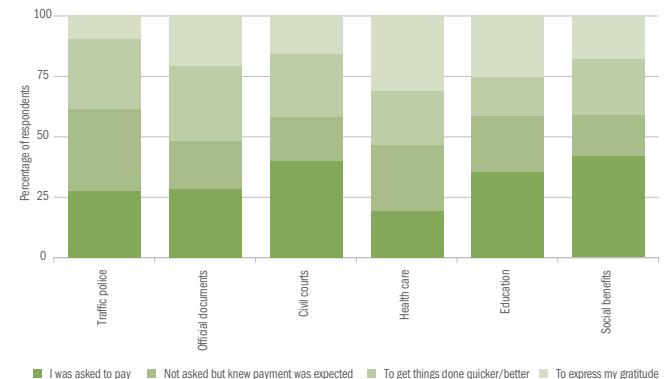
Chart 2.4 illustrates how the nature of unlawful payments also differs by public services. Respondents who made unofficial

payments or gifts were asked why they had done so and were given four possible answers.⁷ People most often resorted to unofficial payments while interacting with traffic police, health care workers and dealing with educational institutions. About one-quarter of irregular payments for the education category are likely to be motivated by the desire to express gratitude whereas unofficial payments to traffic police, civil courts or social security benefits are mostly made upon request or expectation. Irregular payments are also common when wishing to speed up a lengthier process with the use of unofficial “fast-track” services. Nevertheless, the percentage of respondents reporting that they made unofficial payments to access public services because they were asked (or it was expected) has fallen since 2010.

Chart 2.5 reveals that confidence in public sector authorities is relatively low. Overall, in all categories, the perceived corruption among public officials is substantially higher than the average for the western European comparator countries (9.6 per cent for Germany and 27.5 per cent for Italy). For example, about 40 per cent of respondents in eastern Europe and the Caucasus believe that most public officials are involved in corruption. Respondents in central Europe and the Baltic states are much more likely to be trusting of public officials, and in most cases the levels are comparable to Germany and Italy where, out of all public sector authorities, judges and police officers inspire the highest levels of confidence (at about 85 per cent).

Around 45 per cent of respondents in south-eastern Europe, as well as in eastern Europe and the Caucasus and Turkey, believe that their members of parliament and government officials are involved in corruption. However, the perceived corruption among presidents/prime ministers, police officers and business executives vary considerably across regions. In Russia, confidence in the office of president/prime minister is among the highest in the transition region and higher than the average for the western European comparators, but in Turkey it is one of the lowest. Significant differences can also be noted when it comes to confidence in the impartiality of judges, where we observe the largest difference in averages between the transition region and the two western European comparator countries, Germany and Italy. Another noteworthy finding is that confidence in religious leaders ranks quite low in Germany and Italy where 35 and 24 per cent of respondents think that “most of them” or “all of them” are involved in corruption.

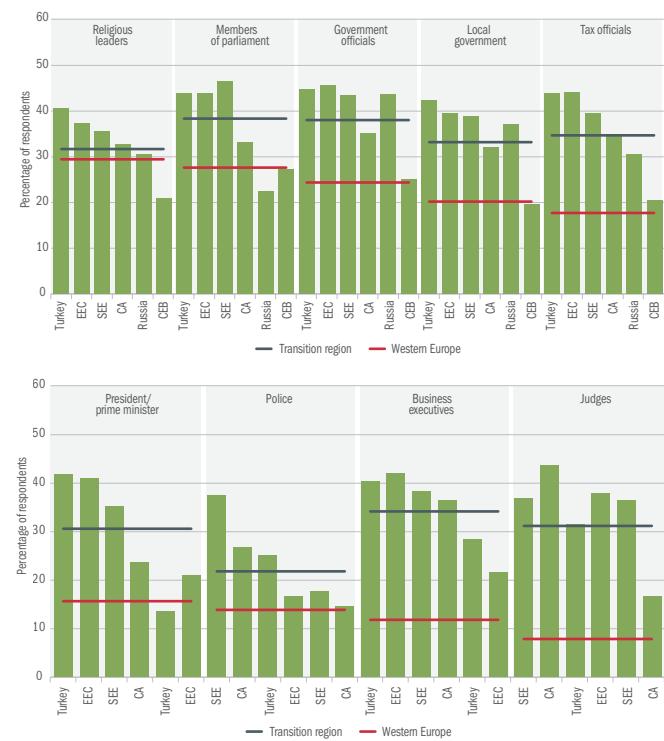
CHART 2.4. Reasons for making an informal payment in 2016



Source: LITS III (2016).

Note: “Reasons for making an informal payment” refers to the proportion of respondents who made an informal payment for services they should have received for free. “I was asked to pay” refers to the proportion of respondents who say they were actually requested to make an unofficial payment or gift in the given public service. “Not asked but knew payment was expected” refers to the proportion of respondents who say that they were not asked to make an unofficial payment or gift in the given public service but such payment or gift was expected. “To get things done quicker/better” refers to the proportion of respondents who say that they made an unofficial payment or gift in the given public service in order to expedite or improve services/processes. “To express my gratitude” refers to the proportion of respondents who say that they made an unofficial payment or gift in the given public service in order to express appreciation.

CHART 2.5. Perceived corruption among public officials in 2016 by region



Source: LITS III (2016).

Note: “Perceived corruption among public officials” refers to the proportion of respondents who think that “most of them” or “all of them” in a given category are involved in corruption.

⁷ The answer options were “I was asked to pay”; “I was not asked to pay but I knew that an informal payment was expected”; “I offered to pay to get things done quicker or better”; and “I was not asked to pay but I wanted to express my gratitude” (LITS III, 2016).

Box 1: Fighting corruption

Citizens rarely have access to objective measures of corruption but still vote according to the limited information they have based on their own experiences and perceptions. Olken (2009) therefore argues that the accuracy of corruption perceptions is a crucial component to be taken into account while formulating mechanisms for fighting corruption. He finds that, on average, the perception of corruption is positively correlated with the objective measure of corruption, but there are systematic differences across individuals when it comes to the level of perceived corruption. This is mainly because of societal characteristics (that is to say, cultural norms) that affect the general trust and, in turn, corruption perception; and biases in individual perception which are determined by various individual characteristics. LITS III sheds more light on these questions of attitudes and citizens' perceptions of fighting corruption, controlling for a number of individual and country level observable characteristics.

Table 1 investigates the determinants of reporting corruption using alternative measures. More specifically, respondents were asked "what is the most effective thing that an ordinary person can do to help combat corruption in this country?". Column 1 shows the results for a model where the outcome is a dummy variable indicating that the individual answered "nothing/ordinary people cannot do anything". Column 2 shows the results for a model with an outcome variable indicating that "refusing the bribe" is the preferred option, while column 3 refers to a model where the outcome variable indicates the preference for "reporting the corruption once it is experienced".

Results in column 1 indicate that men are 1.3 percentage points less likely to report that ordinary people cannot do anything compared to women. In addition, married individuals, active volunteers, people who hold at least tertiary-level education and those with higher perceived incomes are significantly less likely to say that there is nothing they can do to fight against corruption. In columns 2 and 3, men are more likely to believe that refusing to pay bribes or reporting them is the best way to fight corruption. In addition, younger people and those respondents who trust others and believe in democracy and a market economy are more likely to fight against corruption.

Cultural norms are also an important determinant of attitudes towards corruption (Fisman and Miguel, 2007). Chart B.1 shows the variability between the respondents across the countries. In general, people in western European countries are 10.4 percentage points more likely to choose reporting bribes as an appropriate solution to corruption than those living in transition countries. In a similar vein, they are 4.5 and 4.1 percentage points less likely to say that ordinary people cannot make a difference and refuse to pay the bribe options, respectively. Among the transition countries, this translates into only 18 per cent of respondents wanting to actively fight corruption by reporting it and a striking 32 per cent that think they cannot change the situation.

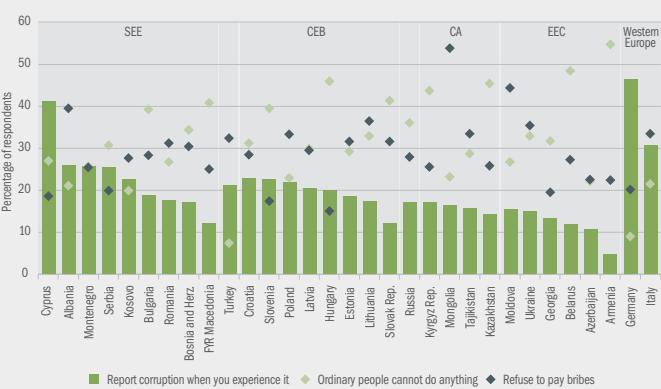
TABLE B.1. Determinants of different approaches to counter corruption

Outcome is	(1)	(2)	(3)
	Ordinary people cannot do anything	Refuse to pay bribes	Report corruption when you experience it
<i>Individual level variables</i>			
Age	0.127*** (0.031)	-0.040*** (0.010)	-0.069*** (0.019)
	-0.013*** (0.004)	0.009** (0.004)	0.020*** (0.004)
Married	-0.009** (0.004)	0.015*** (0.004)	0.001 (0.004)
	-0.049*** (0.005)	0.045*** (0.005)	0.031*** (0.005)
Relative wealth perception	-0.008*** (0.000)	-0.000 (0.000)	-0.007*** (0.000)
	-0.039*** (0.006)	0.009 (0.006)	0.027*** (0.006)
Active volunteer	-0.044*** (0.005)	0.023*** (0.005)	0.015*** (0.004)
	-0.007 (0.005)	0.046*** (0.005)	0.012*** (0.004)
Democracy	-0.008 (0.005)	0.029*** (0.005)	0.005 (0.005)
	-0.008 (0.005)	0.029*** (0.005)	0.005 (0.005)
R²	0.05	0.03	0.04
N	42278	42278	42278

Source: LITS III (2016).

Note: * significant at 10%; ** significant at 5%; *** significant at 1%. Specific controls in each column include age squared and dummy variables for good health status, urbanity status, religion, and transition region. Country level controls include World Bank Governance Indicators, GDP per capita (constant 2011 international dollars), percentage change in GDP (between 2010 and 2015) and media freedom index and unemployment rate.

CHART B.1. Preferred options to counter corruption in 2016 by country



Source: LITS III (2016).

Note: Chart shows conditional means of choosing any of the three options as the most effective way of fighting corruption across the countries. See notes to Table B.1 for control variables. Estimation method is OLS.

Unofficial payments and service satisfaction in the transition region

LiTS III investigates the general level of satisfaction with public services, and whether dissatisfaction with such services coincides with the prevalence of extortion within the system. Unofficial payments tend to cause general dissatisfaction with public services, not just because of the increased cost (on top of the standard fees for whichever service they are seeking) but also by shifting investments toward sectors/services where it is likely that those involved in corruption will benefit.

In order to gain insights into the relationship between unofficial payments and service satisfaction, Chart 2.6 plots the average level of satisfaction among those who have used public services in the past year against the average reason for making unofficial payments or gifts.

This chart reveals that Turkey, Estonia and Lithuania have the highest average levels of service satisfaction. In these countries, the main reason for making unofficial payments or gifts is to express gratitude for the service received. At the other end of the chart, relatively low levels of service satisfaction can be found in Armenia, Azerbaijan and Tajikistan, where people are either directly coerced into making unofficial payments or gifts or do so because they know it is expected.

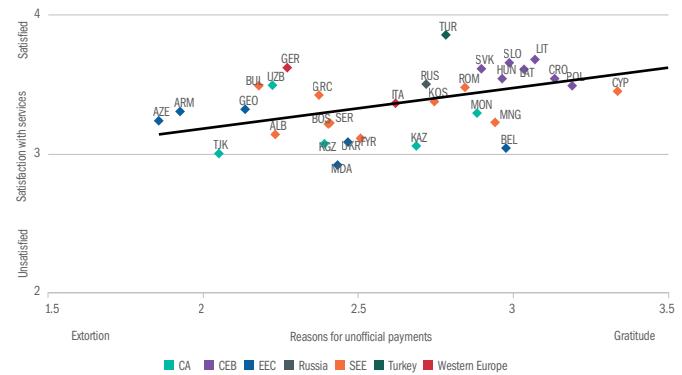
Charts 2.7 and 2.8 explore this issue for public health care and public education, respectively – two main sectors that LiTS respondents said they wanted their governments to allocate more public funding to. These charts take into account the fact that survey responses regarding satisfaction only apply to usage within the last 12 months. Additional statistical analysis from the LiTS III data (not presented here) indicates that highly educated and wealthier people are less likely to be satisfied with the quality of public services they receive.

As illustrated by Chart 2.7, there is a negative correlation at the country level between experience of corruption in the health care sector and the level of satisfaction with public health care services. This chart reveals that the highest average levels of corruption experience and service dissatisfaction among public health care users are found in Tajikistan, Moldova, Azerbaijan and Ukraine. Poland is a notable outlier – despite a low level of corruption experience, satisfaction with services in the public health care system is one of the lowest in the transition region. Interestingly, users of the Polish public health system who were asked to make unofficial payments are more than three times less likely to be satisfied with services received than those who were not asked to pay a bribe.

In the public education sector, there is also a negative relationship between the average level of service satisfaction and the average experience of needing to make unofficial payments. However, there are notable exceptions to this general association as well – in Russia, levels of corruption experience are relatively

high but at the same time service satisfaction in public education is higher than the transition region average. At the other extreme, despite low levels of corruption experience, satisfaction with public education in FYR Macedonia is substantially below the transition region average.

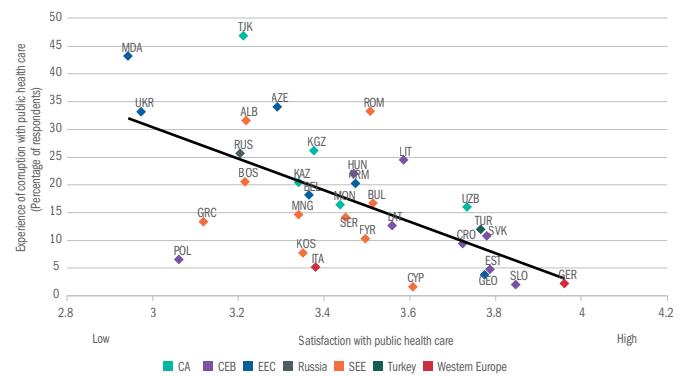
CHART 2.6. Reasons for unofficial payments and level of satisfaction with public services in 2016



Source: LiTS III (2016).

Note: The x-axis of extortion and gratitude refers to an index where those respondents who were "asked to" make an unofficial payment have a weight of 1, those who were "expected to" pay a weight of 2, those who made a payment "to have things done quicker" a weight of 3 and those who made a gift "to express gratitude" a weight of 4, averaged across all public services covered by the survey. The y-axis of dissatisfaction and satisfaction refers to an index where those respondents who say they are "very satisfied" with a public service get a weight of 5, "satisfied" 4, "indifferent" 3, "unsatisfied" 2 and "very unsatisfied" 1, averaged across all public services covered by the survey.

CHART 2.7. Experience of corruption and service satisfaction in public health care in 2016



Source: LiTS III (2016).

Note: "Experience of corruption" refers to the proportion of respondents who report that they or a member of their household made unofficial payments or gifts in the past 12 months in public health services. (Dis)satisfaction refers to an index where those respondents who say they are "very satisfied" with a public service receive a score of 5, "satisfied" 4, "indifferent" 3, "unsatisfied" 2 and "very unsatisfied" 1, averaged across individuals who used the service in the past 12 months.

TABLE 2.1. Associations between corruption perception and attitudes⁸

	(1)	(2)	(3)
	Life satisfaction	Trust	Optimism
<i>Individual level variables</i>			
Perceived corruption	-0.040*** (0.010)	-0.017* (0.009)	-0.050*** (0.010)
Male	-0.030*** (0.008)	-0.026** (0.007)	-0.016** (0.008)
Married	0.086*** (0.008)	-0.002 (0.008)	0.014* (0.008)
Degree level education or more	0.120*** (0.009)	0.057*** (0.009)	0.031*** (0.009)
Log income	0.016*** (0.002)	0.003 (0.002)	0.006** (0.002)
Good health	0.126*** (0.009)	0.064*** (0.008)	0.083*** (0.008)
R²	0.10	0.04	0.09
N	14656	14772	14772

Source: LiTS III (2016).

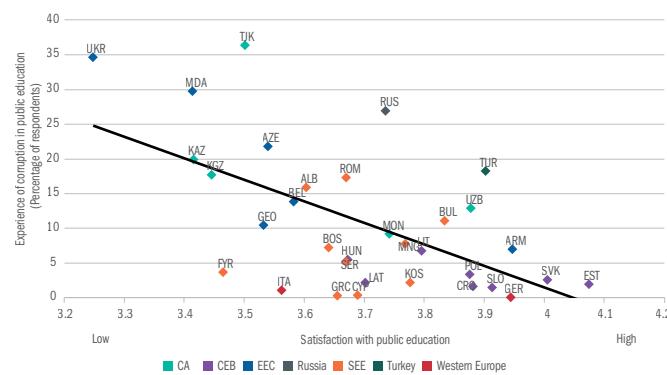
Note: * significant at 10%; ** significant at 5%; *** significant at 1%. Specific controls in each column include age squared and dummy variables for good health status, urbanity status, religion, and transition region. Country level controls include World Bank Governance indicators, GDP per capita (constant 2011 international dollars), percentage change in GDP (between 2010 and 2015), and media freedom index and unemployment rate.

Corruption perception and happiness, trust and optimism in the transition region

Is there a relationship between corruption and levels of life satisfaction, general trust and optimism about the future?

The results in Table 2.1 provide evidence, after accounting for observable individual and country characteristics, that corruption is significantly and negatively associated with happiness, trust and optimism. In particular, people who believe that unofficial payments or gifts are necessary for public services to run efficiently are 4 percentage points less likely to be satisfied with their lives. Moving to trust in column 2 and optimism in column 3, results show that respondents who are worried about corruption are 1.7 and 5 per cent less likely to trust others and be optimistic about the future, respectively.

These results are mainly driven by countries where the reported prevalence of unofficial payments is higher than the transition region average. The point estimates also indicate that the negative relationship between perceived corruption and life satisfaction, trust and optimism are larger than those implied by income and age (in absolute terms).

CHART 2.8. Experience of corruption and service satisfaction in education in 2016

Source: LiTS III (2016).

Note: "Experience of corruption" refers to the proportion of respondents who report that they or a member of their household made unofficial payments or gifts in the past 12 months in public education services. (Dis)satisfaction refers to an index where those respondents who say they are "very satisfied" with a public service receive a score of 5, "satisfied" 4, "indifferent" 3, "unsatisfied" 2 and "very unsatisfied" 1, averaged across individuals who used the service in the past 12 months.

35%

of Armenian respondents say that unofficial payments are usually or always necessary but only around 10% report having actually made any.

⁸ The regressions are carried out by ordinary least squares (OLS) and hence assume that the life satisfaction, trust and optimism variables are "cardinal". The results from alternative estimation techniques are qualitatively the same. Media freedom index (2016) uses country level scores from the Freedom House.

Institutional quality and corruption

Institutional quality can be defined as “the quality of contract enforcement, property rights, shareholder protection and the like” (Levchenko, 2004). Given the central role that institutions play in economic development and prosperity, this section investigates the main determinants of institutional quality in the transition region and how these measures correlate with corruption.

Chart 2.9 uses *Freedom House – Freedom of the Press Index* which assesses media freedom in poor and rich countries as well as in countries of varying ethnic, religious and cultural backgrounds. Each country and territory is given a total press freedom score from 0 (best) to 100 (worst) on the basis of 23 categories divided into three subgroups.⁹

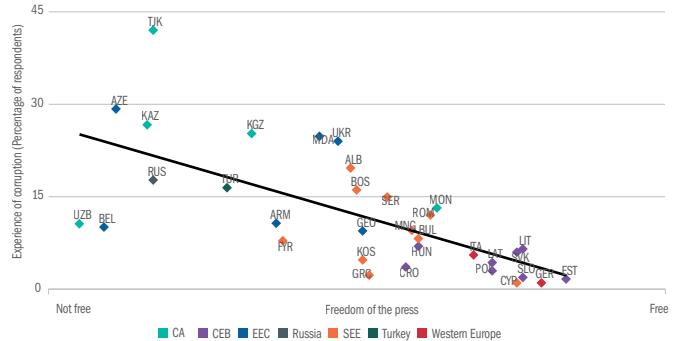
Chart 2.9 shows that countries with lower press freedom experience higher levels of corruption. This is most striking in the Caucasus and in Central Asia, where authorities seem to be using their leverage over their country’s media to curb dissemination of information about government activities and censoring media outlets who dispute government privileges. Noticeably, people report significantly lower levels of corruption experience in countries where the media is not as heavily monitored. This suggests that the role of the media may be crucial in promoting good governance and controlling corruption.

There are strong reasons to believe that democracy would help to reduce corruption. For example, elections create disincentives for corruption because the majority of voters will rarely elect candidates who are known to or have the potential to abuse public resources for personal gain. In fact, research shows that electoral accountability, induced by the possibility of re-election, can discipline incumbent politicians and control rent-seeking behaviour.¹⁰ Moreover, democracy tends to go hand in hand with transparency and openness, which are vital components for functioning market economies. In a similar vein, strong checks and balances on government activities discourage corrupt behaviour as there is a higher probability of being caught.

Chart 2.10 shows a scatter plot of this relationship, plotting the democracy score against the average score on corruption experience when accessing the eight public services listed above for each country. On the horizontal axis, the polity IV Score (2015) captures the regime authority spectrum on a 21-point scale ranging from -10 (strongly autocratic, such as North Korea) to +10 (strongly democratic, such as Germany).

The polity scores can also be converted into regime categories in a suggested three part categorisation of autocracies (-10 to -6), anocracies (-5 to +5 and three special values: -6, -77 and -88), and democracies (+6 to +10).^{11,12} As this chart illustrates, respondents in democratic countries tend to report fewer experiences of corruption than their counterparts in less democratic countries. In other words, higher levels of democracy tend to be associated with lower levels of corruption in the transition region. However, there are notable exceptions to this general observation – for example, in Belarus, the level of

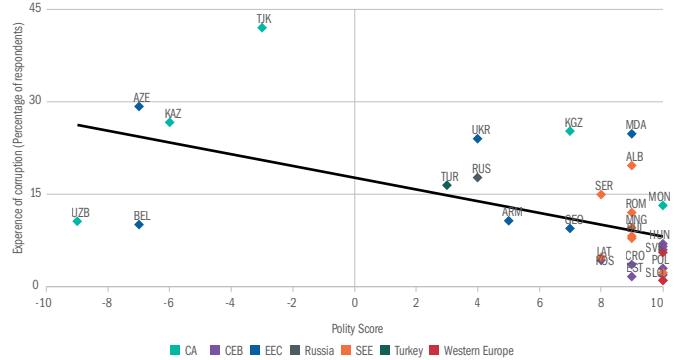
CHART 2.9. Experience of corruption and media freedom in 2016



Source: LiTS III (2016) and Freedom House (2016).

Note: “Experience of corruption” refers to the proportion of respondents who say they or a member of their household made an unofficial payment or a gift in the past 12 months, averaged across all public services covered by the survey. Freedom of the Press Index (2016) is published annually by the Freedom House.

CHART 2.10. Experience of corruption and democracy in 2016



Source: LiTS III (2016) and Centre for Systemic Peace (2015).

Note: “Experience of corruption” refers to the proportion of respondents who say they or a member of their household made an unofficial payment or a gift in the past 12 months averaged across all public services covered by the survey. The polity score (2015) is published annually by the Centre for Systematic Peace.

36%

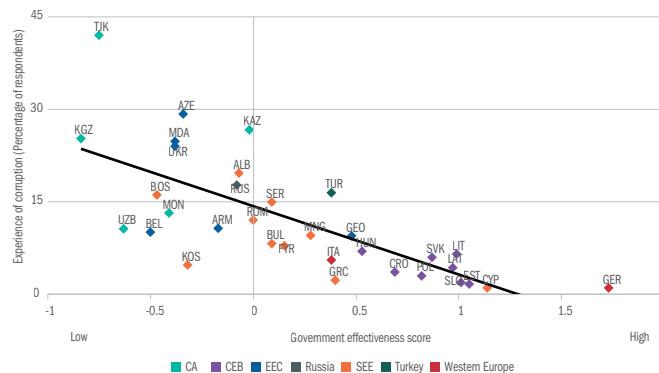
of respondents in the transition region say they have “some trust” or “complete trust” in banks and financial systems.

⁹ The total score determines the status designation of “free”, “partly free” or “not free”. See also Freedom of the Press Report (2016) by Freedom House.

¹⁰ See Ferraz and Finan (2011).

¹¹ The Polity Project, Centre for Systemic Peace (2015).

¹² Anocracy is defined as a spectrum of governing authority that spans from fully institutionalised autocracies through mixed, or incoherent, authority regimes (termed “anocracies”) to fully institutionalised democracies.

CHART 2.11. Experience of corruption and government effectiveness in 2016

Source: LiTS III (2016) and Worldwide Governance Indicators (WGI).

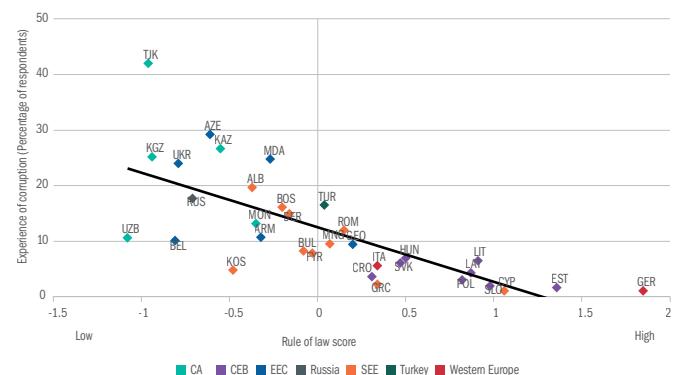
Note: "Experience of corruption" refers to the proportion of respondents who say they or a member of their household made an unofficial payment or a gift in the past 12 months averaged across all public services covered by the survey. The government effectiveness score (2014) is published by the Worldwide Governance Indicators (WGI) project of the World Bank. It captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

corruption experience is quite low, at around 10 per cent, despite a low democracy score. Conversely, the democracy score in Moldova is relatively high but the corruption experience reported there is still considerably higher than the transition region average.

The LiTS findings are in line with the institutional quality indicators and scatter plots (Charts 2.11 and 2.12, Appendix Charts 2.A3 and 2.A4) exhibit strong country level correlations. This chapter has also used the dimensions from the Worldwide Governance Indicators (WGI, 2014) in order to see how better governance could be related to the experience of corruption.¹³

Chart 2.11 and 2.12 show scatter plots of the relationship between corruption experience and government effectiveness, and between corruption experience and rule of law by country. Analysis of government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. Rule of law captures perceptions of the extent to which survey respondents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, as well as the likelihood of crime and violence. The aggregate indicators are reported in their standard normal units, ranging from approximately -2.5 to 2.5, with higher values corresponding to better outcomes.

Chart 2.11 shows that people who live in countries with more effective governments are less likely to experience corruption. This is unsurprising since the indicator mainly measures the quality of services and policies. Another point of interest is the visible relationship between the two variables across regions. Central Asian countries where irregular payments to public

CHART 2.12. Experience of corruption and rule of law in 2016

Source: LiTS III (2016) and Worldwide Governance Indicators (WGI).

Note: "Experience of corruption" refers to the proportion of respondents who say they or a member of their household made an unofficial payment or a gift in the past 12 months averaged across all public services covered by the survey. The rule of law score (2014) is published by the Worldwide Governance Indicators (WGI) project of the World Bank. It captures perceptions of the extent to which survey respondents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, as well as the likelihood of crime and violence.

institutions are prevalent also have the lowest scores of good government effectiveness, followed by eastern Europe and the Caucasus, south-eastern Europe and central Europe and the Baltic States. For example, Tajik respondents report the highest level of corruption experience in the transition region and also their government's effectiveness scored around -0.7, whereas those in Germany reported one of the lowest corruption experiences in the survey and their government's effectiveness marked close to 2.

Corruption within the law enforcement and justice systems weakens the rule of law by damaging the credibility and functioning of judicial institutions. Consequently, a dysfunctional legal system prevents a fair and transparent application of the law and allows crime to flourish. This is illustrated clearly in Chart 2.12 which plots the average corruption experience among those who have used public services in the past year against the rule of law scores taken from the WGI. There is a strong negative relationship between corruption experience and the presence of rule of law in a country. The highest corruption experience can be found on the left half of the chart (below 0), mainly in countries in Central Asia and eastern Europe and the Caucasus where the rule of law is particularly weak. The ranking of the regions is very similar to those shown in Chart 2.11.

¹³ The Worldwide Governance Indicators measure six broad dimensions of governance: 1) voice and accountability; 2) political stability and absence of violence/terrorism; 3) government effectiveness; 4) regulatory quality; 5) rule of law; and 6) control of corruption.

Trust in the transition region

Research suggests that the level of trust and the amount of social capital in a society can account for differences in economic growth and development between countries.¹⁴ The LITS measures three different aspects of trust – institutional trust (that is, trust in governmental and non-governmental institutions); generalised social trust (trust in other people in general); and in-group trust (trust in family, friends, neighbours and people from a different religion and nationality).¹⁵

In the questions about trust, respondents were asked to answer using a five-point scale with the options of “complete distrust,” “some distrust,” “neither trust nor distrust,” “some trust” and “complete trust.”¹⁶

Institutional trust is essential for the success of a wide range of public policies that rely on the behavioural responses of citizens. As Chart 2.13 shows, trust in public institutions varies significantly within and across regions. While about two-fifths of respondents have confidence in their institutions in general, the level of trust in institutions overall has fallen considerably since 2010.

In general, police, armed forces, the office of president/prime minister and religious institutions tend to be the most trusted. Trust (that is to say, the responses of “some trust” or “complete trust”) in banks and financial systems in the transition region has fallen from 41 per cent to 36 per cent of respondents since the previous LiTS in 2010. Although there is significant variation in these changes across countries, trust in banks is the lowest in Cyprus, Greece, Moldova and Ukraine (only around 10 per cent).

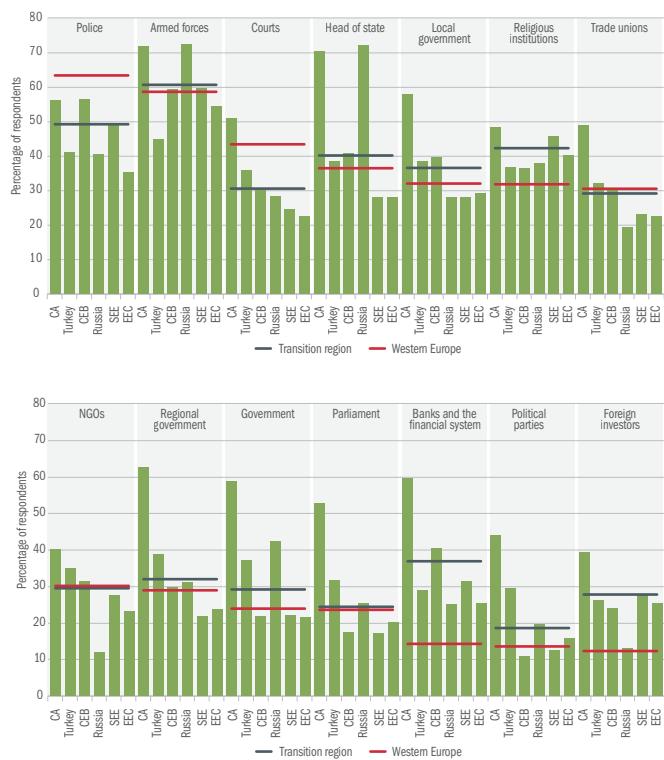
Conversely, respondents in the Baltic states and central Europe show the highest levels of trust in financial institutions in the transition region. While trust in foreign investors in the transition region has declined from 31 per cent to 27 per cent, it remains considerably higher than in Germany and Italy, where 14 and 11 per cent of respondents declare "some trust" or "complete trust" in foreign investors.

Cypriot and Greek respondents have extremely low levels of trust in their elected representatives and governments – only about 10 per cent of respondents say that they have “some trust” or “complete trust” in those categories.¹⁷

The levels of trust in local and regional governments vary enormously. Azerbaijan, Kazakhstan and Tajikistan exhibit the highest levels in the transition region (more than 60 per cent), substantially higher than the averages for the western European comparators (41 per cent for Germany and 23 per cent for Italy). However, in the Western Balkans and south-eastern Europe, only about 20 per cent of respondents say that they trust their regional or local governments.

The level of trust in trade unions, NGOs and religious organisations remains mostly steady. As observed in previous waves of the LiTS, south-eastern European countries exhibit a lower level of trust in trade unions (lowest in Cyprus and Greece) and a higher level of trust in religious institutions compared to two western European comparator countries, Germany and Italy. However, the latest survey responses indicate a significant decline in trust in religious institutions in Georgia, Kosovo, the

CHART 2.13. Institutional trust in 2016 by region



Source: LiTS III (2016)

Note: "Institutional trust" refers to the proportion of respondents who report that they have some or complete trust in a given institution.

Kyrgyz Republic, Slovenia, Turkey and Ukraine.

To measure the level of “generalised social trust” and “ingroup trust” respondents were asked the following questions, respectively:

Generally speaking, would you say that most people can be trusted, or that you cannot be too careful in dealing with people?

**To what extent do you trust people from the following groups:
Your family? Your neighbourhood?**

As with the other trust questions, respondents were asked to describe their level of trust in these institutions on a five-point scale, ranging from “complete distrust” to “complete trust”.

In-group trust focuses on trust in specific groups of people such as an extended family, neighbours or people of a different religion or nationality. Unlike generalised or institutional trust, this dimension of social trust focuses on the key dimension of social cohesion within families and neighbourhoods.

In 2016, 31 per cent of respondents in the transition region say that they have either “some trust” or “complete trust” in other people, compared to 34 per cent in 2010. This implies that,

¹⁴ See Fukuyama (1995) and Knack and Keefer (1997).

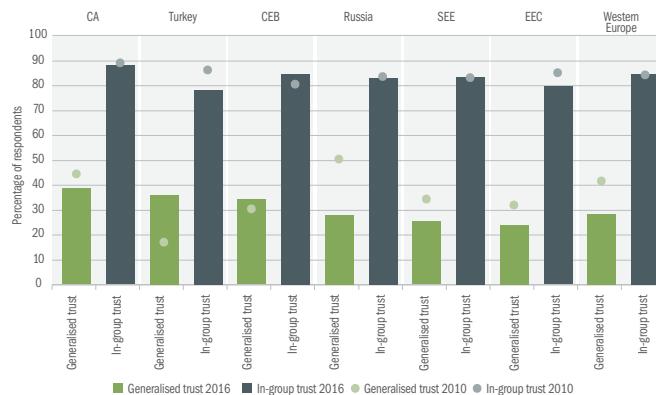
¹⁵ See Fundings (1993) and Knack and Keefer (1991).

The LITS also asks respondents whether they are an active member, an inactive member, or not a member of certain organisations: a) church and religious organisations; b) sports and recreational organisations; c) art, music or educational organisations; d) labour unions; e) environmental organisations; f) professional associations; g) humanitarian organisations; h) youth associations; i) women's groups; and j) farming cooperatives.

¹⁶ The survey also contained questions to investigate the differences between perceptions of trust and "real trust" in the social contexts, such as the following: "Suppose you lost your purse/wallet containing your address details and it was found in the street by someone living in this neighbourhood. How likely is it that it would be returned to you with nothing missing?"

¹⁷ See also Papaioannou (2013).

CHART 2.14. Generalised social trust and in-group trust in 2010 and 2016 by region



Source: LITS III (2016), LITS II (2010).

Note: "Generalised social trust" refers to the proportion of respondents who report that they have some or complete trust in others. "In-group" trust refers to the proportion of respondents who report that they have some or complete trust in their family and neighbours.

despite the socio-economic challenges that these countries have faced over the past six years, generalised trust has remained relatively stable in the region.

The level of trust reported in the transition region is also higher than in Germany and Italy, where 30 and 27 per cent of people say they generally trust others (see Chart 2.14). The highest levels of generalised trust among transition economies are observed in Estonia, Poland and Tajikistan. Turkey and Lithuania also saw some of the highest increases in generalised trust between 2010 and 2016. At the other end of the scale, Armenia, Azerbaijan, Greece and Cyprus have the lowest levels of generalised trust in the region. Only about 15 per cent of respondents in these countries say they trust others. Kazakhstan, Kosovo and Russia show the most pronounced declines (about 20 per cent) in levels of generalised trust.

Not surprisingly, levels of in-group trust in the transition region are high and comparable to western European comparator levels. They have also remained stable except in Turkey and eastern Europe and the Caucasus where in-group trust has fallen since 2010 (about 80 per cent) but is still comparable to some other transition countries.

Conclusion

LiTS III offers extensive information on various dimensions of good governance and social capital. This chapter has highlighted the main issues in understanding the corruption problem in the transition region and how the findings of the survey reveal important differences from one country or region to another.

Encouragingly, both the perceived need to make unofficial payments and actual corruption experiences have decreased since 2006. Overall, however, respondents believe that the levels of corruption are higher across the board than in the comparator

western European countries, Germany and Italy. However, differences in the levels of corruption perception and experience vary significantly across regions and are particularly pronounced in Central Asia and in eastern Europe and the Caucasus. Furthermore, there is a negative correlation, particularly in south-eastern Europe, between satisfaction with public services and making unofficial payments, especially in the health care sector and when dealing with traffic police.

An analysis of the determinants of different approaches to fighting corruption (Box 1) indicates that respondents who live in a country with freer media and a better rule of law are less likely to believe they are powerless to counter corruption and, consequently, they are more likely to report any incidence of corruption or refuse to pay the bribe. Moreover, it has been documented that older people, university graduates, people with higher incomes and those who actively volunteer in community organisations are significantly less likely to say that there is nothing they can do about corruption. In general, these findings are in line with the literature which highlights the role of individual attitudes and social trust as an important determinant of both the perception and experience of corruption.

The analysis in this chapter also shows that corruption is related to freedom of the press, effectiveness of democracy (particularly political participation) and governance, and the rule of law. Country level correlations imply that these elements are crucial for accountable and transparent governance. More specifically, respondents in democratic countries tend to report fewer experiences of corruption than their counterparts in less democratic countries. In addition, people who live in countries with more effective governments (that is to say, high quality public and civil services that operate independently from political pressures) are less likely to experience corruption and there is a strong negative relationship between corruption experience and the presence of rule of law in a country.

Finally, the level of trust in institutions has fallen considerably since 2010, though it varies within and across regions. It is generally high in Central Asia and south-eastern Europe and low in eastern Europe and the Caucasus. Overall, people tend to trust their police, armed forces, president/prime minister and religious institutions while only about two-fifths of respondents have confidence in their government and its organisations. Generalised trust has increased modestly in the transition region since 2010. This is especially the case in Turkey and Lithuania – both countries have experienced some of the highest increases in generalised trust between 2010 and 2016. Overall, both real trust and generalised trust are now higher in the transition region than in the western European comparator countries, Germany and Italy. ■

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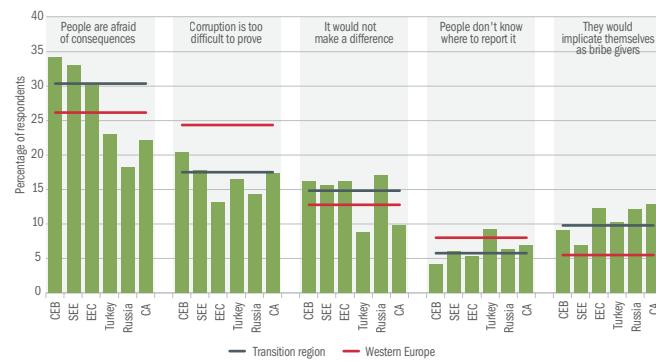
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Appendix figures

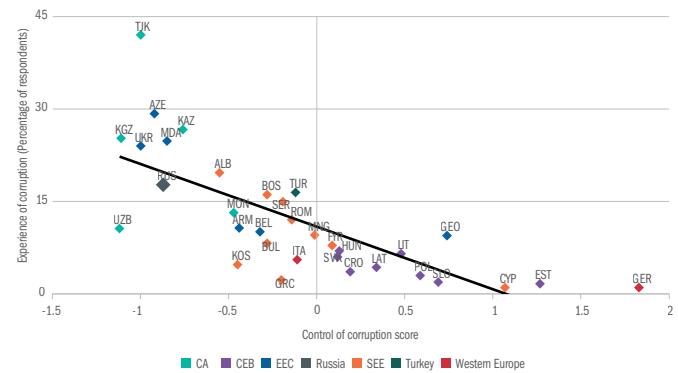
CHART 2.A1. Top five reasons for not reporting corruption



Source: LITS III (2016).

Note: "Reasons for not reporting corruption" refers to the proportion of respondents who chose the given category as a reason for not reporting corruption.

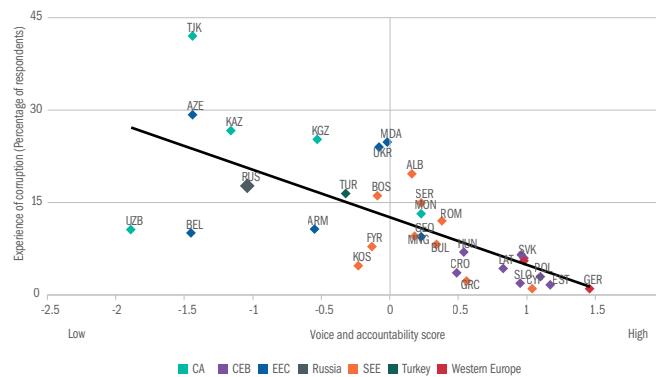
CHART 2.A3. Experience of corruption and control of corruption



Source: LITS III (2016) and Worldwide Governance Indicators (WGI).

Note: "Experience of corruption" refers to the proportion of respondents who say they or a member of their household made an unofficial payment or a gift in the past 12 months averaged across all public services covered by the survey. The control of corruption score (2014) is published by the Worldwide Governance Indicators (WGI) project of the World Bank. It captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

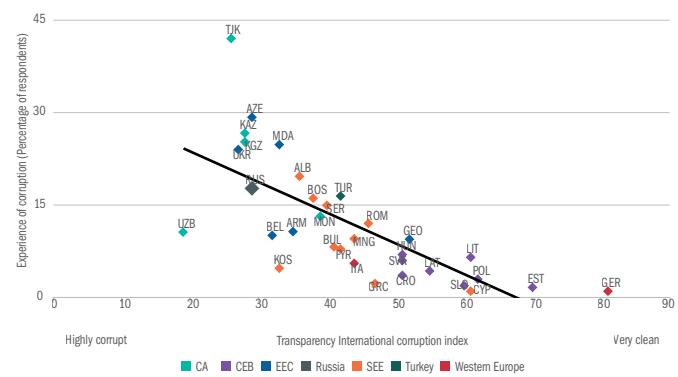
CHART 2.A2. Experience of corruption and voice and accountability



Source: LITS III (2016) and Worldwide Governance Indicators (WGI).

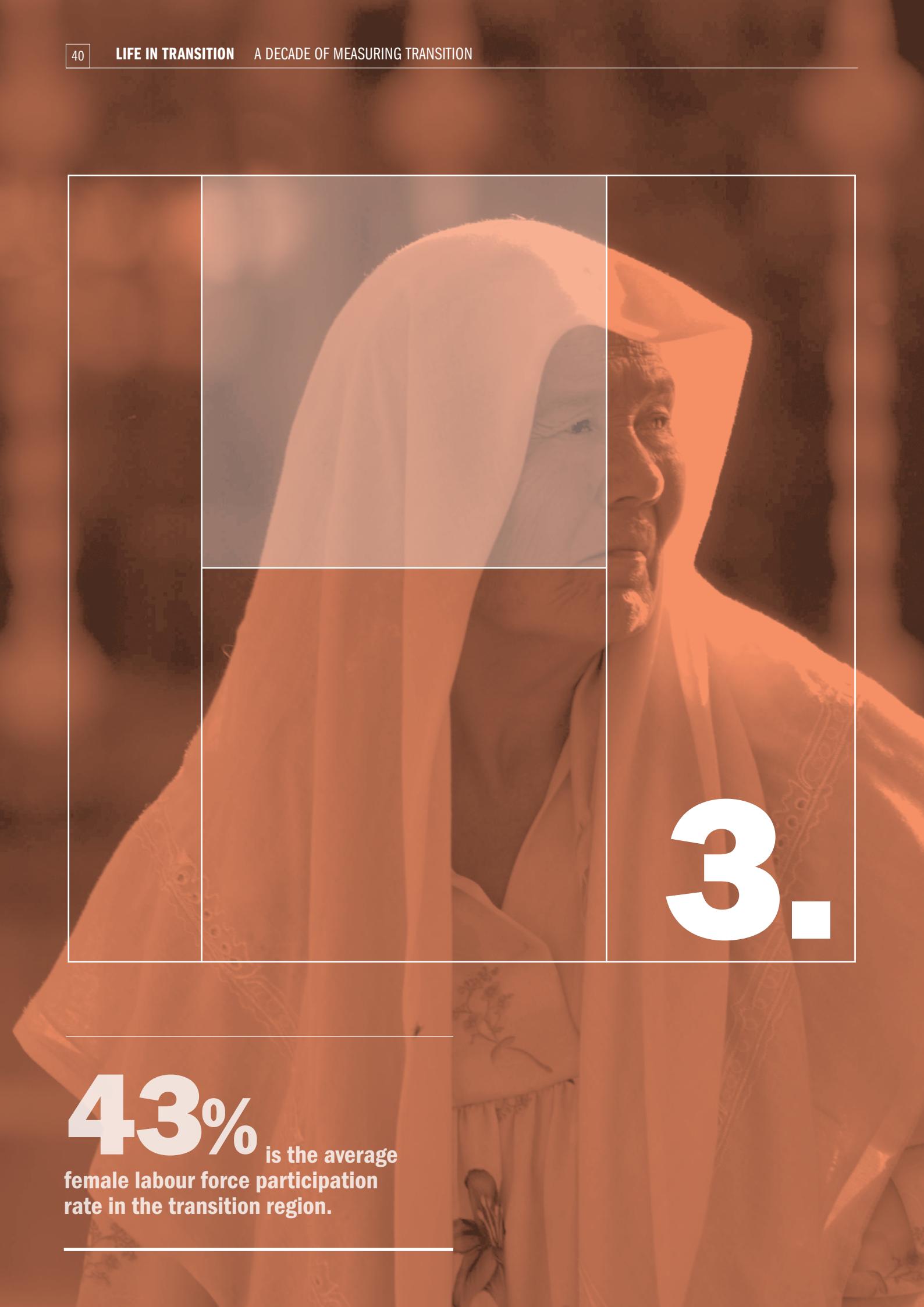
Note: "Experience of corruption" refers to the proportion of respondents who say they or a member of their household made an unofficial payment or a gift in the past 12 months averaged across all public services covered by the survey. The voice and accountability score (2014) is published by the Worldwide Governance Indicators (WGI) project of the World Bank. It captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association and a free media.

CHART 2.A4. Experience of corruption and corruption perception index



Source: LITS III (2016) and Transparency International (TI, 2015).

Note: "Experience of corruption" refers to the proportion of respondents who say they or a member of their household made an unofficial payment or a gift in the past 12 months averaged across all public services covered by the survey. The corruption perception index (2015) is published by Transparency International and measures the perceived levels of public sector corruption worldwide.

A close-up photograph of a woman's face and upper body. She is wearing a white headscarf and a light-colored dress with a subtle floral or paisley pattern. Her gaze is directed towards the right of the frame. The lighting is soft, creating a warm, intimate atmosphere.

3.

43% is the average
female labour force participation
rate in the transition region.

Gender in the transition region

This chapter explores five gender-related priority areas using the data from the third wave of the Life in Transition Survey (LiTS) – education; labour market outcomes; female entrepreneurship; political participation; and general attitudes towards women in the transition region.

Introduction

The transition process from planned to market economies has brought many changes in the lives of both women and men. Gender equality is a human right but it is also a driver of economic development, as evidenced by the importance given to it in the United Nations Sustainable Development Goals. Indeed, there is a growing body of evidence that recognises the importance of greater gender equality, particularly in education and employment. Gender parity can foster growth, enhance key human development outcomes and make institutions more diverse.¹

The EBRD has explored these issues in many reports and promotes gender equality through its operations.² The Bank's first ever Gender Strategy (2016-20) aims to establish a better future for women and men in the transition region where both have the same rights and opportunities to contribute to decision-making processes affecting their lives and both have equal access to finance and public services.

Despite unprecedented progress over recent years, gender inequalities persist in the transition region. According to the United Nations Development Program's Gender Inequality Index, nearly all transition countries have made progress toward gender equality since 2000 but only a few of them are close to gender parity at all levels, including reproductive health, empowerment and the labour market.³ While women represent half of the population in the transition region, they still fall behind their male counterparts in terms of many socio-economic outcomes. Considerable challenges remain, from labour market discrimination to low levels of education, and an overall imbalance in equality of opportunities. These factors prevent the full participation of women in the labour market and decision-making at household, corporate and political levels. As a result, a great volume of economic potential remains untapped.

This chapter explores five gender-related priority areas using the data from the third wave of the Life in Transition Survey (LiTS) – education; labour market outcomes; female entrepreneurship; political participation; and general attitudes towards women in the transition region.

¹ See Seguino (2000); Currie and Moretti (2002); Klasen (2002); Kabeer (2005); and Klugman et al. (2014). Also see The EBRD's Fostering Economic Inclusion within the Transition Impact Methodology.

² See The EBRD's Strategy for the Promotion of Gender Equality 2016-20.

³ The Gender Inequality Index (GII) reflects gender-based disadvantages in three dimensions – reproductive health, empowerment and the labour market – for as many countries as data of reasonable quality allow. It shows the loss in potential human development due to inequality between female and male achievements in these dimensions. It ranges between 0, where women and men fare equally, and 1, which represents the most unequal outcome for one gender in all measured dimensions.

Education

Education is a basic human right and should be accessible to all.⁴ Indeed, this was an overriding principle of the former communist governments in many transition countries, where intensive efforts were made to improve access to education and the quality of educational institutions, which were highly ranked for many years. Adult educational attainment and literacy were high for both genders, tuition and associated costs (such as textbooks) were free and dropout rates were relatively low. This success in achieving gender parity in education is still visible in many transition countries in 2016.

Chart 3.1 shows the average number of years of education received by people aged 25 and older. On average, the years spent in education is highest in Russia, while respondents in eastern Europe and the Caucasus (EEC) report the second highest average, followed by the countries of Central Asia (CA) and central Europe and the Baltic states (CEB). This contrasts with the western European comparators (Germany and Italy) where the average number of years of education is less than 12 years for both men and women.⁵ It is also evident from the chart that the difference between male and female educational attainment is small in most regions, with the exception of south-eastern Europe (SEE), Turkey and western Europe.⁶ This may be because women had relatively better access to education in former socialist countries. However, women have generally made gains in educational attainment in CEB, SEE and especially Turkey compared to the previous LiTS in 2010.

Chart 3.2 reports the proportion of respondents with at least a tertiary level of education. As this chart illustrates, there are higher percentages of women than men with at least a tertiary level of education in Russia as well as the EEC and CEB countries. By contrast, more men than women have post-secondary level education in Central Asia, SEE and Turkey (as well as the comparator western European countries included in LiTS III). Although a cross-country comparison reveals substantial variation across transition countries with regard to educational attainment, on average, the percentage of respondents who hold at least a tertiary level of education has increased relative to 2010.

Growth in demand for a skilled workforce requires both men and women to stay in education to equip themselves with the skills needed. However, women's education can be limited in cultures where marrying and starting a family at an early age is the social norm which may also, in turn, create barriers to labour force participation.⁷ Indeed, Charts 3.3 and 3.4 provide some evidence in support of this view, plotting the teenage birth rates (that is to say, the number of births per 1,000 women aged 15–19) and early marriage index (the percentage of ever-married girls,⁸ aged 15–19) against the female-to-male tertiary education enrolment ratio (values greater than 1 represent a higher share of tertiary education among women relative to men).⁹

Women who are limited in their human capital accumulation because of childbearing during their teenage years may not reach their lifespan's economic potential. Indeed, studies from

CHART 3.1. Average number of years of education in 2010 and 2016 by gender and region



Source: LiTS II (2010) and LiTS III (2016).

Note: "Average number of years of education" refers to the number of years spent in education by a country's adult population (25 years and older) excluding years spent repeating grades. It is calculated using the International Standard Classification of Education (ISCED, 2011) taxonomies, produced and maintained by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to facilitate comparisons of education statistics and indicators across countries on the basis of uniform and internationally agreed definitions. This chart and all the other charts based on LiTS data use survey-weighted observations. Regional averages are based on simple averages of the country scores.

CHART 3.2. Percentage of men and women with at least a tertiary level of education



Source: LiTS II (2010) and LiTS III (2016).

Note: "At least a tertiary level of education" refers to the percentage of respondents (25 years and older) who completed this educational level following the completion of a school providing a secondary education.

⁴ Article 26 in the United Nations Universal Declaration of Human Rights: "Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit".

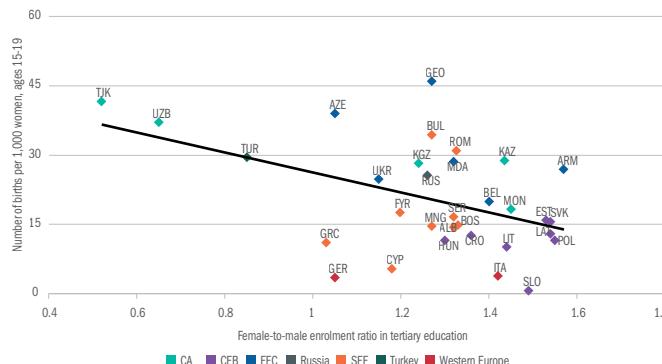
⁵ Throughout the chapter, we use the term "western Europe" in order to benchmark the transition region against a number of advanced economies included in the Life in Transition Survey. More specifically,

"western Europe (2010)" denotes the average of France, Germany, Italy, Sweden and the United Kingdom and "western Europe (2016)" denotes the average of Germany and Italy.

⁶ In SEE there are small differences between former socialist countries (22 per cent for men and 23 per cent for women) and Greece and Cyprus (23 per cent for men and 25 per cent for women).

⁷ Previous studies also show that high local unemployment rates significantly and positively affect teenage fertility rates. See, for example, Arkes and Klerman (2009) and Aksoy (2016).

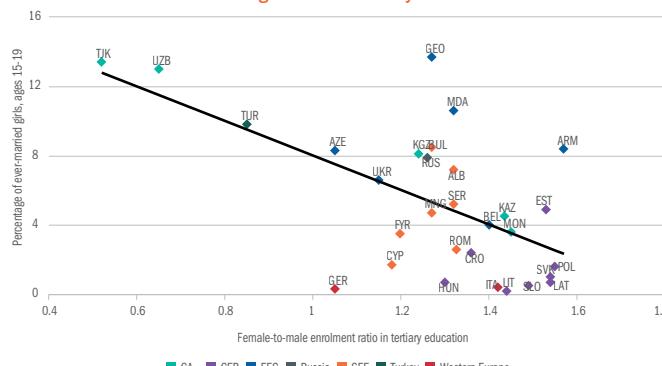
CHART 3.3. Teenage fertility rate and tertiary education enrolment



Source: LITS III (2016) and United Nations, Department of Economic and Social Affairs, Population Division (2015).

Note: Teenage fertility rate is the number of births per 1,000 women ages 15-19. Higher values are less favourable for women. Enrolment ratio in tertiary education is the proportion of the female-to-male values of the enrolment in tertiary education. Values greater than 1 are more favourable for women.

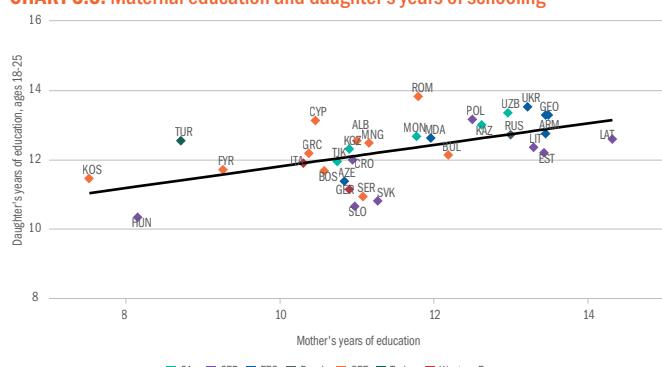
CHART 3.4. Adolescent marriage rate and tertiary education enrolment



Source: LITS III (2016) and United Nations, Department of Economic and Social Affairs, Population Division (2015).

Note: Early marriage rate is the percentage of ever-married girls aged 15-19. Higher values are less favourable for women. Enrolment ratio in tertiary education is the proportion of the female-to-male values of the enrolment in tertiary education. Values greater than 1 are more favourable for women.

CHART 3.5. Maternal education and daughter's years of schooling



Source: LITS III (2016).

Note: "Daughter's years of schooling" refers to the number of years spent in education by a country's adult population (ages 18-25) excluding years spent repeating grades. "Maternal education" refers to the number of years spent in education by a country's adult population (ages 25-64) excluding years spent repeating grades. Both measures are calculated using the International Standard Classification of Education (ISCED, 2011) taxonomies, produced and maintained by the United Nations Educational, Scientific and Cultural Organizations (UNESCO) to facilitate comparisons of education statistics and indicators across countries on the basis of uniform and internationally agreed definitions.

⁸ The term "ever married" describes persons who have been married at least once in their lives although their current marital status may not be "married" (United Nations, Department of Economic and Social Affairs, Population Division, 2008).

⁹ Data on adolescent marriage and fertility come from the United Nations, Department of Economic and Social Affairs, Population Division (2015).

¹⁰ Moore and Waite (1978), Klepinger et al. (1995) and Bronars and Grogger (1994).

a variety of countries show that teenage fertility has an adverse effect on educational attainment and increases the likelihood of living in poverty.¹⁰ As illustrated by Chart 3.3, there is a negative correlation at the country level between teenage fertility and the female-to-male tertiary education enrolment ratio. This chart reveals that the highest average level of teenage fertility is found in Georgia, Tajikistan and Azerbaijan. Georgia is also a noteworthy outlier because, despite its high teenage fertility rate, the tertiary education enrolment ratio compares well with the transition region average. The highest female-to-male enrolment ratio and relatively low adolescent pregnancy rates can be found in central Europe and the Baltic states.

Chart 3.4 shows a scatter plot of the female early marriage index and the female-to-male tertiary education enrolment ratio, illustrating that a lower adolescent marriage rate tends to be associated with a higher female-to-male tertiary education enrolment ratio in the transition region. In Tajikistan, for example, the enrolment ratio is the lowest in the transition region while the adolescent marriage rate is the second highest. However, there are notable exceptions such as Armenia, where the adolescent marriage rate is relatively high but the enrolment ratio is also among the highest in the transition region. Although the reasons for early marriage are varied and complex, previous research has shown that access to education is an important factor in delaying teenage marriage.¹¹ Early marriage can also have undesirable inter-generational effects as children are less likely to be educated or immunised if their mother has not received an education.¹²

Previous research has shown that a mother's education has a significant impact on a daughter's schooling and each extra year of maternal education increases the likelihood of attending university.¹³ Chart 3.5 displays a scatter plot of this relationship – the number of years of education completed by the respondent's mother against the daughter's average years of schooling. The chart shows that there is a positive correlation at the country level between maternal education and girls' educational attainment. This is particularly visible in Russia, central Europe and the Baltic States, and eastern Europe and the Caucasus. Intergenerational correlation in education is very important for designing policies and in mitigating discriminatory cultural factors to reduce educational inequality in the transition region.

¹¹ Bates et al. (2007) and Field and Ambrus (2008).

¹² World Bank (2011).

¹³ Glick and David (2000).

Employment

The relatively equal education attainment across gender in much of the transition region does not translate into similarly equal labour market outcomes. In fact, some transition countries remain characterised by low female labour market participation and employment rates.¹⁴ Chart 3.6 shows the average female labour force participation rate is about 43 per cent in the transition region which is substantially lower than the average for men. It also varies across countries, ranging from 33 per cent in Turkey to 64 per cent in Russia. Considerable variation also exists across regions when it comes to the labour force participation gap. The highest participation gap is observed in EEC and CA countries as well as in Turkey, ranging from 22 per cent to 40 per cent. These numbers are consistent with earlier findings that women's labour force participation rate is lower than that of men in the transition region.¹⁵

By contrast, the gender gap is relatively lower in Russia and CEB countries, with the notable exception of Turkey where the gap is the highest in the transition region. Interestingly, male labour force participation rates are fairly homogenous across all countries.

Chart 3.7 shows the percentage of women and men who were in employment at any time in the previous 12 months. Women are less likely than men to be in employment in all countries, including the two western European comparator countries, Germany and Italy. Women in the CEB region and Russia have the highest chance of being employed, with about 48 per cent reporting they have worked for wages in the year prior to LiTS III, while only 43 per cent of women in the EEC region, 41 per cent in CA and 39 per cent in the SEE region did so. The lowest female employment ratios are in Turkey, Kosovo, FYR Macedonia and Bosnia and Herzegovina. Although female employment has generally increased compared to 2010 levels, the gap remains considerable in many transition countries. There is also a substantial difference between women's employment in rural and urban areas. The survey shows that women undertake most of the essential but unpaid work in rural areas such as childcare, caring for elderly family members, doing household chores and so on. This restricts their ability to participate in the labour force and take on paid work.

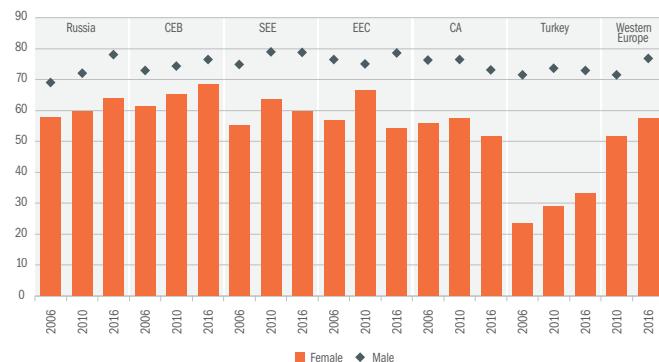
To assess the association between gender and full-time employment, a number of regressions are estimated. These connect observable characteristics to full-time employment by partnership status (that is to say, married or in a cohabiting partnership versus single). This partnership-based investigation is important as prior work in the literature suggests that heterosexual men in partnerships might specialise in market production while some heterosexual women in partnerships might specialise in home production, especially in environments with unequal labor market opportunities.¹⁶ In other words, family tasks are in many cases still considered the domain of women and marriage plays a crucial role in attachment to the labour market. Note that in these models the comparison group consists of male individuals.

¹⁴ Conservative social attitudes toward women in the work place prevail in other regions as well. In the Middle East, North Africa and south Asia, less than 40 per cent of women aged 25 and older participate in the labour force (Verick, 2014).

¹⁵ See Pignatti (2016).

¹⁶ See Becker (1991), Hundley (2000) and Aksoy et al. (2016).

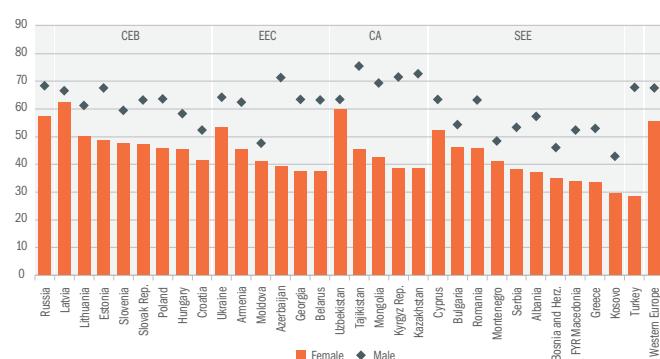
CHART 3.6. Labour force participation rate in 2006, 2010 and 2016 by gender and region



Source: LiTS I (2006), LiTS II (2010) and LiTS III (2016).

Note: The female (male) labour force participation rate is a measure of the active female (male) proportion of an economy's labour force. It refers to the number of people aged 18–64 who are either employed or are actively looking for work.

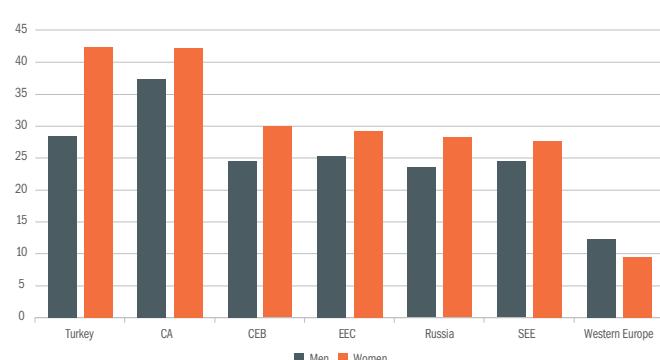
CHART 3.7. Employment to population ratio in 2016 by gender and country



Source: LiTS III (2016).

Note: Employment (rate) to population ratio refers to the percentage of female (male) in employment as a percentage of the female (male) working age population (between 18 and 64 years old).

CHART 3.8. Youth not in employment, education or training (NEET)



Source: LiTS III (2016).

Note: NEET refers to the proportion of young people (aged 18–24) who are not in employment, education or training, as a percentage of the total number of young people in the corresponding age group, by gender.

TABLE 3.1. Full-time employment gap in the transition region

Sample	(1)	(2)	(3)
	Full sample	Partnered sample	Non-partnered sample
<i>Individual level variables</i>			
Female	-0.114*** (0.003)	-0.172*** (0.005)	-0.031*** (0.006)
Degree level education	0.153*** (0.005)	0.154*** (0.007)	0.145*** (0.008)
Rural	-0.057*** (0.004)	-0.062*** (0.005)	-0.049*** (0.006)
Presence of children	-0.015*** (0.004)	-0.020*** (0.005)	-0.018** (0.007)
Good health	0.113*** (0.004)	0.097*** (0.005)	0.133*** (0.007)
Female*rural	-0.003*** (0.000)	-0.002* (0.001)	-0.018*** (0.006)
Female*children	-0.071*** (0.004)	-0.102*** (0.010)	-0.002 (0.008)
R²	0.265	0.269	0.282
N	46,101	27,571	18,530

Source: LITS III (2016).

Note: * significant at 10%; ** significant at 5%; *** significant at 1%. Dependent variable is full-time employment. Specific controls in each column include age and its square; religion and country dummies. Country level controls include GDP per capita (constant 2011 international dollars). Column 1 also includes a control for being in any kind of partnership.

For the likelihood of full-time employment in column 1 of Table 3.1 (pooled sample) and column 2 (partnered sample), the results indicate that women are significantly less likely to be in full-time employment than comparable men. The point estimates on the female variable are large, even after controlling for demographic characteristics. This difference for women is driven by the partnered sample – partnered women are 17.2 percentage points less likely to be working full-time than similarly partnered men. Looking at column 3 in Table 3.1, the full-time employment gap is substantially smaller, where non-partnered women are only 3.1 percentage points less likely to be in full-time employment. This holds even after controlling for the presence of children in the household.

This table also shows that women with children and women who reside in rural areas are less likely to be in full-time employment compared to men in similar circumstances. Altogether, the findings suggest that, as elsewhere, women who are responsible for child-rearing and looking after other family members are significantly less likely to be integrated into the labour market.

The data suggest that labour markets do not function in a competitive way in most transition countries and structural reforms are needed to boost women's participation in the labour force. One solution is for policy-makers in the transition region to provide suitable allowances for child care, elderly care and so on, to enable more women to participate in the labour force and maintain employment.¹⁷

Youth inactivity

The transition towards the market economy, technology-based industries and globalisation, which requires skilled workers with higher levels of education, has certainly accentuated the vulnerability of many young people across the transition region. Economic inclusion remains a critical challenge for many of the EBRD's countries of operations.

Youth unemployment stands at alarming levels of around 50 per cent in Bosnia and Herzegovina, Croatia and Serbia, compared to about 15 per cent in western Europe. In parallel, most transition countries experience high levels of youth inactivity – that is to say, not in employment, education or training (NEET).

Chart 3.8 shows the percentage of young people aged 18-24 who are not in education, employment or training. In all transition countries, NEET rates are higher for women than for men. More specifically, the transition region average NEET rate for young women is 6 percentage points higher than the rate for young men. Only in Cyprus and Greece are young men more likely to be NEET than young women.

Gender gaps in NEET rates are largest in Kosovo, Azerbaijan and Turkey, where being NEET appears to be one of the biggest obstacles to the independence of the younger generation. An examination of their background, based on information obtained through the LITS, suggests that NEETs are more likely to be found among those who live in rural areas and are less educated. These NEET measure-based findings are particularly important because NEETs often struggle to find opportunities in the labour market and are likely to remain unemployed for the long term.

Entrepreneurship

One of the most pressing problems in the transition region is its persistently low level of entrepreneurial activity. Studies show that entrepreneurial activity rates are lower in the transition economies on the whole than in other developed and developing economies.¹⁸ In other words, a substantial potential for job creation and economic growth remains untapped. Although the business environment in the region is similar for men and women, the number of female-owned enterprises remains substantially lower. Indeed, the same investment climate barriers can impact male-owned and female-owned businesses very differently as the latter tend to be among the smaller businesses with fewer resources to navigate bureaucracy. According to data from the Global Entrepreneurship Monitor, the total early-stage entrepreneurial activity among females – that is to say, the proportion of a country's working-age female population who are actively trying to start their own business and those who at least partially own a business less than 3.5 years old – is approximately 3.25 per cent in the transition region compared to the two western European comparators (Germany and Italy) average of 8.25 per cent.¹⁹ While these figures disguise considerable variation across countries, they still reflect the common trends regarding female entrepreneurship in the transition region.

¹⁷ For example, see Jenson and Jacobzone (2000) and Tekin (2014).

¹⁸ See Estrin et al. (2006) and Aidis et al. (2008).

LiTS III asked respondents whether or not they have ever attempted to start their own business, allowing for the possibility that they may have done so in the past but are no longer involved or it did not succeed. As Chart 3.9 illustrates, across all regions, men are more likely to report that they tried to set up a business. The highest level of entrepreneurial activity is in Central Asia where, on average, about 20 per cent of respondents (22 per cent of men and 16 per cent of women) indicate that they have attempted to set up a business. It is apparent from this chart that women in all regions are under-represented. Notwithstanding variation within and across regions, men are about twice as likely to be entrepreneurs as women, on average. In addition, there are small differences in the size of the gap in terms of educational level, age group, marital status or urban/rural status. But when it comes to the success rate of their businesses, women are not significantly less successful than men – about the same percentage of women as men say they have managed to set up a business of their own.

Respondents who reported that they tried to set up a business and did not succeed in doing so were asked a follow-up question:

What was the main reason you did not manage to set up the business?

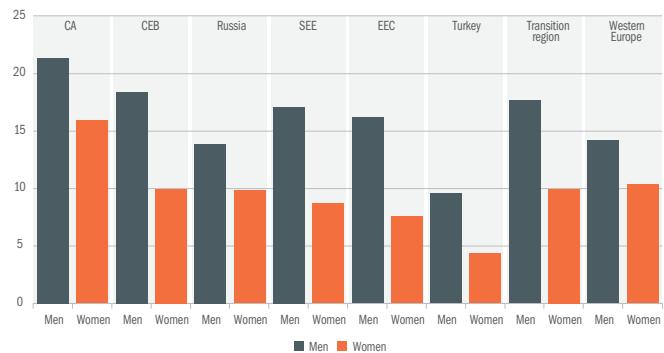
- **Did not have enough capital**
- **Too much bureaucracy/red tape**
- **Could not afford the bribes**
- **Could not afford protection**
- **Competitors threatened me**
- **Change in personal situation**
- **Other.**

There are noteworthy gender-specific differences in the responses to this question. As shown in Chart 3.10, female entrepreneurs are more likely to cite insufficient funding as the main barrier to setting up their own business. Nevertheless, about the same share of men and women sought capital to set up their business (34 per cent and 36 per cent respectively) and women do not, in general, report any less success in obtaining it than men. In CA and EEC countries the data reveal some gender disparity in access to funding but the difference is negligible. Women in Russia, Turkey, Central Asia and the western European comparator countries (Italy and Germany) cite a change in their personal situation as the main reason for not being able to set up a business. Bureaucratic obstacles, interestingly, do not seem to prevent entrepreneurs from reaching their goals. These figures, however, should be interpreted with caution owing to a small number of observations in each category.

Entrepreneurship comes with inherent risk bearing.²⁰ To better understand the degree of risk aversion in the transition region, LiTS respondents were asked to rate their risk-taking or aversion behaviour on a scale from 1 to 10, where 1 denotes they are not willing to take risks at all and 10 denotes they are very much willing to take risks.

Across the transition region, women are, on average, more risk averse than men. However, this difference has fallen compared to the previous LiTS in 2010. In other words, women have become

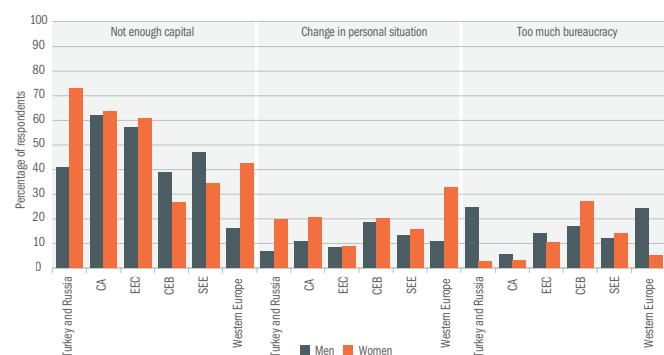
CHART 3.9. Percentage of men and women (aged 18–64) who have ever attempted to start their own business



Source: LiTS III (2016).

Note: Percentage of female (male) who have ever attempted to start their own businesses as a percentage of the female (male) working age population (between 18 and 64 years old).

CHART 3.10. Top three reasons for not being able to set up a business by gender and region



Source: LiTS III (2016).

Note: "Top three reasons for not being able to set up a business" refers to the percentage of people who reported that their attempt to set up a business failed because of one of the following reasons – a) not enough capital; b) too much bureaucracy; c) could not afford the bribes; d) could not afford protection; e) threats from competitors; f) change in personal situation; and g) other.

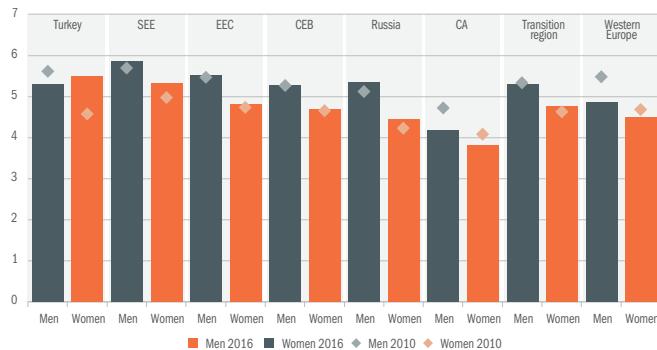
About

20%

of men and women in Central Asia indicate that they have attempted to set up a business of their own.

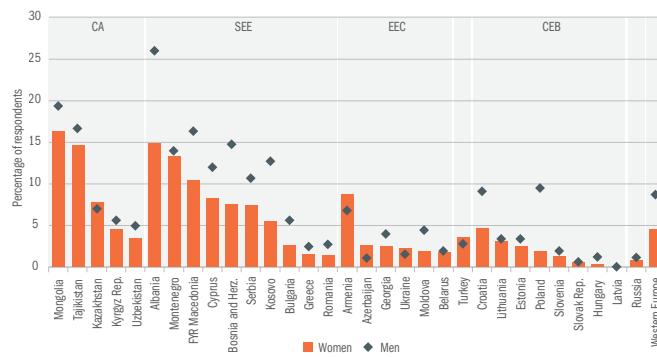
¹⁹ Based on data from the Global Entrepreneurship Monitor (1999–2012). The averages are calculated for 13 transition economies and 2 western European comparator countries for which data is available.

²⁰ See Kihlstrom and Laffont, (1979), Parker (2009) and Guiso and Rustichini (2011).

CHART 3.11. Mean of risk aversion in 2010 and 2016 by gender and region

Source: LiTS II (2010) and LiTS III (2016).

Note: On the 10-point scale, 1 represents "not willing to take risks at all" and 10 represents "very much willing to take risks". Therefore, a lower scale implies higher risk aversion.

CHART 3.12. Political party membership in 2016 by gender and country

Source: LiTS III (2016).

Note: Political party membership refers to the percentage of respondents who reported that they are a member of a political party at the time of the interview.

less risk averse among all surveyed sub-regions except Central Asia. The proportion of female respondents indicating that they are willing to take risks is highest in Turkey, followed by the SEE and EEC regions. Another noteworthy finding is that risk-taking behaviour in the transition region is relatively higher than in the western European comparator countries – an encouraging finding given that risk aversion is negatively associated with wealth creation.

Political participation

Persistent gender gaps are often associated with discriminatory social and political institutions, which restrict the economic and social integration of women. Most transition countries – where women's political participation in the past was secured through quotas – democratised their political institutions and practices following the collapse of communism. Although the shift toward democracy should theoretically increase equal political participation of men and women, research shows that the formation of new democratic governments has not led to an increase in female political integration nor their representation in parliaments compared to the communist era.²¹

Despite the fact that women are still less likely to participate in politics, legislation to promote gender equality in the transition region has led to some progress over the past decade. Women are gradually increasing their role in politics, most political parties include assurances of the rights of women in their party programmes, and intergovernmental organisations play a greater role to ensure inclusion of women, especially with respect to civil and political rights.

Women's parliamentary representation varies significantly across countries. It ranges from a high 33-37 per cent in Serbia, Slovenia and FYR Macedonia to a low of 10-12 per cent in Hungary, Armenia, Ukraine and Georgia.²² Chart 3.12 shows the percentage of respondents who reported that they are a member of a political party. Across the transition region, on average, women are less likely to be affiliated with political parties. However, in five transition countries (Kazakhstan, Armenia, Azerbaijan, Ukraine and Turkey) women report a higher proportion of political party membership than men. Most notably, the gender gap in political participation is the largest in the SEE countries. In Albania, for example, the difference is more than 10 percentage points, while in Greece, Montenegro and Romania the differences are small. In the CA and CEB regions, the data reveal only limited gender disparity.

LiTS III asked respondents whether or not they are members of voluntary organisations such as church/religious groups, sport or recreational associations, labour unions, women's groups, farming cooperatives and so on (see Chart 3.13 for the full list). In each transition sub-region, membership of voluntary organisations is substantially higher than political party membership. About the same proportion of men and women report membership of a voluntary

²¹ LaFont (2001).

²² Interparliamentary Union website (2016).

organisation and women do not in general report any less involvement than men. In FYR Macedonia and Montenegro the data reveal some gender disparity but the difference is small. Women in Belarus, Bulgaria, Croatia, Latvia, Lithuania, the Kyrgyz Republic, Kazakhstan, Moldova, Serbia, Turkey and Ukraine report higher rates of voluntary organisation membership than men. This suggests that many women participate in politics at a local level, mostly as NGO workers and civil activists.

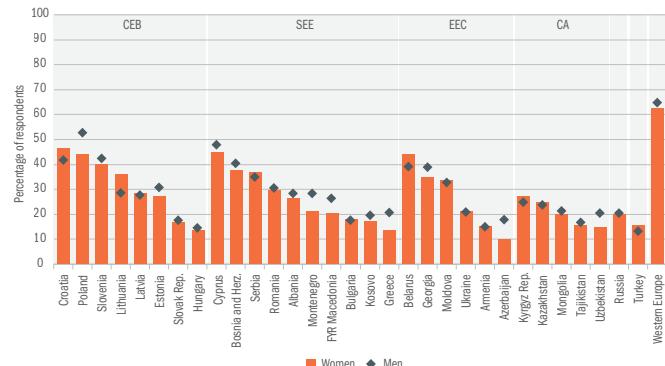
Attitudes towards women

Chart 3.14 shows that the vast majority of people in Russia and in EEC and CA countries believe that it is “better for everyone involved” for the man to earn the money and the woman to take care of the home and children.²³ Women in these countries are also supportive of this stance – for example, 80 per cent of women and 78 per cent of men in Russia and 95 per cent of men and women in Azerbaijan are in favour of traditional gender roles. The gap is slightly larger in the SEE region where more than half of the male respondents think that women should stay home and look after the family.

Chart 3.15 attempts to provide some evidence on gender roles within the household, which mainly considers the involvement of women in economic decisions. In Russia, more than 80 per cent of women report that they are in charge of daily household spending, followed by the CEB countries. In Turkey, however, only about 60 per cent of women report that household spending is their responsibility, which is the lowest in the transition region. In the CA, SEE and EEC regions there are also substantial differences when it comes to daily household spending decisions. In families where financial decisions are not made jointly by partners, women tend to be the main decision-makers and take charge of the family's daily expenses.

The second and third areas of investigation are making large household purchases and household savings, investments and borrowing. Interestingly, there are more gender differences in these categories compared to the previous one, which sheds light on the true primary financial decision-makers in the household. Across the transition region, women are rather more reluctant to make financial decisions (outside of day-to-day spending and paying bills) than men, except in Russia and the CEB countries. However, the gap is considerably small in all regions except Turkey.

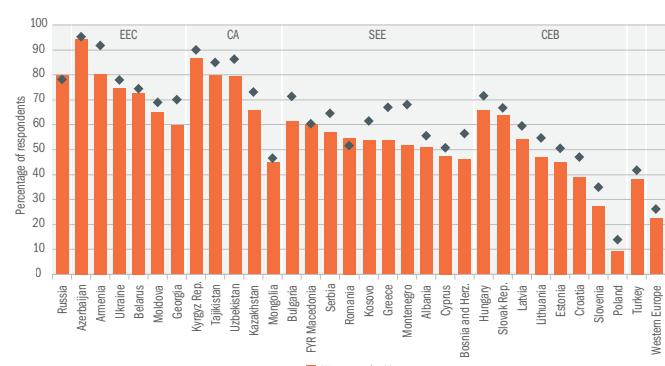
CHART 3.13. Voluntary organisation membership in 2016 by gender and country



Source: LiTS III (2016).

Note: Voluntary organisation membership refers to the percentage of respondents who report that they hold membership in at least one of the following organisations: 1) church and religious organisations; 2) sport and recreational organisations; 3) art, music or educational organisations; 4) labour unions; 5) environmental organisations; 6) professional associations; 7) humanitarian organisations; 8) youth associations; 9) women's groups; and 10) farming cooperatives.

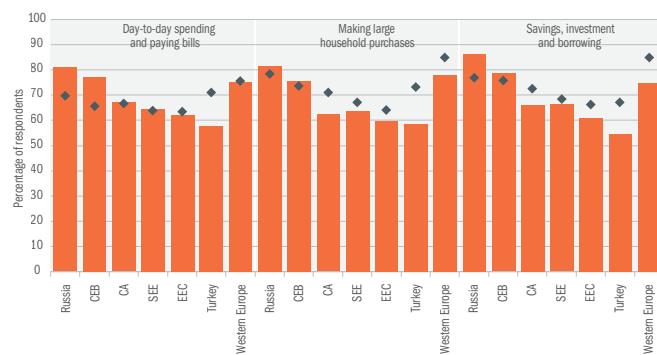
CHART 3.14. Preferences for women's time allocation in 2016 by gender and country



Source: LITS III (2016)

Source: LITS III (2016).
Note: "Preferences for women's time allocation" refers to the proportion of respondents in each country who agree or strongly agree that "it is better for everyone involved if the man earns the money and the woman takes care of the home and children".

²³ Tirole (1996) shows that individual reputations are determined by collective reputations (and vice versa). In other words, stereotypes persist because new members of a group inherit the collective reputation of the previous generation.

CHART 3.15. Household decision-making in 2016 by gender and region

Source: LiTS III (2016).

Note: "Household decision-making" refers to the proportion of respondents in each country who report "mostly me" and "shared equally between me and my partner" make decisions in the following issues: 1) managing day-to-day spending and paying bills; 2) making large household purchases (such as cars, major appliances); and 3) savings, investment and borrowing.

Conclusion

This chapter has argued that while educational attainment is relatively equal across genders in the transition region, this is not yet reflected in labour market outcomes. More specifically, on average, there are few gender differences in terms of years of education and the share of respondents with tertiary education has increased relative to 2010. There are, however, notable differences among sub-regions and across countries. For example, only around 10 per cent of women and 15 per cent of men have a tertiary level education in Azerbaijan and Serbia, while about 26 per cent of women and 30 per cent of men do so in the Kyrgyz Republic, Mongolia and Poland.

This chapter has also explored how women are disadvantaged in the labour force. When it comes to paid work, they are less engaged in the workforce than men. Women are also less likely to be in full-time employment. In terms of unpaid work, they bear a disproportionate share of the housework and care of children and relatives. The most prominent and gender-specific factors that hinder women's participation in the labour force are having children, lack of education and residing in rural areas.

There are fewer business women in the transition region in comparison to the two western European countries (Germany and Italy) and the proportion of female entrepreneurs in the region has not increased significantly since 2010. On average, female entrepreneurs have higher levels of educational attainment but there is no significant correlation at the country level. Both men and women often cite insufficient funding as the main barrier to setting up a business while more women than men fail to start a business due to a change in their personal situation (such as having a child).

LiTS III results show that women's views are not always sufficiently taken into account in decision-making processes at national, local or even at household levels. Female political

participation is rather limited in the region as a whole. By contrast, many women participate in politics at a local level, mostly as NGO workers and civil activists. The majority of LiTS III respondents believe that "it is better for everyone involved if the man earns the money and the woman takes care of the home and children".²⁴

This chapter has investigated forms of gender inequality across the transition region and identified a number of important issues for public authorities to consider when designing policies to encourage more equal gender representation in the labour market. First, reforms in family and education laws are needed in order to encourage parents to invest in their daughters' education. Moreover, instruments need to be developed to further engage women in higher education, particularly in science and technology, in order to improve their employment prospects. Second, governments should adopt strategies such as child and family care allowances, improve access to training, and provide support for work/life balance to address gender gaps in employment outcomes. Third, gender gaps in access to finance need to be addressed. This could be achieved by the introduction of dedicated credit lines, risk loss cover schemes and technical support and business advisory services tailored for women-led enterprises. Lastly, proactive measures should be taken to address the gender gap in political representation and to ensure equality of opportunity for women to participate at both local and national levels. ■

More than

80%

of women in Russia report that they are in charge of daily household spending.

²⁴ LiTS III (2016).

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A black and white photograph showing a man from the chest up. He is wearing a plaid shirt and glasses, looking down at some papers he is holding. To his left, on a desk, there is a glass of water and a small potted plant.

4.

Over

92%

of Greek respondents believe that
the crisis has affected them
“a fair amount” or “a lot”.

The impact of the crisis on households in Greece

How have the implications of the economic crisis and the related austerity measures impacted on the lives of Greek residents? This chapter takes a look at the experience of Greek households in coping with recent challenges, and how the crisis has affected their material and subjective well-being and their trust in political institutions.

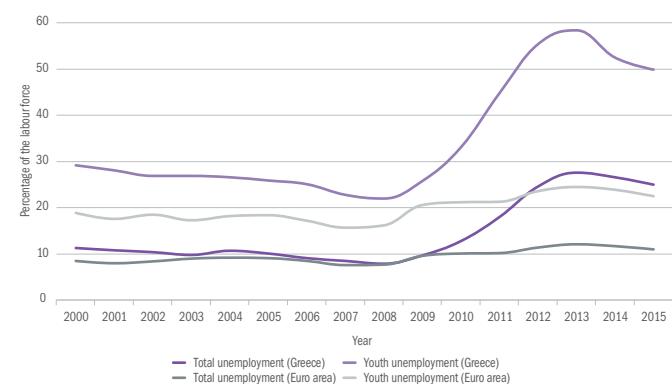
Introduction

With more than one in four individuals of working age unemployed and six consecutive years of negative annual economic growth from 2008 onwards, the economic crisis experienced in Greece has been deep and long-lasting. By the end of 2015, GDP had contracted by 26 per cent compared to 2008 levels;¹ over the same period, total unemployment went up by 17.1 percentage points and youth unemployment increased by almost 28 percentage points to 49.8 per cent (see Chart 4.1). By comparison, total unemployment and youth unemployment increased by 3.3 and 6.3 percentage points, respectively, in the euro area between 2008 and 2015.

How have the implications of the economic crisis and the related austerity measures impacted on the lives of Greek residents? This chapter takes a look at the experience of households in the country, examines their perceptions and sheds light on the transmission mechanisms and the coping strategies they adopted to overcome the challenges posed by economic difficulties. It then investigates how the crisis has affected their material and subjective well-being and their trust in political institutions.

This chapter uses novel data from 1,500 households collected as part of the third round of the Life in Transition Survey (LiTS III), which features a dedicated module on the “Impact of the crisis and austerity”. This module is composed of two sections. The first one is largely based on the “Impact of the crisis” module implemented in 2010 during the second round of LiTS (LiTS II), and elicits perception-based and factual information on how the crisis affected households, which mechanisms they used to cope, and whether they had savings in 2010 which they could use to cover daily expenses and higher taxes during the austerity measures. This new information can be compared to LiTS II data to uncover differences between the Greek experience and that of over 38,000 households in 35 different countries during the period 2008-10. The second section leverages questions

CHART 4.1. Annual unemployment rates for the total population and for young individuals in Greece and in the euro area



Source: Eurostat (2016).

Note: Total unemployment is computed as a percentage of the total labour force that is without work but seeking employment, while youth unemployment refers to the percentage of the labour force aged between 15 and 24 years without work but seeking it.

¹ World Economic Outlook Database (2016).

on the respondents' political preferences, including their voting behaviour in the most recent national elections and in the July 2015 referendum for the approval of the bailout conditions proposed by the European Commission, the European Central Bank and the International Monetary Fund.

Perceptions of the crisis

LiTS III data can be used to estimate the impact of the crisis on people in both a subjective and an objective way. The subjective measure is obtained using responses to a perception-based question that reads: ***"As you know, an economic crisis is affecting Greece. How much, if at all, has this crisis affected your household in the past five years?"***. Affected households are defined as the ones who answered either "a fair amount" or "a lot" as opposed to "a little" or "not at all". The objective measure instead represents the percentage of households that experienced at least one of the following negative income shocks over the reference period: the family business was closed, one of the family members lost their job, saw their wages, pensions or working hours reduced, or had their wages delayed or suspended.

Chart 4.2 shows the percentage of households that were affected by the crisis in Greece in the five years prior to the survey according to the subjective and the objective measures. It also compares the Greek experience with that of other countries in 2008-10. The results are striking: over 92 per cent of Greek respondents believe that the crisis has affected their households "a fair amount" or "a lot", while 76 per cent of them experienced a negative income shock. In contrast, one in two households in the transition region and about one in three in the western European comparator countries reported having been affected by the crisis and having experienced a negative income shock in the two years prior to 2010. Not only do these results indicate that the Greek crisis affected relatively more households than the Great Recession, but they also show that a large proportion of Greek respondents perceive themselves as affected, even in absence of negative income shocks.

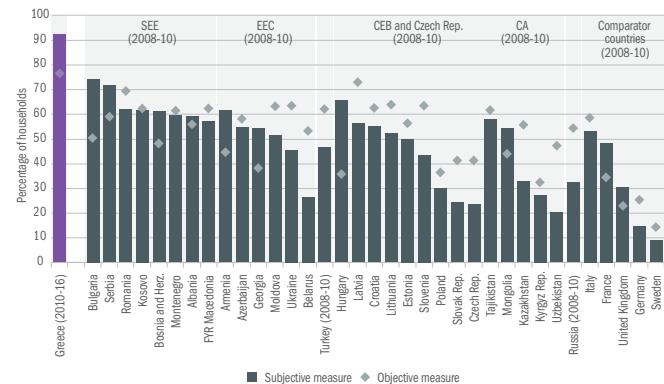
While Chart 4.2 shows that the crisis was very pervasive and widespread, econometric tests reported in Table 4.1 indicate that families where the household head has either no or only a limited education or where the household head is a woman were disproportionately affected.² The impact of the crisis appears to have been less noticeable for families with a young household head (that is, one aged 18-24). A closer look at the determinants of the objective measure does indeed suggest that a larger number of families with an older household head experienced different types of negative income shocks compared to younger families. The highest incidence of job losses and delay or suspension of wages was reported by the group of families with a household head aged 25 to 39 years, whereas reductions in wages or pensions were more prevalent among households with a head older than 65.

² Female-headed households represent approximately 35 per cent of the sample.

³ The category defined as "ethnic minority" includes all the respondents who describe their ethnicity as Albanian, Bulgarian, Romanian, Ukrainian or "other". Ethnic minorities represent approximately 7 per cent of the sample.

⁴ Further analysis shows that over 22 per cent of the interviewed Cretan households experienced a delay or suspension of wages and 16 per cent saw their working hours decrease as opposed to only 10 and

CHART 4.2. Households affected by the crisis in Greece in 2010-16 and in the transition region and comparator countries in 2008-10



Source: LiTS II (2010), LiTS III (2016) and author's calculations.

Note: The figures for Greece refer to the 2010-16 period and were calculated using LiTS III data. The figures for the remaining countries refer to the 2008-10 period and were calculated using LiTS II data.

Bigger families, ethnic minorities and households living in Crete as opposed to mainland Greece also report having been more affected by the crisis than their counterparts.³ The impact of the crisis in Crete is likely to have been more severe due to the higher incidence of delayed or suspended wages and reduction in the number of working hours compared to the rest of the country.⁴ Lastly, income proxies are, predictably, negatively correlated with crisis impact,⁵ while asset ownership does not appear to matter.⁶ Once proxies for income are controlled for, the coefficient for the gender of the household head loses significance, most likely indicating that female-headed households are more likely to report having been affected by the crisis due to their being worse off than male-headed ones.

Transmission channels

The crisis affected Greek families in different ways, ranging from income reductions to job losses and business closures. Chart 4.3 compares the transmission channels of the 2008-09 crisis in south-eastern Europe (SEE), the transition region and five western European comparator countries with the more recent Greek experience. According to the data, over the period 2010-16 families were impacted mainly through wages or pensions cuts and job losses: almost 44 per cent of Greek households saw their wages or pensions reduced and in more than 24 per cent of the interviewed families at least one member lost their job. While these figures are comparable to the averages for SEE and other transition countries, the incidences of wages or pension reductions and job losses were much lower in the comparator countries, by about 20 and 10 percentage points respectively.

¹² per cent of households in the rest of the country, respectively. There is no discernible difference in the percentage of households that experienced job losses, business closures or reduction in wages or pensions in Crete and in mainland Greece.

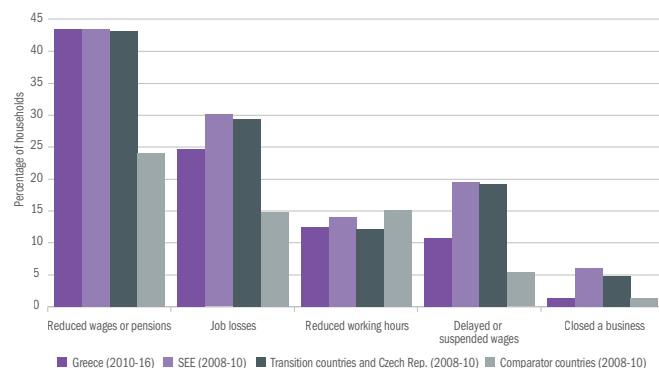
⁵ The regression presented in column 5 of Table 4.1 controls for two income proxies. One is an indicator that signals whether the household can afford a one-week holiday each year and meat, chicken or fish every second day. The other one indicates whether the household can meet unexpected expenses of an amount

TABLE 4.1. Characteristics of the households affected by the crisis in Greece in 2016

	(1)	(2)	(3)	(4)	(5)
	Affected by the crisis (subjective measure, four-point scale)				
Male household head	-0.195** (0.087)	-0.201** (0.092)	-0.191** (0.092)	-0.179* (0.095)	-0.142 (0.104)
Household head is 18-24 years old	-0.381 (0.245)	-0.554** (0.218)	-0.496** (0.240)	-0.527** (0.243)	-0.415* (0.245)
Household head is 40-64 years old	0.212** (0.090)	0.117 (0.087)	0.130 (0.087)	0.122 (0.088)	0.191** (0.095)
Household head is 65 years old or above	0.328*** (0.119)	0.049 (0.115)	0.039 (0.121)	-0.010 (0.127)	0.163 (0.126)
Ethnic minority	0.438** (0.177)	0.365** (0.174)	0.360** (0.176)	0.319* (0.172)	0.235 (0.171)
Household size (total)	0.088*** (0.031)	0.089*** (0.032)	0.081** (0.032)	0.102*** (0.032)	0.077** (0.033)
Mainland Greece	-0.357** (0.170)	-0.331** (0.157)	-0.303** (0.154)	-0.312* (0.159)	-0.418** (0.176)
Household head completed secondary education		-0.332*** (0.121)	-0.332*** (0.121)	-0.291** (0.117)	-0.166 (0.125)
Household head completed tertiary education		-0.730*** (0.136)	-0.737*** (0.138)	-0.678*** (0.137)	-0.380** (0.149)
Household can afford a one-week holiday each year and meat, chicken or fish every second day					-0.657*** (0.094)
Household can meet unexpected expenditures					-0.341*** (0.114)
Observations	1431	1465	1431	1431	1431
Pseudo R²	0.017	0.038	0.037	0.038	0.095

Source: LITS III (2016) and author's calculations.

Note: This table reports the results of ordered probit regressions. Standard errors in parentheses are clustered at the PSU level. *, **, and *** denote values that are statistically significant at the 10, 5 and 1 per cent levels, respectively. The reference categories for the age and education of the household head are "Household head is 25-39 years old" and "Household head completed either no education or primary education". "Household size (total)" is the total number of members currently living in the household. The specifications reported in column 1 and in columns 3-5 include an indicator signalling whether or not the household had savings prior to 2010. The effect of the indicator is not statistically significant. The specifications in columns 4-5 also include three controls for whether the household owns a car, a computer and a washing machine. None of these is statistically significant.

CHART 4.3. Transmission channels of the crisis for households in Greece in 2010-16 and in SEE, the transition region and comparator countries in 2008-10

Source: LITS II (2010), LITS III (2016) and author's calculations.

Note: The chart shows the percentage of households that experienced any of the reported shocks as the result of the economic crisis in Greece and in other countries in the five and two years prior to the survey, respectively. The averages include all the households where the respondent reports having been affected by the crisis "a little", "a fair amount" or "a lot". The category "job losses" includes all respondents who stated that the household head or another member of the household lost their job. The figures for Greece refer to the 2010-16 period and were calculated using LITS III data. The figures for the remaining countries refer to the 2008-10 period and were calculated using LITS II data. For the purpose of this chart, SEE includes the following countries: Albania, Bosnia and Herzegovina, Bulgaria, FYR Macedonia, Kosovo, Montenegro, Romania and Serbia. Comparator countries include France, Germany, Italy, Sweden and the United Kingdom.

Almost
44%
of Greek households saw
their wages or pensions
reduced during 2010-16.

equal to the domestic poverty line with its own resources.

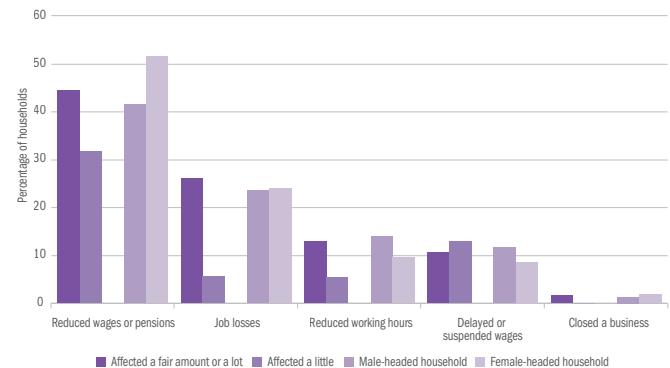
⁶ The greater impact of the crisis on poorer households could be explained by a greater vulnerability to negative income shocks. At the same time, the low level of consumption or expenses reported by these households could be a direct cause of the same negative income shocks. The data do not permit a closer examination of these two channels to rule out one or the other as the only information collected in the survey refers to present household consumption.

Greek respondents that suffered a reduction in their wages or pensions registered, on average, a 24 per cent cut with respect to the original amount.⁷

Households in western European comparator countries were slightly more likely to adjust the number of their working hours downwards compared to Greek ones, perhaps reflecting a higher degree of contract flexibility that might have reduced the need for employers to decrease wages or eliminate jobs. On the bright side, households in Greece seem to have experienced a lower incidence of delayed or suspended wages and fewer closures of family businesses than those in SEE and the transition region, with the latter result being more in line with the corresponding average for the comparator countries.

Overall, and predictably, the Greek households that were most affected by the crisis report a higher incidence of job losses for at least one family member and reductions in the number of working hours (see Chart 4.4). Differences in the extent to which affected and unaffected families were impacted by wages or pensions reductions and wages delay or suspensions are not statistically significant. Wages or pension reductions were instead more frequent in female-headed households, while a larger fraction of male-headed households experienced shorter working hours or delays or suspensions of wages. Male-headed and female-headed households were affected by the remaining negative income shocks in a similar way, as the differences in the reported figures are not statistically significant.

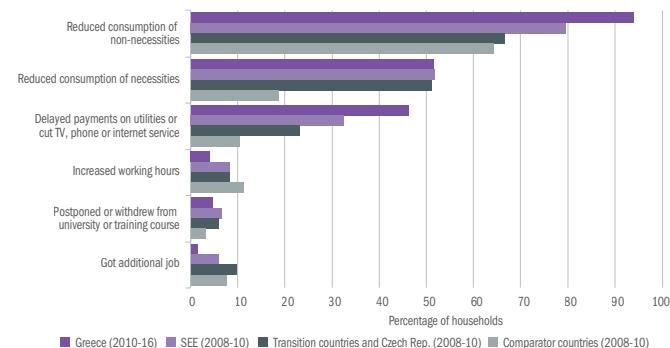
CHART 4.4. Transmission channels of the crisis for households in Greece in 2010-16 broken down by magnitude of impact and gender of the household head



Source: LiTS III (2016) and author's calculations.

Note: The chart shows the percentage of Greek households that experienced any of the reported shocks as the result of the economic crisis in the five years prior to the survey. The averages broken down by gender of the household head include all the households where the respondent reports having been affected by the crisis "a little", "a fair amount" or "a lot". For a description of the category defined as "job losses", refer to the notes of Chart 4.3.

CHART 4.5. Coping strategies for households in Greece in 2010-16 and in SEE, the transition region and comparator countries in 2008-10



Source: LiTS II (2010), LiTS III (2016) and author's calculations.

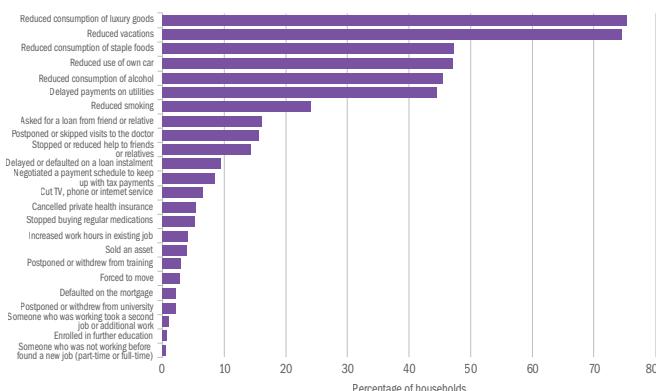
Note: The chart shows the percentage of households that took any of the reported measures as the result of a decline in income or other economic difficulty in Greece and in other countries in the five and two years prior to the survey, respectively. The averages include all the households where the respondent reports having been affected by the crisis "a little", "a fair amount" or "a lot". For a description of the categories defined as "non-necessities" and "necessities", refer to footnotes 9 and 10. The category "got additional job" includes all respondents who declared that someone in the household who was already working took a second job or additional work, or that someone who was not working before found a new job (either part-time or full-time). The figures for Greece refer to the 2010-16 period and were calculated using LiTS III data. The figures for the remaining countries refer to the 2008-10 period and were calculated using LiTS II data. For the purpose of this chart, SEE includes the following countries: Albania, Bosnia and Herzegovina, Bulgaria, FYR Macedonia, Kosovo, Montenegro, Romania and Serbia. Comparator countries include France, Germany, Italy, Sweden and the United Kingdom.

Over

51%

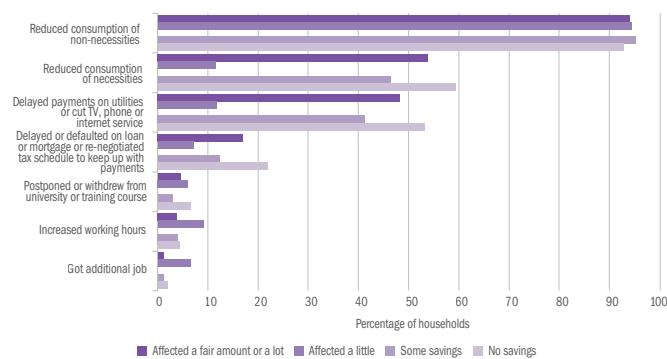
of affected Greek households reduced their consumption of necessities as a result of the crisis.

⁷ Respondents who stated that the wages or pensions of at least one household member had been reduced were asked two additional questions: "By how much (in euros) was the wage or pension reduced?" and "What was the wage or pension (in euros) before the cuts?"

CHART 4.6. Coping strategies for households in Greece in 2010-16

Source: LITS III (2016) and author's calculations.

Note: The chart shows the percentage of households that took any of the reported measures as the result of a decline in income or other economic difficulty in Greece in the five years prior to the survey. The averages include all the households where the respondent reports having been affected by the crisis "a little", "a fair amount" or "a lot".

CHART 4.7. Coping strategies for households in Greece in 2010-16 broken down by magnitude of impact and availability of savings

Source: LITS III (2016) and author's calculations.

Note: The chart shows the percentage of households that took any of the reported measures as the result of a decline in income or other economic difficulty in Greece in the five years prior to the survey. The averages broken down by availability of savings include all the households where the respondent reports having been affected by the crisis "a little", "a fair amount" or "a lot". For a description of the categories defined as "non-necessities" and "necessities", refer to footnotes 9 and 10. For a description of the category defined as "got additional job", refer to the notes of Chart 4.5. "Some savings" refers to those households which had savings in 2010 that could be used to cover daily expenses and higher taxes during the period of austerity starting in 2010.

Coping strategies

Greek households had to resort to a variety of strategies to cope with the consequences of the crisis. These included passive strategies, such as reducing the consumption of specific goods, discontinuing subscriptions to services (such as television, phone and internet) or postponing payments, and active strategies, such as obtaining an additional job or increasing the number of working hours.⁸ According to LITS III data, over 94 per cent and over 51 per cent of affected households had to reduce the consumption of non-necessities and necessities, respectively (see Chart 4.5).^{9,10} In comparison, only 64 and 19 per cent of families reduced their consumption of non-necessities and necessities in the western European comparator countries in the period 2008-10. These results are particularly alarming in that necessities comprise basic, essential items such as staple foods, visits to the doctor when ill and regular medications. They also show how deep and dramatic the Greek crisis has been for the average household, and how Greeks have suffered considerably more during this time than residents of other countries did during the 2008-09 crisis.

Looking at spending categories separately, the biggest cuts were registered for luxury goods and vacations (75 per cent of the respondents state they had to reduce their consumption of both), followed by staple foods such as milk, fruit, vegetables or bread and use of own car (both at 47 per cent), alcohol (46 per cent) and delayed payment of utilities (45 per cent) (see Chart 4.6).

While the consumption of non-necessities decreased across the board, those Greek households that were most affected by the crisis also had to disproportionately reduce their consumption of necessities, delay payments on utilities or cut their television, phone or internet services, delay or default on loan or mortgage payments or re-negotiate their tax schedule in order to keep up with payments. Chart 4.7 compares the coping strategies of severely affected and less affected households based on the perception-based measure of crisis impact; these discrepancies are also confirmed when the objective measure is used instead. Households that managed to save up some money before the austerity measures were introduced appear to have been less financially constrained than their counterparts and consequently had to cut back less on consumption.¹¹

Additional analysis shows that almost 62 per cent of female-headed households reduced their consumption of necessities, whereas 47 per cent of male-headed families resorted to the same coping strategy. Conversely, 96 per cent of male-headed households cut their consumption of non-necessities, while the corresponding figure for female-headed ones is 89 per cent. Lastly, families where the head completed at least secondary education saw a lower frequency of reduction in their consumption of necessities in comparison to families where the head had no education or only primary education (47 per cent as opposed to 65 per cent), but a higher incidence of reduction in their consumption of non-necessities (97 per cent as opposed to 84 per cent).

⁸ A similar categorisation into active and passive coping strategies can be found in Lokshin and Yemtsov (2004) and Bidani et al. (2011).

⁹ The percentage of households who reduced their consumption of non-necessities includes all those that adopted at least one of the following coping strategies: reducing the consumption of luxury goods; reducing the consumption of alcoholic drinks such as beer or wine; reducing the use of own car; reducing vacations; reducing tobacco smoking; or cancelling private health insurance (if self-employed).

¹⁰ The percentage of households who reduced their consumption of necessities includes all those that adopted at least one of the following coping strategies: reducing the consumption of staple foods such as milk, fruit, vegetables or bread; postponing or skipping visits to the doctor after falling ill; or stopping buying regular medications.

¹¹ 55 per cent of the interviewed households declared that some savings had been set aside prior to 2010.

TABLE 4.2. Coping strategies in Greece in 2016 and characteristics of the households that adopted them

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Household coped with crisis by cutting expenses on necessities			Household coped with crisis by cutting expenses on non-necessities			Household coped with crisis by finding additional job or increasing hours		
Male household head	-0.323*** (0.095)	-0.271*** (0.091)	-0.198** (0.100)	0.295** (0.117)	0.177 (0.120)	0.119 (0.140)	0.331** (0.149)	0.351** (0.154)	0.332** (0.147)
Household head is 18-24 years old	-0.458* (0.267)	-0.555* (0.283)	-0.736*** (0.266)	-0.244 (0.317)	0.041 (0.486)	0.114 (0.509)	-0.392 (0.325)	-0.414 (0.330)	-0.412 (0.328)
Household head is 40-64 years old	-0.076 (0.123)	-0.018 (0.124)	0.027 (0.123)	0.283 (0.230)	0.171 (0.191)	0.242 (0.184)	-0.099 (0.150)	-0.078 (0.151)	-0.073 (0.153)
Household head is 65 years old or above	-0.071 (0.151)	-0.008 (0.158)	0.030 (0.178)	-0.105 (0.272)	-0.196 (0.256)	-0.045 (0.268)	-1.210*** (0.288)	-1.174*** (0.295)	-1.110*** (0.298)
Ethnic minority	0.603*** (0.193)	0.519*** (0.195)	0.248 (0.198)	-0.429 (0.283)	-0.321 (0.273)	-0.172 (0.263)	-0.753*** (0.283)	-0.767*** (0.290)	-0.695** (0.287)
Household size (total)	-0.051 (0.038)	-0.051 (0.038)	-0.006 (0.040)	0.162* (0.087)	0.205** (0.094)	0.134 (0.089)			
Household size (adults)							-0.109 (0.082)	-0.099 (0.084)	-0.128 (0.088)
Mainland Greece	0.091 (0.179)	0.070 (0.188)	-0.103 (0.194)	-0.320 (0.416)	-0.261 (0.409)	-0.296 (0.397)	0.087 (0.290)	0.083 (0.295)	0.110 (0.301)
Household head completed secondary education	-0.311** (0.130)	-0.285** (0.134)	-0.051 (0.133)	0.749*** (0.210)	0.760*** (0.225)	0.659*** (0.206)	0.129 (0.244)	0.145 (0.244)	0.048 (0.252)
Household head completed tertiary education	-0.766*** (0.163)	-0.716*** (0.172)	-0.264 (0.181)	0.864*** (0.217)	0.831*** (0.236)	0.626*** (0.211)	0.052 (0.229)	0.094 (0.232)	-0.077 (0.253)
Household can afford a one-week holiday each year and meat, chicken or fish every second day			-0.640*** (0.117)			0.283* (0.157)			0.128 (0.176)
Household can meet unexpected expenditures			-0.446*** (0.108)			-0.171 (0.203)			0.068 (0.156)
Observations	1402	1369	1369	1402	1369	1369	1397	1363	1363
Pseudo R²	0.053	0.056	0.143	0.170	0.175	0.190	0.088	0.092	0.098

Source: LiTS III (2016) and author's calculations.

Note: This table reports the results of probit regressions. Standard errors in parentheses are clustered at the PSU level. *, **, and *** denote values that are statistically significant at the 10, 5, and 1 per cent levels, respectively. The reference categories for the age and education of the household head are "Household head is 25-39 years old" and "Household head completed either no education or primary education". "Household size (total)" is the total number of members currently living in the household. "Household size (adults)" is the total number of members aged 18 or above currently living in the household. The specifications reported in columns 2-3, 5-6 and 8-9 include an indicator signalling whether or not the household had savings prior to 2010. The effect of the indicator is not statistically significant, except in column 2, where it is negative and significant. The specifications in columns 3, 6 and 9 also include three controls for whether the household owns a car, a computer and a washing machine. Only the first one in column 3 is negative and significant; none of the others is statistically significant.

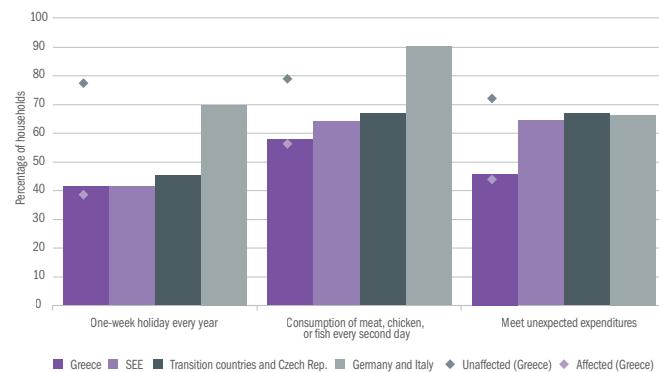
Columns 1 to 3 of Table 4.2 provide econometric evidence that male-headed households, those with a highly educated household head, with accumulated savings or with a higher income (as proxied by two indicators) had to reduce their consumption of necessities less often, even after controlling for a selection of individual and household characteristics. In contrast, ethnic minorities were more likely to cut their consumption of necessities as a coping strategy. Looking at columns 4 to 6, it appears that households where the head is a man or where the head is highly educated were more likely to cut their consumption of non-necessities than their peers; this is possibly due to higher consumption levels in the pre-crisis period. Taken together, these results show that female-headed families and those with a lower level of education were disproportionately affected by the crisis and had to make bigger sacrifices than their peers, even after taking their size, residence and wealth into consideration.

In addition, Chart 4.5 shows that, compared to Greece, households in SEE and in the transition and comparator countries were more likely to take proactive steps to counter

the effect of the crisis. These included increasing the number of working hours, having a family member work two jobs or encouraging a family member who was previously not working to take up employment. This stark difference in behaviour is likely attributable to the sharp increase in the unemployment rate in Greece as compared to the other countries following the 2008-09 crisis. Between 2008 and 2010 the change in unemployment rates ranged from 1.7 percentage points in Italy to 2.4 percentage points in Sweden; in Germany, unemployment decreased from 7.4 to 7 per cent over the same period. By comparison, unemployment in Greece rose by 12.2 percentage points, from 12.7 per cent in 2010 to 24.9 per cent in 2015.¹² This has possibly limited the availability of options and work opportunities, even for those Greek individuals who might have wanted to start a job or work longer hours.

Households in Greece who managed to increase their working hours or get an additional job are more likely to state that the crisis has affected them only "a little". This is consistent with the idea that families that adopted more proactive behaviours

¹² Eurostat (2016).

CHART 4.8. Material well-being in Greece and various other countries in 2016

Source: LITS III (2016) and author's calculations.

Note: The chart shows the percentage of households that can afford the consumption of the reported items. The last category includes households that can afford unexpected expenditures "easily" and "with difficulty". The diamonds indicate the variation in results by magnitude of the impact of the crisis. The grey diamonds show the percentage of unaffected respondents who can afford the reported items, while the violet diamonds show the percentage of affected respondents who can afford the same items. For the purpose of this and the following charts, SEE includes the following countries: Albania, Bosnia and Herzegovina, Bulgaria, Cyprus, FYR Macedonia, Greece, Kosovo, Montenegro, Romania and Serbia.

were more capable of coping with the adverse consequences of the crisis. Interestingly, a higher percentage of male-headed households managed to counteract the effects of the crisis by increasing their working hours or getting an additional job (4.8 per cent and 2 per cent respectively, in contrast to only 2.6 and 0.7 per cent of female-headed households). This finding is confirmed by econometric tests, shown in the last three columns of Table 4.2. Even controlling for a wide selection of individual and household characteristics, including the number of adult members, male-headed households were more likely to be able to respond to the challenges posed by the crisis in a proactive way. Ethnic minorities, by contrast, were less likely to do so.

Material and subjective well-being

The results of the previous sections clearly show that the protracted crisis has taken a severe toll on the well-being of Greek residents. Further analysis of the data also indicates that, in 2016, Greek households cannot afford the same level of material well-being as their counterparts in other countries. Chart 4.8 presents data reflecting the current situation in Greece and the post-crisis situation in other countries by means of three different indicators. The first one signals whether or not a household can afford a one-week holiday every year (including a stay at a second home, country house or at friends or relatives). The second indicator shows whether a household can afford to consume meat, chicken or fish every second day. The last one indicates whether the family can meet unexpected expenditures of an amount equal to the domestic poverty line with its own resources.

Data suggest that Greeks have a level of material well-being similar to the one seen in SEE and the transition region, but the country fares worse than Germany and Italy according to all indicators. Only 41 per cent of Greek households can afford to have a holiday each year, as opposed to almost 79 per cent in Germany and over 61 per cent in Italy. In addition, about 58 per cent of Greek households can afford to consume meat, chicken or fish every second day, while virtually every family can do so in Germany. In Italy, 8 out of 10 households report being able to afford meat, chicken or fish this often.

The majority of Greek respondents state they cannot meet unexpected expenditures, even though this varies significantly by the magnitude of the impact of the crisis: while just over 43 per cent of affected households can afford unexpected expenditures, almost 72 per cent of the unaffected families can. Interestingly, by contrasting the level of material well-being of households that reported having been affected by the crisis "a fair amount" or "a lot" with those that were either affected "a little" or not affected at all, it appears that the latter have a level of material well-being at least comparable to, if not higher than, Germany and Italy. Other data also show that only 71 per cent of Greek households can afford adequate heating for their homes, while

About

24%
of Greek respondents
are currently satisfied
with their life.

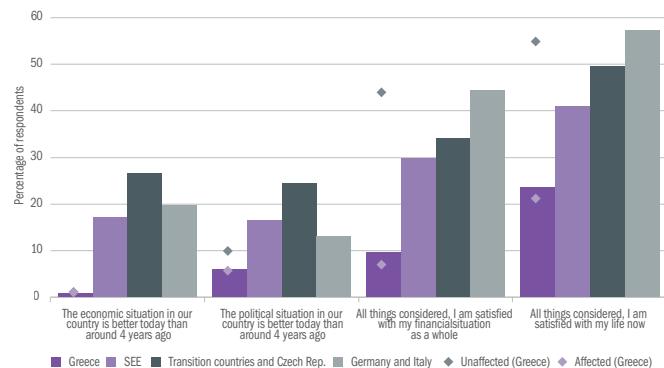
over 86 per cent and 98 per cent of households in transition and comparator countries can. The corresponding figures for the affected and unaffected Greek households are 69 and 94 per cent respectively.

Given the discrepancy in material well-being between Greek residents and other respondents, it is perhaps not surprising that subjective well-being levels are lower among the Greeks than in the rest of the sample. Virtually every interviewed respondent believes that the economic and the political situations did not improve over the four years prior to the survey (see Chart 4.9).¹³ More than nine in ten Greeks affected by the crisis are not happy with their financial situation, and only about one in four is satisfied with his or her life.¹⁴ Happiness levels among those unaffected are in these instances similar to the averages for Germany and Italy.

Are Greek residents generally dissatisfied with their country's economic and political situation, and unhappy about their financial situation and their life, or are these differences driven by individual characteristics? Results from a simple econometric model of satisfaction, which controls for an array of individual and household characteristics as well as country fixed effects, show that Greek people are indeed less satisfied and happy than their counterparts in other countries.¹⁵ Additional econometric tests presented in Table 4.3, which are run on the Greek data only and control for the subjective measure of crisis perception, also indicate that the households that were most affected by the crisis systematically report lower levels of life satisfaction than their peers and thus corroborate the findings of Chart 4.9 (particularly the discrepancy between the blue and the red diamonds).¹⁶

Considering the general dissatisfaction with the economic situation, one would expect the economy to be the main concern of the Greek people. Indeed, when asked which problems they consider most pressing and deserving of the government's attention, the Greeks list the economy and unemployment at the top, followed by health (see Chart 4.10). Cumulatively, 74 per cent of respondents are concerned with the first two problems, as opposed to about 45 per cent of the population in the transition region and 11 and 46 per cent in Germany and Italy respectively. Despite the number of refugees that have reached Greece since the summer of 2015, only 4 per cent of interviewed Greek respondents believe that immigration is the most important issue to be addressed; however, a more substantial 36 per cent of Greek respondents place it within the top three issues they feel their government should focus on. By contrast, over 46 per cent of German respondents and 16 per cent of Italian respondents think that immigration is the most important problem in their respective countries, with 69 per cent of Germans and 49 per cent of Italians placing it within the top three.

CHART 4.9. Subjective well-being in Greece and various other countries in 2016



Source: LITS III (2016) and author's calculations.

Note: The chart shows the percentage of respondents who either "agree" or "strongly agree" with the statements reported on the horizontal axis. The diamonds indicate the difference in the results by magnitude of the impact of the crisis. The grey diamonds show the percentage of unaffected respondents who either agree or strongly agree with the reported statements, while the violet diamonds show the percentage of affected respondents who either agree or strongly agree with them. For a list of the countries included in SEE, refer to the notes of Chart 4.8.

TABLE 4.3. Subjective well-being and crisis perceptions in Greece in 2016

	(1)	(2)	(3)	(4)
Affected by the crisis a fair amount or a lot	-0.479*** (0.133)	-0.344** (0.154)	-0.996*** (0.138)	-0.593*** (0.116)
Observations	1500	1496	1500	1500
Pseudo R²	0.022	0.013	0.116	0.077

Source: LITS III (2016) and author's calculations.

Note: This table reports the results of ordered probit regressions. Standard errors in parentheses are clustered at the PSU level. *, **, and *** denote values that are statistically significant at the 10, 5, and 1 per cent levels, respectively. All the specifications include the following controls: gender of the respondent; age of the respondent; whether the respondent belongs to an ethnic minority; whether the respondent lives in mainland Greece; education of the respondent; whether the household of the respondent owns a car, a computer and a washing machine; whether the household can afford a one-week holiday each year and meat, chicken or fish every second day; and whether the household can meet unexpected expenditures. In column 4, four additional controls are included: the total number of household members currently living in the household; whether the respondent is married; whether the respondent is divorced or separated; and whether the respondent is a widow or widower.

Cumulatively,

74%

of Greek respondents feel the economy and unemployment are the most pressing problems in the country.

¹³ EBRD (2016) shows that there is a positive correlation between changes in real GDP per capita and the percentage of respondents that believe that the economic situation improved over the same period of time.

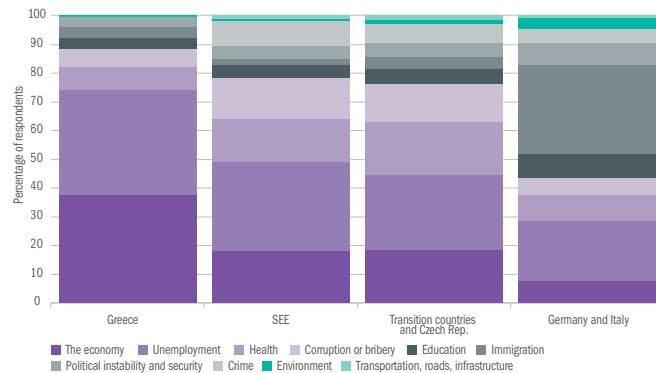
¹⁴ Adsera et al. (2016) and EBRD (2016) provide illustrative evidence that there is a positive correlation between changes in real log GDP per capita and changes in the percentage of respondents that are satisfied with their life over the same period of time. Deaton (2008) and Stevenson and Wolfers (2008 and 2010) document a positive relationship between subjective well-being and income at the individual and at the country level.

¹⁵ The model is run as ordered probit regressions which control for the individual and household characteristics included in the analysis presented in Table 4.3 and treat Greece as the reference country.

¹⁶ Respondents who report that their household was affected by a negative income shock are also less satisfied with their financial situation and with their life overall.

¹⁷ Fitzgerald and Wolak (2016) explore how trust in local and national governments differ in western European countries (Greece included) using data from the 2006 Eurobarometer survey. They show that trust in local governments is higher than trust in the national government in all the countries analysed, except Finland. Their results also show trust in local governments is greater when opportunities for

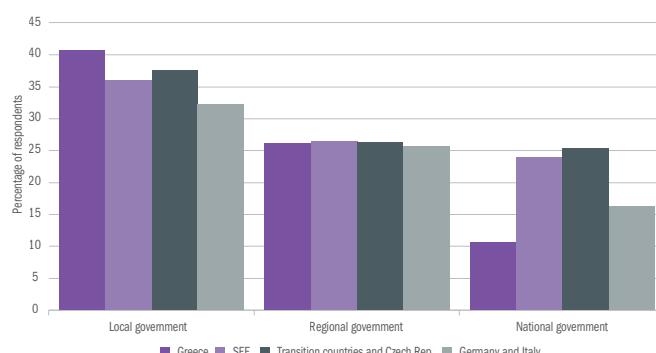
CHART 4.10. The most important problems that the government should address in Greece and various other countries in 2016



Source: LiTS III (2016) and author's calculations.

Note: The chart shows the percentage of respondents that list any of the reported issues as the most important problem that the government should address. For a list of the countries included in SEE, refer to the notes of Chart 4.8.

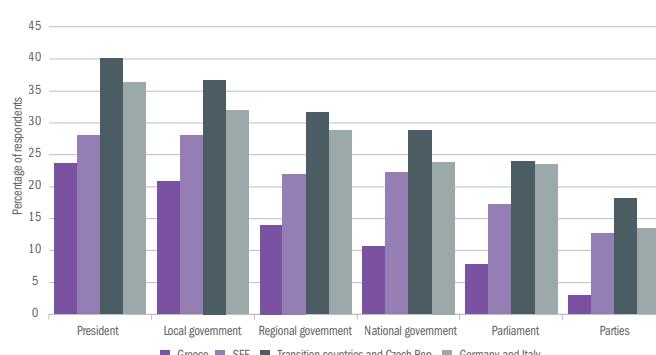
CHART 4.11. Appreciation for the performance of the political institutions in Greece and various other countries in 2016



Source: LiTS III (2016) and author's calculations.

Note: The chart shows the percentage of respondents who rate the performance of the institutions reported on the horizontal axis as "good" or "very good". For a list of the countries included in SEE, refer to the notes of Chart 4.8.

CHART 4.12. Trust in political institutions in Greece and various other countries in 2016



Source: LiTS III (2016) and author's calculations.

Note: The chart shows the percentage of respondents who believe that the institutions reported on the horizontal axis deserve "some trust" or "complete trust". For a list of the countries included in SEE, refer to the notes of Chart 4.8.

people's opinions to be heard in local governments are high or when opportunities to be heard in the national government are scarce.

¹⁸ The low level of trust in Greece could have been triggered by the economic crisis. Looking at cross-country data, Stevenson and Wolfers (2011) find that trust in institutions is pro-cyclical: an increase in the unemployment rate translates into lower trust in the national government, the financial institutions and the judicial system. Using US data only, they show that the expansion of unemployment reduced the level of trust in the Congress and banks and financial institutions.

¹⁹ Separate econometric tests also show that affected respondents who had to reduce their consumption

Performance of and trust in political institutions

The low level of satisfaction with the political situation in Greece goes hand-in-hand with a low opinion of the work of the national government and a low level of trust in the country's political institutions. When asked to rate the performance of the incumbent national government, only 11 per cent of Greek respondents describe it as "good" or "very good", in contrast to 25 per cent of the population in transition countries and Germany (see Chart 4.11). In this regard, Italy fares worse than Greece, with only 8 per cent of its residents expressing a positive opinion of their national government.

While recognition for the work of regional governments is more in line with results from other countries (but is still rather low), appreciation for the performance of the local governments in Greece is higher than the averages for the transition region and both comparator countries. Moreover, it is noteworthy that a higher proportion of Greek respondents assign a "good" or "very good" rating to local governments than national ones. Local governments are usually associated with an individual (such as the mayor) and are therefore seen as more personable, which can positively influence the perceptions of people to a certain extent, especially in smaller communities where this person is visible. In addition, Greek respondents might be more satisfied with or have more trust in their local institutions if they feel that there are more opportunities for their opinions or discontent to be heard than there are at the national level.¹⁷

Examining trust in institutions delivers similar results (see Chart 4.12). Trust in local and regional governments in Greece is higher than trust in the national government, but now on average lower compared to that of other countries. Trust in the President, the national government and the parliament is also much lower than in SEE, the transition region and Germany and Italy, at 24, 11 and 8 per cent respectively, while only 3 per cent of the Greek population deem the country's political parties to be trustworthy. Additional analysis shows that Greeks fare worse than the other countries in LiTS III when it comes to trusting banks, foreign investors and society as a whole.¹⁸ Interestingly, trust levels are lower among respondents affected by the crisis and the differences are statistically significant for all the institutions reported in Chart 4.12, with the sole exception of political parties.¹⁹

of essentials are less likely to support democracy and the market economy. The models are run as probit regressions which control for the individual and household characteristics included in the analysis presented in the first three columns of Table 4.3 as well as for whether the household had savings prior to 2010. The results are consistent with those presented by Grosjean et al. (2011).

Responsibility for the economic crisis and voting behaviour

The majority of Greek respondents blame political parties for the economic crisis (see Chart 4.13). When asked who they believe is responsible for the current situation, with the option to give more than one answer, around 70 per cent of respondents mention the centre-left political party PASOK and centre-right political party New Democracy. These two parties dominated the political scene and took turns at leading the national government from the restoration of democracy in 1974 until the elections in January 2015, which culminated in the Coalition of the Radical Left (SYRIZA) winning and assuming power. These responses can explain PASOK's electoral decline (from 43.9 per cent in the parliamentary elections of 2009 to 4.7 per cent and 6.3 per cent in the parliamentary elections of January and September 2015 respectively) which paved the way for SYRIZA's rise from 4.6 per cent in 2009 to 36.3 per cent and 35.5 per cent in the elections of 2015.

The European Union (EU), the International Monetary Fund (IMF) and the European Central Bank (ECB) are the runners-up, with between 42 and 50 per cent of respondents believing those organisations are responsible for the crisis. This is probably because the EU's executive body, the European Commission, the IMF and the ECB formed a tripartite committee, known as the "Troika", which negotiated the terms of Greece's bailout agreements.

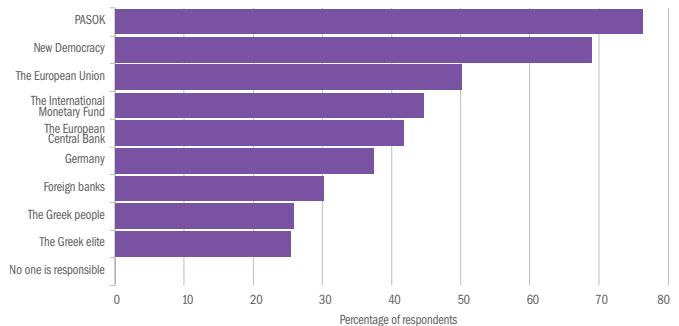
An analysis of the voting behaviour of Greek respondents shows a correlation between voting preferences in the July 2015 referendum on the approval or rejection of bailout conditions and the institutions that respondents see as responsible for the crisis (Table 4.4). People who believe the EU is to blame were less likely to accept the proposed bailout conditions. People exhibiting a low degree of trust in the national government were more likely to vote in favour of the bailout, while respondents who trusted the government were more likely to vote against. Even though the question on trust made no reference to a specific national government, it is likely that respondents associated their answers with the incumbent one, which supported the "No" campaign.

Looking at individual characteristics, there were no discernible differences in voting behaviour in terms of gender or education, but age did play a role: older voters were more likely to vote "Yes" to the bailout proposal. In addition, families with a higher level of material well-being and savings were more likely to vote in favour of the measures, likely spurred by capital controls that were introduced a few days before the ballot and by the risk that Greece would have exited the eurozone had a "No" result prevailed.

Further analysis of voting patterns shows that, predictably, the respondents who voted for SYRIZA (the ruling party that invoked the referendum) in the January 2015 elections were more likely to follow the government's direction and reject the

package. Similarly, those who voted for the right-wing ANEL party, the junior partner in SYRIZA's coalition government, were likely to vote against the proposed conditions. By contrast, supporters of New Democracy and PASOK, whose leaders had campaigned to accept the measures, were more likely to vote in favour of the bailout proposal.

CHART 4.13. Who is responsible for the crisis?



Source: LITS III (2016) and author's calculations.

Note: The chart shows the percentage of Greek respondents who list any of the reported actors as responsible for the economic crisis.

TABLE 4.4. Voting preferences in the July 2015 bailout referendum in Greece

	(1)	(2)	(3)	(4)	(5)	(6)
	Respondent voted 'Yes'			Respondent voted 'No'		
Male respondent	-0.045 (0.112)	-0.013 (0.115)	-0.029 (0.115)	0.077 (0.093)	0.073 (0.089)	0.122 (0.087)
Respondent is 18-24 years old	-0.355 (0.274)	-0.353 (0.271)	-0.347 (0.252)	0.127 (0.181)	0.312* (0.173)	0.148 (0.173)
Respondent is 40-64 years old	0.265** (0.125)	0.340*** (0.111)	0.376*** (0.119)	0.080 (0.120)	0.078 (0.115)	0.061 (0.119)
Respondent is 65 years old or above	0.178 (0.207)	0.315* (0.183)	0.351* (0.180)	-0.250* (0.150)	-0.360** (0.145)	-0.372*** (0.133)
Ethnic minority²⁰	-0.908*** (0.283)	-0.959*** (0.258)	-1.093*** (0.258)	-1.756*** (0.222)	-1.631*** (0.231)	-1.790*** (0.236)
Mainland Greece	0.587*** (0.172)	0.193 (0.164)	0.369** (0.168)	-0.619*** (0.222)	-0.516** (0.214)	-0.616*** (0.207)
Respondent completed secondary education	-0.204 (0.165)	-0.136 (0.163)	-0.117 (0.158)	0.190 (0.153)	0.210 (0.146)	0.241 (0.152)
Respondent completed tertiary education	-0.018 (0.175)	0.163 (0.184)	0.153 (0.172)	-0.079 (0.168)	-0.104 (0.165)	-0.067 (0.163)
Household had savings in 2010	0.243** (0.118)			-0.156* (0.093)		
Household can afford a one-week holiday each year and meat, chicken or fish every second day	0.104 (0.115)			-0.032 (0.107)		
Household can meet unexpected expenditures	0.636*** (0.114)			-0.085 (0.092)		
The EU is responsible for the economic crisis		-0.304*** (0.109)			0.025 (0.113)	
Trust the national government			-0.418** (0.175)			0.644*** (0.169)
Observations	1329	1255	1352	1329	1255	1352
Pseudo R²	0.111	0.051	0.056	0.095	0.080	0.100

Source: Life in Transition Survey III (2016) and author's calculations.

Note: This table reports the results of probit regressions. Standard errors in parentheses are clustered at the PSU level. *, **, and *** denote values that are statistically significant at the 10, 5 and 1 per cent levels, respectively. The reference categories for the age and education of the respondent are "Respondent is 25-39 years old" and "Respondent completed either no education or primary education". The specifications reported in columns 1 and 4 include three controls for whether the household owns a car, a computer and a washing machine; none of them is statistically significant. The specifications reported in columns 2 and 5 include two controls for whether the respondent believes that the IMF and the ECB are responsible for the economic crisis; none of them is statistically significant. The specifications reported in columns 3 and 6 include two controls for whether the respondent trusts the national political parties and the parliament; none of them is statistically significant.

Around

70%

of Greek respondents think political parties are to blame for the economic crisis.

²⁰ The coefficient for the "ethnic minority" indicator is negative and statistically significant in all the regressions. In a separate probit model analysing the probability of not voting, the coefficient is instead positive and significant, thereby indicating that ethnic minorities were less likely to take part in the vote. It is possible that respondents pertaining to an ethnic minority do not hold Greek citizenship and consequently are not entitled to vote in the elections.

Conclusion

The chapter finds that the impact of the economic crisis on Greek households has been severe. While the transmission channels at play were similar to the ones of other countries in the period 2008-10, the consequences were more dramatic and widespread. Over 92 per cent of Greek respondents believe that the crisis has affected them "a fair amount" or "a lot". Moreover, during the period 2010-16, 76 per cent of households suffered a negative income shock such as reduced wages or pensions, job losses, delayed or suspended wages and decreased working hours. The impact was heterogeneous, with families where the household head has either no education or only a primary education or where the household head is a woman, bigger families and ethnic minorities more likely to report having been affected by the crisis.

The crisis impacted on the lives of respondents mainly through reduction in wages or pensions, job losses and shorter working hours. The families that could respond to the economic challenges in a flexible way, either by obtaining an additional job or increasing their number of working hours, report having been less affected by the crisis. A comparison of the coping strategies adopted by Greek respondents and those of over 38,000 households in other countries during the 2008-10 period shows how Greeks have had to resort to cutting the consumption of necessities, non-necessities and services and to postponing the payment of utilities to a much greater extent. Importantly, the analysis shows that the type of coping strategy adopted by Greek families crucially depended on the gender and the education level

of the household head. Female-headed households cut their consumption of necessities substantially more often than male-headed ones, while the opposite was true for non-necessities. At the same time, a lower portion of households whose head completed at least secondary education reduced their consumption of necessities in comparison to households where the head had no education or only primary education. Moreover, the availability of savings from the pre-austerity period proved fundamental in helping families cope with financial hardship more easily and avoiding cutbacks on everyday essential items such as staple foods and medicines.

The protracted crisis has not only affected the consumption levels of households, but also their general satisfaction with life and their confidence in political institutions. Today, only 1 in 10 Greeks are satisfied with their financial situation and only 24 per cent of respondents say they are satisfied with their life in general, as opposed to 72 per cent in Germany and 42 per cent in Italy. Importantly, comparing the level of material well-being of households that reported having been affected by the crisis with those that were unaffected shows that the latter have a level of material well-being at least comparable to, if not higher than, that of Germany and Italy. The same is true when the level of financial satisfaction and life satisfaction of affected and unaffected respondents are contrasted: unaffected Greek households are as satisfied as their counterparts in Germany and Italy, whereas affected ones are worse off.

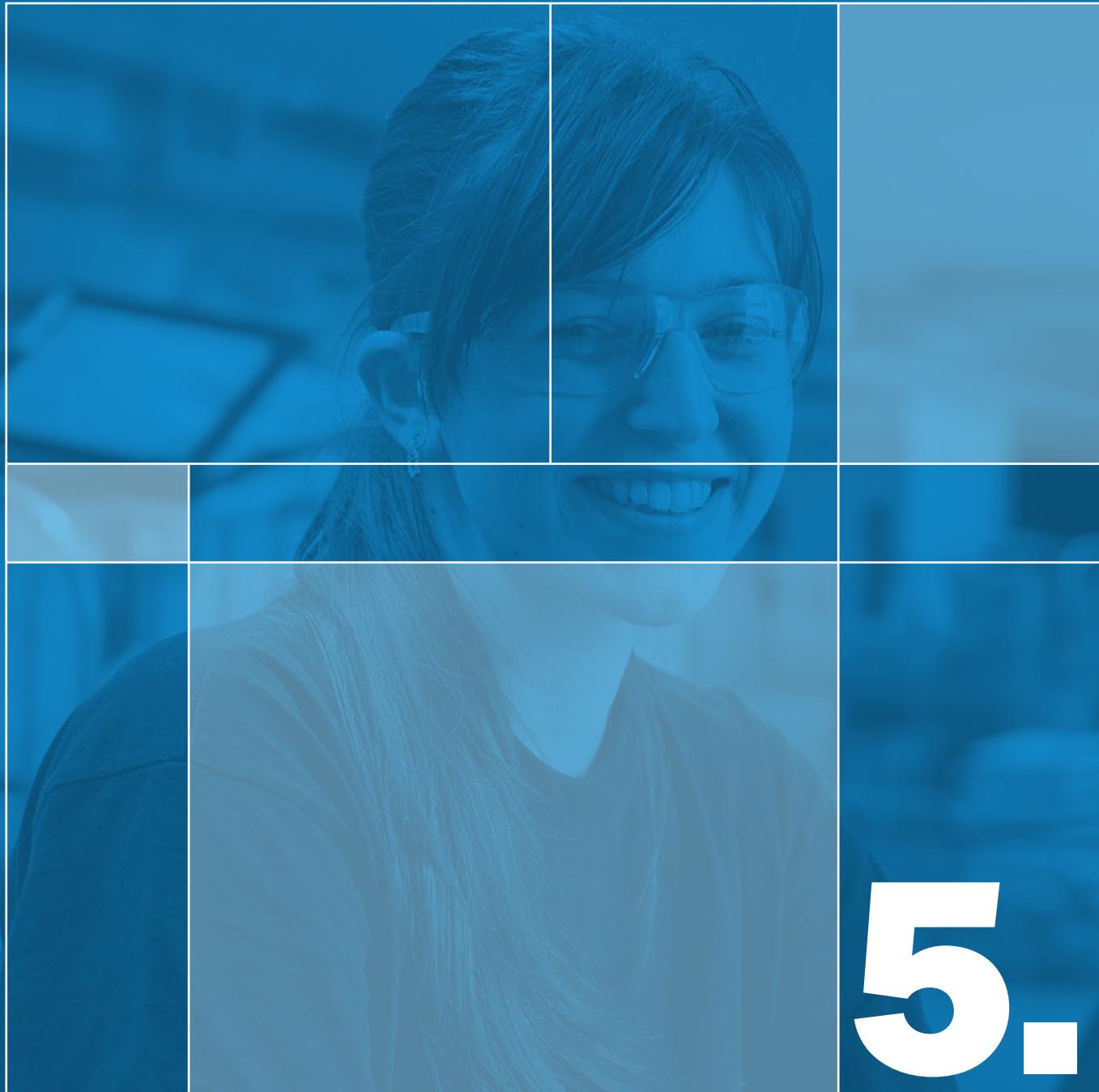
While distrust of the national political institutions is widespread, the Greek public seems as satisfied with the performance of their local and regional governments as their counterparts in the transition region and in Germany and Italy. Trust levels for these institutions as well as for the ones of a national relevance are, however, lower in Greece than in the other countries. Traditional political parties and the international institutions that have negotiated the bailout terms are widely regarded as the ones responsible for the economic crisis.

In conclusion, this chapter paints a rather bleak picture of the current economic situation faced by the country. When asked where they place themselves on a 10-step income ladder today and in the future, only 16 per cent of Greek respondents believe that their position will improve in the next four years. The corresponding figures for the transition region, Germany and Italy are 48, 35 and 23 per cent respectively. This signals that, despite the recent political changes and attempts at economic reforms that have taken place in the country, Greeks do not see their situation improving for the foreseeable future. ■



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34

**countries are included in
the third round of the
Life in Transition Survey.**

Annex: The survey and the sampling methodology

The Life in Transition Survey (LiTS) is a combined household and attitudinal survey which collects information on the socio-economic status of respondents and includes asking perception-based questions on economic, political and social topics. The first round of the LiTS (LiTS I) was conducted in 28 transition countries and the Czech Republic in 2006, while the second round (LiTS II) was conducted in 29 transition countries, the Czech Republic and 5 western European comparator countries (France, Germany, Italy, Sweden and the United Kingdom) in 2010. Both rounds were implemented by the European Bank for Reconstruction and Development (EBRD) in collaboration with the World Bank.

The third round of the Life in Transition Survey (LiTS III) was conducted between the end of 2015 and the beginning of 2016 in 34 countries, comprising 29 transition countries, the Czech Republic and two western European comparator countries (Germany and Italy). Cyprus and Greece were also covered for the first time. The survey was implemented by the EBRD and has benefited from the joint collaboration with Transparency International and the World Bank. Chart 5.1 illustrates the countries included in the latest round and in the first two.

For the third round, LiTS III, the target number of interviews was set at 1,500 households per country, which was a 50 per cent increase over the past two surveys. The achieved number of interviewed households and respondents differs by country and is reported in Tables 5.1 and 5.2.

CHART 5.1. Geographical coverage of the Life in Transition Surveys



Questionnaire

The LITS III survey instrument was largely based on the LiTS II questionnaire and was designed so that the interview would be no longer than 60 minutes. The questions were translated into and made available in all the national languages of the surveyed countries. In addition, they were piloted prior to the beginning of field work in 10 to 15 households in each country.

The final questionnaire consists of nine modules (10 in Greece). The first and the second modules collect data at the household level and include a household roster with demographic characteristics as well as information on the household's dwelling, the assets they own, the utilities and the services they have access to, and their consumption patterns. These modules were completed by the head of the household or any other household member who was knowledgeable of the household characteristics and finances at the time of the interview.

The remaining modules were completed by the primary respondent, with the exception of the third and the fifth ones, which were asked of both the primary and the secondary respondents so as to allow for gender comparisons on asset ownership and labour participation. The third module elicits information on any dwellings or land plots that the respondent may own in addition to their main property. The fourth module includes questions on attitudes and values. The fifth, sixth and seventh modules leverage information on the employment situation of the respondent. The fifth module is specifically concerned with the respondent's working history, while the other two gather information on the unemployment history of the respondent, if applicable, and on any entrepreneurial activities that the respondent may have been involved with. The eighth module focuses on governance, utilisation of public services, incidence of bribery practices and perceptions on corruption. A final module includes a host of miscellaneous questions. In the Greek version, an additional module is dedicated to the impact of the economic crisis and the voting behaviour of the respondent in the recent elections.

First and second stages of sampling: selection of PSUs and households

The survey was designed by means of a multi-stage random probability stratified clustered sampling. The sample was stratified by geographical region and level of urbanity (urban or rural areas).

In the first stage of the sampling exercise, 75 Primary Sampling Units (PSUs) were selected in each country. A panel element was built into the survey design by requesting interviewers to revisit the localities that were sampled during the second round of the survey in 2010.^{1,2} A mapping exercise preceding the sampling was carried out to match the borders of the 2010 PSUs to the current ones and to identify those PSUs that had changed, merged into bigger conglomerates or split into smaller localities. Full sample frames with updated population information stratified by region and urbanity were also obtained.

In the countries where LiTS II was conducted, 50 PSUs were selected from the previous round of the survey.³ The mapping exercise was instrumental in making sure that the exact locations visited in 2010 could be pinpointed. The remaining 25 PSUs were drawn from the new sample frames in an attempt to rebalance the old sample based on the updated population information. In Cyprus and Greece, where LiTS took place for the first time, the sample was drawn afresh.

Given the target of 1,500 interviews per country, 20 households had to be visited, on average, in each of the selected PSUs. This means that approximately two-thirds of the interviews were conducted in the same areas where fieldwork took place in 2010. The remaining 500 interviews were carried out in the newly selected PSUs. In the second stage of the sampling, therefore, 20 households were selected with equal probability within each PSU. Two different procedures were adopted. In a few countries (Armenia, Estonia, Georgia, Hungary, Latvia, Lithuania, Poland and the Slovak Republic), households were directly selected from a register of individuals or a list of addresses. In the remaining countries, the addresses were enumerated prior to the start of field work by means of a random walk procedure. In such instances, PSUs were split into four segments by drawing two lines on a map, crossing from north to south and from east to west. A starting point was then identified in each of the four segments. Enumerators were instructed to conduct random walks beginning from the points indicated in the maps and write the address details of the households encountered. When more than one household was resident at a particular address (for instance, in multi-flat blocks), interviewers were instructed to not enumerate more than 13 of them. The enumerated addresses were finally used to draw a random sample of households to visit.

¹ Revisiting the same locations allows studies to uncover differences between the socio-economic status of respondents and the evolution of their perceptions and attitudes between 2010 and 2016.

² While effort was made to visit the same localities where the survey was implemented in 2010, the households that participated in the third round were randomly selected and are therefore not the ones included in the second round.

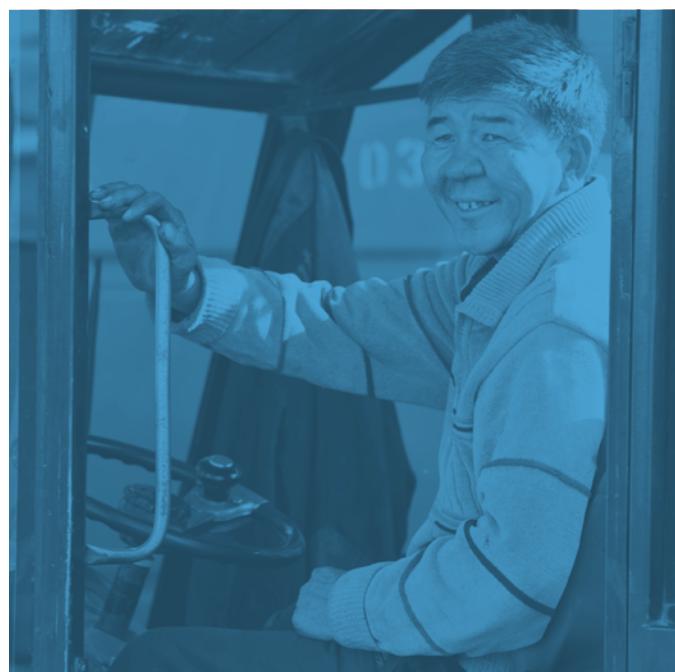
Selected addresses were handed over to interviewers, who were instructed to attempt to make contact with the households if, upon inspection, the dwellings were inhabited and were the main residence of the individuals occupying them. During the first visit, interviewers explained the purpose of their visit and the structure of the survey and collected information on the household composition. For the purpose of the survey, a household was defined as “a group of individuals who live together, put resources in common and share meals”.

Selection of respondents

The survey was conducted face-to-face in each selected household with one, two or three respondents. As the interviews were all administered by means of Computer-assisted Personal Interviewing (CAPI), the respondents were automatically selected by the software. Any adult household member aged 18 or over who had been living in the household in the six months prior to the survey and could speak at least one of the national languages was eligible to take part. The primary respondent was selected randomly from all eligible respondents in the household and was asked to complete modules 3 to 9 of the questionnaire (3 to 10 in Greece). A secondary respondent was selected randomly from all eligible respondents in all households that were composed of at least two adults of opposite gender. The secondary respondent was requested to complete modules 3 and 5. Lastly, the head of the household or any other member who was knowledgeable of the household characteristics and finances (potentially also the primary or the secondary respondent) were asked to complete modules 1 and 2.

An interview was considered complete only when all sections of the questionnaire were answered. In the case of non-response or temporarily absent respondents, interviewers were requested to return to each address a minimum of four times and attempt to complete the questionnaire before they could replace the household.

The number of interviews conducted with primary and secondary respondents is reported in the last column of Table 5.1 and Table 5.2. A breakdown by gender and age of the respondent is also shown in the remaining columns. Gender, age and location of residence (geographical region and urbanity) of the respondents were also used to benchmark the sample against the population and compute survey weights that allow the sample proportions to be reflective of the population ones. ■



³ 75 PSUs were visited as part of LiTS II in six countries: Poland, Russia, Serbia, Ukraine, United Kingdom (a comparator country not included in LiTS III) and Uzbekistan. For Poland, Serbia and Ukraine, only 50 randomly selected PSUs were selected from the previous round and 25 new ones were added to the sample design from the updated sample frames. For Russia and Uzbekistan there was no updated population information, therefore all 75 PSUs from LiTS II were revisited as part of LiTS III. Updated sample frames were also unavailable for Georgia, the Kyrgyz Republic and Tajikistan. In these cases, 50

PSUs were selected from the second round and the remaining 25 were selected from the respective 2010 full sample frames. Lastly, a handful of PSUs from LiTS II were replaced due to their being in or near war-torn zones, or in remote and currently uninhabited areas.

TABLE 5.1. Profile of the primary respondents by country, gender and age

Country	Gender		Age				Total number of observations
	Male	Female	18-24	25-39	40-64	65+	
Albania	48.07	51.93	8.67	29.40	48.00	13.93	1,500
Armenia	33.40	66.60	8.06	26.72	43.68	21.55	1,527
Azerbaijan	40.13	59.87	17.15	37.15	42.72	2.98	1,510
Belarus	41.89	58.11	6.58	30.32	44.28	18.82	1,504
Bosnia and Herzegovina	49.83	50.17	11.07	28.15	46.23	14.54	1,499
Bulgaria	46.00	54.00	5.53	20.00	44.53	29.93	1,500
Croatia	45.84	54.16	7.98	25.48	45.78	20.76	1,503
Cyprus	42.60	57.40	5.53	19.80	38.87	35.80	1,500
Czech Republic	44.84	55.16	5.74	25.91	43.15	25.20	1,532
Estonia	36.86	63.14	4.46	15.30	41.45	38.79	1,503
FYR Macedonia	48.43	51.57	9.94	25.02	41.23	23.82	1,499
Georgia	36.94	63.06	5.70	22.75	46.09	25.46	1,508
Germany	56.27	43.73	7.40	37.20	44.93	10.47	1,500
Greece	43.78	56.22	7.19	23.89	43.78	25.15	1,503
Hungary	44.24	55.76	5.66	21.32	40.31	32.71	1,501
Italy	48.97	51.03	5.13	25.58	45.24	24.05	1,501
Kazakhstan	35.22	64.78	7.84	34.42	47.24	10.50	1,505
Kosovo	49.00	51.00	14.13	31.27	42.93	11.67	1,500
Kyrgyz Republic	46.33	53.67	12.27	32.40	45.20	10.13	1,500
Latvia	37.33	62.67	5.73	20.13	38.60	35.53	1,500
Lithuania	39.84	60.16	7.33	18.92	41.44	32.31	1,501
Moldova	46.03	53.97	7.28	25.20	44.38	23.15	1,512
Mongolia	44.53	55.47	9.33	37.20	44.13	9.33	1,500
Montenegro	47.44	52.56	11.71	30.21	41.12	16.97	1,503
Poland	40.87	59.13	4.67	30.67	40.87	23.80	1,500
Romania	41.93	58.07	5.89	22.69	40.87	30.56	1,512
Russia	38.09	61.91	9.29	33.58	41.80	15.33	1,507
Serbia	47.61	52.39	6.37	25.33	43.37	24.93	1,508
Slovak Republic	42.03	57.97	6.54	20.14	45.27	28.04	1,544
Slovenia	48.43	51.57	5.26	16.92	43.37	34.44	1,501
Tajikistan	46.16	53.84	16.16	35.96	41.13	6.75	1,510
Turkey	51.27	48.73	11.93	50.27	35.13	2.67	1,500
Ukraine	38.02	61.98	4.71	27.80	46.52	20.97	1,507
Uzbekistan	46.08	53.92	9.10	32.20	50.13	8.57	1,506
Total	43.94	56.06	8.16	27.62	43.35	20.88	51,206

Source: LITS III (2016).

Note: The figures presented in all but the last column are percentages.

TABLE 5.2. Profile of the secondary respondents by country, gender and age

Country	Gender		Age				Total number of observations
	Male	Female	18-24	25-39	40-64	65+	
Albania	50.25	49.75	6.97	27.81	51.49	13.73	1,377
Armenia	54.80	45.20	5.53	25.51	51.41	17.56	1,031
Azerbaijan	57.02	42.98	11.48	43.76	40.84	3.92	1,403
Belarus	50.32	49.68	6.93	34.87	44.54	13.66	952
Bosnia and Herzegovina	48.38	51.62	9.17	28.51	50.54	11.78	1,112
Bulgaria	49.49	50.51	6.06	21.34	49.49	23.11	1,073
Croatia	51.78	48.22	5.38	27.26	49.32	18.05	1,097
Cyprus	52.91	47.09	4.52	19.72	46.39	29.37	1,151
Czech Republic	47.55	52.45	5.83	22.78	49.14	22.25	755
Estonia	51.72	48.28	4.56	21.43	46.55	27.46	812
FYR Macedonia	48.48	51.52	8.34	25.72	46.61	19.33	1,283
Georgia	60.10	39.90	7.65	27.60	44.97	19.78	1,163
Germany	46.48	53.52	2.39	31.82	54.20	11.59	880
Greece	51.80	48.20	3.89	24.05	48.50	23.55	1,002
Hungary	48.60	51.40	6.85	22.22	45.79	25.13	963
Italy	49.73	50.27	5.00	24.51	48.09	22.40	1,281
Kazakhstan	58.37	41.63	9.25	39.13	43.48	8.14	1,081
Kosovo	49.09	50.91	10.28	31.28	48.30	10.14	1,381
Kyrgyz Republic	48.76	51.24	12.09	32.75	46.20	8.97	1,249
Latvia	50.65	49.35	6.86	25.92	44.38	22.84	845
Lithuania	47.61	52.39	5.64	24.91	47.24	22.21	815
Moldova	43.50	56.50	6.25	30.27	46.57	16.91	816
Mongolia	49.62	50.38	7.28	39.46	47.22	6.03	1,044
Montenegro	52.17	47.83	7.83	26.20	51.74	14.24	920
Poland	53.27	46.73	4.94	32.38	40.18	22.50	871
Romania	51.79	48.21	4.23	24.21	45.82	25.73	921
Russia	52.32	47.68	8.76	36.65	43.29	11.29	753
Serbia	50.05	49.95	4.98	27.32	51.92	15.77	1,065
Slovak Republic	50.15	49.85	6.63	20.57	51.14	21.66	1,011
Slovenia	46.42	53.58	4.34	20.28	49.95	25.43	991
Tajikistan	50.11	49.89	13.08	34.83	45.41	6.69	1,361
Turkey	48.85	51.15	12.47	45.60	39.23	2.71	1,476
Ukraine	54.18	45.82	5.90	33.43	46.90	13.77	1,017
Uzbekistan	48.12	51.88	13.49	35.25	44.90	6.36	1,305
Total	50.80	49.20	7.53	29.58	47.00	15.89	36,257

Source: LITS III (2016).

Note: The figures presented in all but the last column are percentages.



51,000

households were surveyed
as part of LiTS III.



Country assessments

These country assessments showcase the main results from the 2016 survey for 31 countries and contrast these with the LiTS II (2010) findings. The main outcome variables are also broken down by age and income groups. Comparisons with simple cross-country averages for the whole transition region and for the two western European comparator countries (Germany and Italy) are also drawn.



Albania

Satisfaction with the situation at the country level and with personal circumstances

27 and 30 per cent of respondents believe that the economic and political situation in Albania was better in 2016 than four years prior to the survey, above the averages for south-eastern Europe (SEE), both at 17 per cent, as well as the corresponding figures for the transition region (24 and 28 per cent, respectively). Furthermore, 35 per cent of Albanian respondents think that corruption levels improved during the four years preceding the survey.

About one-third of Albanians believe that their household was better off in 2016 as compared to the four years prior to the survey, and almost half are satisfied with their personal financial situation.

Life satisfaction overall increased by 9 percentage points compared to 2010. Respondents aged 60 or above displayed the largest increase in life satisfaction (19 percentage points). With regards to the self-assessed income bracket, those Albanians who identify themselves as belonging to the lower or middle income group saw a larger increase in life satisfaction (13 percentage points in both groups, compared to only 3 percentage points in the upper income group). On average, 48 per cent of Albanian respondents were satisfied with their life as of 2016, a percentage that is considerably higher than the SEE and the transition region averages (39 and 43 per cent, respectively).

Among Albanian respondents, 77 per cent think that children born now will have a better life than the current generations, a 7 percentage point increase relative to 2010 levels and one of the highest figures in LiTS III. This level of optimism is also well above the transition region average of 50 per cent.

Attitudes towards democracy and the market economy

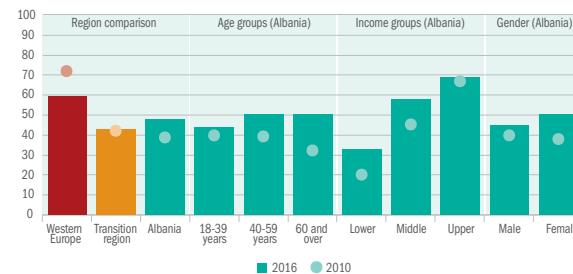
Following a mild decline in both categories compared to 2010, 51 and 50 per cent of Albanian respondents now prefer democracy or a market economy, respectively, over any other form of political or economic system. Still, around 31 per cent report that an authoritarian system or a planned economy may be better solutions under some particular circumstances. Compared to Germany, Albanians appear less supportive of both democracy and the market economy. Compared to the transition region as a whole, support for the market economy is stronger in Albania while the support for democracy is in line with the average.

Only a minority of Albanians believe that some democratic institutions are in place in the country. For instance, only 44 per cent of the population believes that freedom of speech is respected, while 42 and 41 per cent of those surveyed think that peace and stability and gender equality are guaranteed. These percentages are all well below the transition region averages, as well as the averages for Germany and Italy.

Priorities for government spending

Among Albanian respondents, 35 per cent would prefer extra government funding to be spent on health care, a figure comparable to the average for the transition region (34 per cent). Other priorities, such as helping the poor, improving pensions and investing in education, are mentioned by 19, 17 and 16 per cent of the respondents, respectively. Other options for extra government spending, such as public infrastructure or environment, attract little support. Additional results from LiTS III show that about 56 and 25 per cent of Albanian respondents would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Albanian respondents are the television and the radio (74 per cent), followed by discussions with family, friends or colleagues (58 per cent) and the internet and social media (38 per cent). As of 2016, an urban-rural divide exists in the use of the internet as the main source of information, with 44 of respondents from urban areas reporting daily usage, in contrast to only 30 per cent among those residing in rural areas. Newspapers are read on a daily basis by 34 per cent of Albanian respondents, a figure far higher than the averages for SEE and the transition region (14 and 9 per cent, respectively) as well as both western European comparator countries (31 per cent in Germany and 22 per cent in Italy).

Self-assessed health

69 per cent of Albanian respondents report a positive health self-assessment, which is slightly above the averages for SEE and Germany (65 and 68 per cent, respectively) and far higher than the values for the transition region as a whole and Italy (both at 54 per cent). However, the percentage of Albanians who define their health status as "good" or "very good" has declined by 7 percentage points on average since 2010. Only the respondents in the upper income bracket and those aged 60 and above seem to have experienced an improvement in their health.

Quality of public services

The majority of Albanians are satisfied with the quality of the public services in their country, with the only exception being the local roads network, which causes dissatisfaction for 52 per cent of the respondents. Even so, the satisfaction rates of most of the services are lower than the corresponding ones for the transition region as a whole and Germany.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 43 per cent of Albanians chose "political connections", the third highest percentage for this response in the whole transition region. By contrast, 34 per cent opted for "effort and hard work" while about 18 per cent answered "intelligence and skills". The latter percentage is substantially lower than the averages for the transition region (31 per cent), Germany (36 per cent) and Italy (27 per cent).

Attitudes towards women

83 and 71 per cent of female and male Albanian respondents, respectively, think that women are as competent as men as business executives, and overall 87 per cent of them believe that it is important that their daughter achieves a university education. However, a considerably higher proportion of men believe that men make better political leaders than women (63 per cent of men as opposed to 45 per cent of women). Furthermore, around 39 per cent of both men and women believe that the woman should do the household chores, even if her husband is not working. Lastly, about half of those surveyed favour a traditional family arrangement where the man works and the woman takes care of the family.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

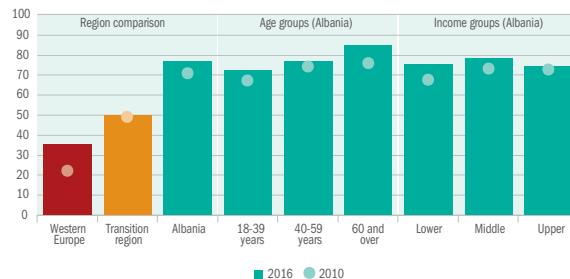


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

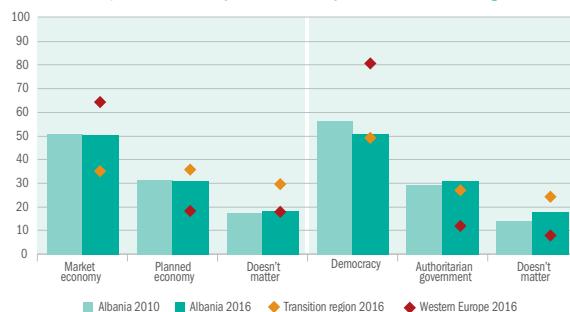


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

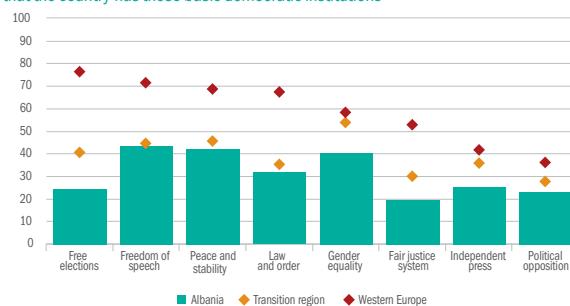
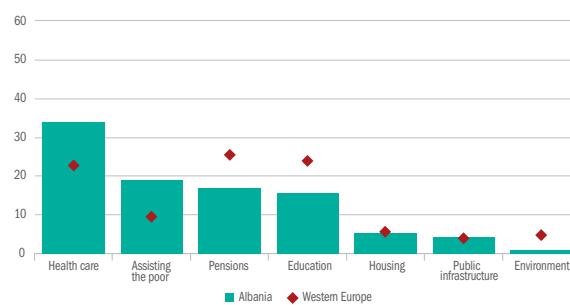


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

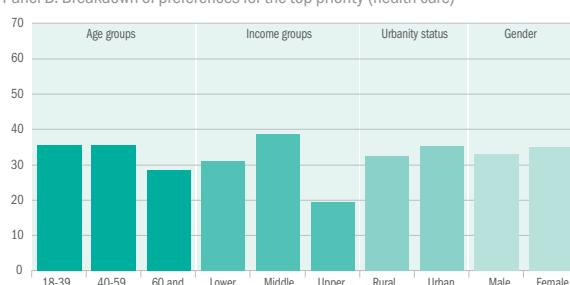


CHART 6. Sources of information: percentage of respondents who use these different sources of information

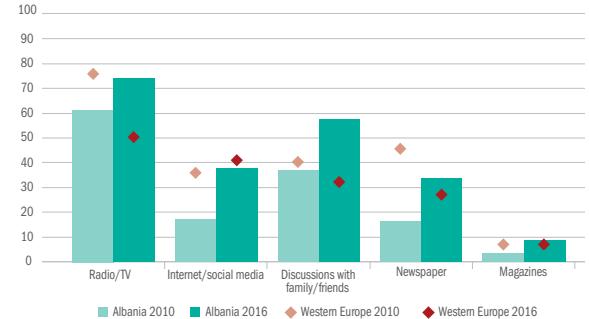


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

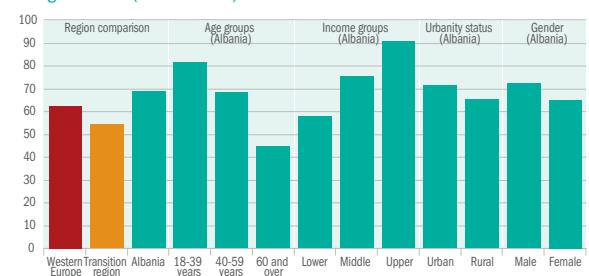


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category



CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

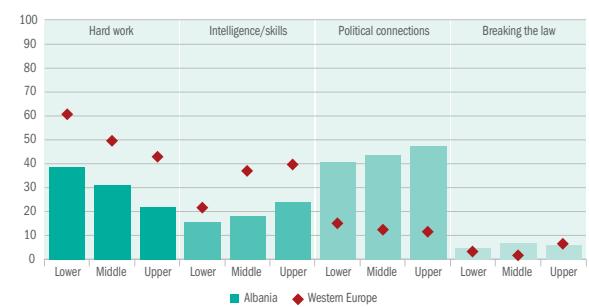
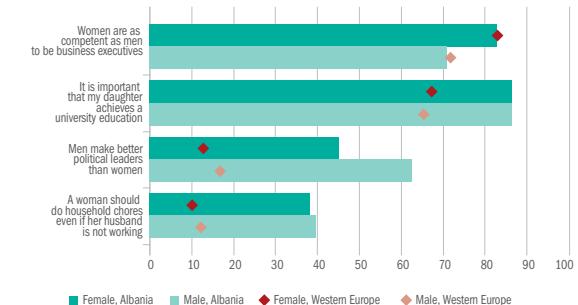


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

LiTS II data revealed in 2010 that the 2008–09 crisis affected 62 per cent of the Armenian population, the highest figure in the eastern Europe and the Caucasus (EEC) region. In 2016, the consequences of that crisis are still widely felt. Only 13 and 11 per cent of respondents believe that the economic and political situation in Armenia was better in 2016 than four years prior to the survey. Upper-income households seem to be more confident, possibly because they have been less vulnerable to adverse economic and political conditions. Moreover, only 15 per cent of those surveyed think that there was less corruption in 2016 than in the four years before the survey, a figure in line with the averages for EEC and Germany, but below the one reported for the transition region as a whole (16, 16 and 23 per cent, respectively).

Only one in five Armenian respondents believe that their households lived better in 2016 than they did in the four years before the survey. In addition, a mere 18 per cent of respondents report that they are satisfied with their current personal financial situation, a number significantly below the transition region average of 31 per cent but almost on a par with the regional average of 17 per cent for EEC.

Life satisfaction in Armenia is the fourth lowest in the transition region. While there is no difference in the percentage of satisfied male and female respondents, there is substantial variation across income groups: more than three times as many people in the upper income group are satisfied with their lives compared to those in the lower income group. In addition, respondents aged 18–39 are twice as likely to be satisfied with their life than older cohorts.

Lastly, there is little optimism about the prospects for future generations: the percentage of people who think that children born now will have a better life than the current generations has slightly decreased since the last survey, from 34 per cent in 2010 to 31 per cent in 2016, and is now well below the transition region average (50 per cent). This pessimism is particularly marked among older people and those on lower incomes.

Attitudes towards democracy and the market economy

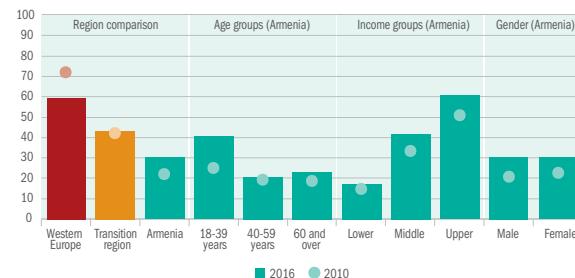
Support for democracy and the market economy have weakened since the last survey, from 76 and 50 per cent in 2010 to 66 and 36 per cent in 2016, respectively. About 27 per cent of Armenian respondents express indifference as to the type of political system that should prevail in the country but only 7 per cent of those surveyed would favour, under some circumstances, an authoritarian system, the second lowest figure in the transition region. However, 41 per cent of those interviewed do not have a clear preference for which specific type of economic system should prevail in the country, one of the highest figures in the transition region, and one in four respondents would prefer a planned economy under some circumstances.

Only a minority of Armenians believe that democratic institutions exist in the country. For instance, only 40 per cent of respondents indicated that the country has peace and stability, while 38, 35 and 28 per cent of those surveyed believe that gender equality, freedom of speech and an independent press are in place. Lastly, less than 20 per cent of Armenians think that their country has free elections, law and order, a fair justice system or a strong political opposition.

Priorities for government spending

Of Armenian respondents, 39 per cent believe that health care should be the main priority for additional government spending. This preference is particularly strong among respondents in the upper income group. According to 24 per cent

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



of respondents, assisting the poor also deserves further government funding. Additional investments in public education and higher pensions are supported by around 16 and 11 per cent of the population, respectively. Further results show that around 77 and 72 per cent of those surveyed would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

Sources of information

The predominant sources of information for Armenians are the television and the radio, used each day by 80 per cent of the respondents, the third highest value in the transition region. Armenians are the least likely among all countries surveyed to read newspapers to learn about national and international news: only 3 per cent of them do so on a daily basis. Lastly, daily usage of the internet and social media has increased significantly since the last survey, from 17 per cent in 2010 to 50 per cent in 2016.

Self-assessed health

Only 34 per cent of Armenians consider their health to be either "good" or "very good", the second lowest value in the transition region, and a score that is virtually unchanged since 2010. This result is mostly driven by middle-aged or older respondents and those on lower incomes. While there are no significant differences in health status between respondents living in urban and rural areas, a higher percentage of men (40 per cent) than women (28 per cent) consider their health to be "good" or "very good".

Quality of public services

The majority of Armenians are satisfied with the general quality of public services in their country, with the only exceptions being local roads, whose quality is considered adequate by only 28 per cent of those surveyed, one of the lowest figures in the transition region. The remaining figures range from an 84 per cent satisfaction rate with the quality of telephone lines to a 61 per cent satisfaction rate for the provision of pipeline gas, the lowest percentage in the transition region.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 36 per cent of Armenians chose "effort and hard work", 33 per cent opted for "intelligence and skills", while 24 per cent answered "political connections", a value higher than the corresponding figure for Germany (3 per cent) but slightly lower than the one for Italy (27 per cent).

Attitudes towards women

Of Armenian respondents, 88 per cent think it is important for their daughter to achieve a university education, while 87 and 72 per cent of female and male respondents, respectively, believe that women are as competent as men to be business executives. However, 60 per cent of surveyed women and 69 per cent of surveyed men think that men make better political leaders than women. In addition, about 73 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working, and around 82 per cent favour a traditional family arrangement where the man works and the woman takes care of the house and children, the third highest figure in the transition region.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation



CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

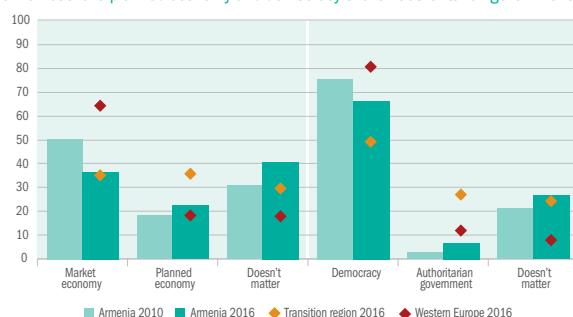


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

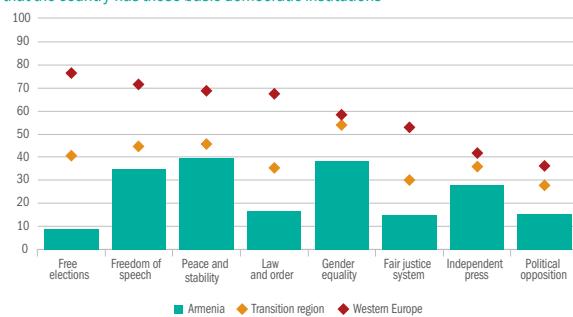
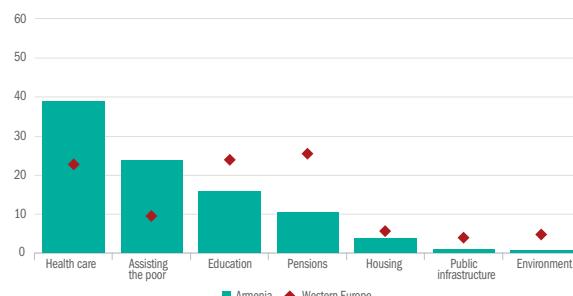


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

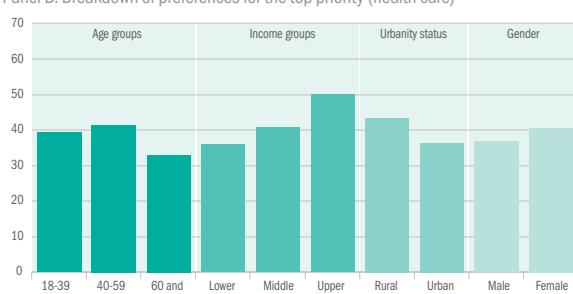


CHART 6. Sources of information: percentage of respondents who use these different sources of information

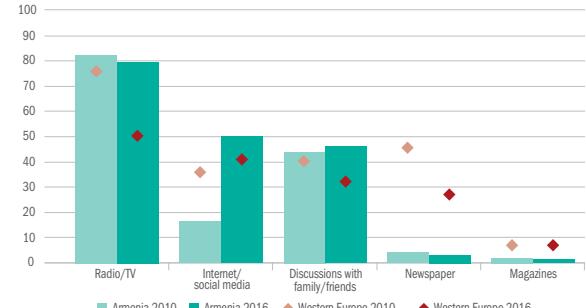


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

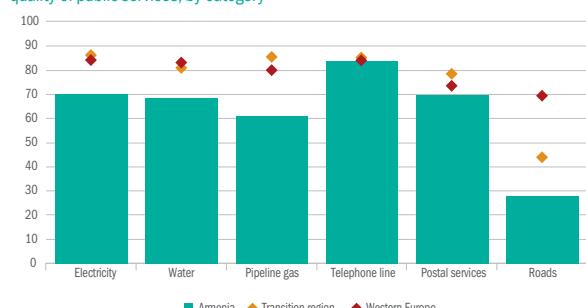


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

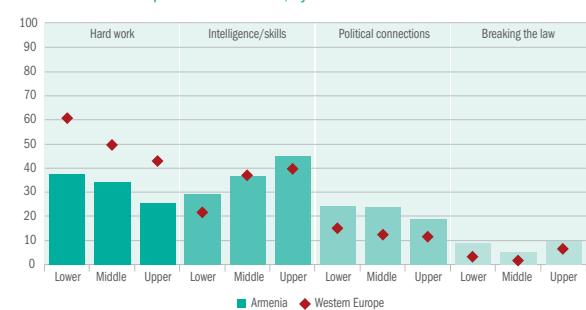
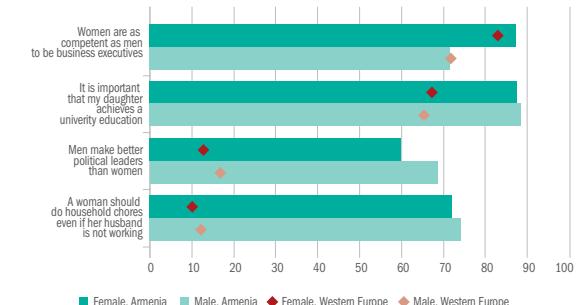


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

49 and 58 per cent of respondents believe that the economic and political situation in Azerbaijan was better in 2016 than four years prior to the survey, two of the highest figures for their respective categories in the transition region. Moreover, 59 per cent of those surveyed think that there was less corruption in 2016 than in the four years before the survey, the second highest percentage in the transition region.

Just over half of the Azerbaijani respondents believe that their households lived better in 2016 than they did four years prior to the survey. In addition, 42 per cent report that they are satisfied with their current personal financial situation, a value significantly above the transition region average of 31 per cent.

Life satisfaction in Azerbaijan has improved since the last survey, from 42 per cent in 2010 to 53 per cent in 2016, a figure that is now well above the corresponding ones for the transition region and Italy (43 and 42 per cent, respectively) but still below the German figure (72 per cent). Life satisfaction has increased almost uniformly across all age and income groups, except in the upper income group where life satisfaction has decreased from 54 per cent in 2010 to 43 per cent in 2016.

Lastly, optimism about the future remains higher than in the transition region as a whole, and in Germany and Italy, with 62 per cent of Azerbaijani respondents believing that children born now will have a better life than the current generations.

Attitudes towards democracy and the market economy

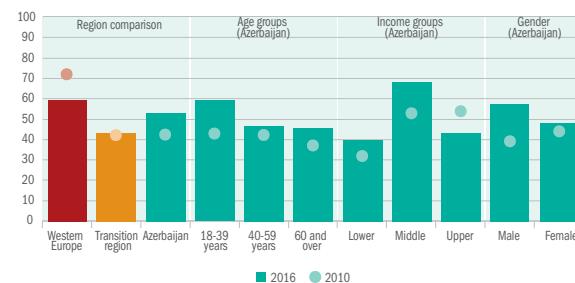
Support for democracy and the market economy have weakened drastically since the last survey, from 60 and 56 per cent in 2010 to 28 and 16 per cent in 2016, the two lowest values for their respective categories in the transition region. About 61 per cent of respondents express indifference as to the type of political system that should prevail in the country, the highest value in the transition region, while 11 per cent of those surveyed would favour, under some circumstances, an authoritarian system. In addition, 66 per cent of respondents do not have a marked preference for a specific type of economic system that should be in place in the country, again the highest value in the transition region, while 18 per cent of those surveyed would support, under some circumstances, a planned economy.

When asked which democratic institutions exist in Azerbaijan, 54 per cent of respondents indicated that gender equality is in place in the country. However, only a minority of those surveyed believe that other democratic institutions are guaranteed: for example, 49 per cent think that the country has peace and stability, 48 per cent say that law and order are in place, while 43 per cent believe that free elections and freedom of speech are respected.

Priorities for government spending

Of Azerbaijani respondents, 38 per cent think government spending on health care should be the first priority. In addition, 25 per cent of the population believe that the government should prioritise additional investments in education, while 20 per cent see extra expenditure on assisting the poor as the top priority. Additional results show that around 66 and 73 per cent of those surveyed would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Azerbaijani respondents are television and radio, used each day by 84 per cent of the population, and discussions with family, friends or colleagues, mentioned by 74 per cent of respondents. Both of these figures are the highest for their respective categories in the transition region. The use of the internet and social media has increased almost six-fold since the last survey, from 6 per cent in 2010 to 34 per cent in 2016, and is now above the transition region average but still below the corresponding values for the western European comparators. Newspapers and magazines are read on a daily basis by approximately 3 per cent of the interviewed respondents, the lowest figure in the transition region.

Self-assessed health

46 per cent of Azerbaijani respondents consider their current health status to be either "good" or "very good", a value which is lower than the corresponding figures for Germany (68 per cent) and Italy (54 per cent). Additional statistical analysis of the LiTS III data shows that, compared with 2010, respondents in the upper-income group and male respondents have reported a decline in their health by 8 and 7 percentage points, respectively.

Quality of public services

The majority of the respondents are generally satisfied with the quality of public services in their country, with the only exceptions being local roads, which cause dissatisfaction to 51 per cent of those surveyed. The remaining figures range from an 82 per cent satisfaction rate for the quality of telephone lines and the provision of heating, to a 70 per cent satisfaction rate for the quality of postal services.

Social and economic mobility

When Azerbaijani respondents were asked from a list of options what they thought were the most important factors for success in life in their country, about 54 per cent chose "intelligence and skills", the second highest figure in the transition region. The belief that "effort and hard work" aids social and economic mobility has fallen considerably since the last survey, from 40 per cent in 2010 to 30 per cent in 2016. Lastly, 12 per cent of respondents believe "political connections" are the most important factor for success in their country.

Attitudes towards women

Of Azerbaijani respondents, 91 per cent think it is important for their daughter to achieve a university education, while 76 and 79 per cent of female and male respondents, respectively, believe that women are as competent as men to be business executives. However, 58 per cent of surveyed women and 86 per cent of surveyed men think that men make better political leaders than women. In addition, 77 per cent of surveyed women and 88 per cent of men think that a woman should do the household chores, even if her husband is not working, and around 91 per cent of respondents of either gender favour a traditional family arrangement where the man works and the woman takes care of the house and children, the highest figure in the transition region.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

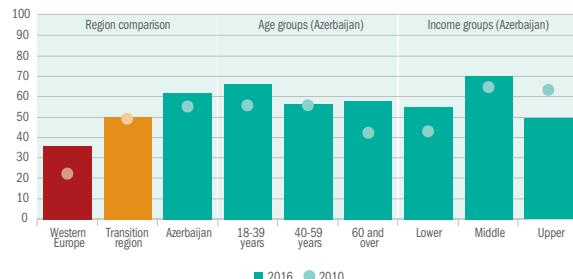


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

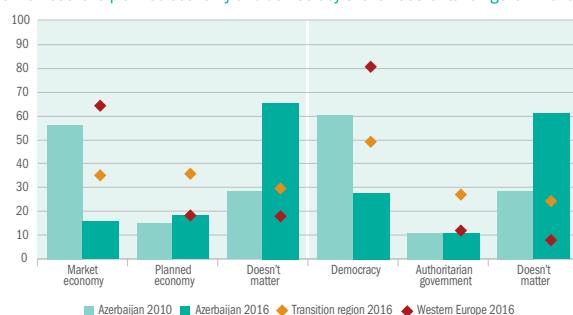


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

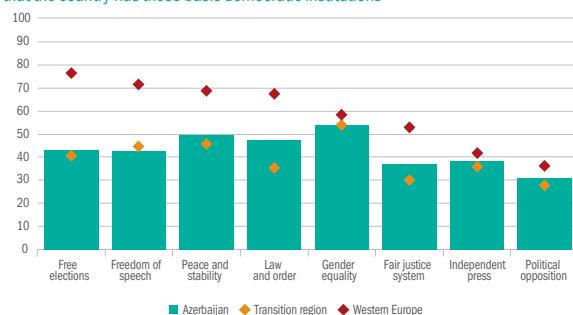
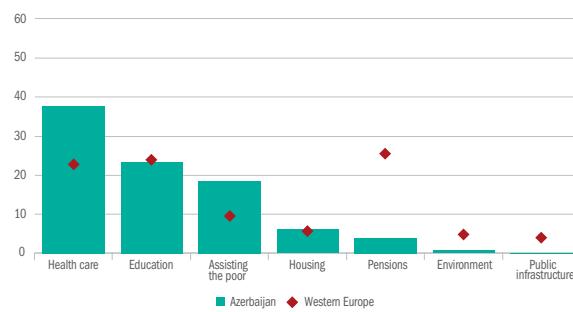


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)



CHART 6. Sources of information: percentage of respondents who use these different sources of information

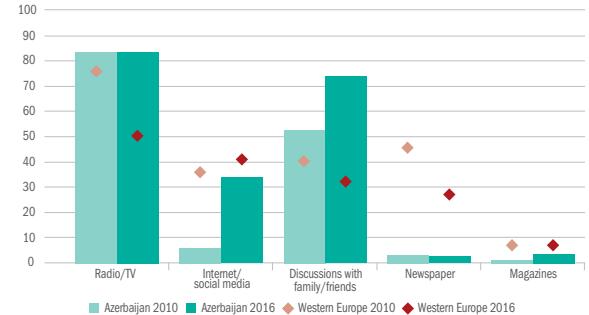


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

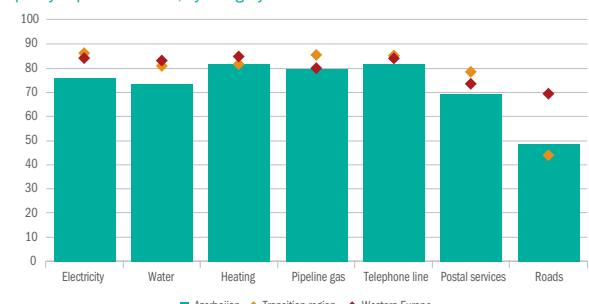


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

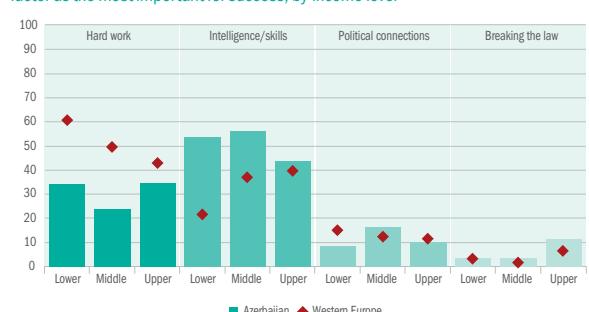


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

Only 9 and 20 per cent of respondents, respectively, believe that the economic and political situation in Belarus was better in 2016 than four years prior to the survey. These figures are lower than the corresponding averages for the transition region, but above the Italian ones. Moreover, 19 per cent of those surveyed think that there was less corruption in 2016 than in the four years before the survey.

Only one in five respondents believe that their households live better in 2016 than they did four years prior to the survey. In addition, a mere 17 per cent of respondents report being satisfied with their current personal financial situation, one of the lowest figures in the transition region and a value significantly below the transition region average of 31 per cent.

Life satisfaction has dropped by 10 percentage points since the last survey, from 51 per cent in 2010 to 41 per cent in 2016, and is now 2 percentage points below the transition region average. The decline in life satisfaction was registered across all demographic groups. As in many other countries, there is a positive correlation between income and life satisfaction.

There has been a significant drop in optimism about the future. About 62 per cent of Belarusian respondents in 2010 believed that future generations would have a better life than themselves; this has now fallen to 54 per cent, a figure that is nevertheless still above the transition region average and the corresponding values for Germany and Italy (50, 46 and 22 per cent, respectively).

Attitudes towards democracy and the market economy

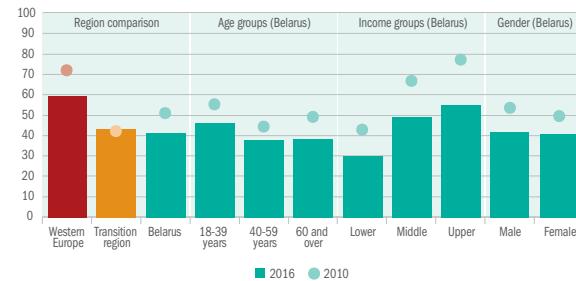
Support for democracy and the market economy have weakened since the last survey, from 59 and 53 per cent in 2010 to 36 and 35 per cent in 2016, respectively. 35 per cent of respondents express indifference as to the type of economic or political system that should prevail in the country, while almost one in three respondents would favour, under some circumstances, an authoritarian system or a planned economy.

When asked which democratic institutions exist in Belarus, 61 per cent of respondents mentioned gender equality and peace and stability, followed by law and order at 50 per cent. Only a minority of Belarusians believe that other democratic institutions are in place. For instance, 34 and 33 per cent of those surveyed think that free elections and a fair court system exist in Belarus, respectively, while less than one in four respondents believe that Belarus has freedom of speech, an independent press and a strong political opposition.

Priorities for government spending

Of Belarusian respondents, 26 per cent think health care should be the first priority for government spending. In addition, 21 per cent of the population believe that the government should prioritise additional investments in education, while 17 per cent see extra expenditure on housing as the top priority. Additional results show that around 44 and 33 per cent of those surveyed would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Belarusians are discussions with family, friends or colleagues, mentioned by 53 per cent of respondents; internet and the social media, used by 33 per cent those surveyed; and television and radio, used each day by 32 per cent of the population, the lowest value in the transition region. Additional statistical analysis of the LiTS III data shows that younger generations are three times more likely than older cohorts to utilise internet and social media as their primary source of information on a daily basis. Newspapers and magazines are read on a daily basis by approximately 5 per cent of respondents, below the corresponding figures for the transition region, Germany and Italy, but in line with the EEC average.

Self-assessed health

Only 38 per cent of Belarusian respondents consider their health to be "good" or "very good", which is the third lowest figure in LiTS III and in contrast to an average of 54 per cent across the transition region. Health is positively correlated with income levels and strongly negatively associated with age: only 6 per cent of respondents aged 60 or over report a positive health self-assessment. There are relatively small differences when it comes to gender and urban/rural status.

Quality of public services

The majority of Belarusians are satisfied with the general quality of public services in their country, with the only exceptions being local roads, which cause dissatisfaction to 62 per cent of those surveyed. The remaining figures range from an 88 per cent satisfaction rate for the quality of electricity and the provision of pipeline gas, to a 66 per cent satisfaction rate for the quality of postal services.

Social and economic mobility

When respondents were asked from a list of options what were the most important factors for success in life in their country, 45 per cent chose "effort and hard work", 36 per cent opted for "intelligence and skills" and 15 per cent answered "political contacts".

Attitudes towards women

68 per cent of Belarusian respondents think it is important for their daughter to achieve a university education, while 80 and 57 per cent of female and male respondents, respectively, believe that women are as competent as men to be business executives. In addition, 57 of surveyed women and 72 per cent of surveyed men think that men make better political leaders than women. Around 85 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working, one of the highest figures in transition region, and around 68 per cent favour a traditional family arrangement where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation



CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government



CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

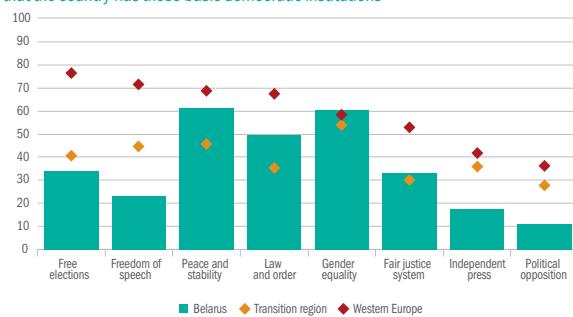


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

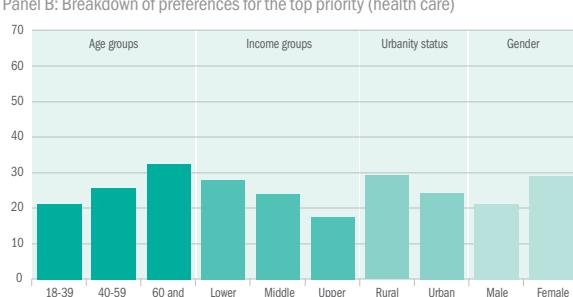


CHART 6. Sources of information: percentage of respondents who use these different sources of information

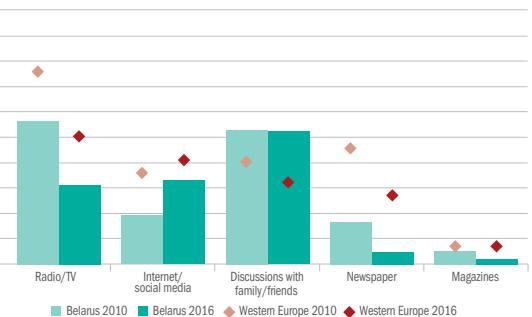


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

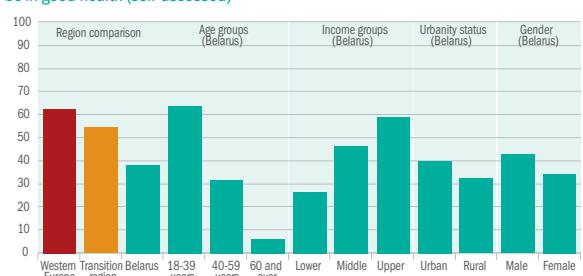


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

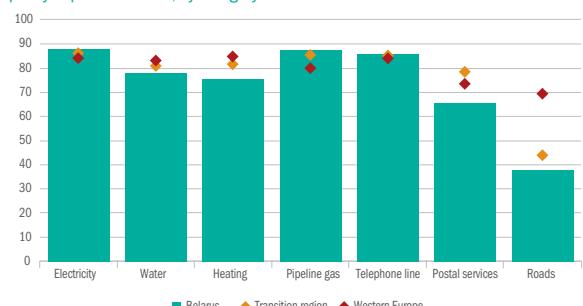


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

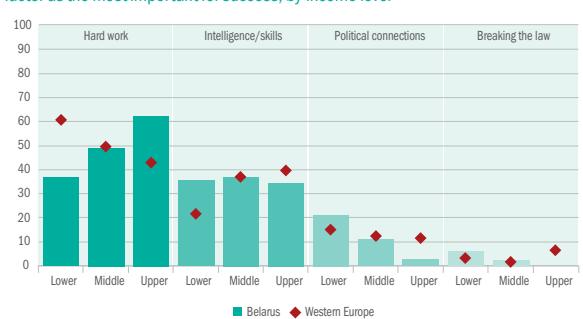
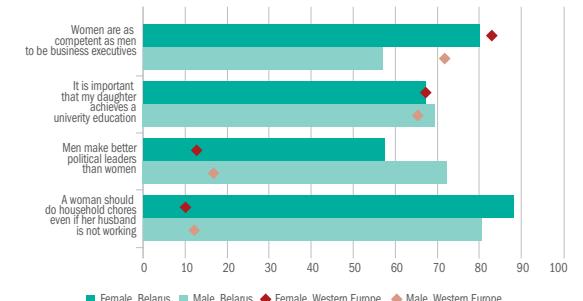


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Bosnia and Herzegovina

Satisfaction with the situation at the country level and with personal circumstances

Only 9 and 8 per cent of Bosnian respondents believe that the economic and political conditions in their country were better in 2016 than four years prior to the survey in their country. These percentages are much lower than the averages for south-eastern Europe (SEE), both at 17 per cent, as well as the corresponding figures for the transition region (24 and 28 per cent, respectively). About 1 in 10 respondents think that corruption levels improved in the four years preceding the survey which, again, is well below both the SEE average (18 per cent) and the transition region average (23 per cent).

A quarter of those surveyed believe that their household was better off in 2016 as compared with four years prior to the survey, and one in three are satisfied with their current personal financial situation. These percentages are both above the respective SEE averages.

Life satisfaction has increased across all age and income groups since the last survey, particularly among those in the upper income bracket, from 32 per cent in 2010 to 40 per cent in 2016. However, this is still lower than the averages in the transition region, Germany and Italy (43, 72 and 42 per cent, respectively).

The percentage of Bosnian respondents who think that children born now will have a better life than the current generations is virtually unchanged since the last survey: 36 per cent of respondents were optimistic in 2010, as opposed to 37 per cent in 2016. The level of optimism about the future in Bosnia and Herzegovina is, therefore, lower than that in SEE (39 per cent), the transition region (50 per cent) and Germany (46 per cent), but above Italian levels (22 per cent).

Attitudes towards democracy and the market economy

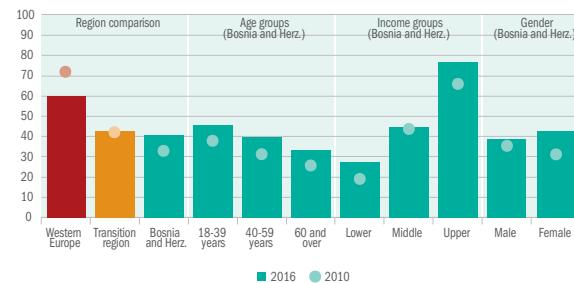
46 and 36 per cent of Bosnian respondents support democracy and the market economy, respectively, two figures that are lower than the respective averages for SEE, the transition region and Germany. In addition, 27 and 30 per cent of respondents believe that, under some circumstances, an authoritarian system or a planned economy might be preferable, while 27 and 34 per cent are indifferent about the different types of political or economic systems, respectively.

Only a minority of those surveyed believe that some basic democratic institutions exist in the country. For instance, 39 per cent of respondents think that peace and stability and freedom of speech are guaranteed, while 36 per cent indicate that gender equality is respected. Only one in four respondents believe that the country has an independent press and a fair court system, while one in five think that a strong political opposition exists.

Priorities for government spending

Of Bosnian respondents, 28 and 26 per cent think education and health care should be the top priorities for extra government spending, respectively, while one in six think that assisting the poor and pensions deserve additional funding. Further analysis of the LITS III data shows that 79 and 76 per cent of respondents would be willing to pay more taxes to improve the quality of their public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Bosnians are the television and the radio (59 per cent), followed by discussions with family, friends or colleagues (51 per cent) and the internet and social media (35 per cent). The 2016 data show there remains an urban-rural divide in the use of the internet as a main source of information, with 40 per cent of respondents from urban areas reporting daily usage while as little as 28 per cent of rural residents do so. Newspaper readership is quite high at 21 per cent, a value higher than the corresponding figures for SEE and the transition region as a whole, and in line with newspaper readership in Italy.

Self-assessed health

71 per cent of Bosnian respondents consider their health to be "good" or "very good", one of the highest figures in the transition region, and also above the German and Italian figures (68 and 54 per cent, respectively). Additional analysis shows that, compared with 2010, all demographic groups reported an improvement in their health. Interestingly, the largest improvement took place among respondents aged 60 and over.

Quality of public services

The majority of Bosnians believe that their country provides access to high quality public services, with the sole exception of local roads, whose quality is deemed satisfactory by only 36 per cent of the respondents. Satisfaction with the quality of public services is lower in Bosnia and Herzegovina than in the transition region as a whole (with the exception of the postal services). 82 per cent of those surveyed are satisfied with the provision of electricity, 79 per cent are happy with postal services and 75 per cent are pleased with the quality of their telephone lines.

Social and economic mobility

When asked from a list of options what they thought were the most important factors for success in life in their country, 45 per cent of Bosnian respondents chose "political connections", up from 33 per cent in 2010, and the second highest result for this response across the transition region. By contrast, 35 per cent of respondents answered "effort and hard work" and 16 per cent opted for "intelligence and skills".

Attitudes towards women

89 and 84 per cent of female and male Bosnian respondents, respectively, think that women are as competent as men to be business executives, and 76 per cent of those surveyed (of either gender) believe that it is important that their daughter achieves a university education. 46 per cent of men and only 31 per cent of women also think that men make better political leaders than women. Lastly, about half of Bosnian respondents favour a traditional family arrangement where the man works and the woman takes care of the family, while 34 per cent think that a woman should do the household chores, even if her husband is not working.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

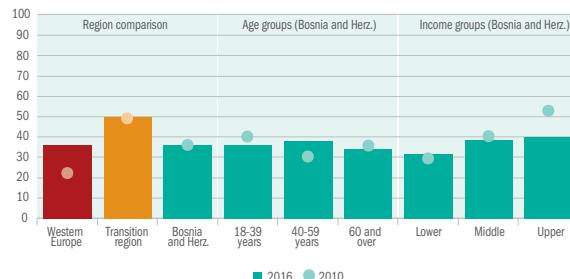


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

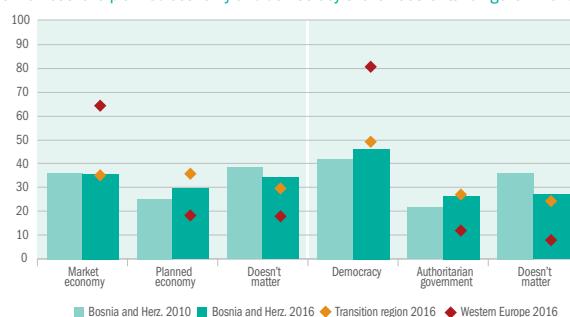


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

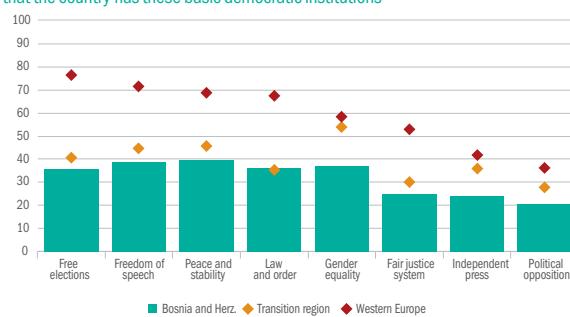
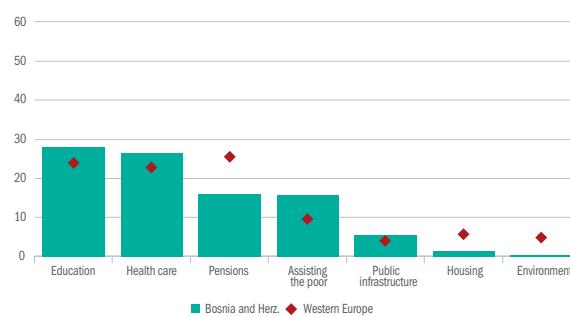


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (education)

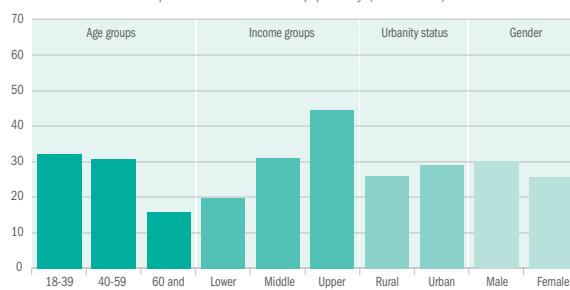


CHART 6. Sources of information: percentage of respondents who use these different sources of information

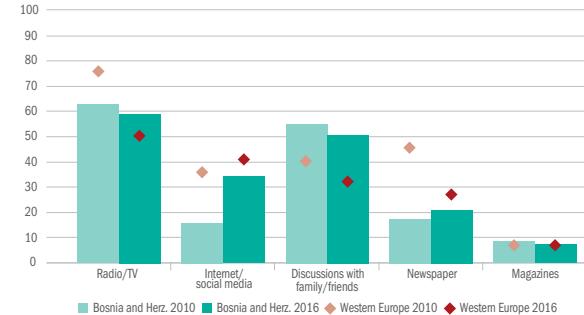


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

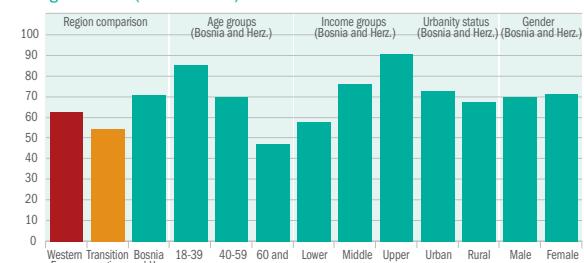


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

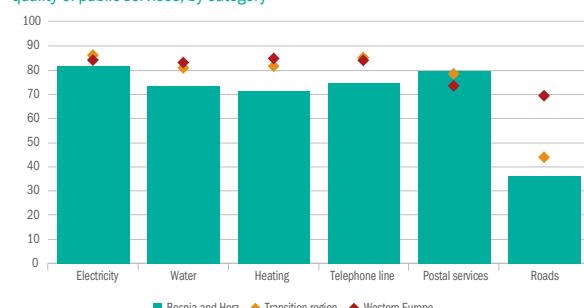


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

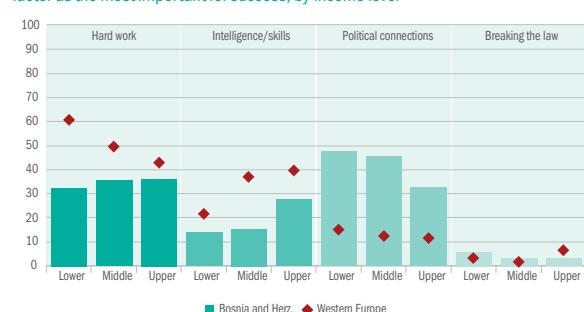
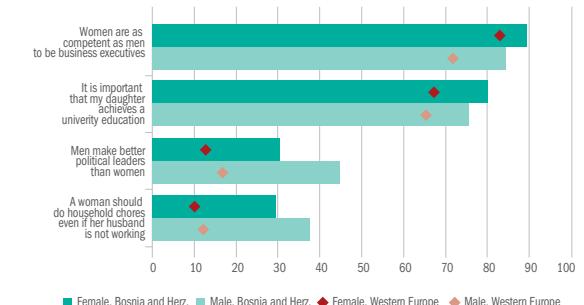


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Bulgaria

Satisfaction with the situation at the country level and with personal circumstances

15 and 14 per cent of Bulgarian respondents believe that the economic and political situation in their country was better in 2016 than four years prior to the survey, in line with the averages for south-eastern Europe (SEE), both at 17 per cent, but below the corresponding figures for the transition region (24 and 28 per cent, respectively). Only 1 in 5 Bulgarians believe that their household was better off in 2016 compared with four years prior to the survey and only 1 in 4 is satisfied with their personal financial situation.

As little as 9 per cent of interviewed individuals think that corruption levels improved over the four years preceding the survey. Additional statistical analysis of the LiTS III data shows that about 10 per cent of Bulgarian respondents report that either they or another member of their household made unofficial payments or gifts when accessing public services in the 12 months before the survey.

Life satisfaction slightly increased by 4 percentage points compared with 2010, particularly for the middle income group. Still, only 37 per cent of Bulgarian respondents were satisfied with their life in 2016, a percentage which is considerably lower than the SEE and the transition region averages (39 and 43 per cent, respectively). 42 per cent of Bulgarian respondents think that children born now will have a better life than the current generation, a 10 percentage point decline relative to 2010 levels and a figure below the transition region average of 50 per cent.

Attitudes towards democracy and the market economy

Some 49 and 40 per cent of Bulgarian respondents prefer democracy and a market economy over any other form of political or economic system respectively, while around 21 and 24 per cent report that an authoritarian system and a planned economy may be better solutions under some circumstances. Compared with the rest of the SEE region and with Germany, Bulgarians appear slightly less supportive of democracy and the market economy. However, when contrasting these values with the transition region as a whole and with Italy, Bulgarian respondents seem to favour the market economy more than their counterparts.

When asked which democratic institutions exist in the country, a substantial 65 per cent of respondents reported that gender equality is in place in Bulgaria. This figure is higher than the corresponding averages for the SEE and the transition regions (53 and 56 per cent, respectively), as well as the one for Italy (42 per cent). 49 per cent of the interviewed population believes that peace and stability exist in the country while 44 per cent thinks that freedom of speech is guaranteed. However, the values for the remaining institutions (free elections, law and order, an independent press, a strong political opposition and a fair judicial system) are among the lowest in the transition region.

Priorities for government spending

Among Bulgarian respondents, 44 per cent would prefer extra government funding to be spent on health care, a figure above the average for the transition countries (34 per cent). This is followed by pensions, helping the poor and investments in education, at 17, 15 and 14 per cent, respectively. Other options for extra spending, such as public infrastructure or environment, attract little support. Additional results from LiTS III show that over 50 per cent of Bulgarian respondents would be willing to contribute more to improve the quality of the public health system, and 43 per cent would be willing to contribute to improvements to public education.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Bulgarian respondents are the television and the radio (67 per cent), followed by discussions with family, friends or colleagues (39 per cent) and the internet and social media (29 per cent). As of 2016, there remains an urban and rural divide in utilisation of the internet as the main source of information, with 34 per cent of respondents from urban areas reporting daily internet usage, in contrast to a much lower 14 per cent among those in rural areas. Newspapers are read on a daily basis by 11 per cent of Bulgarian respondents, a figure slightly above the average for the transition region (9 per cent) but lower than those of SEE, Germany and Italy (14, 31 and 21 per cent, respectively).

Self-assessed health

63 per cent of Bulgarian respondents report a positive health self-assessment, which is in line with the averages for SEE and Germany (65 and 68 per cent, respectively) and higher than the values for the transition region and Italy (both at 54 per cent). Additional analysis shows that, compared with 2010, all demographic groups report better health conditions except for the upper income group, which reports a significant decrease of 28 percentage points. Surprisingly, health is not positively correlated with income levels in Bulgaria and the upper income group has a lower reported positive health status than both the middle- and lower-income brackets.

Quality of public services

The majority of Bulgarians believe that, overall, their country provides high quality public services, with the sole exception of local roads, whose quality is assessed as satisfactory by only 29 per cent of respondents. The remaining satisfaction rates are broadly in line with the averages for the transition region as well as for Germany and Italy.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, about 32 per cent of Bulgarians chose "effort and hard work" and another 32 per cent opted for "political connections". A quarter of Bulgarians believe that "intelligence and skills" are key to success while 12 per cent chose the response option "breaking the law", a figure substantially higher than in Germany (1 per cent) and Italy (4 per cent) and the third highest in the transition region.

Attitudes towards women

90 and 80 per cent of female and male respondents, respectively, think that women are as competent as men to be business executives and an overall 75 per cent believe that it is important that their daughter achieves a university education. However, a considerably higher proportion of men believe that men make better political leaders than women (58 per cent of men as opposed to 34 per cent of women) and that a woman should do the household chores, even if her husband is not working (44 per cent of men compared with 31 per cent of women). Lastly, 62 per cent of respondents favour a traditional family arrangement where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

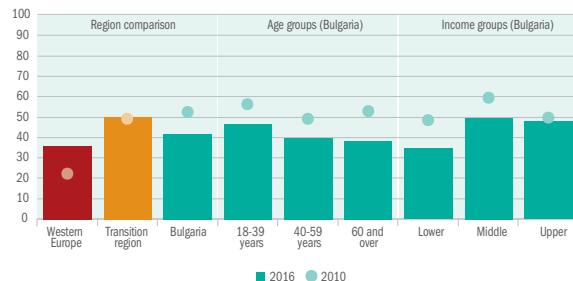


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

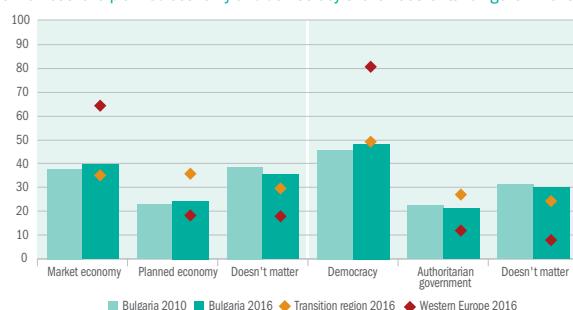


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

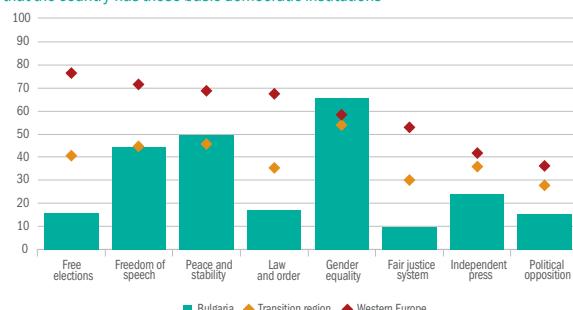


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

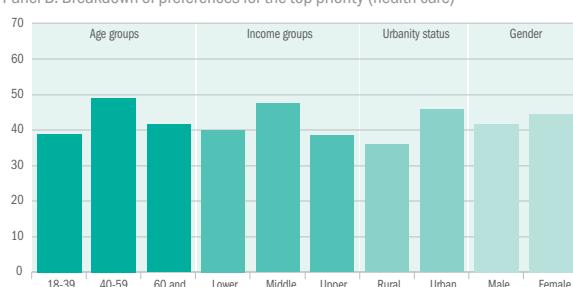


CHART 6. Sources of information: percentage of respondents who use these different sources of information

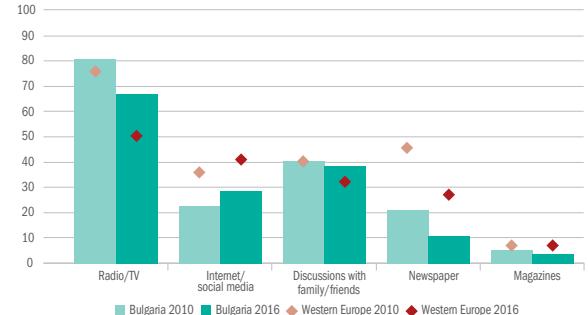


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

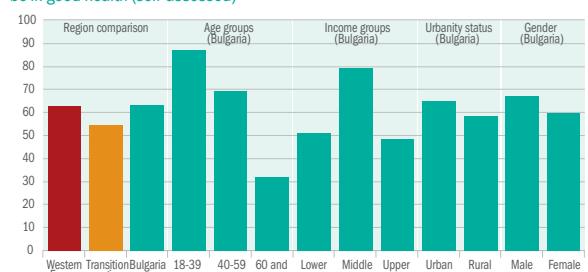


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

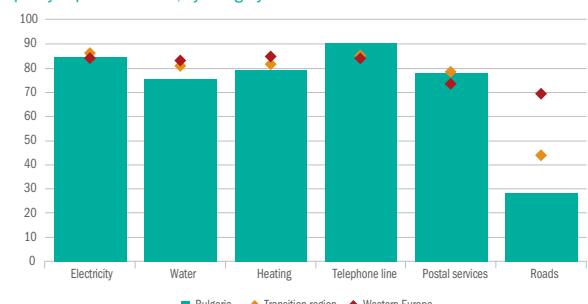


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

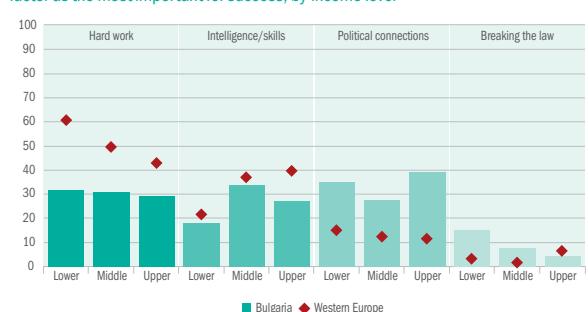
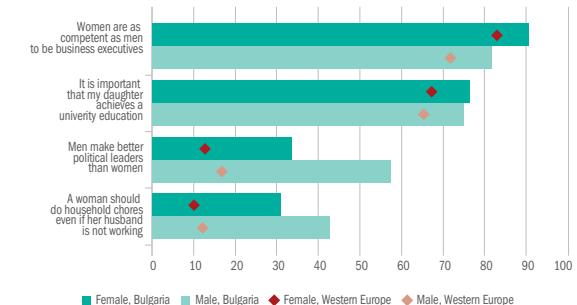


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

Only 24 and 18 per cent of Croatian respondents believe that the economic and political situations in their country were better in 2016 than four years prior to the survey. While these figures are lower than the averages for central Europe and the Baltic States (CEB) and the transition region as a whole, they nonetheless represent an improvement relative to 2010 when only 3 and 5 per cent of Croatians were positive about the economic and political situation in the country. Moreover, 1 in 5 respondents believe that some progress has been made with respect to corruption levels, as opposed to only 1 in 10 in 2010.

Some 28 per cent of Croatians think that their household was better off in 2016 than four years before the survey and 40 per cent are satisfied with their personal financial situation, a figure mainly driven by middle-aged respondents and by those in the upper income brackets.

Levels of life satisfaction are higher among Croatian respondents (56 per cent) than in the transition region as a whole (43 per cent). Despite high youth unemployment, which is strongly and negatively correlated with life satisfaction, the percentage of respondents who report being satisfied with their life is the highest among those aged 18 to 39 (and among the respondents in the middle income bracket). Furthermore, about 45 per cent of respondents believe that they have fared better in life than their parents.

The percentage of Croatians who believe in a better future for the younger generation has increased by 12 percentage points since the last survey, from 31 per cent in 2010 to 43 per cent in 2016, but this number is still below the transition region average of 50 per cent. The respondents in the lower and middle income brackets appear to be the most optimistic in the sample.

Attitudes towards democracy and the market economy

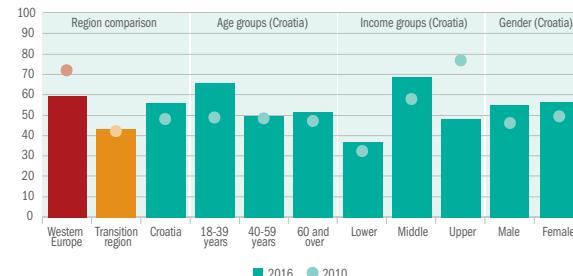
Croatian support for a market economy is among the lowest in the transition region, with only 31 per cent of respondents unequivocally supporting the system as opposed to any other alternative. Attitudes towards democracy are more positive, with 49 per cent preferring it to any other type of political system. Overall, more than one-third and around a quarter of respondents express indifference to what type of economic or political system exists in Croatia, respectively.

When asked which democratic institutions exist in Croatia, 70 per cent of respondents indicate that peace and stability were guaranteed in the country, followed by free elections (52 per cent) and freedom of speech (51 per cent). The extent to which Croatians agree that other democratic institutions are in place is consistently lower than 50 per cent.

Priorities for government spending

About a quarter of Croatian respondents believe that health care should be the main priority for government spending. Additional analysis of the LITS III data shows that over 65 per cent of respondents would be willing to pay more taxes if these were used to improve the public health system. In addition, spending on helping the poor, education and pensions are also favoured by a considerable percentage of the population (about 21, 20 and 18 per cent respectively). Lastly, over 55 per cent of Croatian respondents would be willing to contribute more to improve the quality of public schools.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Croatian respondents are television and radio (at 64 per cent), followed by internet and social media (35 per cent) and discussions with family, friends or colleagues (34 per cent). Newspapers are read on a daily basis by approximately 15 per cent of the interviewed respondents, a figure higher than the averages for CEB (12 per cent) and the transition region (9 per cent) but lower than those of Germany and Italy (31 and 21 per cent, respectively).

Self-assessed health

60 per cent of Croatian respondents consider their health to be "good" or "very good", which is in line with the average for the CEB countries (at 60 per cent) and higher than the transition region average (54 per cent). This also represents a substantial improvement in relation to the 2010 survey, when 53 per cent of respondents believed themselves to be in good health. Unsurprisingly, the present figure is mostly driven by those aged 18-39 and by the respondents in the middle and upper income groups.

Quality of public services

The majority of Croatian respondents report that they are satisfied with the general quality of public services in their country: the figures range from 56 per cent of satisfied users of local roads to a 90 per cent satisfaction rate with electricity services. These values are among the highest in the transition region and are in line with the corresponding figures reported in Germany.

Social and economic mobility

When respondents were asked from a list of options what were the most important factors for success in life in their country, 41 per cent of Croatian respondents chose "political connections", one of the highest response rates for that specific option in the transition region. 36 per cent of respondents believe that "effort and hard work" is the most important success factor while only 15 per cent of Croatians mention "intelligence and skills", the lowest value for that specific option in the transition region.

Attitudes towards women

91 and 84 per cent of female and male respondents in Croatia consider female business executives to be as competent as male business executives, and an overall 68 per cent of respondents of either gender believe it is important for their daughter to achieve a university education. Nevertheless, a considerably higher proportion of male respondents believe that men make better political leaders than women (36 per cent of men as opposed to 23 per cent of women) and that a woman should do the household chores, even if her husband is not working (31 per cent of men compared to 22 per cent of women). Lastly, 41 per cent of interviewed respondents favour a traditional family arrangement where the man works and the woman takes care of the house and children, one of the lowest values in the transition region.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

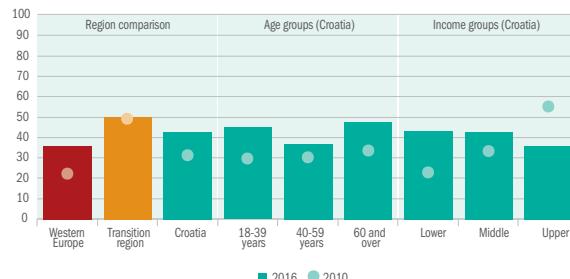


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

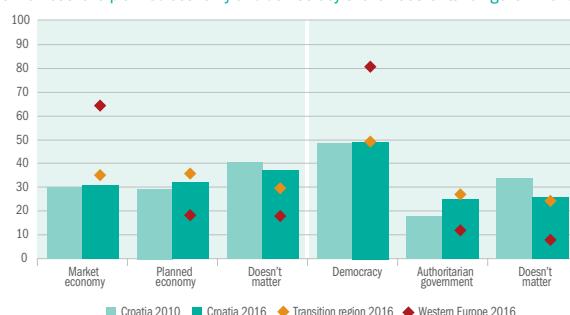


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

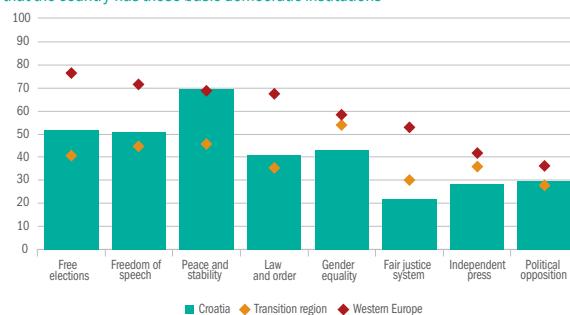


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

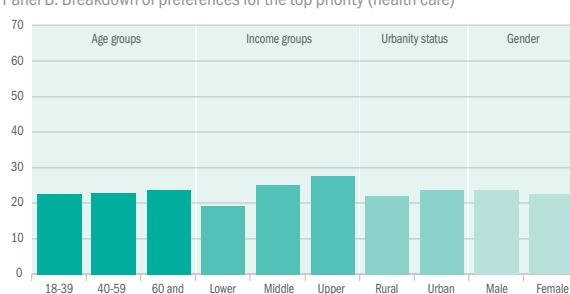


CHART 6. Sources of information: percentage of respondents who use these different sources of information

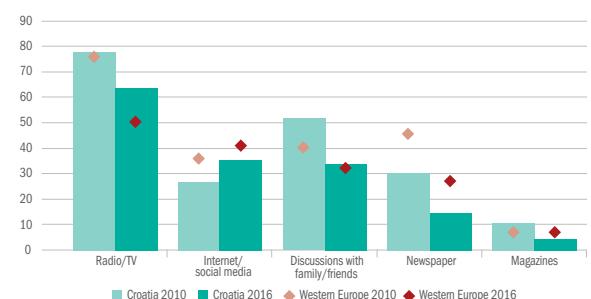


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

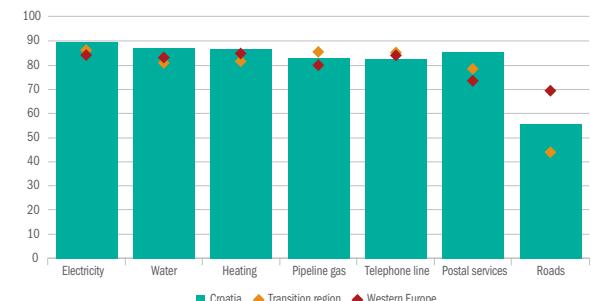


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

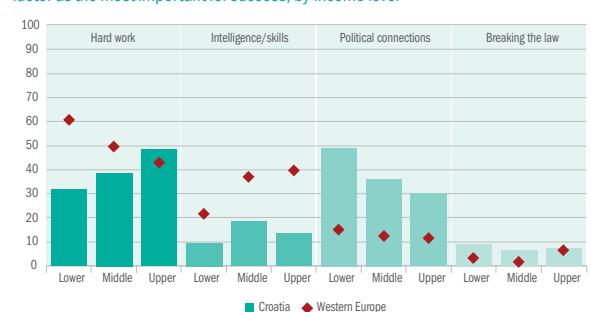
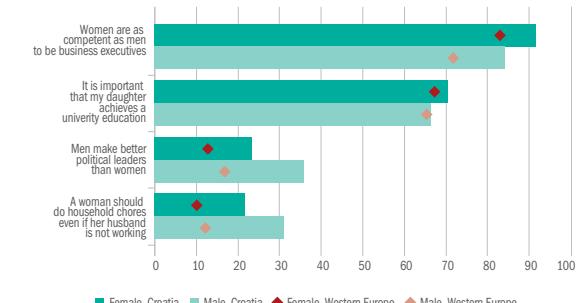
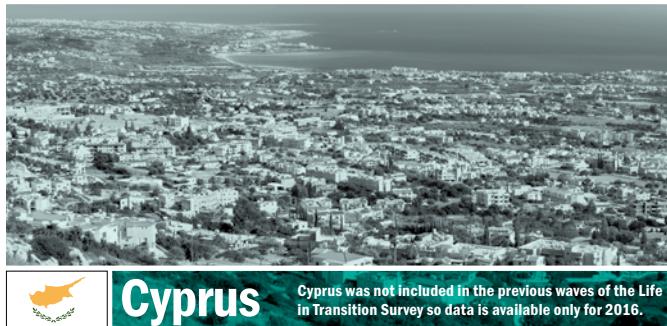


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

Only 8 and 15 per cent of respondents, respectively, believe that the economic and political situation in Cyprus was better in 2016 than four years prior to the survey. These figures are substantially lower than the corresponding averages for the south-eastern Europe (SEE) region, the transition region as a whole and Germany. Only Greece and Italy fare worse than Cyprus in terms of appreciation for the present economic situation. In addition, 13 per cent of interviewed Cypriots think that there was less corruption in 2016 than four years before the survey.

Nearly 90 per cent of households surveyed in Cyprus believe that there has been no improvement in their living standards in the four years preceding the survey, the second lowest value in the sample after Greece. As of 2016, only 25 per cent of respondents are satisfied with their financial situation, as opposed to 29 and 31 per cent of those in SEE and the transition region.

Yet despite the recent financial crisis, the level of life satisfaction for Cypriot respondents in 2016 is slightly above the transition region average: 48 per cent of respondents on the island report being satisfied with life, compared with 43 per cent in the transition region. Older cohorts, men and respondents in the middle and upper income groups appear more satisfied than their counterparts.

Confidence in a better future for the younger generation is well below the transition region average. Only 25 per cent of respondents believe that children born today will have a better future than the current generation, one of the lowest figures in the survey, in contrast to 39 and 50 per cent of the respondents in SEE and the transition region, respectively. Such a low level of optimism is reported consistently across different age and income groups.

Attitudes towards democracy and the market economy

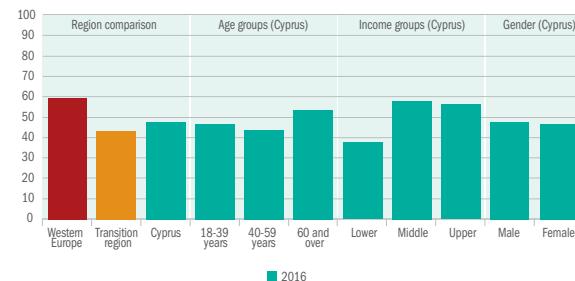
The Cypriots' support for democracy is the highest in the transition region, with 85 per cent of respondents who would unequivocally choose said political system over any other alternative, a value higher than the corresponding figure for Italy (63 per cent) and slightly below that of Germany (93 per cent). In addition, 47 per cent of respondents prefer a market economy to any other economic system, a percentage higher than the averages for SEE, the transition region and Italy (at 43, 37 and 35 per cent, respectively), but lower when compared with Germany, where 85 per cent of respondents favour the market economy. The remaining 53 per cent of interviewed Cypriots are roughly split between a belief that, under some circumstances, a planned economy might be preferable (26 per cent) and a belief that "for people like me, it does not matter" which economic system is in place (27 per cent).

When asked which democratic institutions exist in Cyprus, 62 per cent of respondents indicated that freedom of speech is guaranteed in the country, followed by free elections and gender equality, at 52 and 48 per cent, respectively. The extent to which Cypriots agree that the remaining institutions are in place varies and is lower than 50 per cent. Compared with Germany, Cyprus fares worse on all accounts, while relative to the Italians, Cypriots are as convinced about the existence of freedom of speech and more convinced about the existence of an independent press, a strong political opposition and gender equality.

Priorities for government spending

Over 42 per cent of Cypriot respondents would prefer extra government spending on health care. In addition, a significant portion of respondents would like to see extra government funding channelled to assist the poor (29 per cent) and for education-related purposes (19 per cent). Additional results from LITS III show that around 60 and 55 per cent of Cypriot respondents would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Cypriot respondents are the television and radio, and discussions with family, friends or colleagues, at 61 and 42 per cent, respectively. While the television and radio are the predominant sources among people aged 40 and over, internet and social media are the preferred sources of news for the younger cohort: 59 per cent of respondents aged 18 to 39 report using the web at least once a day. As of 2016, an urban and rural divide in the utilisation of internet seems to persist, with 44 per cent of respondents from urban areas reporting daily usage, in contrast to a lower 29 per cent among those residing in rural areas. Newspapers are read on a daily basis by approximately 12 per cent of the interviewed respondents, a figure higher than the average for the transition region (9 per cent), but still lower than those of the SEE region, Germany and Italy (14, 31 and 21 per cent, respectively).

Self-assessed health

More than 71 per cent of Cypriot respondents report a positive self-assessment of their health, which is higher than the SEE average of 65 per cent, the transition region average of 54 per cent, and the values for Germany and Italy (68 and 54 per cent). The highest variation is registered across age groups, where the difference in the health self-assessment between the youngest and oldest respondents is 51 percentage points: that is to say, 91 per cent of respondents aged 18-39 report a positive health status compared with only 40 per cent of those aged over 60.

Quality of public services

The majority of Cypriot respondents report that they are satisfied with the general quality of public services in their country: the figures range from 56 per cent of satisfied users of local roads to a 94 per cent satisfaction rate with the utilisation of telephone line services. These values are among the highest in the transition region, and are in line with the corresponding figures reported in Germany, with the only exception being local roads, whose quality is deemed satisfactory by 86 per cent of German respondents.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, about 41 per cent of them chose "political connections" and another 31 per cent opted for "effort and hard work". In addition, 15 per cent of Cypriot respondents chose "intelligence and skills", a value that is significantly lower than the corresponding figures for both western European comparator countries and the lowest in the transition region. Nearly 13 per cent of interviewed respondents view "breaking the law" as the most important success factor in Cyprus, which is the second highest result for that response option in the transition region overall.

Attitudes towards women

94 per cent of Cypriot respondents believe that women are as competent as men to be business executives and 92 per cent of them think it important for their daughter to achieve a university education. However, around a third of the male respondents believe that men make better political leaders than women, as opposed to one in four women, whereas about 25 per cent of respondents (both male and female) believe that a woman should do household chores, even if her husband is not working. Lastly, 48 per cent of interviewed respondents favour a traditional family arrangement, where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

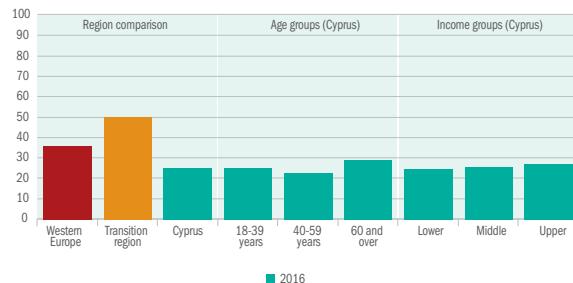


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

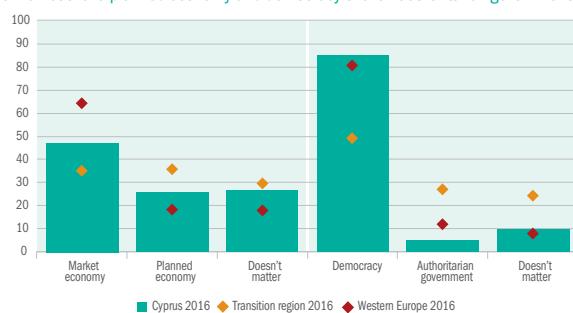


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

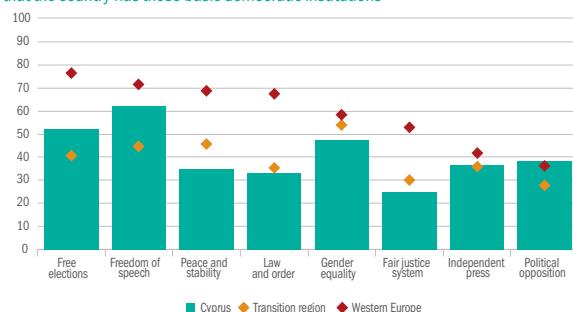
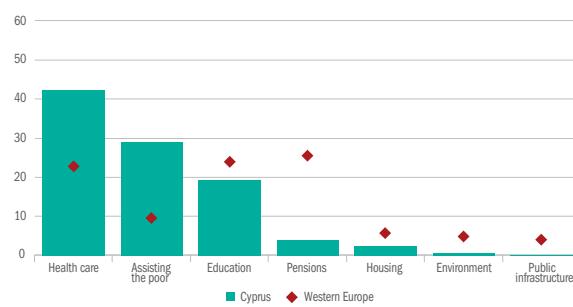


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)



CHART 6. Sources of information: percentage of respondents who use these different sources of information

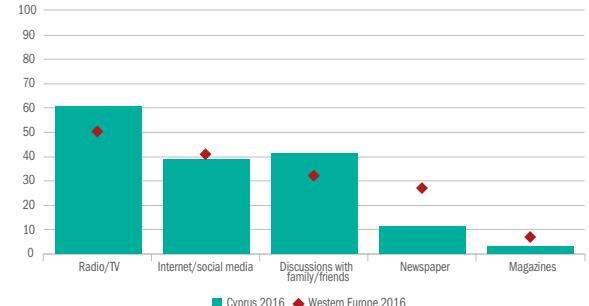


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

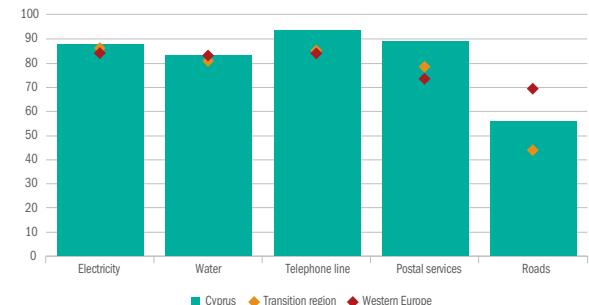


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

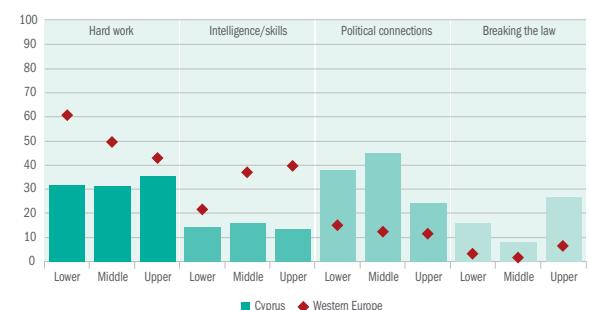
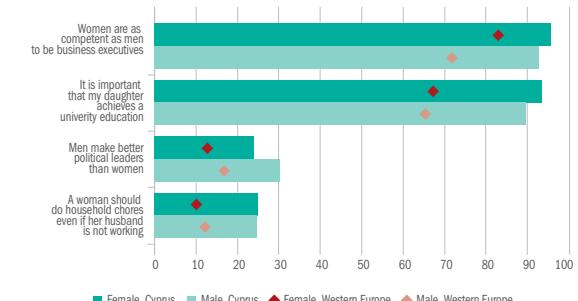


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

About 33 and 13 per cent of respondents believe that the economic and the political situation in Estonia were better in 2016 than four years prior to the survey. Both figures are above the corresponding averages for the transition region and in line with those for Germany. Only one in five Estonian respondents believe that corruption was reduced in the four years preceding the survey, a number below the average for central Europe and the Baltic states (CEB) and the transition region average of 23 per cent.

44 per cent of respondents report that they are satisfied with their current financial situation and 41 per cent believe that households in their country live better than they did four years prior to the survey. Both figures show a steep increase in satisfaction levels relative to 2010, when only 38 per cent of respondents were satisfied with their financial situation and only one in four Estonians thought that households had a better life at that time than before.

Life satisfaction levels substantially increased from 54 per cent in 2010 to 71 per cent in 2016, and they are now higher than the CEB average (54 per cent), the transition region average (43 per cent) and the corresponding figure for Italy (42 per cent). This value is the fourth highest in the transition region, and is just one percentage point below the average for Germany, where as many as three in four respondents report being satisfied with their life. Levels of satisfaction are highest among young people and lower in the lower income bracket.

Optimism about future generations has dropped slightly since the last survey, with 52 per cent of respondents believing that future generations will have a better life than the present generations. However, this value is still higher than the average for Germany and Italy, the CEB region and the entire transition region. There is also little variation in optimism across different age and income groups.

Attitudes towards democracy and the market economy

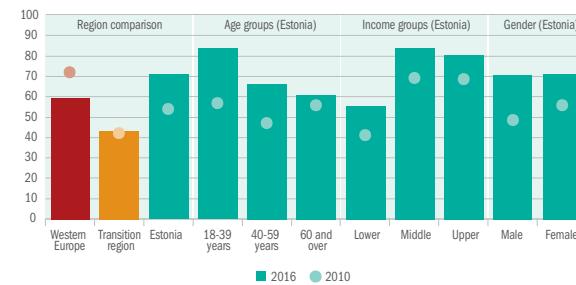
Support for democracy and a market economy has remained stable since 2010. About 38 per cent of respondents favour a market economy over any other economic system and 55 per cent prefer democracy over any other alternative. These figures are in line with the averages for CEB, just above the corresponding numbers for the transition region, but still well below the averages for Germany.

Estonia has some of the highest percentages of respondents who believe that the following institutions are in place in the country: free elections, law and order, freedom of speech, an independent press, a strong political opposition and a fair court system. When asked which democratic institutions exist in the country, 72 per cent of respondents mentioned freedom of speech, followed by peace and stability, law and order and gender equality at 69, 63 and 63 per cent, respectively. While these figures are above the averages for the transition region and in line with the corresponding numbers for Italy, Estonia still fares worse than Germany on most accounts, with the only exceptions being the existence of an independent press and of a strong political opposition.

Priorities for government spending

About 36 per cent of respondents think that additional expenditure on health care should be the first spending priority for the government, a number that is higher than the averages for Germany and Italy (22 and 23 per cent, respectively). This is followed by investment in education (27 per cent), helping the poor (15 per cent) and improving pensions (14 per cent). Additional analysis of the LiTS III data shows that 54 and 42 per cent of Estonians would be willing to pay more taxes in order to have better public health care and an improved education system, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Estonians are the television and the radio; internet and social media; and discussions with family, friends or colleagues, mentioned by 76, 65 and 61 per cent of respondents, respectively. 37 per cent of Estonians read newspapers daily, as compared with 31 per cent of Germans, 22 per cent of Italians and only 9 per cent of the respondents residing in the transition region.

Self-assessed health

Only 43 per cent of Estonians consider their health to be “good” or “very good”, a 3 percentage point decline relative to 2010 levels, and a rather low figure in comparison to an overall average of 54 per cent for the transition region. Estonia does not fare well either when compared with the CEB region, Germany and Italy, where 60, 68 and 54 per cent of the respondents report being in good health, respectively. Further analysis shows that the only groups that compare well with their counterparts in the comparator countries are the younger generation and respondents in the middle- and upper-income brackets.

Quality of public services

The majority of Estonian respondents report that they are satisfied with the general quality of all public services in their country. Satisfaction rates for all services but heating are among the highest in the transition region, and they range from 58 per cent for local roads to 97 per cent for the provision of pipeline gas. All these figures, except for the one related to local roads, are above the averages for Germany.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 56 per cent of them chose “intelligence and skills”, the highest result for that specific response option in the transition region and also well above the percentages for Germany and Italy. On the other hand, only 22 per cent of respondents identified “effort and hard work” as the main factor to succeed in life, the lowest value in the transition region overall.

Attitudes towards women

Only 51 per cent of Estonian men consider female business executives to be as competent as male business executives and 49 per cent of male respondents also believe that men make better politicians than women. The corresponding figures for female respondents are lower, at 43 and 40 per cent, respectively. Moreover, only around 42 per cent of respondents think that it is important that their daughter achieves a university education, a value that is among the lowest in the transition region and that is significantly below the averages for the western European comparators (63 per cent in Germany and 71 per cent in Italy). On the bright side, only 23 per cent of respondents believe that a woman should do the household chores, even if her husband is not working, and 41 per cent of respondents favour a traditional family arrangement where the man works and the woman takes care of the house and children, two of the lowest percentages in the transition region.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation



CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

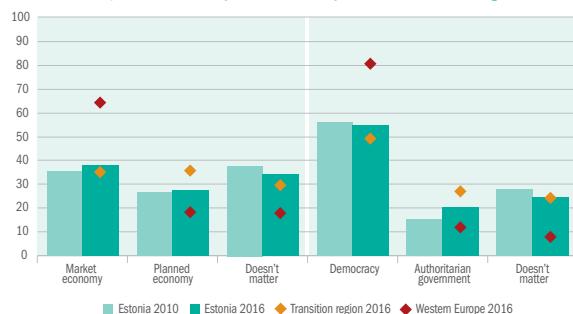


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

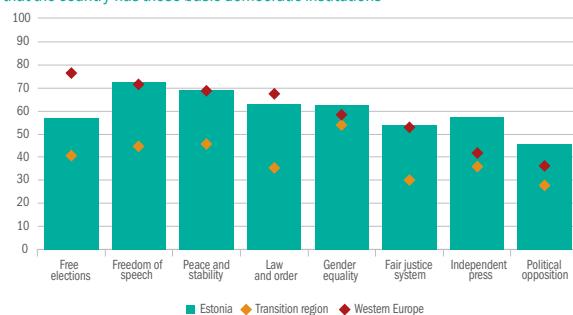
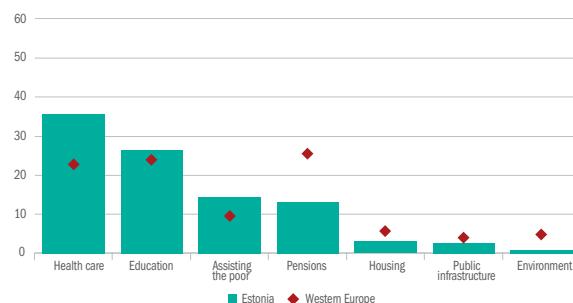


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

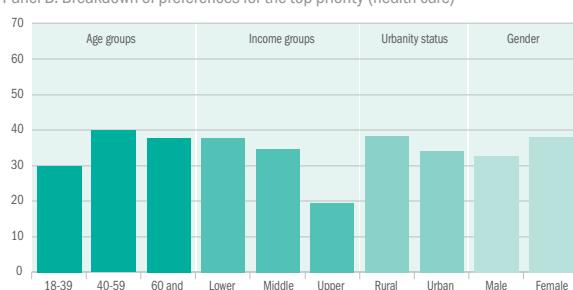


CHART 6. Sources of information: percentage of respondents who use these different sources of information

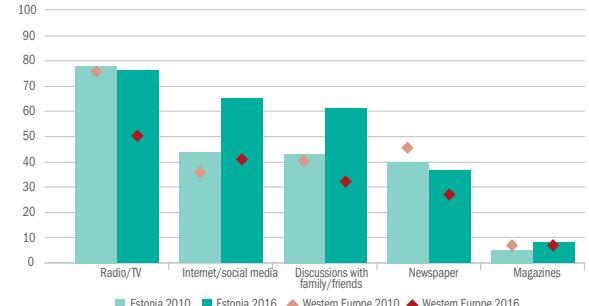


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

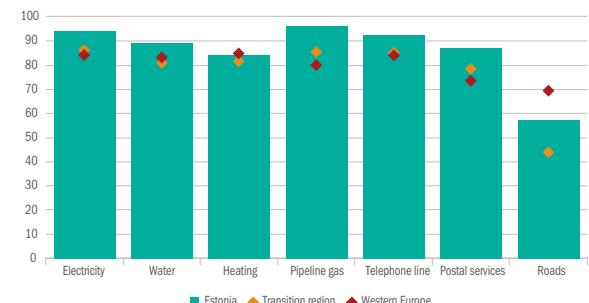


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

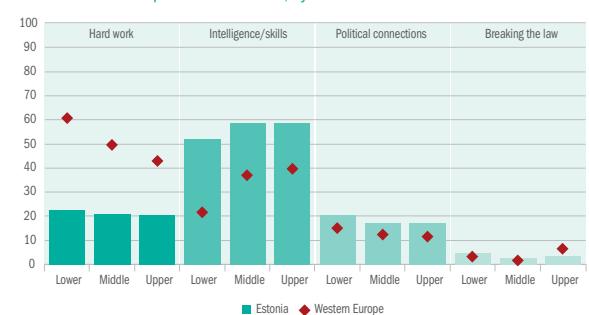
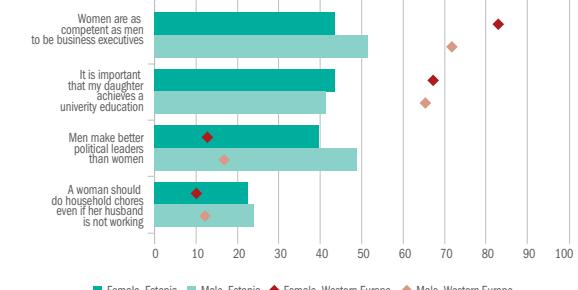
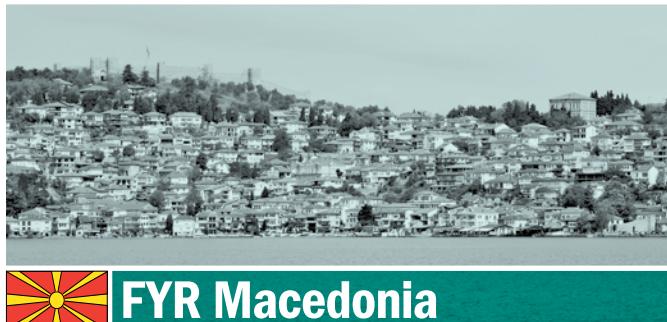


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

19 and 14 per cent of respondents believe that the economic and political situation in FYR Macedonia was better in 2016 than four years prior to the survey, in line with the averages for south-eastern Europe (SEE), both at 17 per cent, but below the corresponding figures for the transition region (24 and 28 per cent, respectively). About 20 per cent of those interviewed think that corruption levels improved in the four years preceding the survey.

About 27 per cent of Macedonians state that their household was better off in 2016 as compared to the four years prior to the survey, and 30 per cent are satisfied with their personal financial situation. Both figures compare well with the respective averages for SEE and the transition region as a whole, but they are both below the German ones.

Life satisfaction has increased by 2 percentage points since the last survey, from 33 per cent in 2010 to 35 per cent in 2016. However, it still lower than the SEE average of 39 per cent and the transition average of 43 per cent, and well below the corresponding figures for Germany and Italy (72 and 42 per cent, respectively).

The percentage of the population that is optimistic about the future has decreased by 9 percentage points since the last survey in 2010. This decline occurred across all age and income groups, except for respondents aged 60 and over. As of 2016, 38 per cent of Macedonian respondents think that children born now will have a better life than the current generations, a figure below the transition region average of 50 per cent, but comparable to the SEE average of 39 per cent.

Attitudes towards democracy and the market economy

72 and 51 per cent of Macedonian respondents believe that democracy and a market economy are preferable to any other political or economic system. About 13 per cent of those surveyed might prefer an authoritarian regime under some circumstances, while 28 per cent believe that a planned economy might be preferable to a market one. Support for democracy and a market economy have both increased in Macedonia since 2010 and are now stronger than in SEE, the transition region and Italy (but still weaker than in Germany).

Notwithstanding this, many Macedonians believe that their country lacks at least some basic democratic institutions. The percentage of Macedonians who believe that certain democratic institutions exist in their country is lower than in SEE, the transition region, Italy and Germany for almost all of the options covered in the survey. For instance, only 38 per cent of those interviewed believe that peace and stability are guaranteed in the country while only 35 per cent think the country has free elections. This compares with 46 and 41 per cent of respondents, respectively, in the transition region as a whole.

Priorities for government spending

Among Macedonian respondents, 27 per cent of respondents would prefer extra government funding to be spent on helping the poor, a figure more than double the average for the transition countries (13 per cent). This is one of the highest figures in the transition region and also well above the corresponding ones for Germany (5 per cent) and Italy (16 per cent). The second most mentioned priority for extra government spending is health care (26 per cent) while education is third (18 per cent).

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Macedonian respondents are the television and the radio (56 per cent), followed by discussions with family, friends or colleagues (38 per cent) and the internet and social media (32 per cent). The only sources of information that have not lost popularity since 2010 are the internet and social media, which registered a slight increase in usage rates by one percentage point. This improvement is, however, not uniform across demographic groups: it is stronger for the younger respondents (those aged 18 to 50) and for those in the lower income group.

Self-assessed health

65 per cent of Macedonians report a positive health self-assessment, a value that exceeds the averages for the transition region and Italy (both 54 per cent) and is comparable to average levels of self-assessed health observed in the rest of SEE as well as in Germany (65 and 68 per cent, respectively).

Quality of public services

Respondents in FYR Macedonia tend to be less satisfied with the quality of public services compared to the average respondent in the transition region, Germany and Italy. Overall, however, most Macedonians are satisfied with the quality of their telephone lines (83 per cent), and their electricity service and heating provision (74 and 71 per cent, respectively). The sole exception is the quality of the local road network, which is considered to be satisfactory by only 40 per cent of those surveyed.

Social and economic mobility

When Macedonian respondents were asked from a list of options what they thought were the most important factors for success in life in their country, about 46 per cent of them chose "political connections". Although this striking figure has slightly decreased since 2010, it remains the highest across the whole of the transition region. About 34 per cent of Macedonians believe that "effort and hard work" are important factors for success in life, while "intelligence and skills" are mentioned by only 15 per cent of those surveyed.

Attitudes towards women

85 and 82 per cent of female and male respondents in FYR Macedonia, respectively, believe that women are as competent as men as business executives, and around 78 per cent of those surveyed believe that it is important that their daughter achieves a university education. However, 48 per cent of men and 37 per cent of women think that men make better politicians than women and 38 per cent of men and 33 per cent of women believe that a woman should do the household chores, even if her husband is not working. About 56 per cent of respondents of either gender favour a traditional family arrangement where the man works and the woman takes care of the family.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

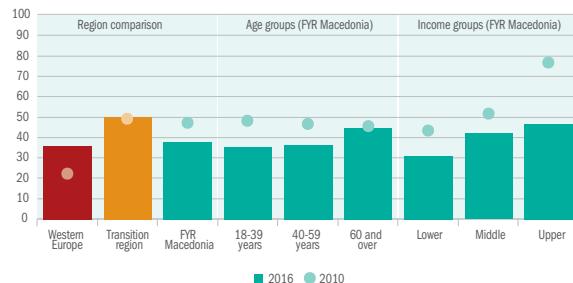


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

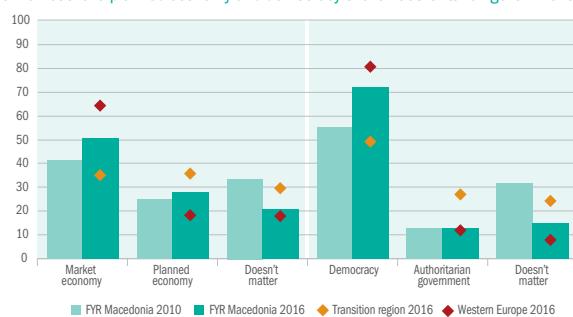


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

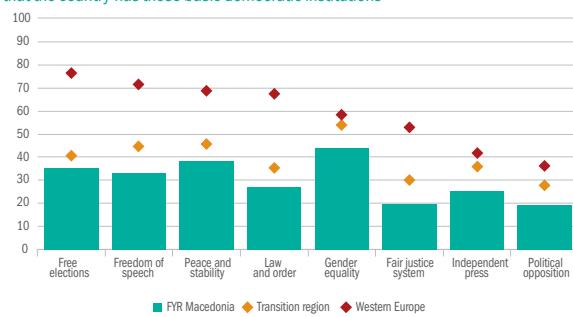


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (assisting the poor)

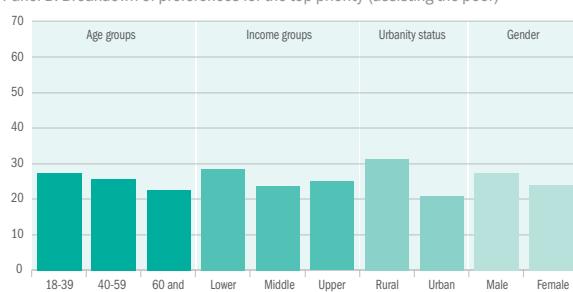


CHART 6. Sources of information: percentage of respondents who use these different sources of information

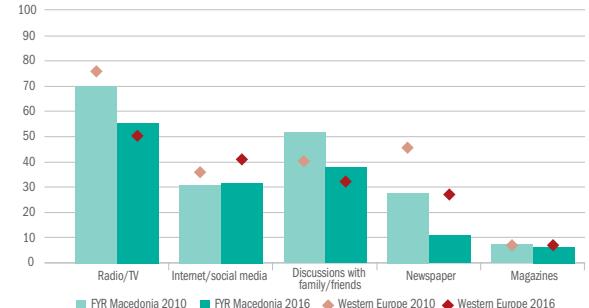


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

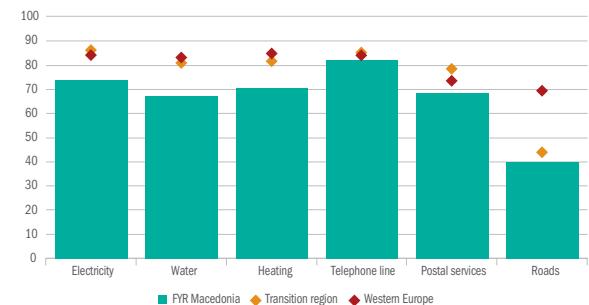


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

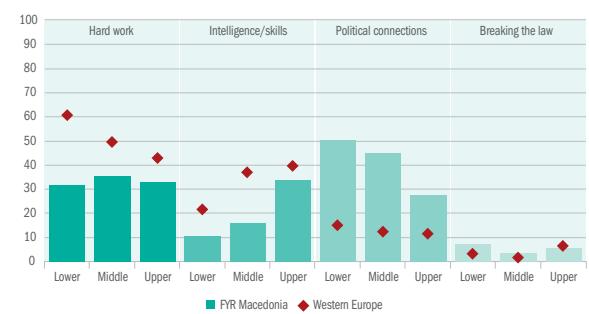


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

About 16 and 21 per cent of respondents, respectively, believe that the economic and political situation in Georgia was better in 2016 than four years prior to the survey. These figures are substantially higher than the corresponding averages for the region known as eastern Europe and the Caucasus (EEC), albeit still lower than the overall averages for the transition region. In addition, 29 per cent of interviewed Georgians think that there was less corruption in 2016 than four years before the survey, a figure higher than the averages for EEC, the transition region, Germany and Italy (at 16, 23, 16 and 10 per cent, respectively), but lower by 49 percentage points relative to 2010.

A quarter of interviewed respondents believe that their households lived better in 2016 than they did four years before the survey. In addition, 19 per cent of respondents report that they are satisfied with their current personal financial situation, a number significantly below the transition region average of 31 per cent but in line with the regional average of 17 per cent for EEC.

Following an increase by 17 percentage points relative to 2010 levels, the percentage of Georgians who are satisfied with their life (42 per cent) is now in line with the transition region average and the corresponding figure for Italy (43 and 42 per cent, respectively). Life satisfaction is nevertheless still below Germany's level.

While the level of optimism about future generations has fallen by 12 percentage points since the last survey, from 66 per cent in 2010 to 54 per cent in 2016, it is still well above the average for the transition region, Germany and Italy (50, 46 and 22 per cent, respectively).

Attitudes towards democracy and the market economy

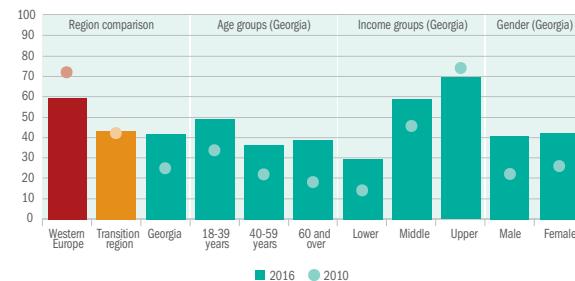
53 per cent of Georgian respondents in 2016 said that democracy is "preferable to any other form of political system", while 35 per cent of the interviewed population favoured and supported the market economy. While these figures are in line with the transition region average, they are well below the corresponding values for Germany. They also represent a steep decline relative to 2010 data, which show that 71 and 42 per cent of respondents supported democracy and a market economy at that time, respectively. In addition, 2016 data show that a substantial proportion of respondents think that "for people like me, it does not matter" which political (34 per cent) or economic (45 per cent) system is in place.

When asked which democratic institutions existed in Georgia, only 43 per cent of respondents indicated that freedom of speech and gender equality are in place in the country, followed by peace and stability and an independent press, at 40 and 35 per cent, respectively. The extent to which Georgians agree that other democratic institutions exist in their country is rather low, with only about a quarter of respondents reporting that they believe free elections, law and order and a fair justice system are guaranteed in Georgia.

Priorities for government spending

A third of Georgian respondents think that additional government spending on health care should be the main funding priority, which is 10 percentage points higher than the averages for both western European comparators. This preference is stronger among the lower income groups, male respondents and those who live in rural areas. About 23 and 20 per cent of respondents would also like to see extra government expenditure on education and helping the poor, respectively. Additional results show that around 77 and 74 per cent of Georgian respondents would be willing to contribute more to improve the quality of the public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Georgians are the television and the radio, followed each day by 76 per cent of the population, and discussions with family, friends or colleagues, mentioned by 55 per cent of respondents. Internet and social media usage has increased significantly since 2010, from 7 to 36 per cent, but still shows an urban and rural divide, with 47 per cent of respondents from urban areas reporting daily usage, in contrast to only 26 per cent of those residing in rural areas. While the television and the radio are the predominant news sources among people aged 40 and over, internet and social media are the preferred source of news for the younger cohort: over 50 per cent of respondents aged 18 to 39 report using the web at least once a day. Newspapers and magazines are read on a daily basis by approximately 4 per cent of the interviewed respondents, well below the corresponding figures for the EEC, the transition region, Germany and Italy.

Self-assessed health

Only 32 per cent of Georgian respondents report a positive self-assessment of their health, the lowest figure in the entire transition region, 22 percentage points below the average for the region and 36 and 22 percentage points lower than the corresponding values for Germany and Italy, respectively. In addition, this figure is virtually unchanged relative to 2010. The greatest degree of variation is registered across age groups, while respondents aged 60 and over and those aged between 40 and 59 have the lowest rates of positive health self-assessments, at only 12 and 21 per cent, respectively.

Quality of public services

The majority of Georgian respondents report that they are satisfied with the general quality of public services in their country, with the only exceptions being the postal service and local roads. The figures range from 87 per cent of satisfied users of pipeline gas to a 64 per cent satisfaction rate with the utilisation of water services. In addition, more than 80 per cent of interviewed respondents are satisfied with the quality of electricity and the telephone lines. Even though these values are just slightly below the corresponding figures for the transition region as a whole and for Germany, the satisfaction rates for water services and the telephone lines (as well as the postal service) are among the lowest in the transition region.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 63 per cent of Georgians chose "effort and hard work", the fourth highest result for that response option in the transition region. Around 20 per cent chose "intelligence and skills", while another 15 per cent opted for "political connections".

Attitudes towards women

86 per cent of interviewed respondents think it important for their daughter to achieve a university education. Nevertheless, only 76 and 64 per cent of female and male respondents believe that women are as competent as men to be business executives, respectively, two of the lowest values in the transition region, and 37 and 49 per cent of women and men, respectively, think that men make better political leaders than women. In addition, around 45 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working, and around 63 per cent of them favour a traditional family arrangement where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

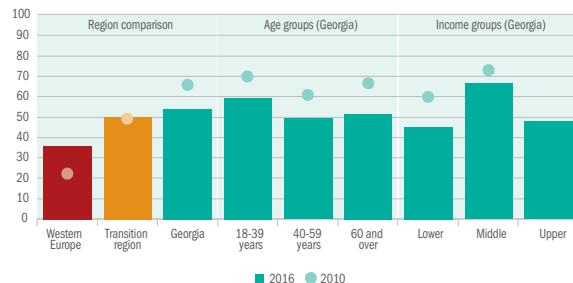


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

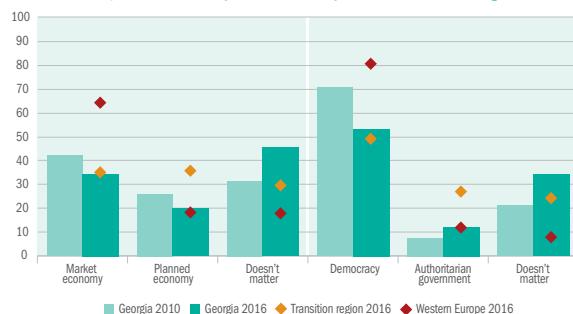


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

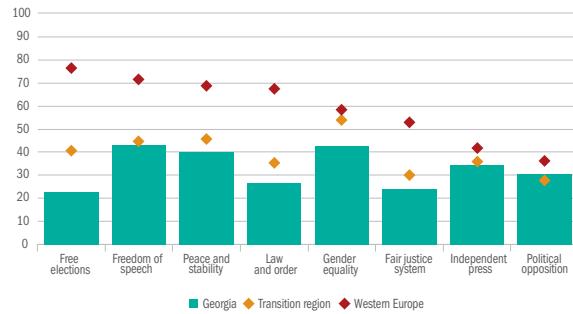
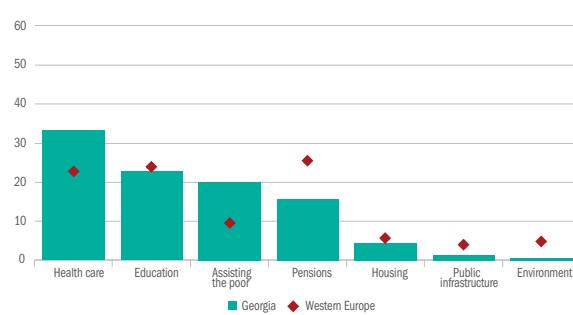


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

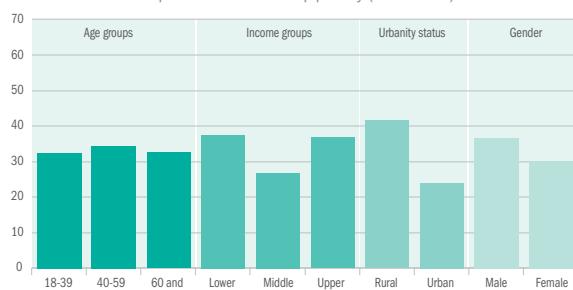


CHART 6. Sources of information: percentage of respondents who use these different sources of information

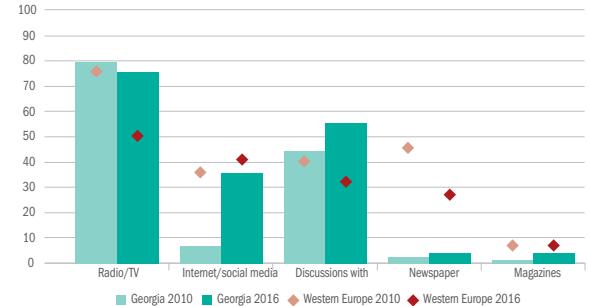


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

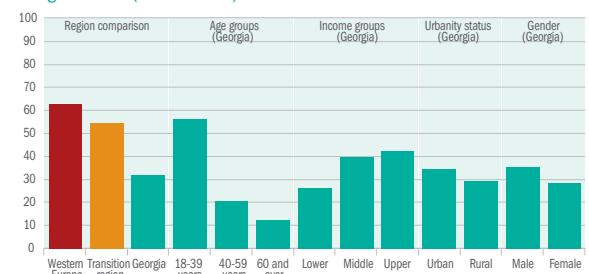


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

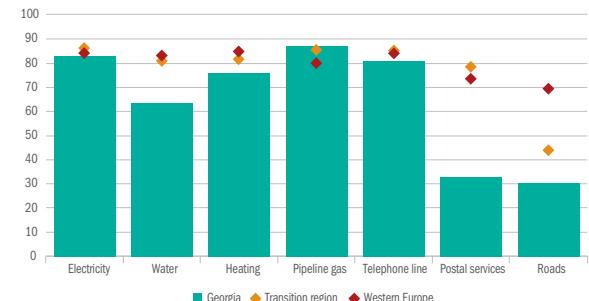


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

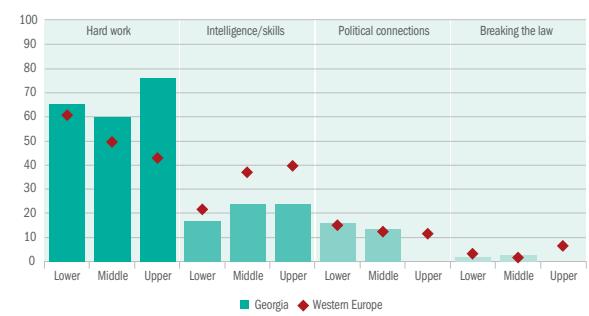


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

92 per cent of Greek households report having been affected by the economic crisis between 2010 and 2016. It is probably as a result of this dramatic situation that Greece reports among the lowest levels of life satisfaction across the entire transition region. Only 1 and 6 per cent of respondents, respectively, believe that the economic and political situation in Greece was better in 2016 than four years prior to the survey. These figures are substantially lower than the corresponding averages for the south-eastern Europe (SEE) region, the transition region as a whole and Germany. Only Italy reports similar values, with respectively 7 and 9 per cent of its respondents satisfied with the economic and political situation in their country. In addition, 12 per cent of interviewed Greeks think that there was less corruption in 2016 than four years before the survey.

Only 2 per cent of surveyed households believe that some improvement in their living standards occurred during the four years preceding the survey, the lowest value in the LiTS III survey. As of 2016, only 10 per cent of respondents were satisfied with their financial situation, as opposed to 29 and 31 per cent of those in SEE and the transition region, and 33 per cent of those in Italy.

Life satisfaction among Greek respondents is the lowest of all the countries in the survey, together with Georgia: only 24 per cent of respondents in these two countries declared being satisfied with their life. There is little variation in reported life satisfaction across age groups and gender although there is a positive correlation with reported income levels.

Optimism for future generations is limited. Only 24 per cent of respondents think that the next generation of Greeks will have a better life than themselves, one of the lowest results in the country sample and less than half of the transition region average of 50 per cent. The proportions do not differ much across age groups but there is some variation by income level, with those at the upper end of the income scale being the least optimistic.

Attitudes towards democracy and the market economy

Notwithstanding the deep economic crisis, Greek support for democracy and the market economy are among the highest in the transition region, with 79 and 52 per cent of respondents unequivocally choosing these political and economic systems over any other alternative. While these values are no higher than the corresponding figures for Germany (93 and 85 per cent, respectively), they are nonetheless well above the averages for SEE, the transition region and Italy. The proportion of people who say they would support, under some circumstances, either a planned economy or an authoritarian regime is 26 per cent and 12 per cent, respectively.

When asked which democratic institutions exist in Greece, 79 per cent of respondents indicated that freedom of speech is guaranteed in the country, followed by free elections and peace and stability, at 72 and 68 per cent, respectively. The extent to which Greeks agree that other basic democratic institutions are in place varies. For instance, only 20 per cent of respondents believe that the country has a strong political opposition and 27 per cent believe that the press is independent. Compared with Germany, Greece fares worse on all accounts, while relative to the Italians, Greeks are more positive about the existence of law and order, a fair judicial system and gender equality in their country.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Priorities for government spending

31, 28 and 18 per cent of Greek respondents report health care, helping the poor and improving pensions as the biggest priorities for government spending, respectively, most likely reflecting concerns over recent cuts in these areas. Additional analysis of the LiTS III data reveals that about 75 per cent of respondents believe that the high unemployment rate and, relatedly, the current dismal economic situation are two of the most important problems that the Greek government should address. Moreover, the LiTS III data show that 43 and 42 per cent of respondents are prepared to pay extra taxes in order to improve the public health care and the public education systems, respectively.

Sources of information

The main daily sources of information for Greek respondents are the television and the radio; discussions with family, friends or colleagues; and the internet and social media, at 56, 32 and 28 per cent, respectively. While television and radio are the predominant sources of information among people aged 40 and over, the majority of those aged 18 to 39 resort instead at least once a day to the internet and to social media in order to get informed. Newspapers are read on a daily basis by approximately 7 per cent of the interviewed respondents, a figure lower than the averages for the SEE region, the transition region as a whole, Germany and Italy (at 14, 9, 31 and 21 per cent, respectively).

Self-assessed health

79 per cent of Greek respondents report a positive self-assessment of their health, the highest percentage in the entire sample (and even higher than the German and Italian numbers). The only demographic category in which fewer than 70 per cent of respondents positively assess their health is those aged 60 and over.

Quality of public services

The majority of Greek respondents are satisfied with the general quality of public services in their country: the figures range from 53 per cent of satisfied users of local roads to a 89 per cent satisfaction rate with the utilisation of telephone line services. These values are slightly lower than the averages for the SEE and the transition region, and are also below the corresponding figures reported in Germany, particularly when considering local roads, whose quality is deemed satisfactory by 86 per cent of German respondents.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 37 per cent of Greeks opted for "effort and hard work, 33 per cent chose "political connections" and 24 per cent mentioned "intelligence and skills".

Attitudes towards women

About 97 and 88 per cent of female and male Greeks, respectively, believe that women are as competent as men to be business executives and overall more than 85 per cent of interviewed individuals think that it is important that their daughter achieves a university education. However, around 48 per cent of men and 32 per cent of women consider men to make better political leaders than women, while 43 per cent of men think that a woman should do the household chores, even if her husband is not working, as opposed to 33 per cent of women. Lastly, 59 per cent of respondents favour a traditional family arrangement where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

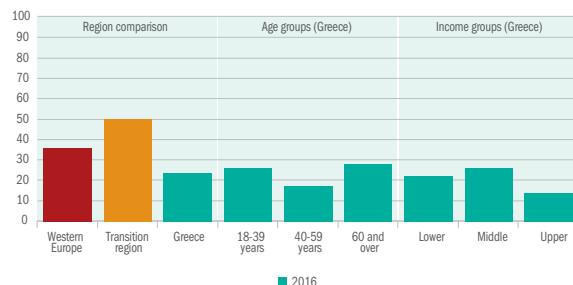


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

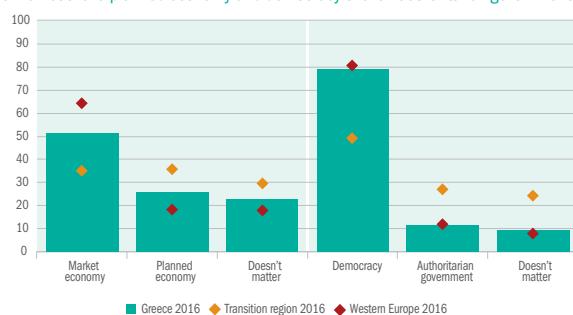


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

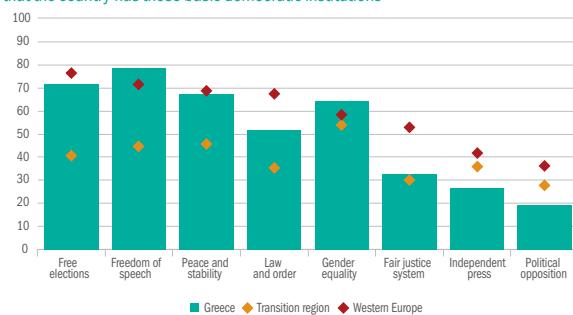
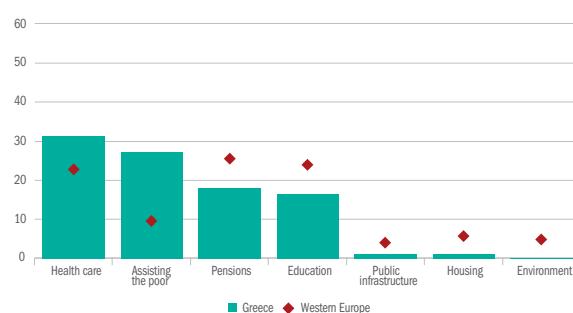


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

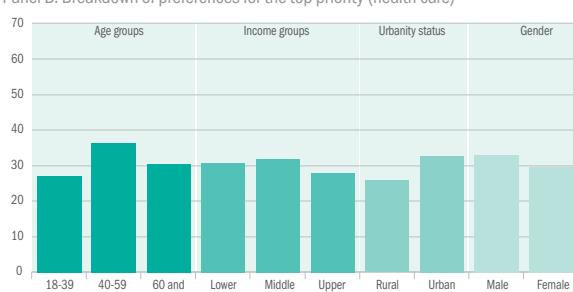


CHART 6. Sources of information: percentage of respondents who use these different sources of information

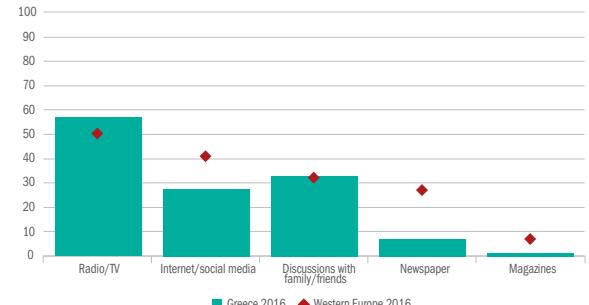


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

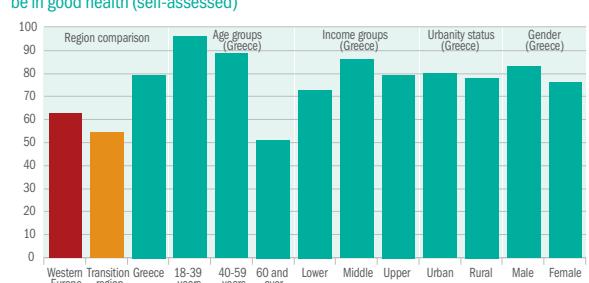


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

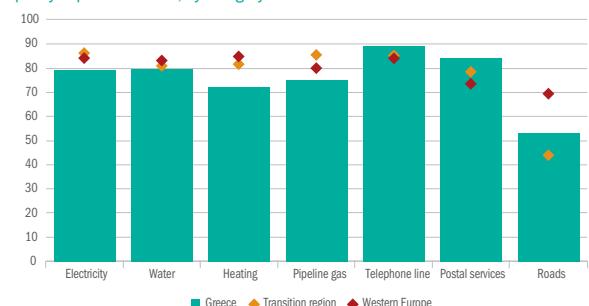


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

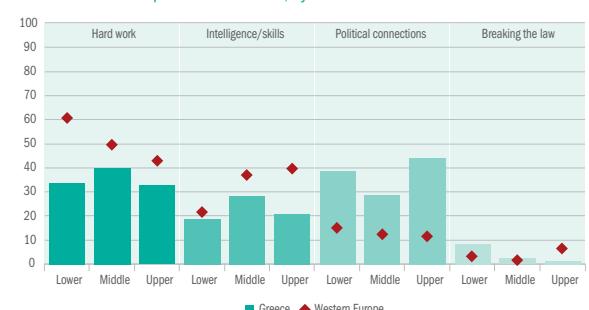
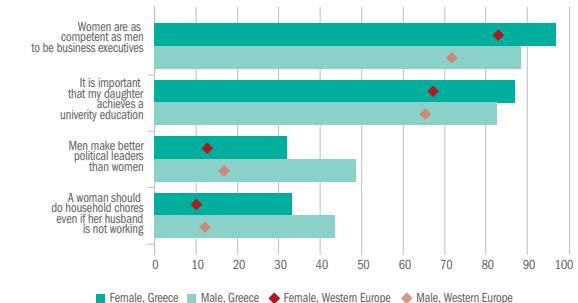


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

About 29 and 27 per cent of respondents believe that the economic and political situation in Hungary was better in 2016 than four years prior to the survey. The first figure is broadly in line with the corresponding average for Central Europe and the Baltic states (CEB), and higher than the figures for the transition region and Italy. Appreciation for the present political situation is in line with the transition region average, but higher than in the CEB region, Germany and Italy. Still, only 15 per cent of Hungarians believe that improvements in the level of corruption were made in the four years preceding the survey, a number substantially below the transition region average of 23 per cent.

One in four households surveyed in Hungary believe that some improvement in their living standards occurred over the four years preceding the survey, while 27 per cent of respondents report being satisfied with their financial situation, as opposed to 39 and 31 per cent of those in CEB and the transition region.

The level of life satisfaction for Hungarian respondents in 2016 was below the transition region average: 33 per cent of respondents in the country report being satisfied with life, compared to 54 per cent in CEB and 43 per cent in the transition region. The younger and older cohorts, and the respondents in the middle- and upper-income groups appear more satisfied with their life than their counterparts.

Hungarians' confidence in a better future for the younger generation increased from 27 per cent in 2010 to 39 per cent in 2016, but confidence levels are still well below the transition region average of 50 per cent. The level of optimism does not vary across different age groups of the population but there is a strong positive correlation with income: 56 per cent of respondents in the upper income group declare they are optimistic about the future of the younger generation, as opposed to only 31 per cent among Hungarians in the lower income bracket.

Attitudes towards democracy and the market economy

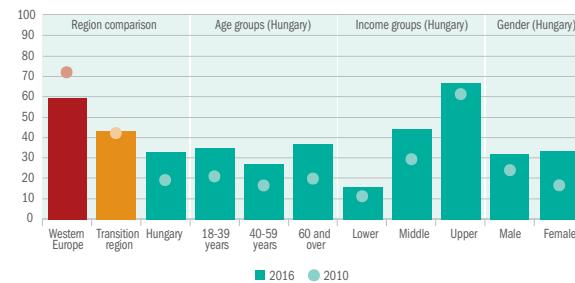
Support for democracy and the market economy increased moderately from 53 and 30 per cent in 2010 to 59 and 38 per cent in 2016, respectively, and are now above the corresponding averages for the transition region. Still, one-quarter of the respondents do not have a marked preference for a specific political system, while one-third of interviewed Hungarians believe that "for people like me, it does not matter" which economic system is in place. When respondents were asked a hypothetical question about whether they would rather live in a country with full political liberties but weak economic growth (country B) or in one with limited freedoms and stronger growth (country A), about 70 per cent of them reported that they would rather live in country A.

Among respondents there is a moderate belief in the presence of basic democratic institutions in their country. When asked which democratic institutions existed in Hungary, 63 per cent of respondents mentioned that peace and stability are guaranteed in the country, followed by freedom of speech, free elections and gender equality, at 55, 54 and 51 per cent, respectively. The extent to which Hungarians agree that other basic democratic institutions are in place varies but it is consistently lower than 50 per cent. Compared to Germany, Hungary fares worse on all accounts, while relative to Italians, the Hungarians are more optimistic about the existence of law and order, an independent press, a strong political opposition and a fair court system.

Priorities for government spending

Among respondents in Hungary, 45 per cent state that they would prefer their government to prioritise health care, which is the second highest percentage for this specific response option across all countries surveyed. However, additional

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



results show that only 36 per cent of Hungarian respondents would be willing to pay more taxes to improve the public healthcare system. About 22 per cent of respondents would also like to see extra government expenditure channelled to help the poor and 11 per cent of respondents would like extra government funding to improve pensions.

Sources of information

The main daily sources of information for Hungarians are television and radio, which are used on a daily basis by 61 per cent of the population, and internet and social media, mentioned by 33 per cent of respondents. Internet and social media usage has increased significantly since 2010, from 17 to 33 per cent, and is especially popular among the younger generation. Newspaper readership decreased by 11 percentage points compared to 2010 levels, but it is still rather high: 17 per cent of respondents read newspapers on a daily basis, as opposed to 12 per cent of the population in the CEB region and only 9 per cent of the respondents in the transition region as a whole. Nonetheless, this is well below the corresponding figures for Germany and Italy.

Self-assessed health

Among Hungarian respondents, 58 per cent report a positive health self-assessment in 2016, a 20 percentage point increase relative to 2010, which puts Hungary ahead of the transition region average as well as Italy, both at 54 per cent, but still below Germany, where as many as 68 per cent of respondents report to be in good health. Disaggregated results confirm that the percentage of healthy respondents decreases with age and increases with income.

Quality of public services

The majority of Hungarian respondents report that they are satisfied with the general quality of public services in their country, the only exception being the local road network, which causes dissatisfaction among the rural population in particular. Overall, 91 per cent of respondents are satisfied with the electricity provided to their dwellings, while 88, 87, 86 and 85 per cent of respondents indicate that the quality of their telephone line, the postal service, heating and water are of satisfactory quality, respectively. All these figures, except for the one related to local roads, compare well with the averages for the transition region as a whole, as well as with the German and Italian levels of satisfaction with public services.

Social and economic mobility

When respondents were asked from a list of options what they thought are the most important factors for success in life in their country, 35 per cent of Hungarians chose "political connections" and an additional 35 per cent opted for "effort and hard work".

Attitudes towards women

91 and 82 per cent of female and male respondents, respectively, believe that women are as competent as men to be business executives, while 40 and 46 per cent of women and men think that men make better political leaders than women. Only about half of the respondents consider it important that their daughter completes a university education. In addition, 64 per cent of Hungarians believe that a woman should do household chores, even if her husband is not working, and another 64 per cent favour a traditional family arrangement where the man works and the woman takes care of the house and children.

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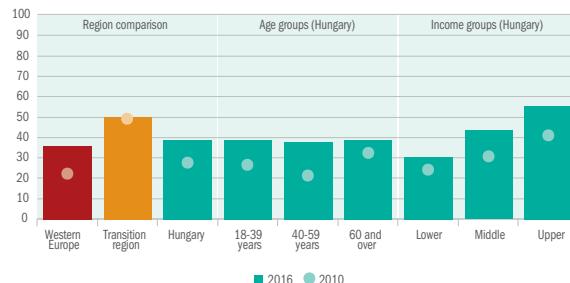


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CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

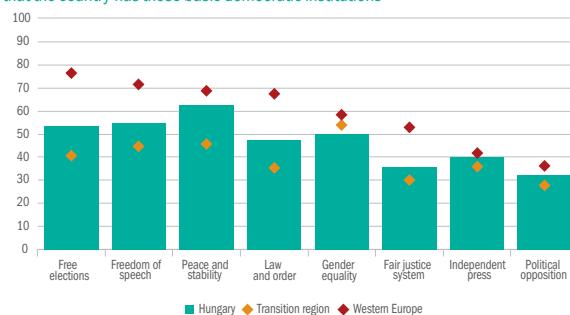
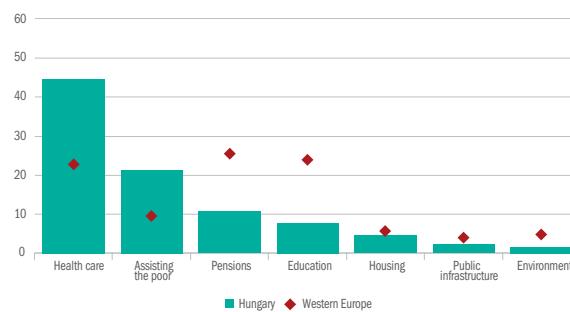


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Panel B: Breakdown of preferences for the top priority (health care)

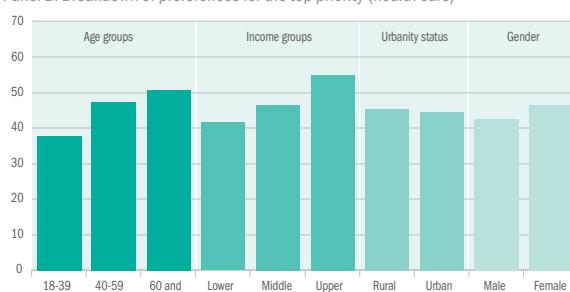


CHART 6. Sources of information: percentage of respondents who use these different sources of information

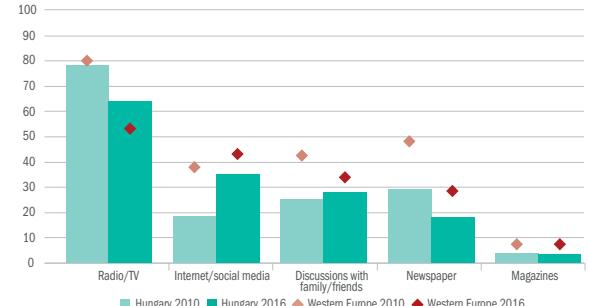


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



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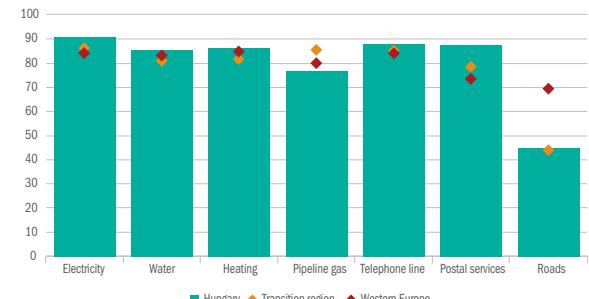


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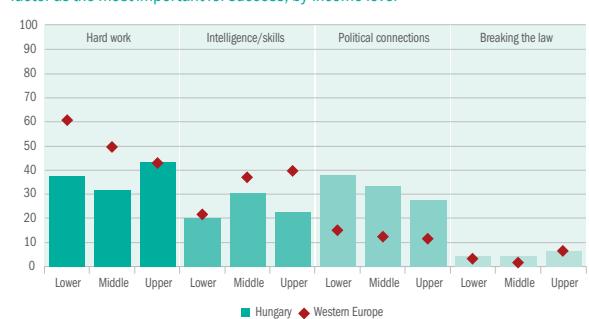
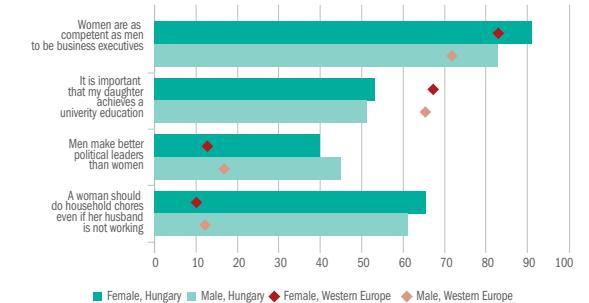


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Kazakhstan

Satisfaction with the situation at the country level and with personal circumstances

Nearly half of the survey respondents in Kazakhstan believe that the economic and political situation was better in 2016 compared to four years prior to the survey, two of the highest satisfaction rates across the transition region. In addition, 41 per cent of interviewed Kazakhs also think that there was less corruption in 2016 than four years before the survey.

Among Kazakh respondents, 51 per cent believe that their households lived better in 2016 than they did four years before the survey, while 46 per cent report that they are satisfied with their current personal financial situation, a percentage significantly above the transition region average of 31 per cent but below the regional average of 65 per cent for Central Asia.

The level of life satisfaction in Kazakhstan has risen considerably since the last survey across all age and income groups and is now above the transition region average as well as the corresponding figure for Italy, but still below life satisfaction in Germany. As of 2016, two in three Kazakhs were satisfied with their life, while about 60 per cent believed that they had done better in life than their parents.

Lastly, 72 per cent of Kazakh respondents believe that children born today will have a better future than themselves, making Kazakhstan one of the most optimistic countries in the LiTS III. All subgroups of the surveyed population have become more optimistic since the last survey, and the overall indicator has improved by 7 percentage points relative to 2010.

Attitudes towards democracy and the market economy

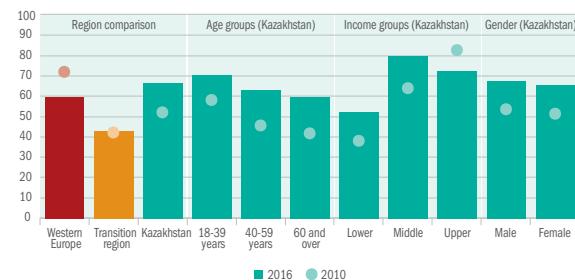
Support for democracy and the market economy has weakened since the last survey, from 59 and 41 per cent in 2010 to 49 and 37 per cent in 2016, respectively. About 30 per cent of respondents express indifference as to the type of economic system that should prevail in the country, while one in four respondents do not have a marked preference for a specific type of political system. Lastly, around 30 per cent of interviewed Kazakhs would favour, under some circumstances, authoritarianism or a planned economy.

When asked which democratic institutions exist in Kazakhstan, 84 per cent of respondents indicated that peace and stability are guaranteed in the country, followed by gender equality and law and order, at 72 and 58 per cent, respectively. These percentages represent some of the highest figures in the entire transition region. According to 52 per cent of Kazakhs, free elections are conducted in the country and, for another 51 per cent, freedom of speech is respected.

Priorities for government spending

Among Kazakh respondents, 34 per cent think that the main priority for additional government spending should be health care, followed by education (22 per cent) and housing (15 per cent). Additional analysis of the LiTS III data shows that around 53 and 47 per cent of Kazakh respondents would be willing to contribute more to improve the quality of their public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Kazakhs are television and radio and conversations with family, friends and colleagues, mentioned by 57 and 54 of the respondents, respectively. The percentage of respondents who use the internet and social media on a daily basis as sources of information increased almost five-fold since the last survey, from only 10 per cent in 2010 to 47 per cent in 2016. This makes the use of internet and social media in Kazakhstan more common than in the average transition country, as well as in Germany and Italy. Lastly, newspapers are read at least once a day by approximately 6 per cent of the interviewed respondents, a number below the averages for Central Asia, the transition region, and both Western European comparator countries.

Self-assessed health

Among Kazakh respondents, 55 per cent of report a positive health self-assessment, which is slightly higher than the transition region average of 54 per cent but still lower than the corresponding figure for Germany (68 per cent). Additional analysis of the LiTS III data shows that all Kazakh demographic groups report a better health status relative to 2010, with an average increase of about 14 percentage points. Unsurprisingly, the data show that health is negatively correlated with age and positively with income levels.

Quality of public services

The majority of Kazakh respondents report being satisfied with the quality of public services in their country, with the exception of local roads, which cause dissatisfaction for around 66 per cent of the population. The remaining figures range from a 96 per cent satisfaction rate for the quality of telephone lines to an 81 per cent satisfaction rate for postal services.

Social and economic mobility

When respondents were asked from a list of options what the most important factors for success in life in their country were, 50 per cent of Kazakhs chose "effort and hard work", 35 per cent opted for "intelligence and skills", and about 14 per cent answered "political connections".

Attitudes towards women

Among respondents, 83 per cent believe it is important for their daughter to achieve a university education and 81 per cent think that female business executives are as competent as male business executives. Nevertheless, two thirds of respondents also believe that men are better political leaders than women, and as many as 86 per cent of respondents think that a woman should do the household chores, even if her husband is not working. Finally, 68 per cent of Kazakhs appear to favour a traditional family arrangement where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

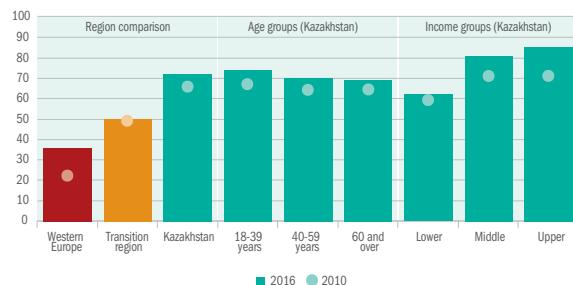


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

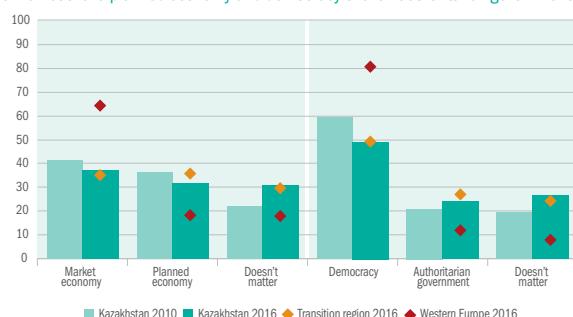


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

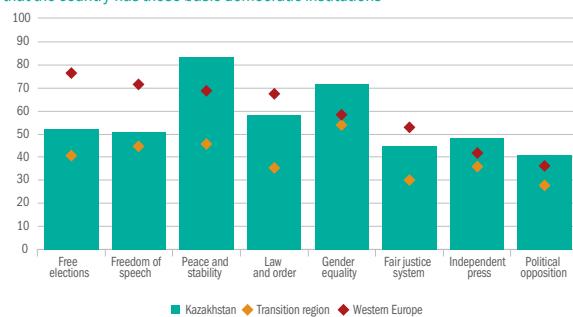
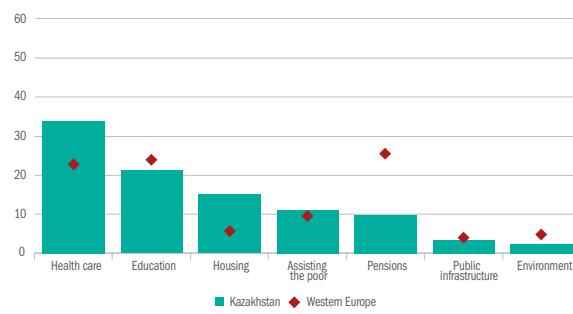


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

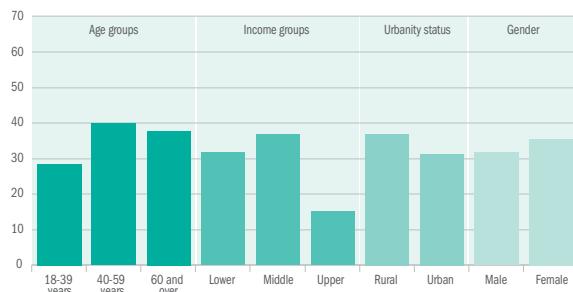


CHART 6. Sources of information: percentage of respondents who use these different sources of information

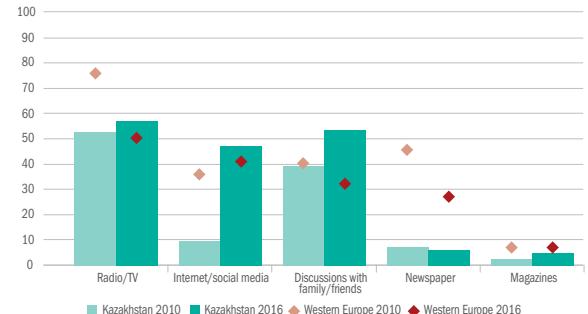


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

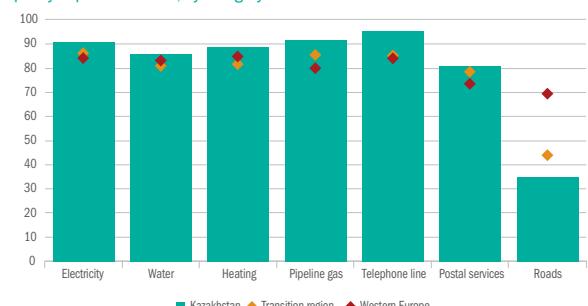


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

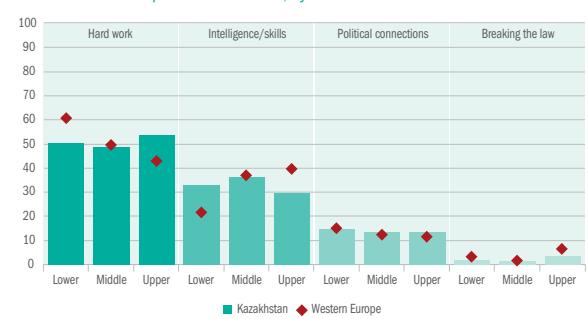
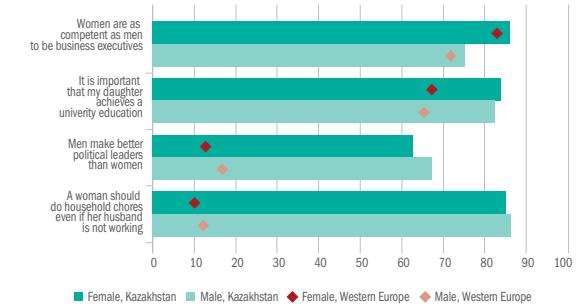


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Kosovo

Satisfaction with the situation at the country level and with personal circumstances

About 20 and only 8 per cent of respondents, respectively, believe that the economic and political situation in Kosovo was better in 2016 than four years prior to the survey. These figures are substantially lower than the corresponding averages for the transition region as a whole and Germany. Furthermore, 12 per cent of those surveyed think that there was less corruption in 2016 than in the four years before the survey.

33 per cent of households surveyed in Kosovo believe that some improvement in their living standards occurred over the four years preceding the survey, the second highest value in south-eastern Europe (SEE) after Romania. As of 2016, 32 per cent of respondents were satisfied with their financial situation, compared to 29 and 31 per cent of those in SEE and the transition region.

Similarly to financial satisfaction, the level of life satisfaction for Kosovar respondents in 2016 was comparable to the transition region average, as 43 per cent of respondents report being satisfied with life. Younger cohorts and respondents in the upper income group turn out to be more satisfied than their older and poorer counterparts in the country.

Optimism levels are well above the transition region average: about 70 per cent of respondents believe that children born today will have a better future than the current generations, the sixth highest value in LiTS III. This high level of optimism stands in contrast to 39 and 50 per cent of the respondents in SEE and the transition region, respectively. High optimism is reported consistently across different age and income groups in Kosovo.

Attitudes towards democracy and the market economy

Support for the market economy in Kosovo is the second highest in the transition region, with 62 per cent of respondents preferring it to any other economic system. Support for democracy is also high in Kosovo, with 67 per cent of respondents favouring it over any other alternative, the seventh highest figure in the transition region. Both values are also above the averages for SEE, the transition region and Italy but still far below those for Germany. Among Kosovar respondents, 23 and 18 per cent would prefer a planned economy or an authoritarian system over the respective alternatives, at least under some specific circumstances. Furthermore, around 15 per cent of Kosovans believe that "for people like me, it does not matter" which economic or political system is in place in the country.

Only a minority of Kosovans believe that there are basic democratic institutions in their country. For instance, only 30 per cent of respondents believe that freedom of speech and peace and stability are guaranteed in Kosovo. Both figures are about 15 percentage points below the transition region averages and around 26 percentage points below the SEE averages. Moreover, only 26 and 25 cent of those surveyed believe that gender equality and a strong political opposition are present in their country, respectively. Lastly, just 20 per cent or less believe that the country has free elections, law and order, an independent press or a fair justice system.

Priorities for government spending

Opinions about what the main priority for extra government spending in Kosovo should be are almost equally divided between assisting the poor (30 per cent), health care (29 per cent) and education (25 per cent). Kosovar support for helping the poor is the highest of all countries covered by the LiTS III survey and far above support in Germany (5 per cent) and Italy (16 per cent).

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Kosovar respondents are the television and the radio (61 per cent), and discussions with family, friends or colleagues (54 per cent). While the television and the radio are the predominant information sources among people aged 40 and over, the internet and social media are the preferred source of news for the younger cohort: 66 per cent of respondents aged 18 to 39 report using the internet at least once a day. As in many other countries, an urban-rural divide in the utilisation of internet is present, with 53 per cent of respondents from urban areas reporting daily usage, in contrast to 43 per cent among those in rural areas. Newspapers are read on a daily basis by approximately 10 per cent of those surveyed, a figure that is marginally higher than the average for the transition region (9 per cent) but still lower than average newspaper readership across SEE, Germany and Italy (14, 31 and 21 per cent, respectively).

Self-assessed health

69 per cent of Kosovar respondents report a positive self-assessment of their health, a figure higher than the SEE average of 65 per cent, the transition region average of 54 per cent, and the values for Germany and Italy (68 and 54 per cent, respectively). Substantial variation in self-perceived health exists across age groups: 87 per cent of respondents aged 18-39 report a positive health status, but only 27 per cent of those aged over 60 do.

Quality of public services

Satisfaction with the quality of public services in Kosovo is mixed. On the one hand, only about 50 per cent of Kosovans are satisfied with their electricity provision, the second lowest value in the transition region. Furthermore, only 58 per cent of Kosovans are satisfied with the quality of their water supply, the lowest value in the transition region. On the other hand, 65 per cent of those surveyed are satisfied with their local roads, the third highest value in the transition region. The satisfaction rates for the remaining services (telephone line, heating and postal services) compare well with the transition region averages and even sit above those for Italy.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, about 40 per cent of Kosovars chose "effort and hard work", a value comparable to the percentages for SEE (41 per cent), Italy (42 per cent) and the transition region (42 per cent) but far below the figure in Germany (61 per cent). However, 34 per cent of Kosovans opted for "political connections", a value well above the averages for Germany (3 per cent), Italy (27 per cent), SEE (28 per cent) and the transition region (21 per cent). Lastly, 19 per cent of those surveyed answered "intelligence and skills".

Attitudes towards women

87 per cent of female Kosovar respondents and 80 per cent of male Kosovar respondents, respectively, believe that women are as competent as men as business executives, and 93 per cent of those surveyed overall think it is important for their daughter to achieve a university education. However, 43 per cent of the male respondents (but only 34 per cent of female respondents) believe that men make better political leaders than women. In addition, about 46 per cent of respondents (both male and female) believe that a woman should do household chores, even if her husband is not working. Lastly, 56 per cent of interviewed respondents favour a traditional family arrangement, where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation



CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

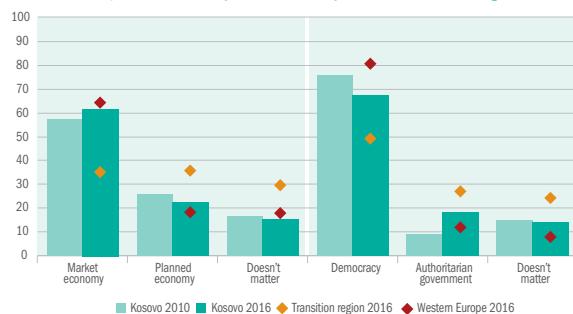


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

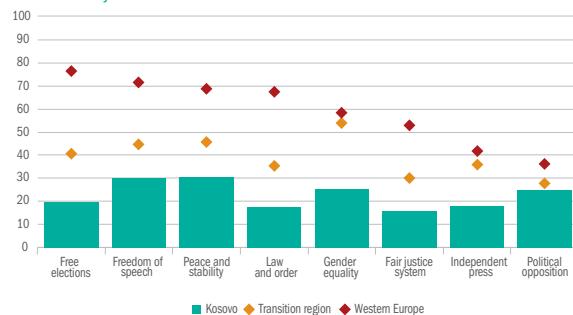
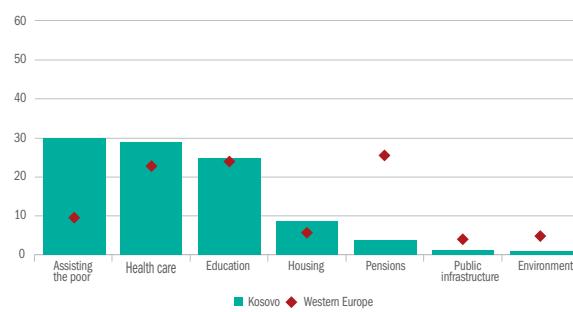


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (assisting the poor)

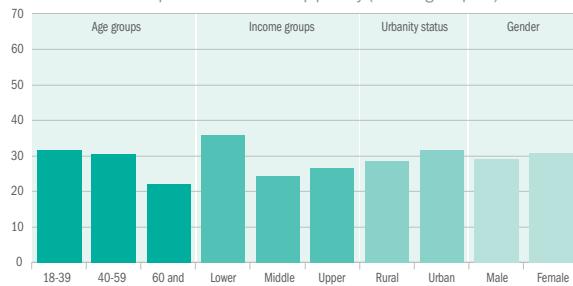


CHART 6. Sources of information: percentage of respondents who use these different sources of information

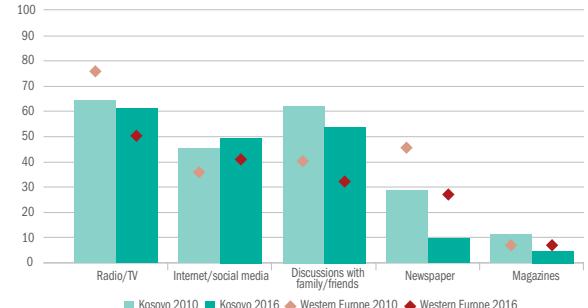


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

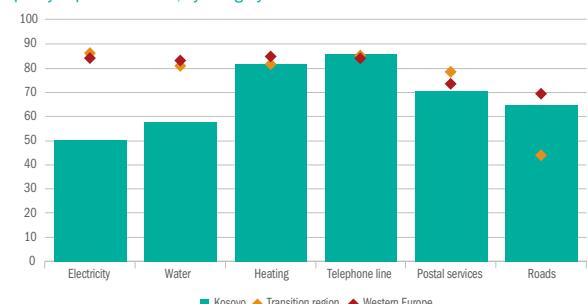


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

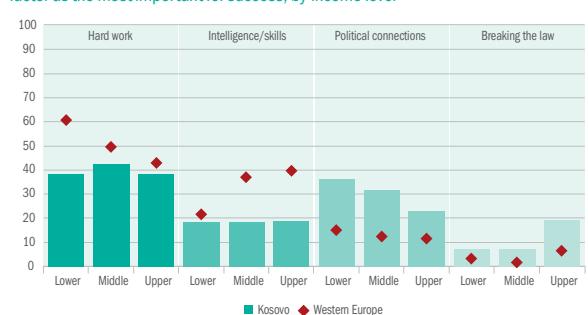
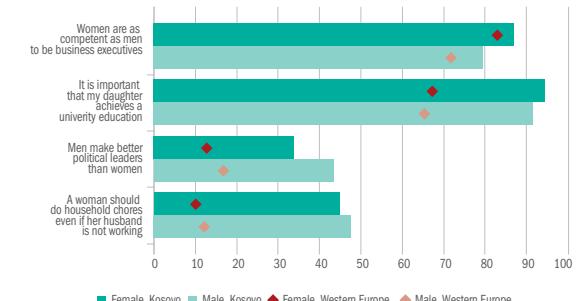
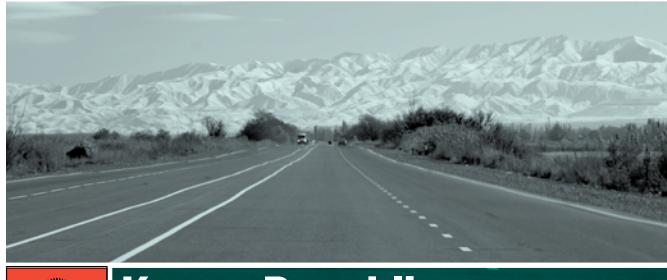


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Kyrgyz Republic

Satisfaction with the situation at the country level and with personal circumstances

Among respondents in the Kyrgyz Republic, 53 and 51 per cent believe that the economic and political situation were better in 2016 than four years prior to the survey, two of the highest satisfaction rates in the transition region. These figures are more than double the corresponding averages for the transition region, Germany and Italy. One-third of interviewed Kyrgyz respondents also think that there was less corruption in 2016 than four years before the survey. Additional analysis of the LiTS III data nevertheless shows that 25 per cent of respondents report that they, or a member of their household, made unofficial payments or gifts when accessing public services in the 12 months preceding the survey.

Among respondents, 68 per cent believe that their households lived better in 2016 than they did four years before the survey, while two in three Kyrgyz individuals report that they are satisfied with their current personal financial situation, a value significantly above the transition region average of 31 per cent and in line with the average for Central Asia at 65 per cent.

Life satisfaction among Kyrgyz respondents has risen considerably across all age and income groups, and is the second highest in the transition region. Among respondents, 75 per cent declare themselves satisfied with life, as opposed to 50 per cent in the previous survey in 2010. The level of life satisfaction rises sharply according to income level, with 96 per cent of respondents from the upper income group stating that they are satisfied with their life.

The Kyrgyz Republic has also registered a significant increase in the percentage of respondents who are optimistic about the future. The proportion of people who think that children born in the country now will fare better than the current generation increased from 50 per cent in 2010 to 77 per cent in 2016, the third highest figure in the transition region. Further analysis shows that optimism displays little variation across age groups but is positively correlated with income level.

Attitudes towards democracy and the market economy

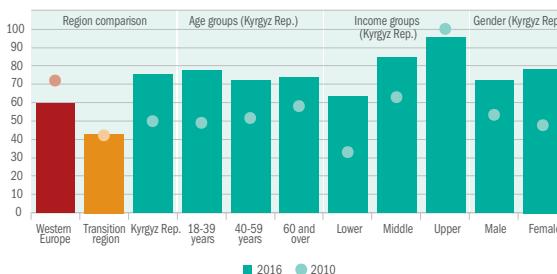
Support for the market economy has slightly weakened since the last survey, from 47 per cent in 2010 to 45 per cent in 2016. Moreover, around one-third of those surveyed believe that a planned economy might be preferable over a market economy under some circumstances. While the majority of respondents (53 per cent) prefer democracy to any other form of government, about a quarter say they might prefer, under some circumstances, an authoritarian system. When respondents were asked a hypothetical question about whether they would rather live in a country with full political liberties but weak economic growth (country B), or in one with fewer political liberties but strong economic growth (country A), about 75 per cent of them opted for country A.

When asked which democratic institutions exist in the Kyrgyz Republic, 59 per cent of respondents indicated that freedom of speech and gender equality are present in the country, while 56 per cent mentioned peace and stability. The extent to which Kyrgyz respondents agree that other basic democratic institutions exist in their country is rather low, with only one-third of the surveyed individuals reporting that they believe free elections, law and order and a fair justice system are guaranteed in the country.

Priorities for government spending

Among Kyrgyz respondents, 36 per cent think that additional government spending on education should be the main priority. This preference is particularly strong for the middle-income group and among those in rural areas. This contrasts with the majority of the other countries in the LiTS III survey, where health care

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



is usually seen as the first priority for additional government spending. In the Kyrgyz Republic, only one in four respondents believe that more funding should be committed to improve health care, while another 15 per cent think that funding should be targeted to help and assist the poor. Additional analysis of the LiTS III data shows that around 63 and 60 per cent of Kyrgyz respondents would be willing to contribute more to improve the quality of their public health system and public education, respectively.

Sources of information

The main daily sources of information for the Kyrgyz population are television and radio and conversations with family, friends and colleagues, mentioned by 65 and 44 of the respondents, respectively. The percentage of respondents who use the internet and social media on a daily basis as sources of information has increased significantly since the last survey, from only 6 per cent in 2010 to 25 per cent in 2016. This usage rate is nevertheless still one of the lowest in the transition region. Importantly, the data show a large urban-rural divide, with 36 of respondents from urban areas reporting daily usage of the internet, in contrast to only 19 per cent of those residing in rural areas. Newspapers are read at least once a day by approximately 9 per cent of the interviewed respondents, a number in line with the transition region average but still well below the corresponding figures for Germany and Italy.

Self-assessed health

Among Kyrgyz respondents, 62 per cent reported a positive health self-assessment, an average that is higher than the ones for the transition region and Italy (54 per cent in both cases) but lower than the corresponding figure for Germany (68 per cent).

Quality of public services

The majority of Kyrgyz respondents report being satisfied with the general quality of public services in their country, with the exception of local roads, which cause dissatisfaction for about 63 per cent of the population. The remaining figures range from an 88 per cent satisfaction rate for the provision of pipeline gas to 59 per cent for postal services.

Social and economic mobility

When Kyrgyz respondents were asked from a list of options what were the most important factors for success in life in their country, the most popular answers were "effort and hard work" (59 per cent) and "intelligence and skills" (31 per cent), both of which are broadly in line with averages for Germany, and well above the corresponding figures for Italy. There is also little, if any, belief among respondents that exploiting political connections or breaking the law gets people ahead in life.

Attitudes towards women

Among Kyrgyz respondents, 92 per cent believe it is important for their daughter to achieve a university education. Nevertheless, 75 and 73 per cent of female and male respondents believe that men are better political leaders than women, respectively, while 87 per cent of the sample favours a traditional family arrangement where the man works and the woman takes care of the house and children, one of the highest figures in the transition region. In addition, around 84 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working. Four in five women and three in four men think that female business executives are as competent as male business executives.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

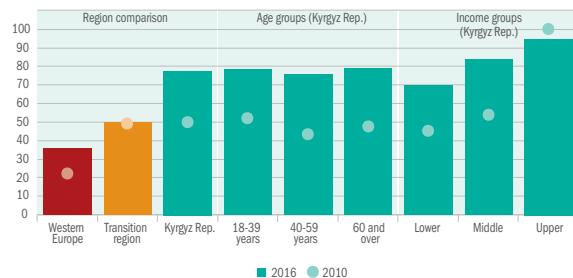


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

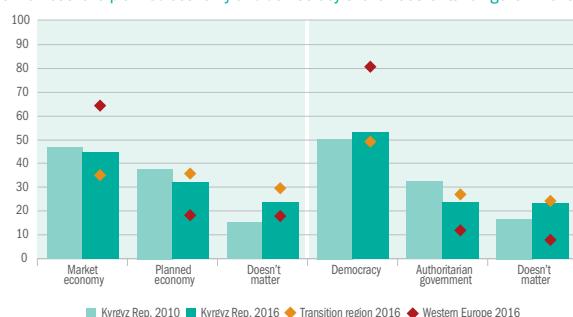


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

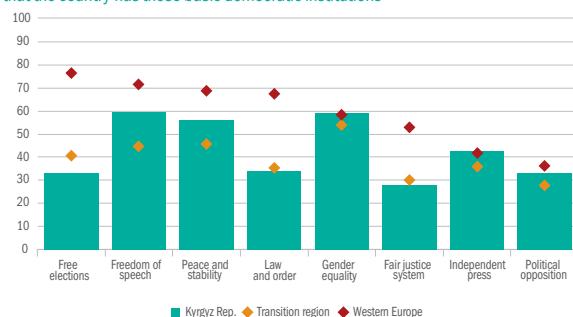
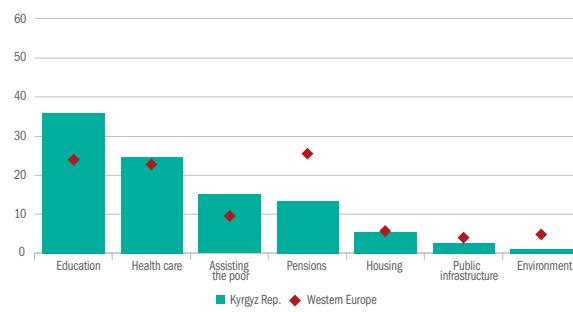


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (education)

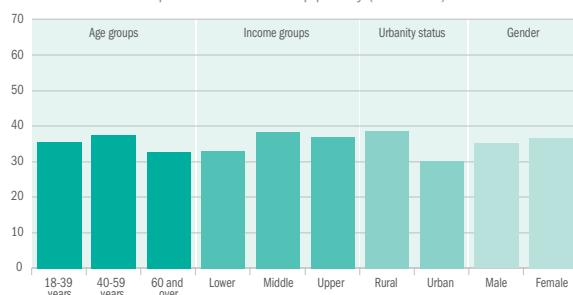


CHART 6. Sources of information: percentage of respondents who use these different sources of information

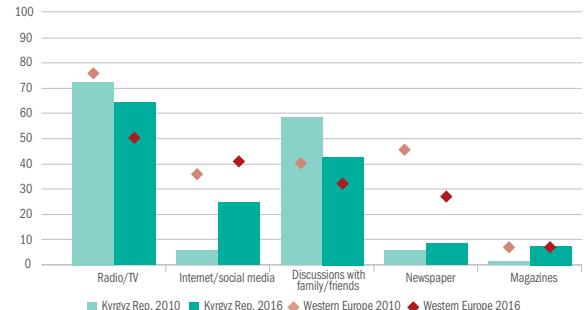


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

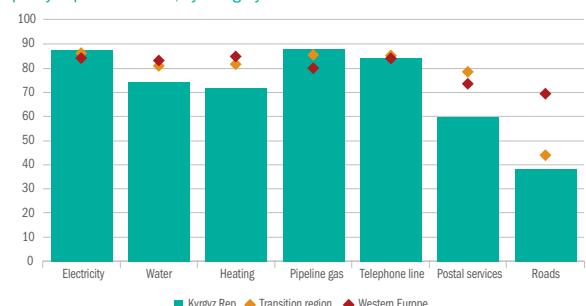


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

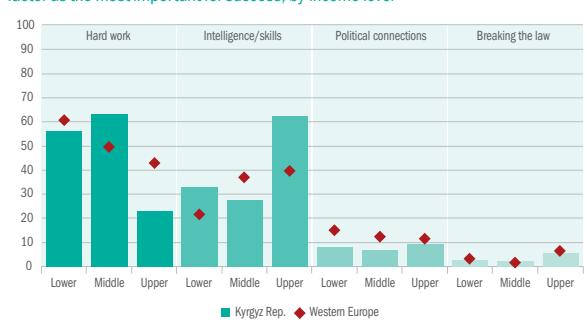


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

About 28 and 11 per cent of respondents believe that the economic and the political situation in Latvia was better in 2016 than four years prior to the survey. Both figures are just below the corresponding averages for central Europe and the Baltic states (CEB), at 30 and 24 per cent, respectively, and below the percentages for Germany. Only 14 per cent of Latvian respondents believe that improvements in corruption levels occurred during the four years preceding the survey, a number substantially below both the CEB and transition region averages of 23 per cent.

Among Latvian respondents, 35 per cent report that they are satisfied with their current financial situation and 39 per cent believe that households in their country live better than they did four years prior to the survey. Both figures indicate a steep increase in satisfaction relative to 2010, just after the global financial crisis, when only 17 per cent of respondents were satisfied with their financial situation and only 1 in 10 Latvians thought that households had a better life at that time than before.

Life satisfaction levels substantially increased as well, from 38 per cent in 2010 to 64 per cent in 2016, and they are now higher than the CEB average (54 per cent), the transition region average (43 per cent) and the corresponding figure for Italy (42 per cent). However, Latvia still fares worse relative to Germany, where as many as three in four respondents are satisfied with their life. Relative to 2010, life satisfaction has increased for all demographic groups in Latvia and is now particularly strong in the middle-income group and amongst those between 18-39 years of age.

The belief that future generations will have a better life has remained almost unchanged since the last survey, at 53 per cent, and optimism is still higher than the transition region average as well as the corresponding figures for Germany and Italy. While optimism declined by about 10 percentage points among the younger cohorts (those aged 18-39), it also increased by 10 percentage points among the middle-aged.

Attitudes towards democracy and the market economy

Support for democracy increased slightly from 38 per cent in 2010 to 41 per cent in 2016, but it is still below the corresponding average for the transition region. Support for the market economy is rather weak, at 24 per cent, the second lowest value in the transition region and well below the average for CEB. Around one-third of the respondents do not have a marked preference for a specific economic or political system, while the remaining ones state that they would favour, under some circumstances, a planned economy (34 per cent) or an authoritarian regime (31 per cent).

When asked which democratic institutions exist in the country, 66 per cent of respondents mentioned gender equality, followed by peace and stability, and freedom of speech at 60 and 59 per cent, respectively. The extent to which Latvians agree that other basic democratic institutions are in place varies and is lower than 50 per cent. Latvia fares worse than Germany on all accounts. The comparison with Italy, however, yields mixed results: Latvians are more likely to answer that there is peace and stability in their country, an independent press, a strong political opposition and gender equality, while they are less likely to indicate that other institutions, such as free elections, law and order, freedom of speech and a fair court system, are present.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Priorities for government spending

Fifty-three per cent of Latvian respondents think the main priority for extra government spending should be health care, the highest percentage in the transition region, followed by education (19 per cent) and pensions (14 per cent). Additional analysis of the LiTS III data shows that 50 and 35 per cent of Latvians would be willing to pay more tax, in order to have better public health care and to improve the education system, respectively.

Sources of information

The main daily sources of information for Latvians are television and radio, discussions with family and friends, and internet and social media, utilised each day by 76, 68 and 63 per cent of the respondents. The usage rate of the internet and social media is the highest in the transition region and is even above the levels of both western comparator countries. As expected, this high utilisation rate is predominantly driven by the younger generations.

Self-assessed health

Only 40 per cent of Latvian consider their health to be “good” or “very good”, one of the lowest figures in the sample and well below the overall average of 54 per cent for the transition region. However, compared to 2010 levels the country has experienced a 6 percentage point improvement in the indicator.

Quality of public services

The majority of Latvian respondents are satisfied with the general quality of public services in their country, the only exception being the local road network, which causes dissatisfaction for about 59 per cent of the population. Overall, 95 per cent of respondents are satisfied with the quality of the provision of pipeline gas, 91 per cent of respondents are satisfied with the electricity, and 87 per cent deem the quality of their telephone line satisfying. All these figures are in line with the averages for the transition region, while the satisfaction rate for the provision of pipeline gas is among the highest in the sample.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 51 per cent of Latvian respondents chose “intelligence and skills” and nearly 25 per cent opted for “effort and hard work”, respectively – one of the highest and one of the lowest percentages in the transition region. Only 6 per cent viewed “breaking the law” as a way to succeed in life, which is a small minority but still higher than the corresponding figures for Germany and Italy (1 and 4 per cent, respectively).

Attitudes towards women

Over 88 per cent of Latvian men and almost 92 per cent of Latvian women consider female business executives to be as competent as male business executives, and around 88 per cent of respondents think that it is important that their daughter achieves a university education. However, 43 per cent of male respondents also believe that men make better politicians than women, 32 per cent of respondents believe that a woman should do the household chores, even if her husband is not working, and 55 per cent favour a traditional family arrangement, where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

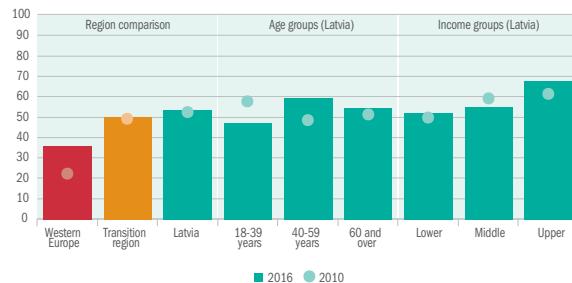


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

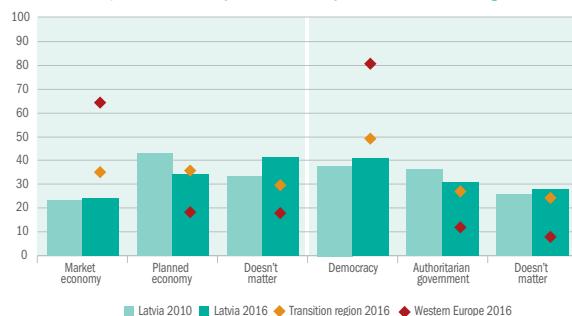


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

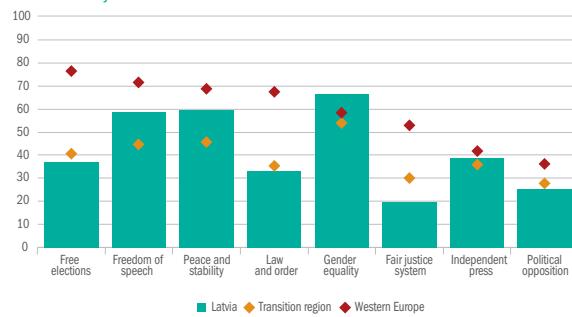
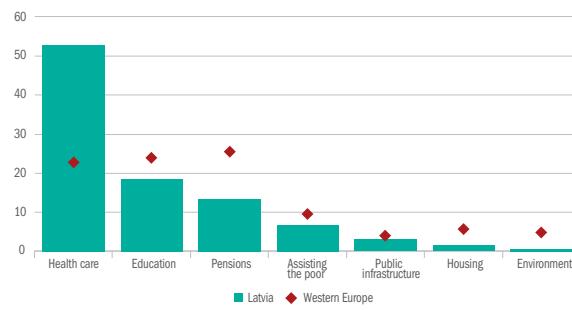


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

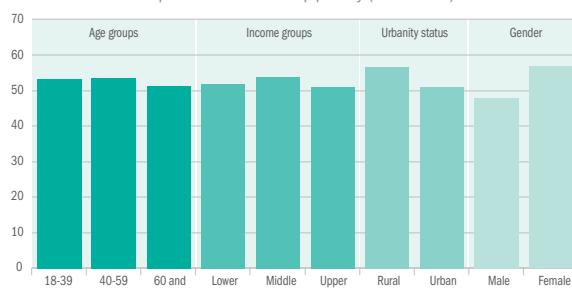


CHART 6. Sources of information: percentage of respondents who use these different sources of information

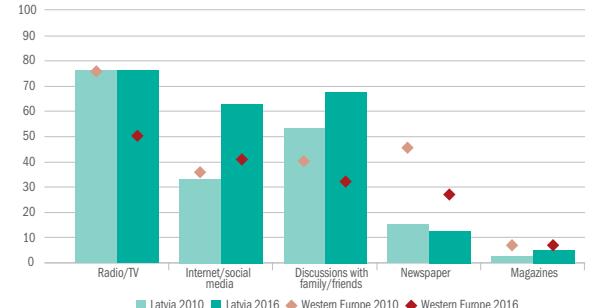


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

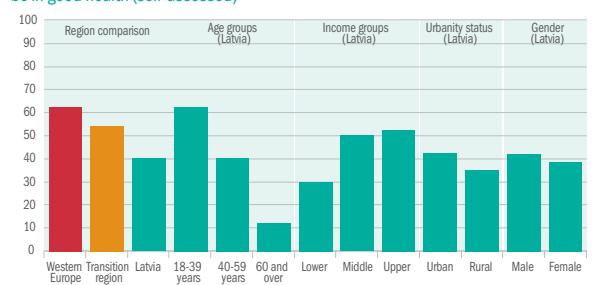


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

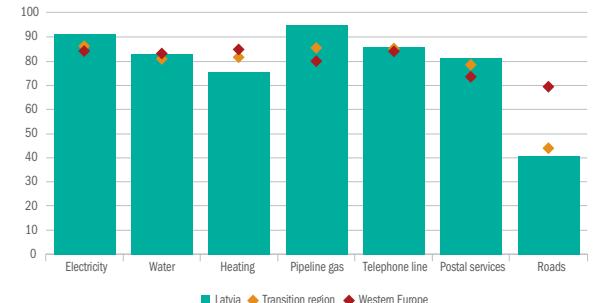


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

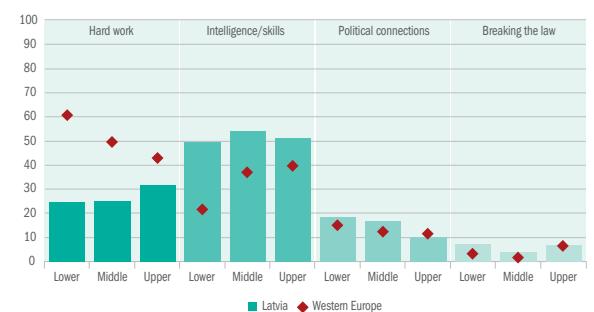
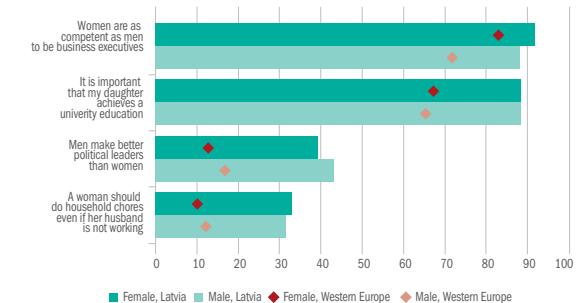


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Lithuania

Satisfaction with the situation at the country level and with personal circumstances

About 31 and 18 per cent of respondents, respectively, believe that the economic and the political situation in Lithuania was better in 2016 than four years prior to the survey. Both figures are above the corresponding averages for the transition region and broadly in line with those for Germany. Less than one in five Lithuanian respondents believe that corruption declined in the four years preceding the survey, a number below the average for central Europe and the Baltic states (CEB) and the transition region average of 23 per cent.

30 per cent of respondents report that they are satisfied with their current financial situation and 31 per cent believe that households in their country live better than they did four years prior to the survey. Both figures indicate a substantial increase in satisfaction relative to 2010, when only 18 per cent of Lithuanians were satisfied with their financial situation and 24 per cent of the population thought that households had a better life at the time than before.

Life satisfaction levels increased substantially from 34 per cent in 2010 to 56 per cent in 2016, and they are now higher than the CEB average (54 per cent), the transition region average (43 per cent) and the corresponding figure for Italy (42 per cent), but they are still lower than the average for Germany (72 per cent). Satisfaction with life has risen considerably across all age and income groups but still shows a high degree of variation by income group: while only 42 per cent of those in the lower income group are satisfied with their lives, 87 per cent of those in the upper income group report that they happy.

While the belief in a better future for the younger generation increased only slightly from 57 per cent in 2010 to 61 per cent in 2016, optimism levels are well above the average for the transition region (50 per cent). Optimism has increased almost uniformly across all groups of the population, but most notably among middle-aged people and those in the upper income brackets.

Attitudes towards democracy and the market economy

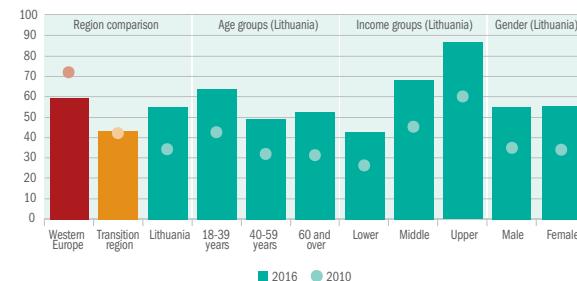
Support for democracy and a market economy has improved considerably since 2010. The proportion of Lithuanian respondents who choose the response option "democracy is preferable to any other form of political system" has risen by 19 percentage points since 2010. 45 per cent of respondents favour the market economy over any other alternative, a figure that is higher than the averages for CEB, the transition region and Italy. However, when asked a hypothetical question about whether they would rather live in a country with full political liberties but weak economic growth (country B), or in one with limited freedoms and stronger growth (country A), more than 70 per cent of Lithuanian respondents report that they would prefer country A.

When asked which democratic institutions exist in the country, 67 per cent of respondents mentioned peace and stability, followed by gender equality and freedom of speech at 61 and 59 per cent, respectively. The extent to which Lithuanians agree that other basic democratic institutions are in place varies and is typically lower than 50 per cent. For instance, only 28 per cent of respondents believe that Lithuania has a strong political opposition, while 19 per cent think the court system treats all citizens fairly and equally. Overall, Lithuania fares worse than Germany with regard to all these indicators.

Priorities for government spending

29 per cent of Lithuanian respondents think the main priority for extra government spending should be health care, followed by education (23 per cent), pensions (19 per cent) and improving the lives of the poor (16 per

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



cent). Additional analysis of the LITS III data shows that 48 and 40 per cent of Lithuanians would be prepared to pay more taxes in order to have better public health care and an improved education system, respectively.

Sources of information

The main daily sources of information for Lithuanians are television and radio, used each day by 78 per cent of the population, and internet and social media, mentioned by 53 per cent of respondents. These usage rates of both types of media are among the highest in the transition region. Internet and social media usage, in particular, have doubled since the last survey, from 26 per cent in 2010 to 53 per cent in 2016. At the same time, newspaper readership has decreased by 4 percentage points, from 20 per cent in 2010 to 16 per cent in 2016, a value that still compares well with the averages for CEB and the transition region (12 and 9 per cent, respectively).

Self-assessed health

Only 43 per cent of Lithuanian respondents report a positive health self-assessment, which is considerably lower than the averages for the transition region, Germany and Italy. Health appears to be positively correlated with income levels and to have a strongly negative correlation with age. Only 12 per cent of respondents aged 60 or over think they are in good health.

Quality of public services

The majority of Lithuanian respondents report that they are satisfied with the quality of public services in their country, the only exception being the local road network, which causes dissatisfaction to around 52 per cent of the respondents. Overall, 96 and 93 per cent of respondents are satisfied with the quality of the provision of pipeline gas and electricity provided to their dwellings, respectively, two of the highest percentages in the transition region. On the other hand, only 64 per cent of respondents are happy with the quality of heating services, one of the lowest satisfaction rates among the transition countries.

Social and economic mobility

When respondents were asked, from a list of options, what were the most important factors for success in life in their country, 49 per cent of Lithuanian respondents chose "effort and hard work", while 27 per cent opted for "intelligence and skills".

Attitudes towards women

Of male and female respondents, 96 and 89 per cent, respectively, believe that women are as competent as men as business executives, while more than 75 per cent of respondents of either gender think that it is important that their daughter achieves a university education. However, 36 and 43 per cent of women and men think that men make better political leaders than women, 21 per cent think that a woman should do the household chores, even if her husband is not working, and 49 per cent prefer a traditional family arrangement, where the man works and the woman takes care of the house and the family.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

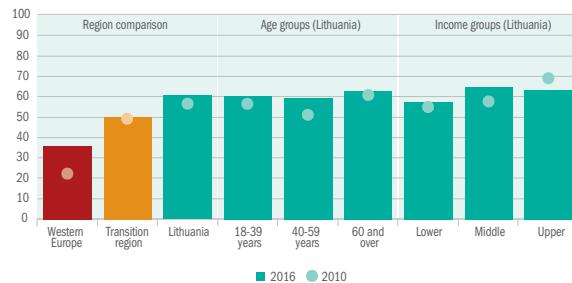


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

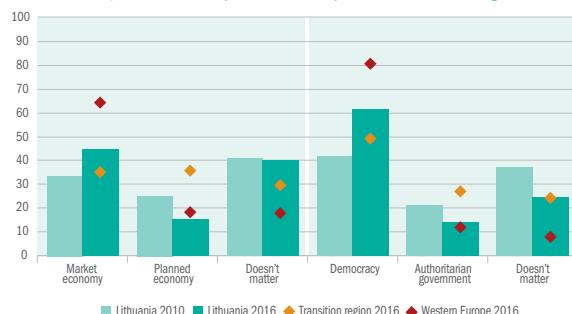


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

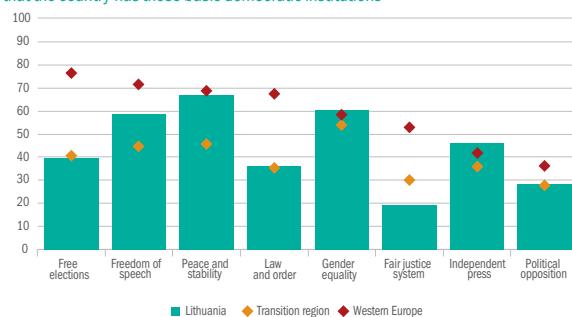
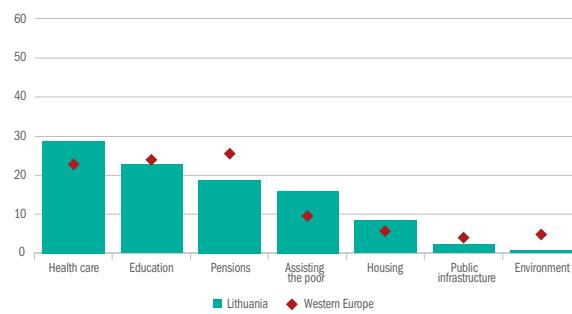


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

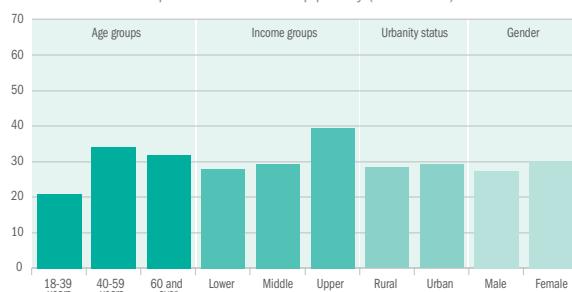


CHART 6. Sources of information: percentage of respondents who use these different sources of information

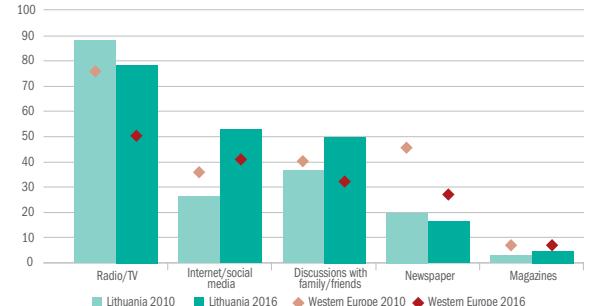


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

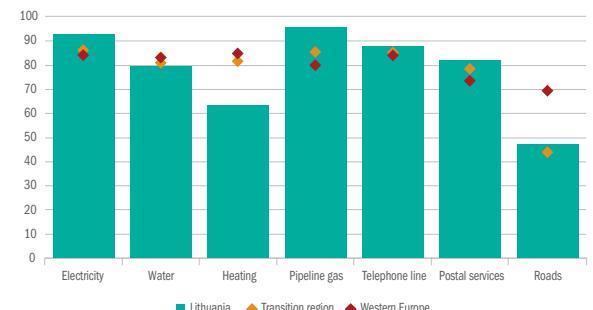


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

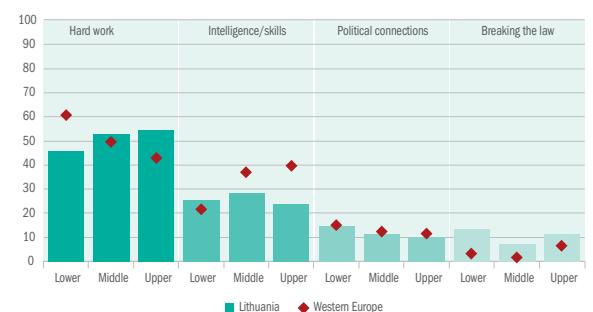
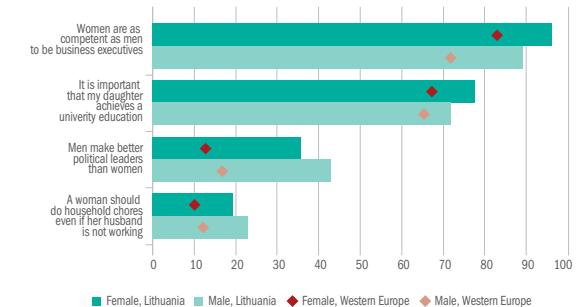
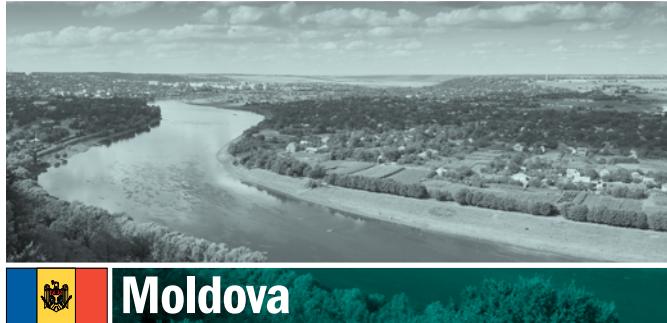


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Moldova

Satisfaction with the situation at the country level and with personal circumstances

Only 8 and 4 per cent of respondents, respectively, believe that the economic and political situation in Moldova was better in 2016 than four years prior to the survey. These figures are some of the lowest in the transition region, below the corresponding averages for eastern Europe and the Caucasus (EEC) and the overall averages for the transition countries. Moreover, only 10 per cent of those surveyed think that there was less corruption in 2016 than four years before the survey, a figure in line with Italy but lower than the numbers reported for EEC, the transition region and Germany (at 16, 23 and 16 per cent, respectively).

Only one in five respondents believe that their households lived better in 2016 than they did in the four years before the survey. In addition, a mere 17 per cent of respondents report that they are satisfied with their current personal financial situation, a number significantly below the transition region average of 31 per cent but on a par with the regional average of 17 per cent for EEC.

Life satisfaction in Moldova is the second lowest in the transition region. It has dropped by 6 percentage points since the last survey round, from 30 per cent in 2010 to 24 per cent in 2016, and it is now 19 percentage points below the transition region average. The decline in life satisfaction was especially pronounced among respondents aged 18 to 39. Data also show that there is a positive correlation between reported life satisfaction and one's income bracket: 47 per cent of those in the upper income group report being satisfied with their life as opposed to only 18 per cent of the poorest respondents.

Optimism in a better future for the younger generation has dropped by 8 percentage points since 2010 and remains below the average for the transition region (50 per cent) at 34 per cent.

Attitudes towards democracy and the market economy

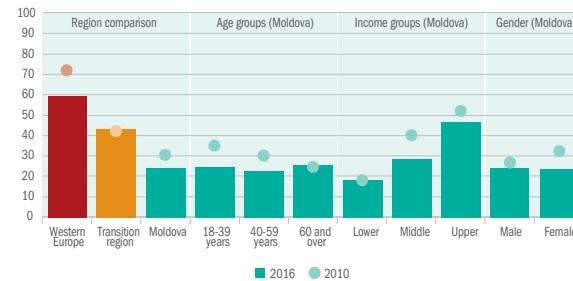
Support for democracy has weakened since the last survey, from 53 per cent in 2010 to 43 per cent in 2016. About 30 per cent of respondents express indifference as to the type of political system that should prevail in Moldova, while one in three respondents would favour, under some circumstances, authoritarianism. In addition, 45 per cent of those surveyed support a market economy and another 29 per cent do not have a clear preference for the type of economic system that should prevail in the country. Lastly, when asked a hypothetical question about whether they would rather live in a country with full political liberties but weak economic growth (country B) or in one with limited freedoms and stronger growth (country A), over 90 per cent of Moldovans reported that they would prefer country A.

When asked which democratic institutions exist in Moldova, only 29 per cent of respondents indicated that gender equality is in place in the country, followed by freedom of speech, peace and stability, a strong political opposition and free elections, at 16, 15, 12 and 11 per cent, respectively. These are among the lowest figures reported in the entire transition region.

Priorities for government spending

Government spending on health care should be the first funding priority according to 44 per cent of Moldovan respondents, the sixth highest value in the transition region. In addition, 25 per cent of the population believe that the government should prioritise additional investments in education, while 12 per cent of those surveyed see extra expenditure on pensions as the top priority. Additional results show that around 70 and 67 per cent of those surveyed would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Moldovans are television and radio, used each day by 59 per cent of the population, and discussions with family, friends or colleagues, mentioned by 51 per cent of respondents. Internet and social media usage has doubled since the last survey, from 20 per cent in 2010 to 40 per cent in 2016, and is now above the transition region average and in line with the corresponding values for the Western comparators. Newspapers and magazines are read on a daily basis by approximately 7 per cent of the interviewed respondents, below the corresponding figures for the transition region, Germany and Italy, but above the EEC average.

Self-assessed health

Moldova reports one of the lowest levels of positive health self-assessments in the transition region, with only 43 per cent of respondents considering their health to be "good" or "very good". Self-assessed health is negatively correlated with age and positively with one's income. Additional analysis of the LiTS III data shows that, compared to 2010, there has been an increase of 7 points in the percentage of Moldovans who believe themselves to be in good health.

Quality of public services

The majority of Moldovans are satisfied with the quality of public services in their country, with the only exceptions being local roads, which cause dissatisfaction to 81 per cent of those surveyed. The remaining figures range from an 84 per cent satisfaction rate for the quality of telephone lines to a 68 per cent satisfaction rate for the quality of heating services.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 65 per cent of Moldovans chose "effort and hard work", the third highest percentage for that specific response option in the transition region, while 17 per cent of those surveyed opted for "intelligence and skills". An additional 11 per cent of Moldovan respondents answered "political contacts".

Attitudes towards women

85 per cent of interviewed respondents think it is important for their daughter to achieve a university education, while 85 and 83 per cent of female and male respondents, respectively, believe that women are as competent as men as business executives. However, 42 and 57 per cent of female and male respondents, respectively, think that men make better political leaders than women. In addition, about 44 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working, and around 65 per cent favour a traditional family arrangement where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation



CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

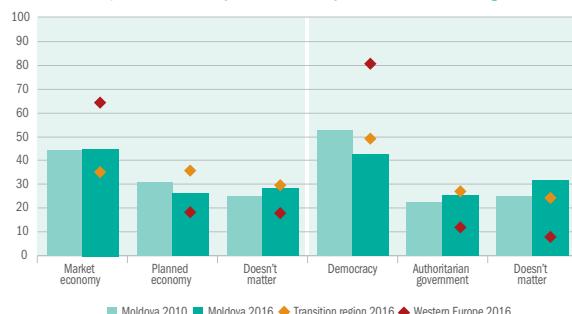


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

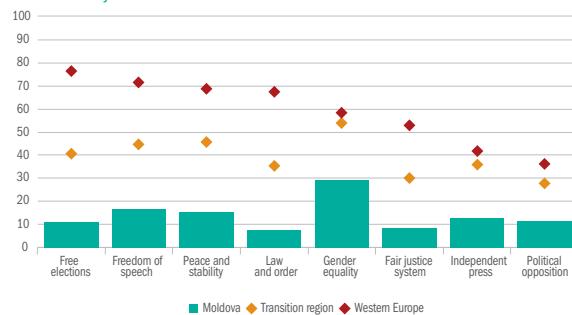
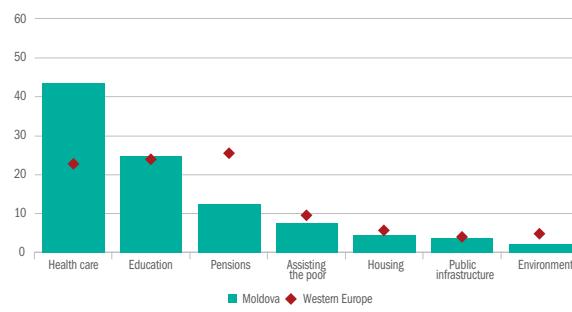


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)



CHART 6. Sources of information: percentage of respondents who use these different sources of information

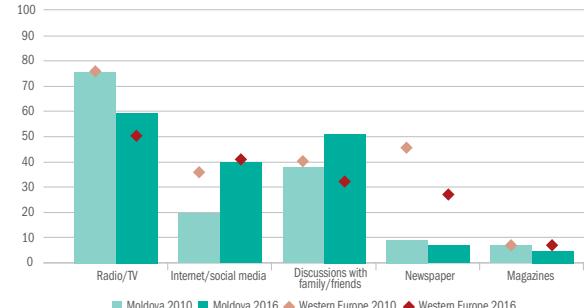


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

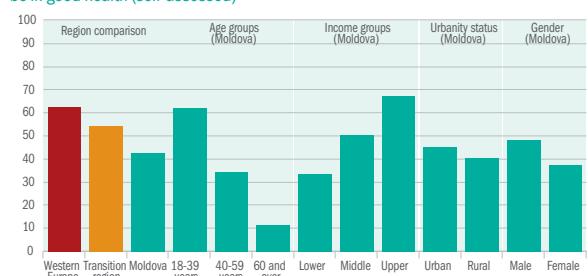


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

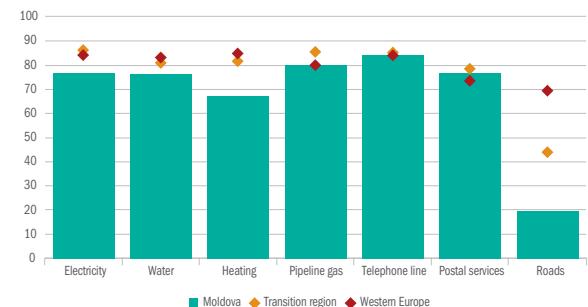


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

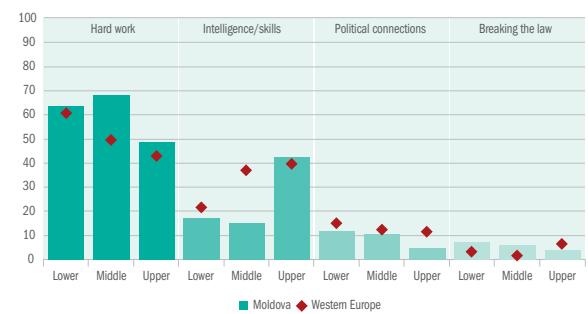
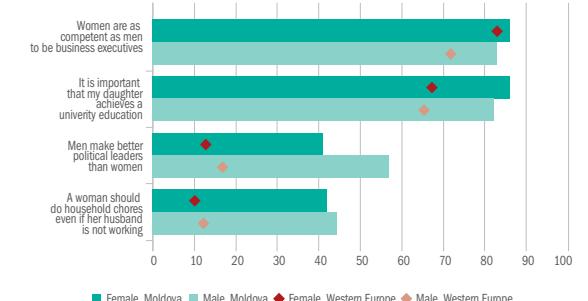
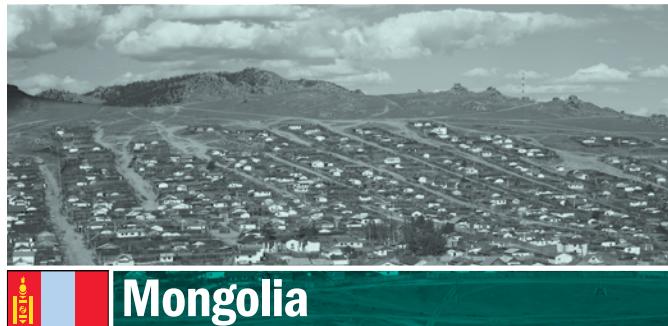


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Mongolia

Satisfaction with the situation at the country level and with personal circumstances

Only 13 and 9 per cent of respondents, respectively, think that the economic and political situation in Mongolia was better in 2016 than four years prior to the survey, down from 42 and 29 per cent, respectively, in 2010. While these figures are substantially lower than the corresponding averages for Central Asia (71 and 72 per cent, respectively), they are also approximately equivalent to one-half and one-third of the averages for the transition region (24 and 28 per cent, respectively). Moreover, 17 per cent of Mongolians believe that there was less corruption in 2016 than four years before the survey.

38 per cent of respondents believe that their households lived better in 2016 than they did in the four years before the survey, a figure that increases to 43 per cent among respondents aged between 18 and 39 and to an impressive 70 per cent for the respondents in the upper income bracket. Approximately one in three Mongolians report that they are satisfied with their current personal financial situation, a value slightly above the transition region average of 31 per cent but significantly lower than the average for Central Asia (65 per cent).

Life satisfaction has improved overall by 1 percentage point since the last survey, from 54 per cent in 2010 to 55 per cent in 2016, and more so for respondents in the upper-income bracket.

Optimism about the future has declined by 6 percentage points compared to 2010. In 2016, 63 per cent of respondents believe that future generations will have a better life than the current generations, as opposed to about 50 per cent of the population in the transition region as a whole. Optimism is less pronounced among those in the upper-income group and for respondents aged 60 and over.

Attitudes towards democracy and the market economy

Among Mongolian respondents, 60 per cent support a market economy (the third highest figure in the transition region), while around one-third of those surveyed believe that a planned economy might be preferable over a market economy under some circumstances. While the majority of respondents (54 per cent) prefer democracy to any other form of government, about 29 per cent say they might prefer, under some circumstances, an authoritarian system.

When asked which democratic institutions exist in Mongolia, the majority of the population mentioned peace and stability and freedom of speech, at 64 and 53 per cent, respectively. The extent to which respondents agree that other basic democratic institutions exist in their country is rather low and below 50 per cent: for instance, only one in five Mongolians believe that free elections are conducted in the country, one of the lowest figures in the transition region.

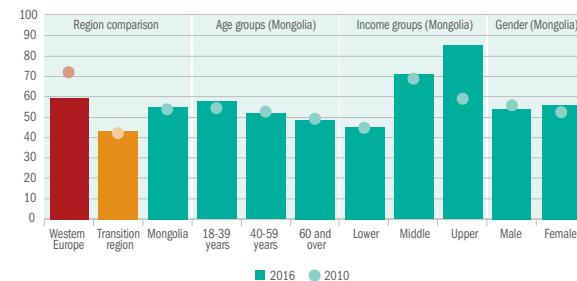
Priorities for government spending

36 per cent of Mongolians believe that the public health system should be prioritised for additional government spending. Other funding priorities identified by the survey respondents are education (at 24 per cent) and helping the poor (17 per cent). Additional results show that around 69 and 65 per cent of those surveyed would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

Sources of information

The main daily sources of information for Mongolians are the television and the radio, used by 82 per cent of the respondents (the second highest figure in the transition region), and conversations with family, friends and colleagues, mentioned by 42 per cent of those surveyed. In addition, a quarter of respondents use the internet and social media on a daily basis.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Self-assessed health

53 per cent of Mongolians say they are in good health, a figure that is in line with the averages for the transition region and Italy (54 per cent in both cases) but lower than the corresponding figure for Germany (68 per cent). Data show that, relative to 2010, there has been a substantial increase in positive health assessments among the upper income group (44 percentage points) while the opposite holds for respondents aged 60 or over (a decrease by 21 percentage points).

Quality of public services

The majority of those surveyed report being satisfied with the quality of public services in their country, with the exception of local roads and postal services, which cause dissatisfaction to around 56 and 68 per cent of the population, respectively. The remaining figures range from a 70 per cent satisfaction rate for the provision of electricity to a satisfaction rate of 63 per cent for water services. Compared to the western European comparators, Mongolian respondents are less satisfied with the quality of the public services and utilities.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 69 per cent of Mongolians chose "effort and hard work", the second highest result in the transition region, and a 10 percentage points increase relative to 2010 levels. About 20 per cent of respondents opted for "intelligence and skills", which is below the averages for both Germany and Italy.

Attitudes towards women

93 per cent of respondents believe it is important for their daughter to achieve a university education, while 95 per cent think that women are as competent as men as business executives, the highest figure in the transition region. Nevertheless, 70 per cent of female and male respondents believe that men are better political leaders than women. In addition, 45 per cent of the sample favours a traditional family arrangement where the man works and the woman takes care of the house and children, and 35 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

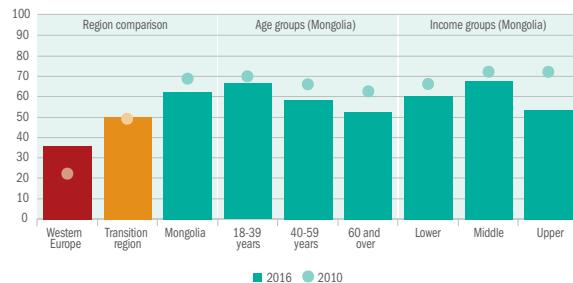


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

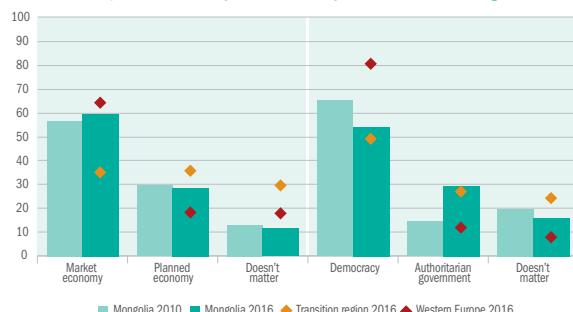


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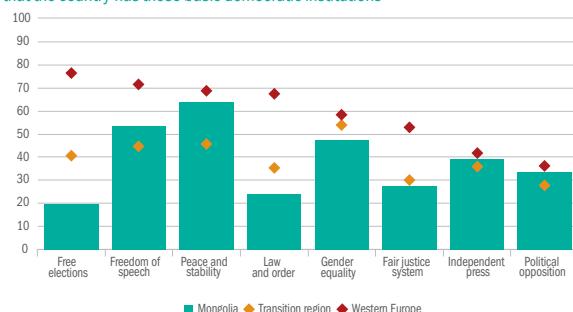


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

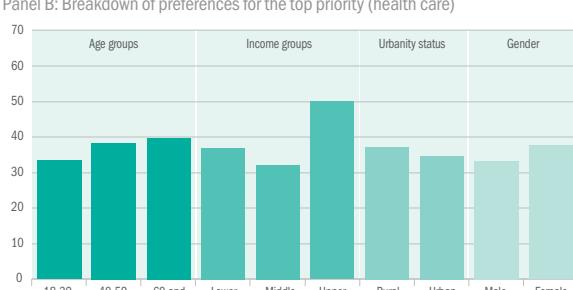


CHART 6. Sources of information: percentage of respondents who use these different sources of information

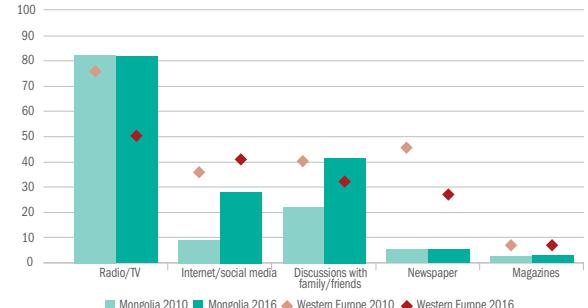


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

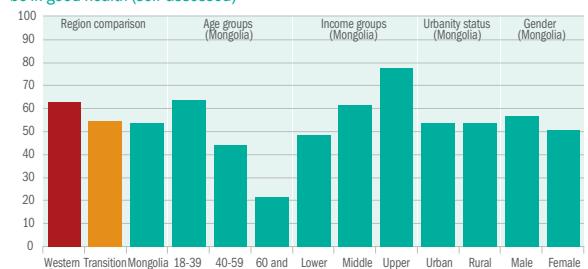


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

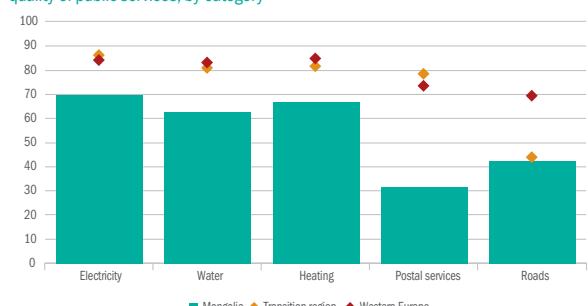


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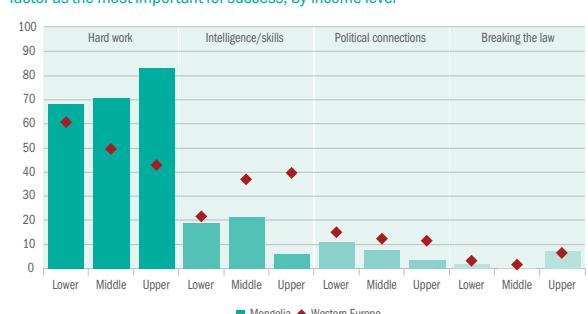
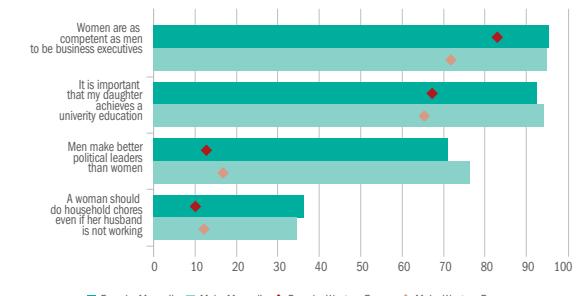


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

24 and 21 per cent of respondents believe that the economic and political situation in Montenegro was better in 2016 than four years prior to the survey, values higher than the averages for south-eastern Europe (SEE), both at 17 per cent. Furthermore, 20 per cent of interviewed individuals think that corruption levels improved over the four years preceding the survey, 2 percentage points more than in the SEE region as a whole but 3 percentage points below the transition region average.

Among Montenegrin respondents, 28 per cent believe that their household was better off in 2016 as compared to four years prior to the survey, while 32 per cent are satisfied with their personal financial situation. Both values are comparable to the respective transition region averages and higher than the averages for SEE as a whole.

Life satisfaction slightly increased by 4 percentage points compared to 2010, particularly for those in the lower and middle income groups and among respondents aged 40 and above. As of 2016, 46 per cent of Montenegrin respondents were satisfied with their life, a percentage higher than the averages for Italy, SEE and the transition region (42, 39 and 43 per cent, respectively).

40 per cent of Montenegrin respondents think that children born now will have a better life than the current generations, a 10 percentage point decline relative to 2010 levels, and a level of optimism that is well below the transition region average of 50 per cent.

Attitudes towards democracy and the market economy

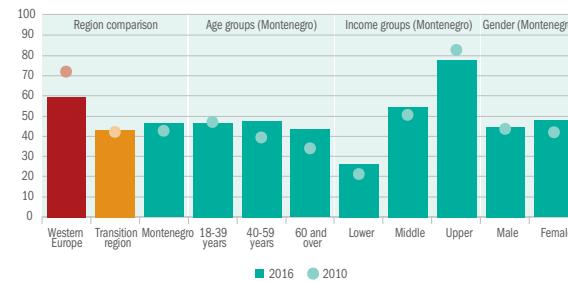
Among Montenegrin respondents, 58 and 44 per cent prefer democracy and a market economy over any other form of political or economic system, respectively. Both these percentages are higher than the corresponding transition region averages (51 and 37 per cent, respectively). Around 17 and 25 per cent of Montenegrins believe that an authoritarian system and a planned economy may be better under some circumstances, while 25 and 31 per cent state that "for people like me, it does not matter" which political and economic system prevails, respectively.

Despite the relatively strong support for democracy, Montenegrins are sceptical about the existence of democratic institutions in the country. Only 26 per cent of respondents believe that elections in their country are free, compared to an average of 39 per cent for SEE and 41 per cent for the transition region. Similarly, only a quarter of Montenegrins believe that the press is independent, while 37 per cent think that there is gender equality in their country. Both these figures are substantially lower than the averages for SEE and the transition region. Montenegrin respondents' trust in law and order, freedom of speech, a strong political opposition and a fair court system are comparable to those in SEE and the transition region.

Priorities for government spending

Among Montenegrin respondents, 32 per cent would prefer extra government funding to be spent on health care, a figure comparable to the average for the transition region as a whole (34 per cent). This is followed by helping the poor (24 per cent), investments in education (19 per cent) and pensions (14 per cent). Housing, the environment and infrastructure are mentioned by less than 3 per cent of all respondents as priorities for government spending. Consistently, additional results from LITS III show that about 61 and 48 per cent of Montenegrin respondents would be willing to pay more taxes in order to improve the quality of the public health system and to assist the poor, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Montenegrins are the television and the radio (66 per cent), followed by discussions with family, friends or colleagues (63 per cent) and the internet and social media (51 per cent). Newspapers are read on a daily basis by 37 per cent of the population, the highest average in the transition region, on a par with Estonia.

Self-assessed health

73 per cent of Montenegrin respondents report a positive health self-assessment, the third highest percentage in the sample and one higher than the averages for Italy (54 per cent), Germany (68 per cent), SEE (65 per cent) and the transition region (54 per cent). Additional analysis, however, shows that compared to 2010 there has been a 4 percentage point decline in perceived health quality across almost all demographic groups. Only those aged 60 and older exhibited an improvement in reported health (of 15 percentage points).

Quality of public services

Slightly more than 70 per cent of respondents are satisfied with the quality of the supply of water, electricity, and telephone line services. However, all three percentages are below the respective averages for SEE and the transition region. Satisfaction with the quality of local roads (42 per cent), postal services (78 per cent), and heating (83 per cent) is comparable to the averages for both SEE and the transition region.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 49 per cent of Montenegrins chose "effort and hard work", while the second most popular answer was "political connections" (29 per cent).

Attitudes towards women

88 and 78 per cent of female and male Montenegrin respondents, respectively, think that women are as competent as men as business executives. Moreover, 82 per cent of all Montenegrins believe that it is important that their daughter achieves a university education. However, a considerably higher proportion of men believe that men make better political leaders than women (58 per cent of men as opposed to 37 per cent of women) and that a woman should do the household chores, even if her husband is not working (45 per cent of men compared to 32 per cent of women). Lastly, 56 per cent of interviewed respondents favour a traditional family arrangement where the man works and the woman takes care of the family.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

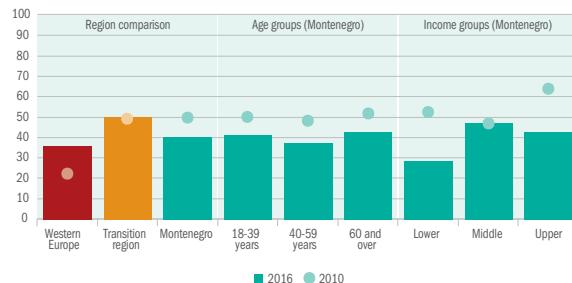


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

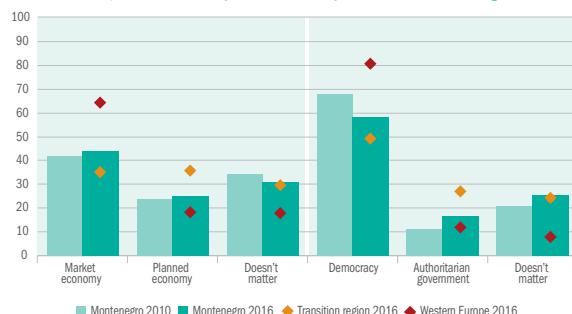


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

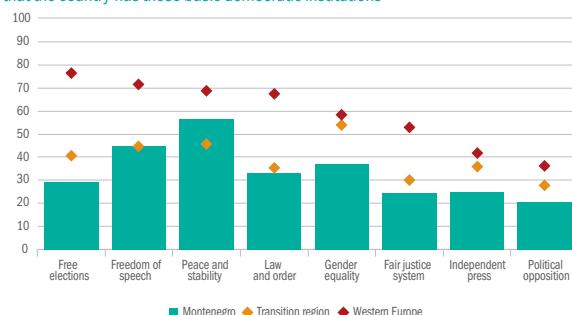
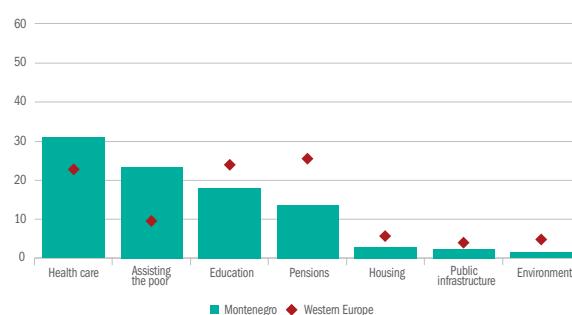


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

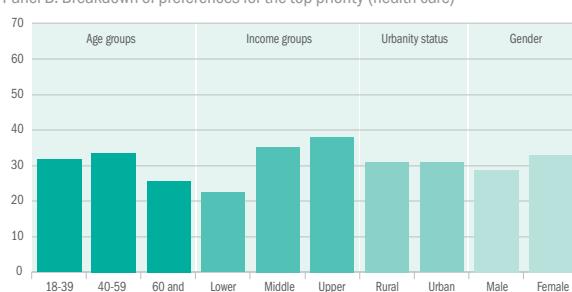


CHART 6. Sources of information: percentage of respondents who use these different sources of information

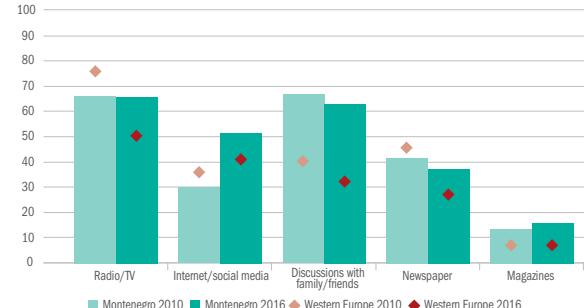


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

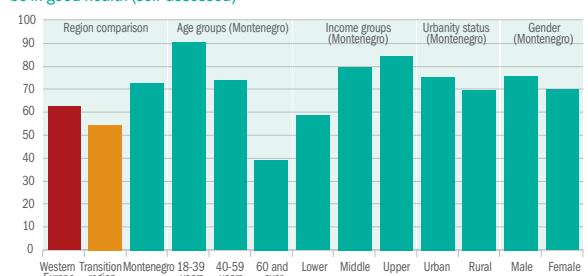


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category



CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

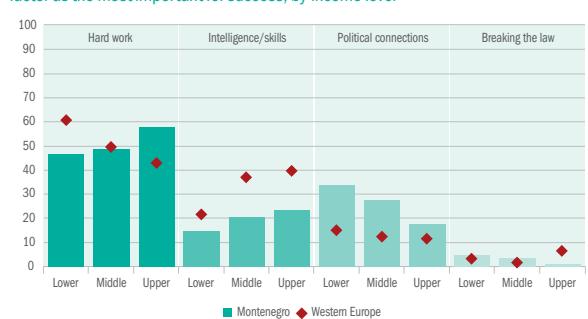
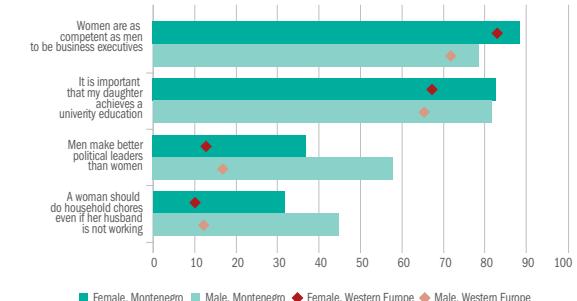


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Poland

Satisfaction with the situation at the country level and with personal circumstances

About 32 and 27 per cent of respondents believe that the economic and the political situation in Poland was better in 2016 than four years prior to the survey. The first figure is above the corresponding average for central Europe and the Baltic states (CEB), the average for the transition region as a whole and the average for Italy, while it is 1 percentage point below the average for Germany. Appreciation of the present political situation is, instead, higher than in the CEB region, Italy and also Germany. Moreover, one in three Polish respondents believe that corruption declined in the four years preceding the survey, a number substantially above the CEB and transition region averages of 23 per cent.

Among Polish respondents, 44 per cent report that they are satisfied with their current financial situation and 40 per cent believe that households in their country live better than they did four years prior to the survey.

Life satisfaction increased from 56 per cent in 2010 to 58 per cent in 2016, and is now higher than the transition region average (43 per cent) and the corresponding figure for Italy (42 per cent). However, Poland still fares worse relative to Germany, where as many as three in four respondents report being satisfied with their life. Relative to 2010 levels, the lowest-income bracket of the population saw a drop in life satisfaction of 10 percentage points, while the middle and upper income groups experienced modest increases (6 percentage points and 3 percentage points, respectively).

Confidence in a better future for the younger generation slightly decreased from 56 per cent in 2010 to 55 per cent in 2016, but it is still well above the transition region average of 50 per cent and the corresponding values for Germany and Italy (46 and 22 per cent, respectively). There is almost no variation in the level of optimism across different age groups of the surveyed population, but middle and upper income groups do seem more optimistic than their peers in the lower income bracket.

Attitudes towards democracy and the market economy

Support for democracy and the market economy increased significantly from 46 and 30 per cent in 2010 to 57 and 41 per cent in 2016, respectively, and are now well above the corresponding averages for the transition region. Still, a quarter of the respondents do not have a marked preference for a specific political system, while one-third of interviewed Polish individuals believe that "for people like me, it does not matter" which economic system is in place.

Perceptions of the existence of basic democratic institutions in Poland vary. When asked which democratic institutions existed in the country, 82 per cent of respondents mentioned free elections, followed by gender equality, peace and stability, freedom of speech, law and order and an independent press, at 76, 62, 61, 55 and 55 per cent, respectively.

Priorities for government spending

About 48 per cent of Polish respondents cite health care as what they think should be the main priority for additional government spending, followed by pensions (17 per cent), assisting the poor (11 per cent) and housing (10 per cent). Only 8 per cent think that education deserves priority attention, which is well below the corresponding values for comparator countries (31 per cent for Germany and 13 per cent for Italy). Additional analysis of the LiTS III data shows that 41 and 26 per cent of Polish respondents would be willing to pay more taxes, in order to have better public health care and an improved education system, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Polish respondents are television and the radio, used each day by 53 per cent of the population, and internet and social media, mentioned by 38 per cent of respondents. Newspaper readership decreased by 4 percentage points, from 12 per cent in 2010 to 8 per cent in 2016, a number that is now lower than the averages for CEB and the transition region (12 and 9 per cent, respectively), and especially below the corresponding figures for Germany and Italy.

Self-assessed health

Among Polish respondents, 63 per cent report a positive health status, a percentage that is higher than the transition region average of 54 per cent and similar to the values reported in Western comparators. On average, compared to 2010, there has been a modest increase (4 percentage points) in self-reported good health. Not surprisingly, health is negatively correlated with age. While there are no significant differences between male and female respondents, people who live in rural areas are more likely to define their health as "good" or "very good".

Quality of public services

The majority of Poles report that they are satisfied with the general quality of public services in their country. Overall, 93 per cent of respondents are satisfied with the provision of water and pipeline gas, and 92 per cent are happy with the electricity provided to their dwellings. All these figures compare well with the averages for the transition region and Germany, and are higher than the ones reported in Italy.

Social and economic mobility

When Polish respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 38 per cent chose "effort and hard work" and 39 per cent opted for "intelligence and skills".

Attitudes towards women

Only 54 per cent of female Polish respondents and 35 per cent of male Polish respondents think that women are as competent as men as business executives and only 30 per cent of respondents believe it important for their daughter to achieve a university education. These figures are substantially lower than the averages for the western European comparators and contrast with the earlier observation that 76 per cent of Polish respondents feel there is gender equality in the country. Other results show that only 6 per cent of respondents believe that men make better politicians than women, and only 5 per cent of Poles believe that a woman should do household chores, even if her husband is not working.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

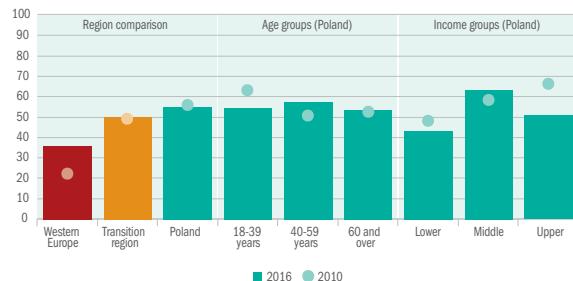


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

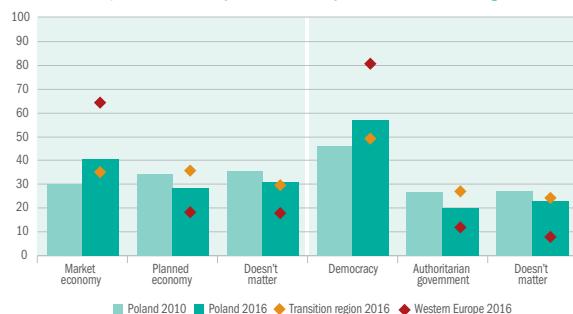


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

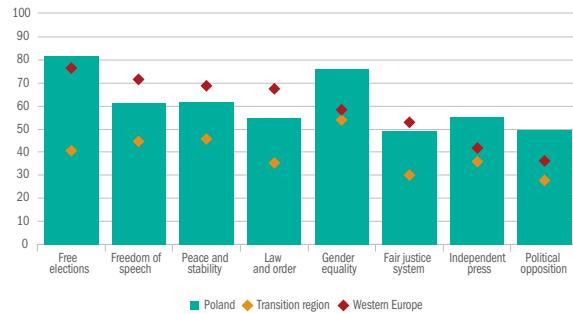
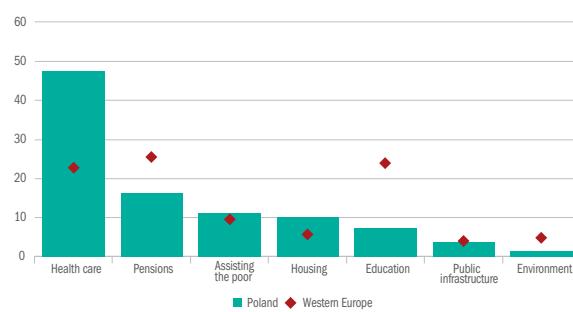


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

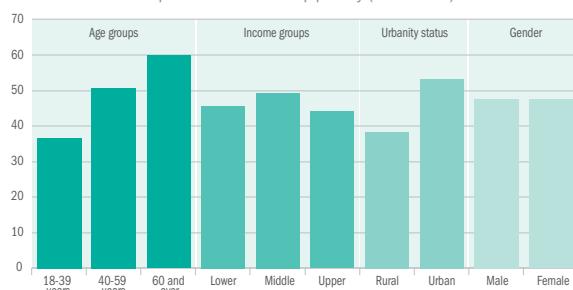


CHART 6. Sources of information: percentage of respondents who use these different sources of information

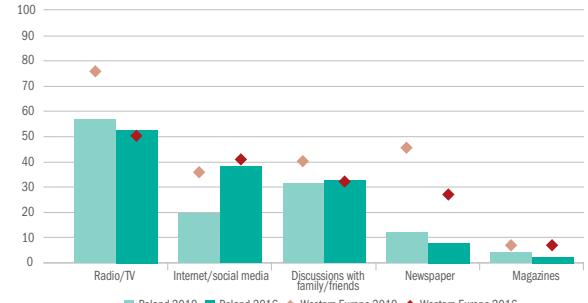


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

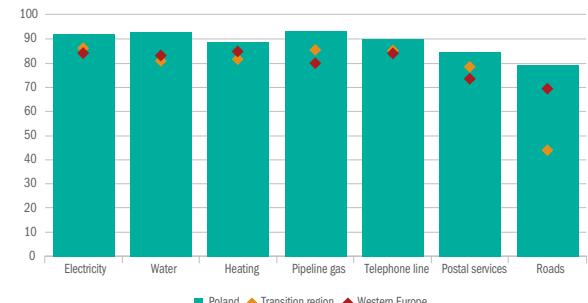


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

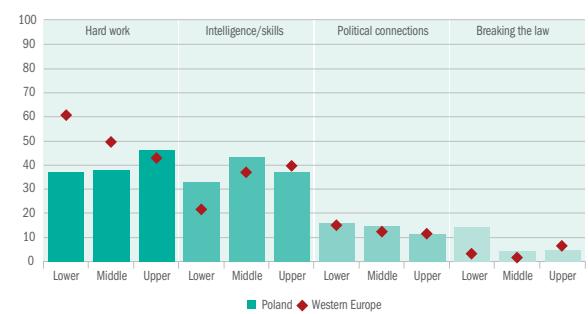
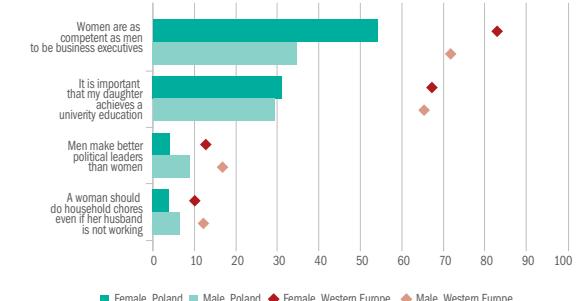


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Romania

Satisfaction with the situation at the country level and with personal circumstances

Of Romanian respondents, 23 and 20 per cent, respectively, believe that the economic and political situation was better in 2016 than four years prior to the survey. These percentages are higher than the averages for south-eastern Europe (SEE), both at 17 per cent, but below the corresponding figures for the transition region as a whole (24 and 28 per cent, respectively). About one in five Romanians think that corruption levels improved during the four years preceding the survey which, again, is slightly above the SEE average (18 per cent) but slightly below the transition region average (23 per cent).

About 35 per cent of Romanians believe that their household was better off in 2016 compared with four years prior to the survey, and 36 per cent are satisfied with their personal financial situation. These percentages are above the respective SEE and transition region averages.

Life satisfaction has increased substantially across all age and income groups since the last survey, from only 18 per cent in 2010 to 45 per cent in 2016. On average, Romanians are now happier than the average respondent in SEE and the transition region.

The percentage of Romanian respondents who think that children born now will have a better life than the current generation has also experienced a significant increase since the last survey: 21 per cent of respondents were optimistic in 2010, as opposed to 38 per cent in 2016. The level of optimism in Romania is now comparable to that in SEE as a whole (39 per cent) but it is still below the corresponding average for the transition region (50 per cent).

Attitudes towards democracy and the market economy

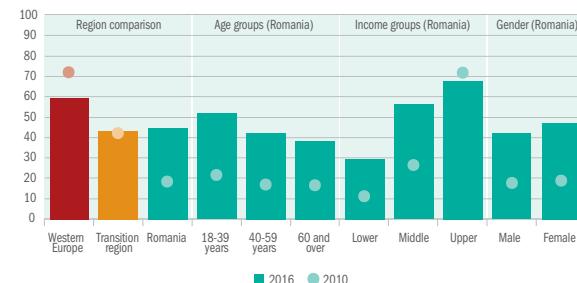
53 and 43 per cent of Romanians support democracy and the market economy, two figures that are higher than the respective averages for the transition region and Italy, but below those for Germany. In addition, 22 and 26 per cent of respondents believe that under some circumstances an authoritarian system or a planned economy could be preferable, while 25 and 31 per cent are indifferent to the different types of political or economic systems, respectively.

When asked which democratic institutions exist in the country, 61 per cent of respondents indicated that peace and stability are guaranteed, followed by 56 and 52 per cent of those surveyed saying, respectively, that freedom of speech and gender equality are respected. Only a minority of Romanians believe that other basic democratic institutions are in place. For instance, only 30 per cent of those surveyed think that elections are free, while only one in four Romanians believe that law and order and a strong political opposition exist in the country.

Priorities for government spending

41 per cent of respondents would prefer extra government funding to be spent on health care, a figure above the averages for the transition countries (34 per cent) and SEE (35 per cent). This is followed by investments in education (25 per cent), pensions (13 per cent) and helping the poor (8 per cent). Other options for extra spending, such as public infrastructure or the environment, attract little support. Consistently, 41 per cent of Romanians indicate that they would be willing to pay more taxes themselves to improve the health system.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Romanian respondents are the television and the radio (73 per cent), followed by discussions with family, friends or colleagues (40 per cent) and the internet and social media (29 per cent). As of 2016, an urban-rural divide persists in the use of the internet as the main source of information, with 40 per cent of respondents from urban areas reporting daily usage while the usage rate is still as low as 16 per cent among rural Romanians. Newspapers are read on a daily basis by 10 per cent of the Romanian respondents, a figure slightly higher than the average for the transition region (9 per cent), but lower than newspaper readership in SEE, Germany and Italy (14, 31 and 21 per cent, respectively).

Self-assessed health

56 per cent of Romanian respondents report a positive self-assessment of their health, which is slightly above the averages for the transition region and Italy (both at 54 per cent) but below the values for SEE and Germany (65 and 68 per cent, respectively). Additional analysis shows that, compared with 2010, all demographic groups report better health conditions.

Quality of public services

More than 80 per cent of Romanians believe that, overall, their country provides access to high-quality public services, with the sole exception of local roads, whose quality is deemed satisfactory by only 46 per cent of the respondents. Still, compared with the transition region averages, satisfaction with the quality of public services is higher in Romania across all the indicators (including the one related to local roads). The satisfaction rates for all the categories (except for local roads) are also comparable with or higher than the averages for Germany and Italy.

Social and economic mobility

When Romanian respondents were asked from a list of options what they thought were the most important factors for success in life in their country, about 52 per cent of them chose "effort and hard work" and 23 per cent answered "intelligence and skills". 13 per cent opted for "breaking the law", one of the highest figures for that response option in the transition region.

Attitudes towards women

90 and 86 per cent, respectively, of female and male Romanian respondents think that women are as competent as men to be business executives, and 75 per cent believe that it is important that their daughter achieves a university education. However, 53 per cent of men and 45 per cent of women also think that men make better political leaders than women. Lastly, about half of Romanian respondents favour a traditional family arrangement where the man works and the woman takes care of the family, while 28 per cent think that a woman should do the household chores, even if her husband is not working.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

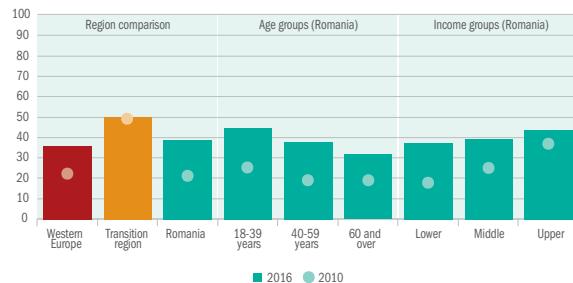


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government



CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

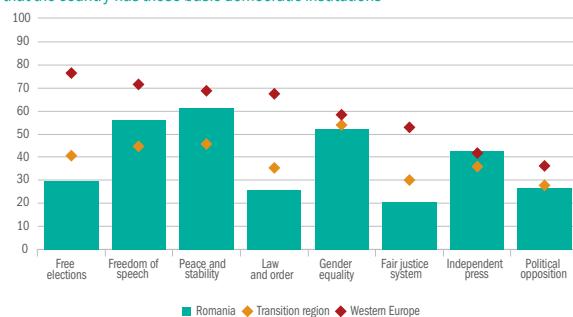
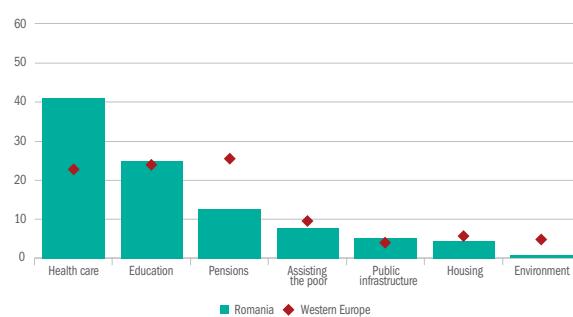


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

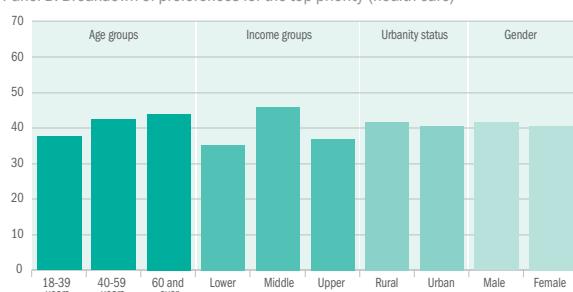


CHART 6. Sources of information: percentage of respondents who use these different sources of information

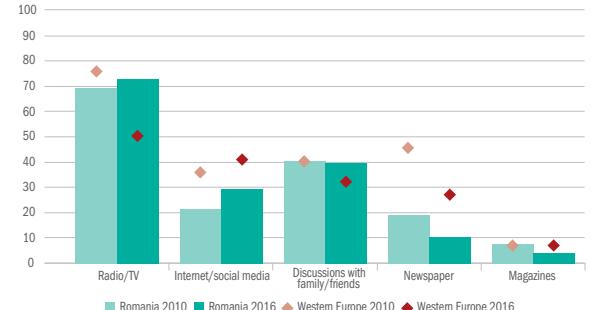


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

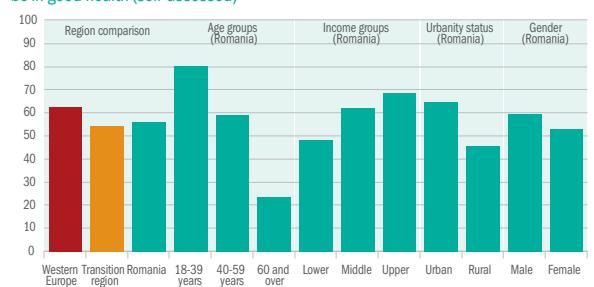


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

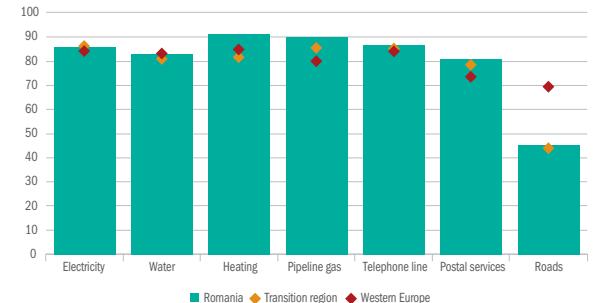


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

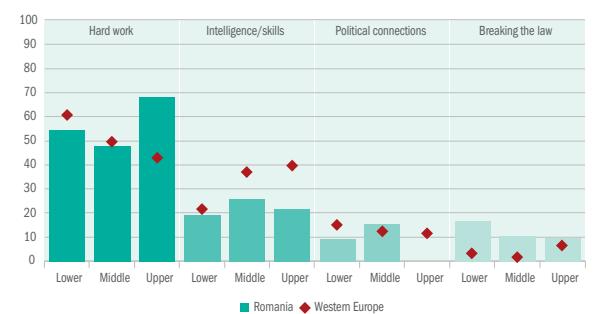
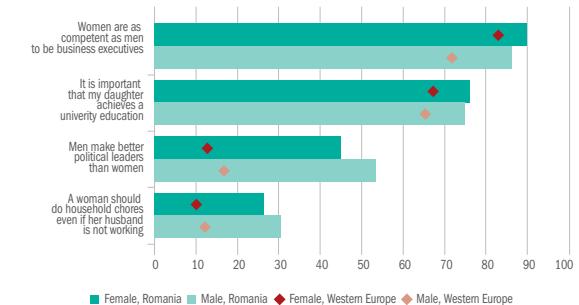


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

Only 9 per cent of the Russian population believes that the economic situation was better in 2016 than four years prior to the survey, down from 27 per cent in 2010, a figure far below the averages for the transition region and Germany. The number of respondents who are pessimistic about the state of the economy is particularly high among those in the lower income group and those aged 60 and above. Only 22 per cent of those surveyed think that the political situation was better in 2016 than four years before, a figure again below the transition region average (28 per cent). In addition, as little as 13 per cent of respondents believe that there was less corruption in 2016 than four years before the survey.

Only 15 per cent of Russians believe that their households lived better in 2016 than they did four years before the survey (one of the lowest figures in the transition region), as opposed to 30 per cent of the Russians who took part in the 2010 survey. Moreover, only one in five respondents also report that they are satisfied with their current personal financial situation, a value significantly below the transition region average of 31 per cent and the averages for both Germany and Italy (55 and 33 per cent, respectively).

Life satisfaction has fallen from 43 per cent in 2010 to 32 per cent in 2016, particularly among those in the upper income group. As a result, Russians are now much less satisfied with their life than their counterparts in Germany and Italy, where 72 and 42 per cent of the population report being satisfied, respectively.

Lastly, 49 per cent of Russians believe that children born today will have a better future than the current generations, in line with the transition region average of 50 per cent and above the levels of optimism in the comparator countries.

Attitudes towards democracy and the market economy

Support for democracy and the market economy has weakened slightly since the last survey, from 38 and 28 per cent in 2010 to 36 and 25 per cent in 2016, respectively, and is now considerably weaker than in the comparator countries Germany and Italy. Around 30 per cent of those surveyed do not have a clear preference for a specific political or economic system, while 36 and 46 per cent of Russians think that an authoritarian system or a planned economy, respectively, could be preferable under some circumstances, two of the highest figures in the transition region. When respondents were asked, hypothetically, whether they would rather live in a country with full political liberties but weak economic growth (country B), or in one with fewer political liberties but strong economic growth (country A), 83 per cent of Russian opted for country A, as opposed to 15 per cent of Germans and 69 per cent of Italians.

When asked which democratic institutions exist in Russia, 58 per cent of the respondents mentioned gender equality, a value that is slightly above the transition region average and well above the Italian average but still below the German one, while 45 and 38 per cent indicated that freedom of speech and an independent press are also respected in the country. Only a minority of the surveyed population agree that democratic institutions such as free elections or a strong political opposition are in place. Moreover, all these percentages are below the respective transition averages. Lastly, only 34 per cent of respondents think that the country provides peace and stability, one of the lowest figures in the transition region.

Priorities for government spending

30 per cent of those surveyed believe that health care should be the main priority for extra government spending. Moreover, 19 per cent think that the government should utilise additional funding for pensions, while only 15 per cent say that

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



education deserves more attention. Additional analysis of the LiTS III data shows that 33 and 23 per cent of Russian respondents would be willing to pay more taxes to improve the quality of their public health system and public education, respectively.

Sources of information

The main daily sources of information for Russian respondents are the television and the radio and discussions with family, friends or colleagues, mentioned by 48 and 38 per cent of those surveyed, respectively. Moreover, one in four respondents use the internet and social media on a daily basis. Newspapers are read at least once a day by only 4 per cent of the population, one of the lowest percentages in the entire transition region. The percentage of those who watch the television or listen to the radio every day is higher among the older generations and rural residents. Urban residents, young people and respondents in the middle and upper income groups report higher internet and social media usage, instead.

Self-assessed health

Only about 42 per cent of Russian respondents consider their health to be "good" or "very good", which is below the averages for the transition region, Germany and Italy (54, 68 and 54 per cent, respectively). However, compared with 2010, self-reported health improved across all demographic groups, except for those aged 60 and above and, surprisingly, for the respondents in the upper income group.

Quality of public services

The majority of Russians are satisfied with the quality of public services in their country, with the exception of local roads, which cause dissatisfaction to about 69 per cent of the population. The satisfaction rates for the other services (water, electricity, heating, telephone lines, pipeline gas and postal services) are higher than the corresponding transition region averages and broadly in line with the German ones.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 38 per cent of Russian respondents chose "effort and hard work", while another 35 per cent opted for "intelligence and skills", with little variation across income groups. About 19 per cent of the respondents answered "political connections", a figure above the German average of 3 per cent, but lower than the transition region average of 21 per cent and the Italian average of 27 per cent.

Attitudes towards women

75 per cent of respondents believe it is important for their daughter to achieve a university education, while 92 per cent of female respondents and 77 per cent of male respondents think that female business executives are as competent as male business executives. Nevertheless, 53 and 72 per cent of female and male respondents also believe that men make better political leaders than women, respectively, while three-quarters of the population favour a traditional family arrangement where the man works and the woman takes care of the house and children. Lastly, 88 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working, the second highest figure in the transition region.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

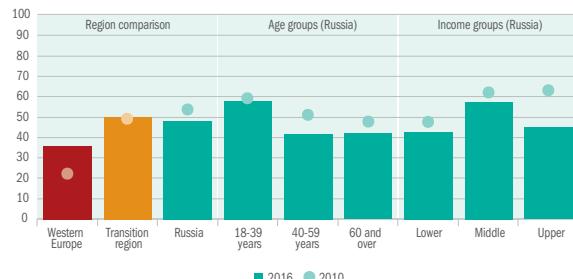


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

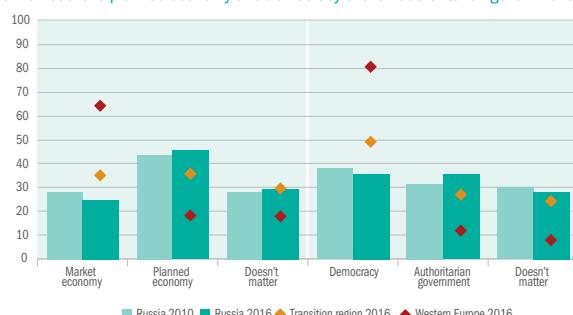


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

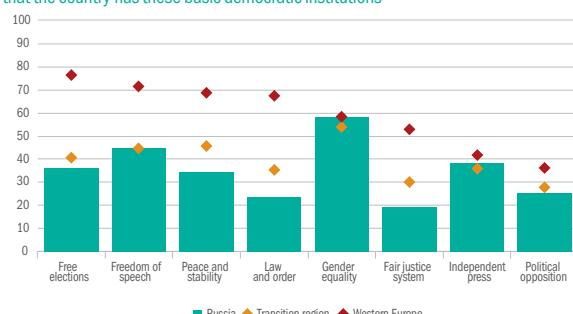
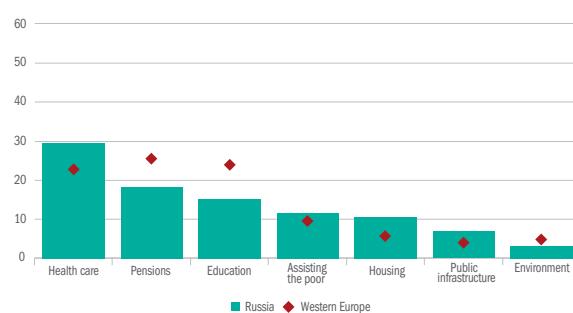


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

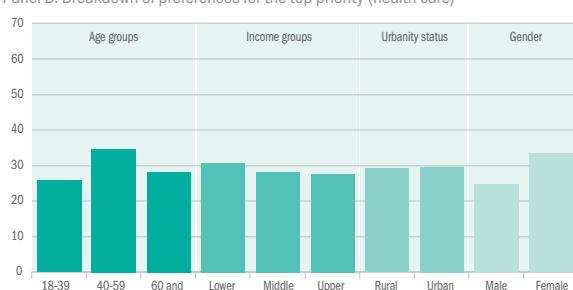


CHART 6. Sources of information: percentage of respondents who use these different sources of information

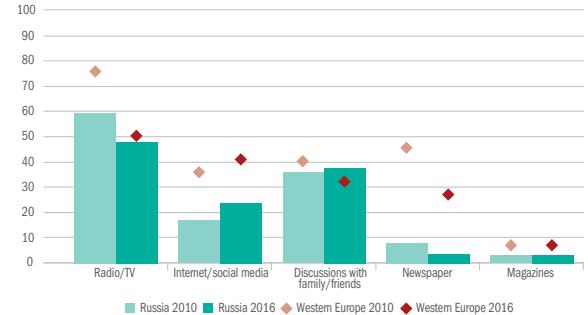


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

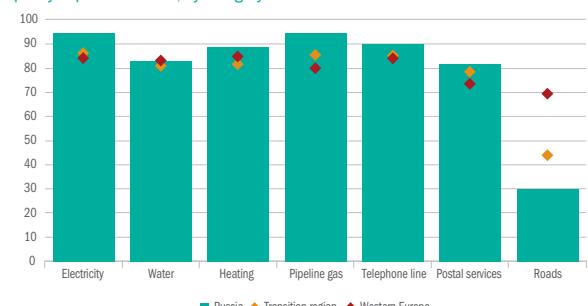


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

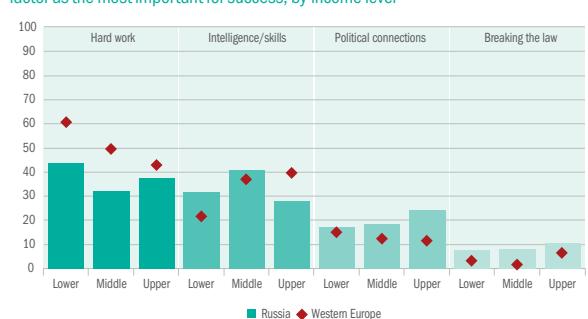
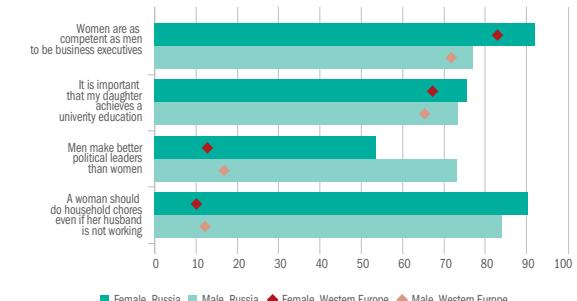


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

28 and 32 per cent of Serbian respondents believe that the economic and political conditions in their country were better in 2016 than four years prior to the survey. Both these percentages are higher than the averages for south-eastern Europe (SEE), both at 17 per cent, and the transition region, at 24 and 28 per cent, respectively. About 29 per cent of those surveyed think that corruption levels improved during the four years preceding the survey.

Only 29 per cent of Serbians believe that their household was better off in 2016 as compared with four years prior to the survey, and 31 per cent are satisfied with their personal financial situation. Life satisfaction has nevertheless increased across all demographic groups compared with 2010, with a country-wide increase of 16 percentage points. As of 2016, 46 per cent of Serbians are satisfied with their life, a figure that is higher than both the SEE and the transition region averages (39 and 43 per cent, respectively).

39 per cent of Serbian respondents think that children born now will have a better life than the current generations, an 8 percentage point increase relative to 2010 levels. Still, the Serbian optimism figure is below the transition region average of 50 per cent.

Attitudes towards democracy and the market economy

38 and 30 per cent of Serbian respondents prefer democracy and a market economy over any other form of political or economic system, respectively, while around 23 and 25 per cent, respectively, report that an authoritarian system and a planned economy may be better solutions under some circumstances. This implies that support for both democracy and the market economy is lower in Serbia than in the SEE region as a whole, in the transition region, in Italy and in Germany. An additional 39 and 45 per cent of Serbians believe that “for people like me, it does not matter” which political and economic system prevails.

When asked which democratic institutions exist in the country, 62 per cent of Serbians mention peace and stability, followed by freedom of speech (55 per cent), free and fair elections (50 per cent) and gender equality (49 per cent). Serbians are more sceptical about the existence of an independent press (34 per cent), a fair justice system (34 per cent) and a strong political opposition (26 per cent). These percentages are, however, still above the SEE averages and also compare well with the transition region averages.

Priorities for government spending

28 per cent of respondents would prefer extra government funding to be spent on assisting the poor, the third highest figure in the sample and more than double the average for the transition countries as a whole (13 per cent). The next most popular spending options are health care (20 per cent), investments in education (17 per cent) and pensions (16 per cent). Consistent with this, 59 per cent of Serbian respondents would be willing to pay more taxes to assist the poor. About 47 and 46 per cent would also be willing to pay more taxes to have a better health care and a better educational system, respectively. Alternative spending categories, such as public infrastructure or the environment, attract little support.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Serbian respondents are the television and the radio (48 per cent), followed by discussions with family, friends or colleagues (29 per cent). Newspapers, the internet and social media are, instead, utilised on a daily basis by a quarter of the population.

Self-assessed health

Around 62 per cent of Serbian respondents report a positive health self-assessment, which is slightly below the averages for SEE and Germany (65 and 68 per cent, respectively), but higher than the corresponding values for the transition region and Italy (both at 54 per cent). Compared with 2010, self-assessed health has improved across all demographic groups in Serbia.

Quality of public services

The majority of Serbians are satisfied with the quality of most public services in the country: satisfaction rates range from 68 per cent, for the provision of pipeline gas, to 88 per cent, for heating and telephone line services. Local roads is the only service that is appreciated by less than half of the population (48 per cent).

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, about 42 per cent chose “political connections”, the fourth highest result for this answer in the LiTS III country sample. In addition, about 32 per cent of those surveyed opted for “effort and hard work”, while 17 per cent answered “intelligence and skills”.

Attitudes towards women

87 per cent of Serbian men and 76 per cent of Serbian women believe that women are as competent as men to be business executives. Around 60 per cent of Serbians report that it is important that their daughter achieves a university education, a value that does not vary much according to the gender of the respondent. Furthermore, 53 per cent of men and 41 per cent of women think that men make better political leaders than women, while 46 per cent of men and 40 per cent of women believe that a woman should do the household chores, even if her husband is not working. Lastly, 57 per cent of Serbians favour a traditional family arrangement where the manworks and the woman takes care of the family.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation



CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government



CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

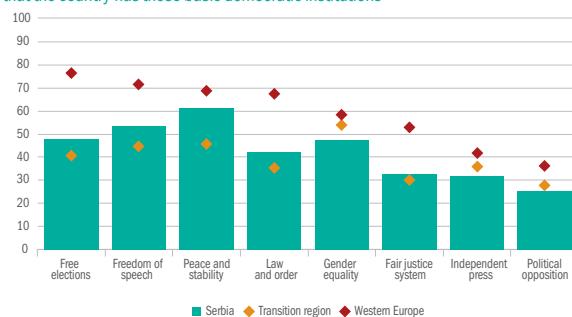
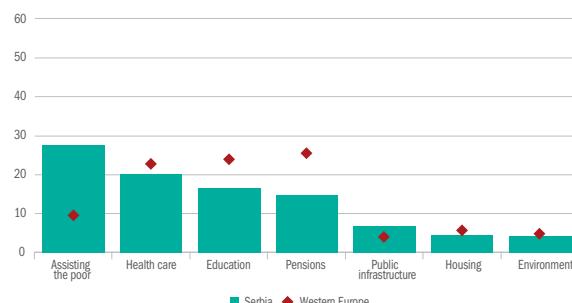


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (assisting the poor)

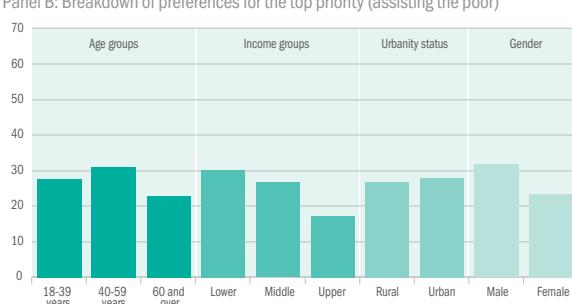


CHART 6. Sources of information: percentage of respondents who use these different sources of information

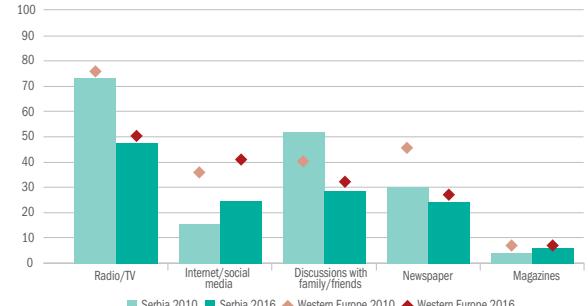


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

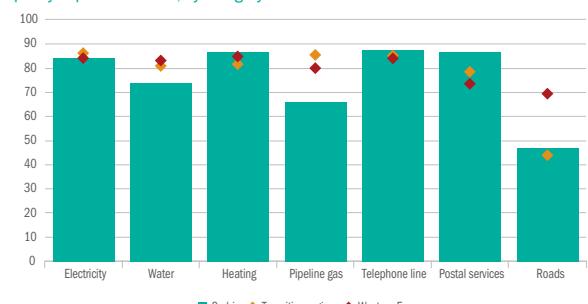


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

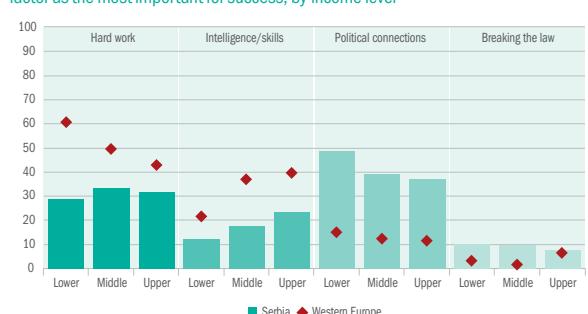
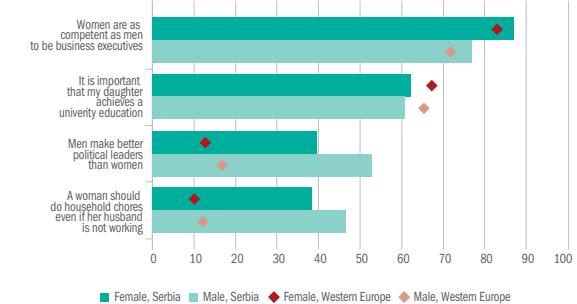


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

About 25 and 19 per cent of respondents believe that the economic and the political situation in the Slovak Republic was better in 2016 than four years prior to the survey. The first percentage is above the corresponding figure for Italy (7 per cent) and comparable to the average for the transition region (24 per cent) but below the averages for Germany and for central Europe and the Baltic states (CEB), which were 33 and 30 per cent, respectively. Appreciation for the present political situation is higher than in Italy and Germany but lower than in CEB and the transition region as a whole. Moreover, only 9 per cent of Slovak respondents believe that corruption declined in the four years preceding the survey, a number substantially below the CEB and transition region averages of 23 per cent.

Among Slovak respondents, 28 per cent report that they are satisfied with their current financial situation and 29 per cent believe that households in their country live better in 2016 than they did in the four years prior to the survey.

Life satisfaction decreased from 52 per cent in 2010 to 50 per cent in 2016, but remains above the transition region average (43 per cent) and the corresponding figure for Italy (42 per cent). While all demographic groups experienced a slight decline in life satisfaction, happiness has decreased the most among those in the upper income group. Respondents in the upper income bracket are nevertheless still happier than their poorer counterparts in the Slovak Republic.

Optimism about a better future for the younger generation decreased from 41 per cent in 2010 to 30 per cent in 2016 and is now well below the transition region average of 50 per cent, the average for CEB as a whole (49 per cent) and the corresponding value for Germany (46 per cent). The level of optimism has declined across all age and income groups, but particularly so among those aged 18–39 and those in the upper income group.

Attitudes towards democracy and the market economy

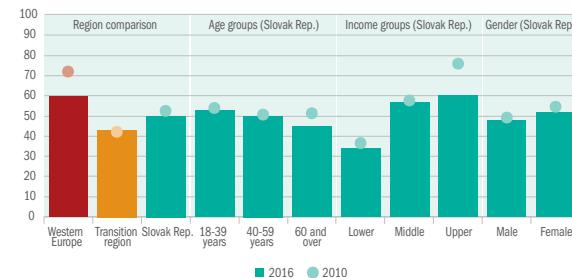
Support for democracy and the market economy decreased significantly from 47 and 35 per cent, respectively, in 2010 to 39 and 29 per cent in 2016. These percentages are now well below the corresponding averages for the transition region and for CEB. Support for democracy in the Slovak Republic is the fifth lowest in the 2016 sample while support for the market economy is the fourth lowest. Furthermore, 27 per cent of respondents feel that an authoritarian system might be preferable to democracy under some circumstances, while 35 per cent of those surveyed believe that a planned economy might be preferable to a market-based one. Lastly, 34 per cent of respondents do not report a clear preference for a specific political system and 36 per cent of interviewed Slovak individuals believe that "for people like me, it does not matter" which economic system is in place.

Despite the apparently quite weak support for democracy, perceptions of the existence of basic democratic institutions in the Slovak Republic vary. When asked which democratic institutions exist in the country, 76 per cent of respondents mentioned peace and stability, followed by free elections, freedom of speech, gender equality, an independent press and law and order at 70, 57, 44, 40 and 39 per cent, respectively.

Priorities for government spending

About 46 per cent of Slovak respondents cite health care as what they think should be the main priority for additional government spending, followed by education (16 per cent), pensions (14 per cent) and assisting the poor (10 per cent). Slovak support for additional spending on health care is the third largest in the sample. However, additional analysis of the LiTS III data shows that only

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



21 per cent of Slovak respondents would actually be willing to pay more taxes in order to have better public health care while only 28 per cent would be willing to pay more to assist the poor.

Sources of information

The main daily sources of information for Slovak respondents are the television and the radio, used each day by 57 per cent of the population, and internet and the social media, mentioned by 41 per cent of respondents. Newspapers readership has decreased by 9 percentage points since the last survey, from 22 per cent in 2010 to 13 per cent in 2016, a number that is now lower than the figures in Germany and Italy (31 and 21 per cent, respectively) but still above the averages for CEB and the transition region (12 and 9 per cent, respectively).

Self-assessed health

60 per cent of Slovak respondents report to be in good health, a percentage that is higher than the averages for the transition region and Italy and comparable to the 60 per cent reported for CEB as a whole. On average, compared to 2010, there has been a significant decrease (11 percentage points) in self-reported good health, mainly due to the 20 percentage point decrease among those in the lower income group. Not surprisingly, health is negatively correlated with age. While there are no significant differences between respondents living in urban and rural areas, male respondents are 9 percentage points more likely to report that their health status is "good" or "very good".

Quality of public services

The majority of Slovaks report being satisfied with the quality of public services in their country. Overall, 97 per cent of respondents are satisfied with the provision of electricity, heating and pipeline gas, while 93 per cent are happy with the water supply to their dwellings. In addition, 90 per cent of those surveyed are satisfied with their telephone line service and 87 per cent are satisfied with postal services. All these figures are higher than the corresponding averages for CEB, the transition region as a whole, and Germany and Italy. The sole exception is satisfaction with local roads, which sits at 52 per cent: while still higher than the transition region average (45 per cent) and the corresponding level of satisfaction with roads in Italy (47 per cent), the Slovak figure is below the German average (86 per cent).

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 37 per cent of Slovaks chose "effort and hard work" and 27 per cent opted for "intelligence and skills". Another 27 per cent deemed "political connections" the most important factor.

Attitudes towards women

Around 94 per cent of female Slovak respondents and 87 per cent of male Slovak respondents think that women are as competent as men as business executives. Moreover, 30 per cent of Slovak respondents (both male and female) think that a woman should do the household chores, even if her husband is not working. However, only about 54 per cent of respondents believe it important for their daughter to achieve a university education. Other results show that 61 per cent of Slovak respondents believe that men make better politicians than women, while 60 per cent of those surveyed seem to prefer a traditional family arrangement where the man works and the woman takes care of the family.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

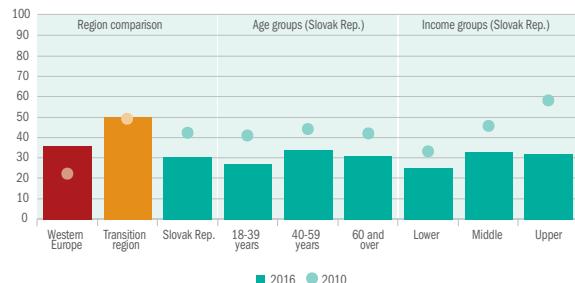


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government



CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

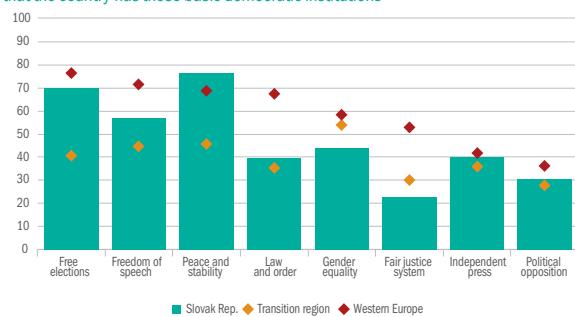
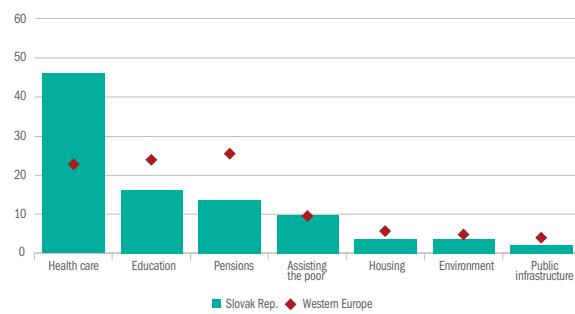


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)



CHART 6. Sources of information: percentage of respondents who use these different sources of information

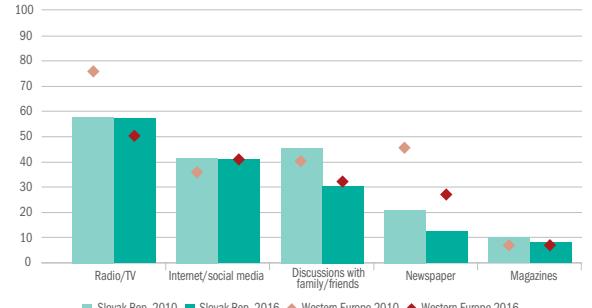


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

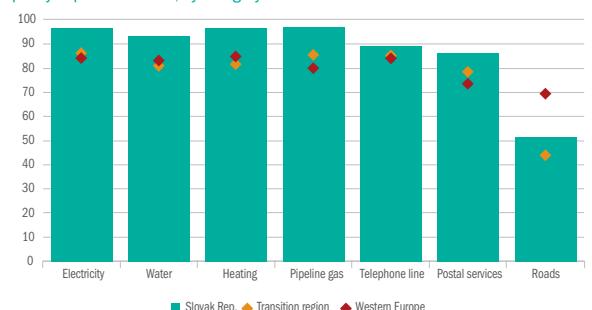


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

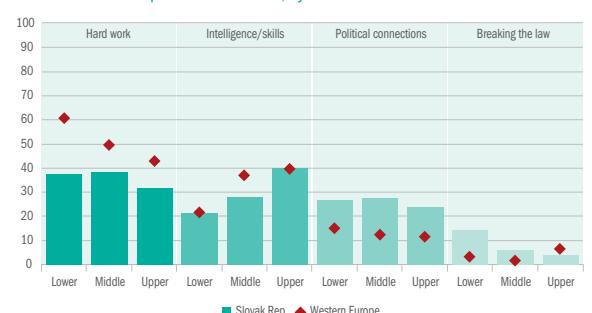
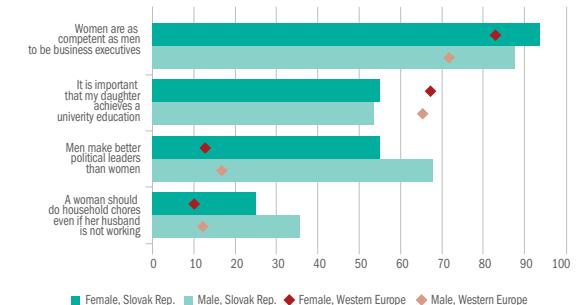


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Slovenia

Satisfaction with the situation at the country level and with personal circumstances

Only 13 and 6 per cent of respondents believe that the economic and political situation in Slovenia was better in 2016 than four years prior to the survey. Both figures are below the corresponding averages for central Europe and the Baltic states (CEB), the transition region, and Germany. Moreover, only 8 per cent of Slovenian respondents believe that corruption declined in the four years preceding the survey, the lowest figure in the transition region.

Of those surveyed, 19 per cent believe that households in their country lived better in 2016 than they did four years prior to the survey. Moreover, 36 per cent of Slovenian respondents report that they are satisfied with their current financial situation, a figure in line with the average for the CEB region (39 per cent) and above the averages for the transition region (31 per cent) and Italy (33 per cent).

Slovenia is the second-happiest country in CEB, with 69 per cent of its respondents reporting that they are satisfied with their life as of 2016, up from 60 per cent in 2010. Life satisfaction is also higher than in Italy (42 per cent) and the transition region as a whole (43 per cent) and is comparable to that of Germany (72 per cent). Life satisfaction levels are higher among the middle and upper income groups while there exists little variation across age categories.

Optimism and confidence in a better future for the younger generations has declined by 7 percentage points, from 20 per cent in 2010 to 13 per cent in 2016. This is the lowest figure in the transition region and also lower than the corresponding German and Italian levels of optimism. There is almost no variation in the level of optimism reported by respondents of different age or income groups: pessimism in Slovenia turns out to be widespread across the board.

Attitudes towards democracy and the market economy

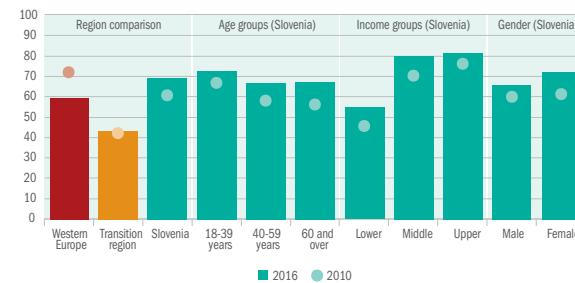
Support for democracy and the market economy have increased slightly since 2010. The proportion of Slovenian respondents who choose the response option "democracy is preferable to any other form of political system" has risen by 2 percentage points since the last survey, from 54 per cent in 2010 to 56 per cent in 2016. In addition, 45 per cent of respondents favour the market economy over any other alternative, a figure that is higher than the averages for CEB, the transition region and Italy (38, 37 and 35 per cent, respectively). However, when asked a hypothetical question about whether they would rather live in a country with full political liberties but weak economic growth (country B), or in a country with limited freedoms and stronger growth (country A), about 82 per cent of Slovenian respondents report that they would prefer to live in country A.

When asked which democratic institutions exist in the country, 70 per cent of respondents mentioned peace and stability, followed by freedom of speech, free elections and gender equality at 62, 55 and 53 per cent, respectively. The extent to which Slovenians agree that other basic democratic institutions are in place varies but it is typically lower. For instance, only 36 per cent of respondents believe that Slovenia has a strong political opposition, while as little as 14 per cent think the court system treats all citizens fairly and equally. Overall, Slovenia fares worse than Germany according to all indicators.

Priorities for government

35 per cent of Slovenian respondents think the main priority for extra government spending should be health care, followed by assisting the poor (23 per cent), pensions (13 per cent) and education (10 per cent). Additional analysis of the LiTS III data shows that 44 and 63 per cent of Slovenians would be prepared to pay more taxes in order to have better public health care and assist the poor, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Slovenians are the television and the radio, used each day by 70 per cent of the population, and discussions with family, friends or colleagues, mentioned by 63 per cent of respondents. Internet and social media are the information sources that experienced the largest increase in daily usage since 2010, rising from 48 to 51 per cent of all respondents. Newspaper readership decreased from 37 per cent in 2010 to 26 per cent in 2016, a figure that is nevertheless still considerably higher than the averages for CEB and the transition region (12 and 9 per cent, respectively).

Self-assessed health

About 61 per cent of Slovenian respondents report a positive health self-assessment, a percentage that is higher than the averages for the transition region and Italy (both 54 per cent) but slightly below the German figure (68 per cent). Unsurprisingly, self-assessed health is positively correlated with income and negatively associated with age: only 37 per cent of respondents aged 60 or over report to be in good health, as opposed to 82 per cent of those aged 18 to 39.

Quality of public services

Around 90 per cent of Slovenian respondents report being satisfied with the quality of public services in their country, the only exception being the local road network, which is deemed to be of sufficient quality by only 47 per cent of those surveyed. Satisfaction with local roads in Slovenia is still slightly higher than in the transition region as a whole (45 per cent) and comparable to the number for Italy (47 per cent), but below the CEB average (67 per cent) and the German one (86 per cent).

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 38 per cent of Slovenians chose "effort and hard work", while 27 per cent opted for "political connections". Lastly, 18 and 16 per cent chose "breaking the law" and "intelligence and skills", respectively, as the most important factors for success.

Attitudes towards women

In Slovenia, 97 and 92 per cent of female and male respondents, respectively, believe that women are as competent as men to be business executives, two of the highest figures in the transition region. Furthermore, only 22 per cent of Slovenians think that men make better political leaders than women, a number comparable to the CEB average and below the Italian (29 per cent) and transition region (50 per cent) averages. Only 29 per cent of the population seem to prefer a traditional family arrangement where the man works and the woman takes care of the family, the third-lowest figure in the transition region. However, 51 per cent of respondents (both male and female) think that a woman should do the household chores, even if her husband is not working. Lastly, 52 per cent believe it is important for their daughter to achieve a university education, the third-lowest figure in the transition region, and a relatively low percentage when compared with the transition region average of 70 per cent.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

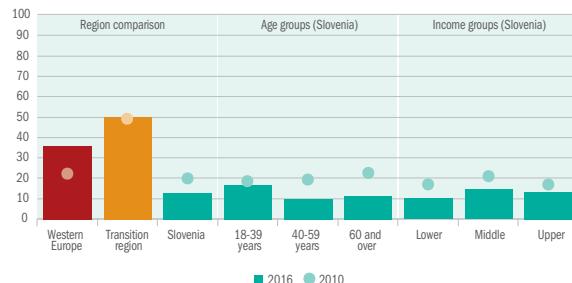


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

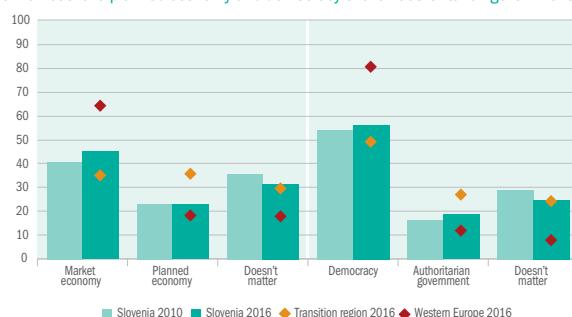


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

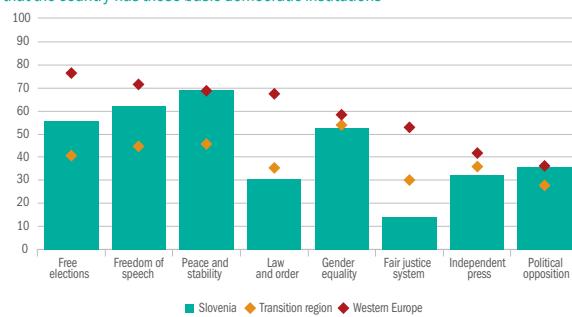
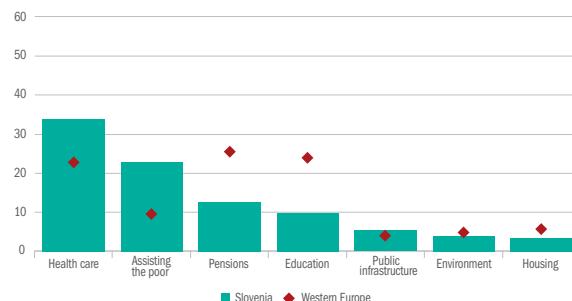


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

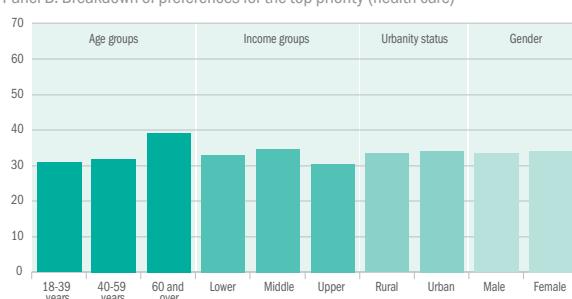


CHART 6. Sources of information: percentage of respondents who use these different sources of information

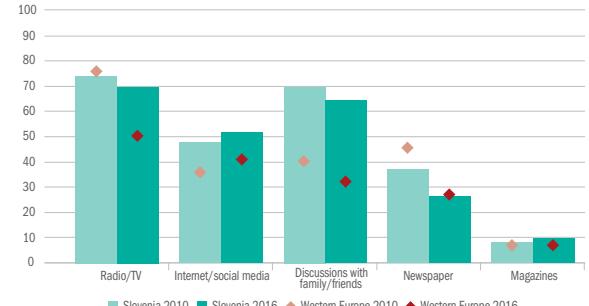


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

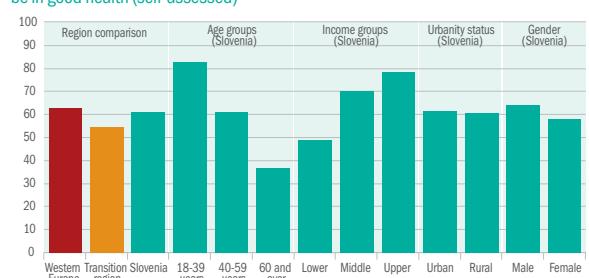


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

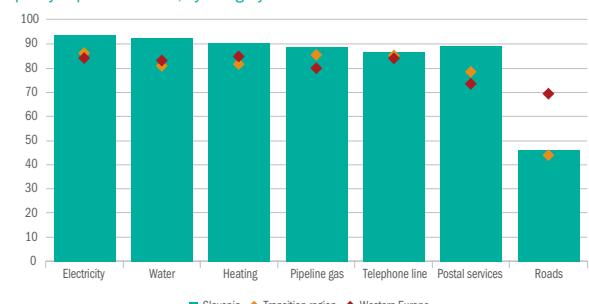
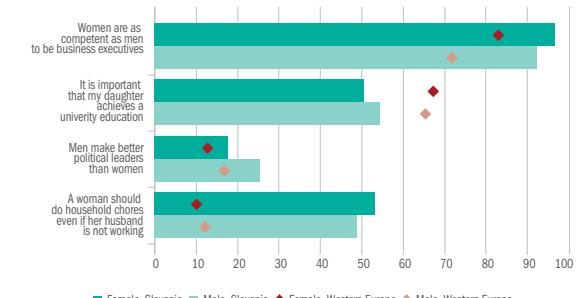


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level



CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Tajikistan

Satisfaction with the situation at the country level and with personal circumstances

75 per cent of respondents believe that the economic and political situation in Tajikistan was better in 2016 than four years prior to the survey. These figures are among the highest in LiTS III, well above the averages for the transition region as a whole, and those of Germany and Italy. In addition, 57 per cent of Tajiks think that there was less corruption in 2016 than four years before the survey, in line with the average for Central Asia and up 21 percentage points relative to 2010 levels.

More than two in three Tajiks believe that their household lived better in 2016 than they did in the four years before the survey. Moreover, 63 per cent of respondents report that they are satisfied with their current personal financial situation, a percentage that is more than double the transition region average of 31 per cent and that is well above the 55 per cent reported for Germany.

Life satisfaction increased from 73 per cent in 2010 to 75 per cent in 2016, making Tajikistan the second happiest country in the transition region. High levels of life satisfaction are reported across all age and income groups, despite the fact that the country is one of the poorest of the region in terms of GDP per capita.

Tajik respondents also display one of the highest levels of optimism in the entire transition region: 82 per cent of surveyed individuals believe that children born now will have a better future than the current generations. Optimism levels in 2016 were also higher than those recorded in 2010 by 9 percentage points.

Attitudes towards democracy and the market economy

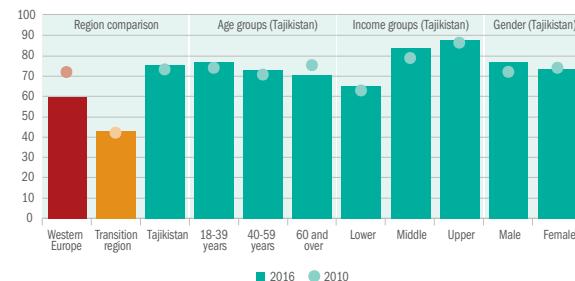
Support for democracy has weakened since the last survey, from 76 per cent in 2010 to 69 per cent in 2016, while support for the market economy has increased from 55 per cent in 2010 to 59 per cent in 2016. However, 19 and 25 per cent of those surveyed do not have a preference for a specific political or economic system over another. Respondents were also asked a hypothetical question about whether they would rather live in a country with full political liberties but weak economic growth (country B), or in one with fewer political liberties but strong economic growth (country A). Despite their strong preference for democracy, more than 70 per cent of Tajik respondents chose country A.

When asked which democratic institutions exist in Tajikistan, 95 per cent of respondents mentioned peace and stability, while 90 and 89 per cent indicated that free elections and gender equality are respected in the country. The majority of the surveyed population also agree that other democratic institutions are in place.

Priorities for government spending

35 per cent of Tajik respondents think that additional government spending on education should be the main funding priority. This preference contrasts with the majority of the other countries included in the survey where health care is usually seen as the first priority for additional government spending. In Tajikistan, however, only one in five respondents believe that more funding should be committed to improve health care, and another 20 per cent think that assisting the poor should be a priority. Additional analysis of the LiTS III data shows that as many as 81 and 80 per cent of Tajik respondents would be willing to pay more taxes to improve the quality of their public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Tajik respondents are discussions with family, friends or colleagues and the television and the radio, mentioned by 57 and 56 of the respondents, respectively. The percentage of respondents who use the internet and social media on a daily basis is the lowest in the entire transition region, at only 6 per cent. Newspapers are read at least once a day by only 3 per cent of the interviewed individuals, again the lowest percentage in the entire transition region, on a par with Armenia and Azerbaijan.

Self-assessed health

59 per cent of Tajik respondents reported a positive health self-assessment, a percentage higher than the transition region and Italy (54 per cent in both cases) but lower than the corresponding figure for Germany (68 per cent). Unsurprisingly, this is mostly driven by respondents aged 18-39 and by those in the upper-income group.

Quality of public services

59 per cent of Tajik respondents report being satisfied with the provision of water in their country, whereas the quality of the remaining public services and utilities is deemed unsatisfactory by the majority of the population.

Social and economic mobility

When respondents were asked from a list of options what they thought were the most important factors for success in life in their country, 56 per cent of Tajiks chose "effort and hard work" and 37 per cent answered "intelligence and skills". Less than 1 per cent of Tajiks chose "breaking the law", the lowest result for that specific response option in the transition region. Using one's political connections to succeed in life also attracts little support among Tajik respondents.

Attitudes towards women

87 per cent of respondents believe it is important for their daughter to achieve a university education, and 87 per cent of female respondents and 80 per cent of male ones think that female business executives are as competent as male business executives. Nevertheless, 84 and 89 per cent of female and male respondents, respectively, believe that men make better political leaders than women, while 78 per cent of the population favours a traditional family arrangement where the man works and the woman takes care of the house and children, one of the highest figures in the transition region. In addition, around two in three respondents of either gender think that a woman should do the household chores, even if her husband is not working.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

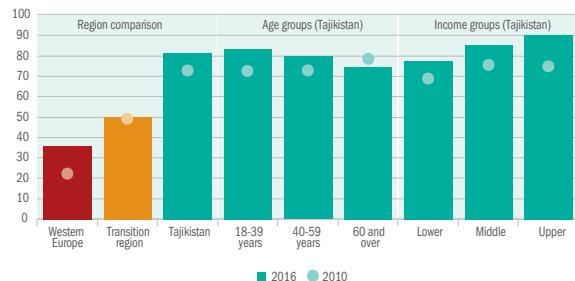


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

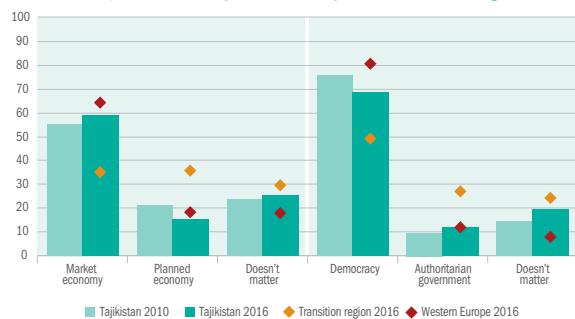


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

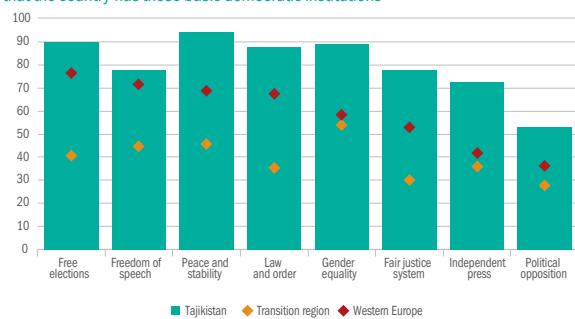
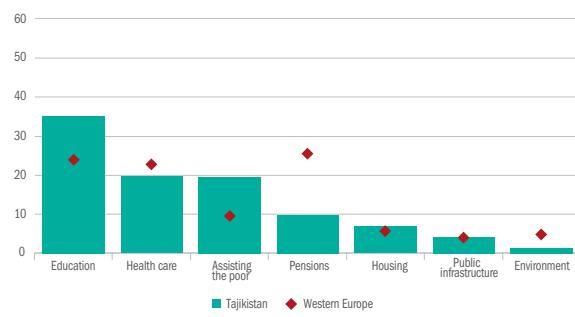


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (education)

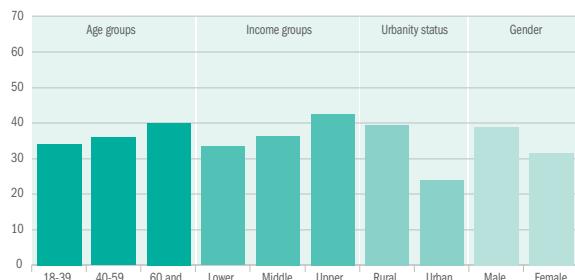


CHART 6. Sources of information: percentage of respondents who use these different sources of information

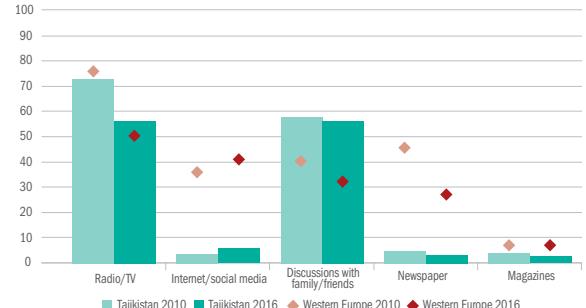


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

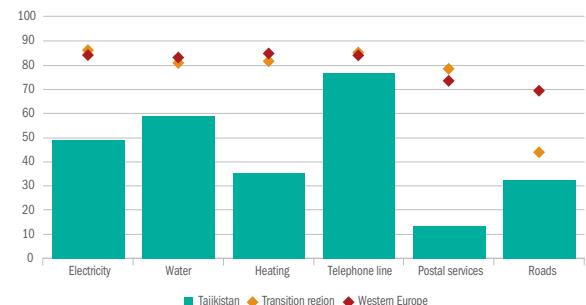


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

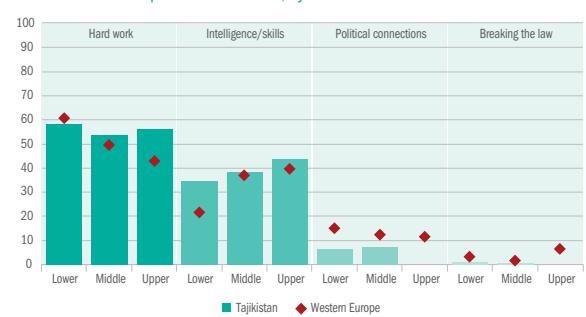
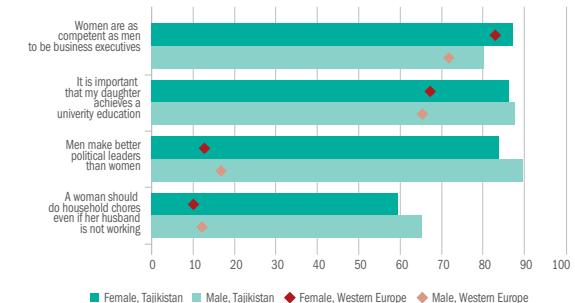


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Turkey

Satisfaction with the situation at the country level and with personal circumstances

Of Turkish respondents, 32 and 30 per cent, respectively, think that the economic and political climate in their country has improved over the four years prior to the survey. These figures are 19 and 17 percentage points below the levels registered in the 2010 round of the LiTS survey but still higher than the averages for the transition region as a whole and for Italy. In addition, almost one in three Turks believe that there was less corruption in 2016 than four years before the survey, a figure higher than the averages for the transition region, Germany and Italy.

35 per cent of those surveyed say that their household lived better in 2016 than it did four years before the survey. Moreover, 41 per cent of respondents in Turkey report that they are satisfied with their personal financial situation. This figure is higher than the averages for the transition region (31 per cent) and Italy (33 per cent) but below the German level (55 per cent).

Turkey is at the lower end of the life satisfaction rankings, with only 42 per cent of Turkish respondents saying they are satisfied with their life, down from 50 per cent in 2010. This means that Turkey's life satisfaction is now below the transition region average of 43 per cent. Only 29 per cent of those in the lower income bracket report being satisfied with their life.

Optimism about future generations is also relatively limited. 40 per cent of respondents think that children born now will have a better life than the current generations, a figure that is below the transition region average of 50 per cent. Optimism has fallen almost uniformly across age and income brackets since the last survey, but more so among those aged 60 or above and among those in the middle-income bracket.

Attitudes towards democracy and the market economy

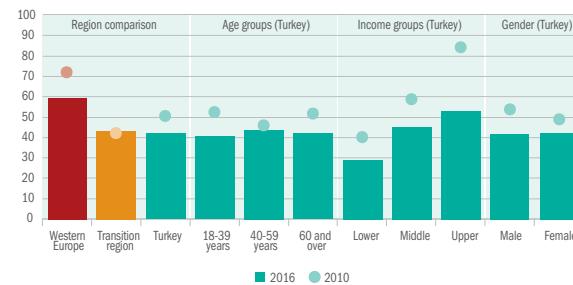
Support for democracy and the market economy have increased slightly since the last survey, from 66 and 41 per cent, respectively, in 2010 to 69 and 42 per cent in 2016. Only 12 and 22 per cent of those surveyed do not prefer a specific political or economic system over another, while 19 and 36 per cent believe that an authoritarian system or a planned economy could be preferable under some circumstances. Respondents were also asked a hypothetical question about whether they would rather live in a country with full political liberties but weak economic growth (country B), or in one with fewer political liberties but strong economic growth (country A). As in most of the transition region, the majority (about 58 per cent) of Turkish respondents selected country A.

Only about a third of the Turkish respondents believe that basic democratic institutions exist in Turkey. For instance, 39 per cent of Turks believe that elections are free in the country, while 38 and 35 per cent, respectively, think that gender equality and freedom of speech are protected. In addition, another 35 per cent of Turks believe that the court system is fair while only 33 per cent think that a strong political opposition is in place in the country. All these figures are lower than the corresponding ones for Germany and Italy and, except for the ones related to a strong political opposition and a fair court system, are also lower than the transition region averages.

Priorities for government spending

About 43 per cent of Turkish respondents think that education should be the main priority for additional government spending, the highest figure in the transition region, while 31 per cent would rather spend extra government funding on health care. Additional analysis of the LiTS III data shows that 57 and 59 per cent of Turkish people, respectively, would be willing to pay more taxes to improve the quality of their public health system and public education.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information are the television and the radio, used by 50 per cent of those surveyed, and internet and the social media, used by 38 per cent of the Turkish respondents. The use of the internet and social media has increased substantially since the last survey in 2010, when only 18 per cent of the respondents stated that they used the internet on a daily basis. Discussions with family, friends or colleagues are mentioned by only one third of the respondents as an important daily source of information. Lastly, newspapers are read at least once a day by 20 per cent of those interviewed, a number that is about twice the transition region average.

Self-assessed health

78 per cent of Turkish respondents consider their health to be "good" or "very good". This is the second-highest figure in the transition region after Greece and a level of self-assessed health that is also significantly higher than the figures for Germany and Italy (68 and 54 per cent, respectively). Not surprisingly, health assessments are negatively correlated with age and positively with income in Turkey.

Quality of public services

Most Turkish people are satisfied with the quality of the public services provided in their country. However, the level of satisfaction for each service that respondents were asked about is lower than the corresponding numbers in the transition region, Germany and Italy. The only exceptions are the satisfaction with postal services and with the condition of local roads: 73 and 69 per cent of Turks, respectively, are satisfied with their postal services and their local road network, which is relatively high.

Social and economic mobility

When asked from a list of options what they thought were the most important factors for success in life in their country, 31 per cent of Turkish respondents chose "political connections". This percentage decreases with the self-assessed income tercile. The percentages of people who opted for "effort and hard work" and "intelligence and skills" (37 and 28 per cent, respectively) are below the transition region averages and show little variation across income groups.

Attitudes towards women

Only about 62 per cent of Turkish respondents of either gender think that women are as competent as men as business executives, one of the lowest figures in LiTS III. This number is below the transition region average (78 per cent) as well as the Italian and German scores (89 and 69 per cent). However, only 24 and 30 per cent of female and male respondents, respectively, believe that men make better political leaders than women, two of the lowest percentages in the transition region. In addition, only 27 per cent of the population favours a traditional family arrangement where the man works and the woman takes care of the house and children, and 26 per cent of either gender think that a woman should do the household chores, even if her husband is not working, again two of the lowest figures in the transition region.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

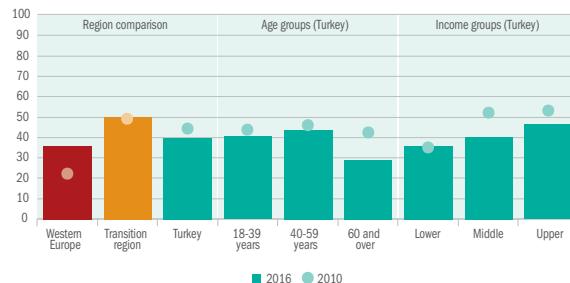


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

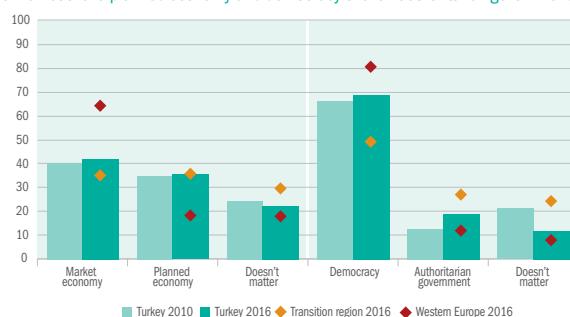


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

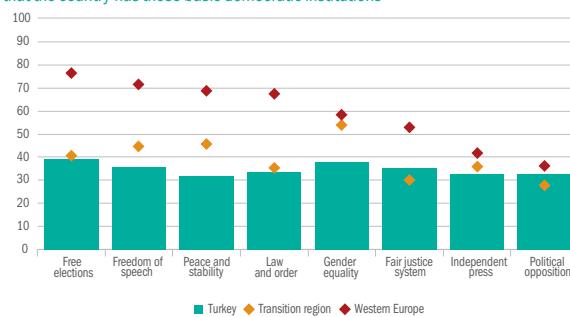
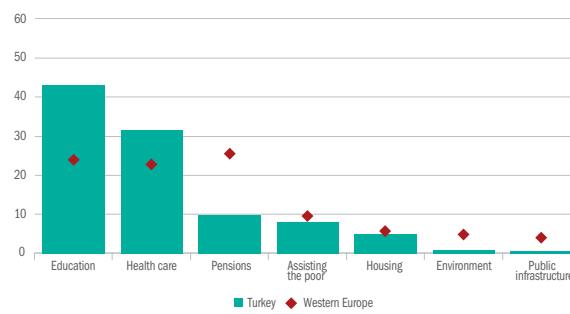


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (education)

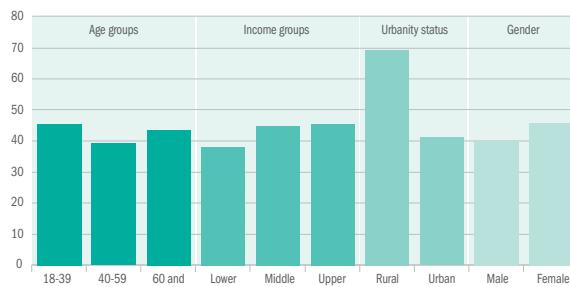


CHART 6. Sources of information: percentage of respondents who use these different sources of information

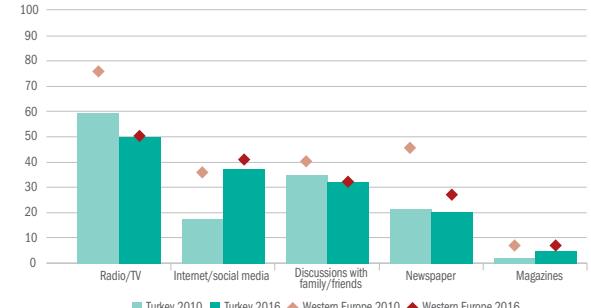


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)

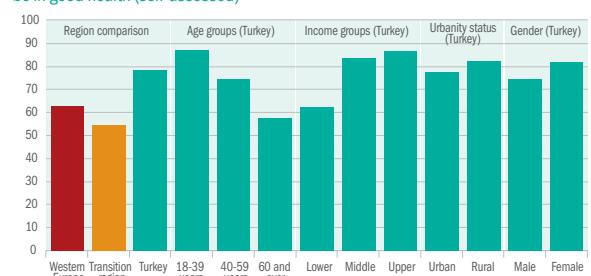


CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

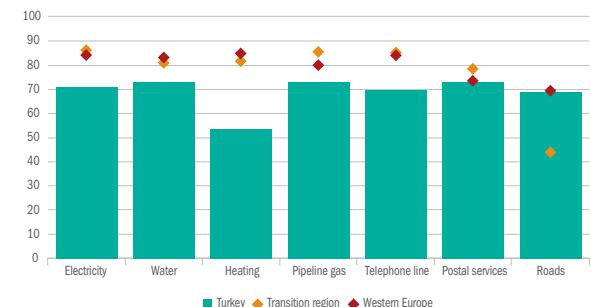


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

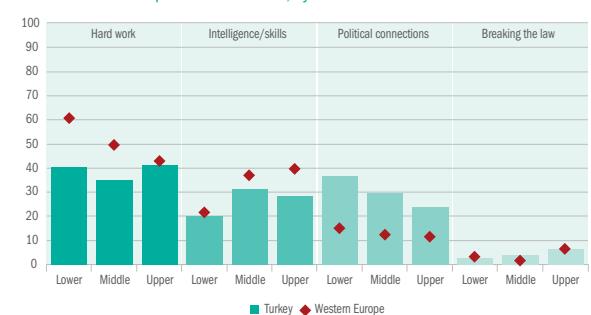
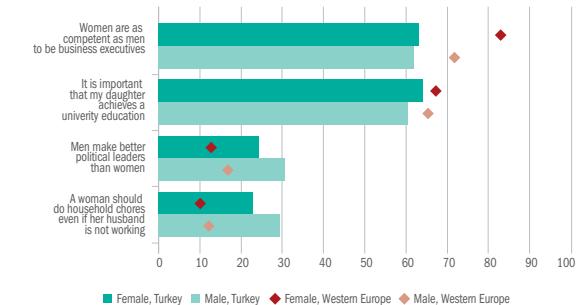


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Satisfaction with the situation at the country level and with personal circumstances

Not surprisingly, given the deep economic crisis and political turbulence that the country has been undergoing in recent years, only 9 and 11 per cent of respondents believe that the economic and political situation in Ukraine was better in 2016 than four years prior to the survey. These figures are some of the lowest reported in the survey, lower than the corresponding averages for eastern Europe and the Caucasus (EEC), as well as the overall averages for the transition region. In addition, only 10 per cent of those surveyed think that there was less corruption in 2016 than four years before the survey, a figure in line with the Italian average but still below the corresponding values for EEC, the transition region and Germany (at 16, 23 and 16 per cent, respectively).

13 per cent of respondents believe that their households lived better in 2016 than they did four years before the survey. In addition, only 12 per cent of those surveyed report that they are satisfied with their current personal financial situation, a value significantly below the EEC average of 17 per cent and the transition region average of 31 per cent. Again, these figures are some of the lowest reported in the entire transition region.

Just over 25 per cent of Ukrainian respondents are satisfied with life, the third-lowest result in the transition region. Life satisfaction has dropped by 4 percentage points since 2010, and it is now 17 percentage points lower than the transition region average. Life satisfaction has declined across almost all demographic groups, except for those aged between 40 and 59 years.

Optimism in a better future for the next generation has also decreased since 2010 and now lies 7 percentage points below the transition region average of 50 per cent. The level of optimism has fallen almost uniformly; the data show little variation across age and income brackets.

Attitudes towards democracy and the market economy

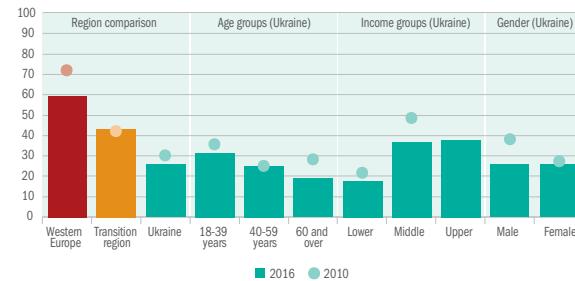
Of Ukrainian respondents, 42 per cent said that democracy is "preferable to any other form of political system", while 37 per cent of the interviewed population favoured and supported the market economy. While these figures are in line with the EEC averages, they are well below the corresponding values for Germany. In addition, data show that a substantial proportion of respondents think that "for people like me, it does not matter" which political (21 per cent) or economic (27 per cent) system is in place in the country, while roughly a third of those surveyed would prefer, under some circumstances, an authoritarian regime or a planned economy.

When asked which democratic institutions exist in Ukraine, only 39 per cent of respondents indicated that gender equality is in place in the country, followed by freedom of speech, an independent press and free elections, at 20, 13 and 11 per cent, respectively. Ukraine fares worse than most of the other countries in the transition region according to all perceived institutional indicators, with gender equality the only exception.

Priorities for government spending

A third of Ukrainians think that additional government spending on health care should be the main funding priority, whereas 18 and 15 per cent of respondents would channel the additional funding to improve the educational system and to help the poor, respectively. Additional results show that around 53 and 45 per cent of those surveyed would be willing to pay more taxes to improve the quality of the public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Ukrainians are television and radio, used each day by 46 per cent of the population, and discussions with family, friends or colleagues, mentioned by 41 per cent of respondents. Internet and social media usage have increased significantly since the last survey round, from 16 per cent in 2010 to 33 per cent in 2016, and more so among the younger generations, who report a usage rate of around 50 per cent. Newspapers and magazines are read on a daily basis by approximately 6 per cent of respondents, just above the corresponding figure for the EEC, but well below those for the transition region, Germany and Italy.

Self-assessed health

Only 44 per cent of Ukrainian respondents consider their health to be "good" or "very good", as opposed to 54 per cent of those surveyed in the transition region as a whole. Respondents aged over 60 and, unexpectedly, those in the highest income tercile, are more pessimistic about their health than their counterparts. In addition, men and respondents who reside in urban areas are more likely to report a positive health status.

Quality of public services

The majority of Ukrainian respondents report that they are satisfied with the general quality of public services in their country, with the only exception being the local road network, which causes dissatisfaction to almost 80 per cent of the population. The remaining figures range from an 82 per cent satisfaction rate for the provision of electricity to a 58 per cent satisfaction rate with the quality of heating.

Social and economic mobility

When respondents were asked from a list of options what were the most important factors for success in life in their country, 36 per cent of Ukrainian respondents chose "effort and hard work", a figure that lies below the transition region average of 42 per cent, while another 30 per cent opted for "intelligence and skills". Interestingly, 41 per cent of respondents in the upper-income group believe that "political connections" are one of the most important factors for success, while only 22 per cent of them think that "intelligence and skills" matter.

Attitudes towards women

Of the interviewed respondents, 75 per cent think it is important for their daughter to achieve a university education, while 86 and 81 per cent of female and male respondents believe that women are as competent as men as business executives, respectively. However, two-thirds of those surveyed think that men make better political leaders than women. In addition, around 65 per cent of respondents of either gender think that a woman should do the household chores, even if her husband is not working, and around 73 per cent favour a traditional family arrangement where the man works and the woman takes care of the house and children.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation



CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government



CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions

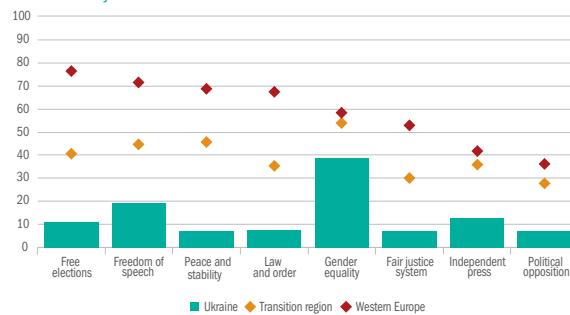
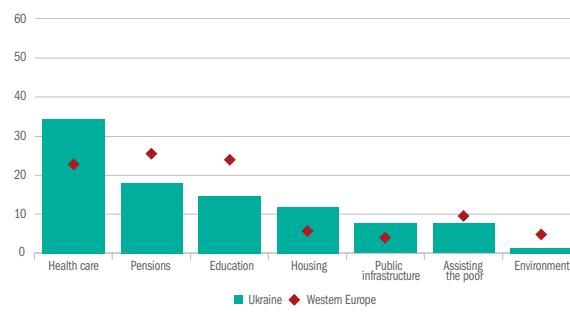


CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

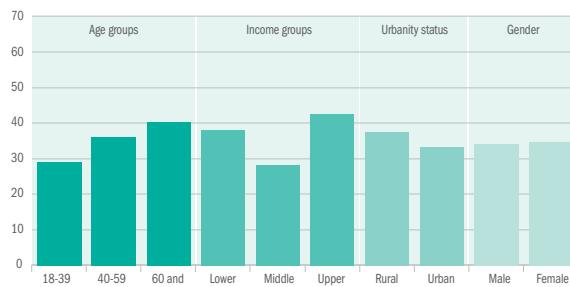


CHART 6. Sources of information: percentage of respondents who use these different sources of information

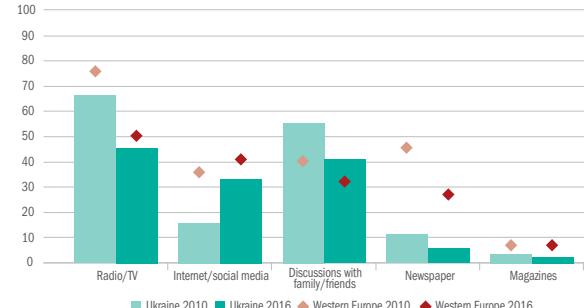


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

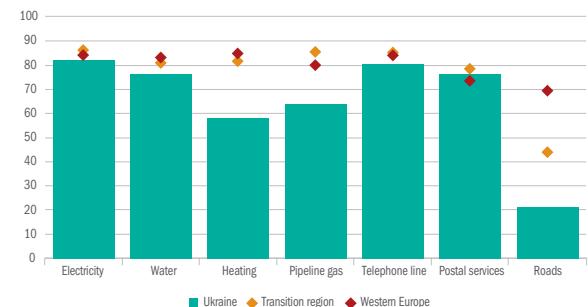


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

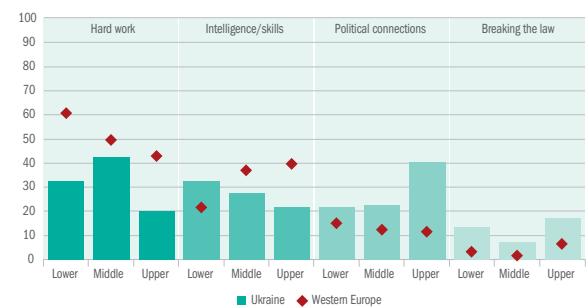
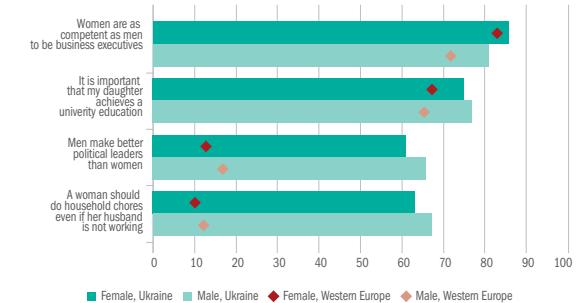


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below





Uzbekistan

Satisfaction with the situation at the country level and with personal circumstances

Nearly all of the survey respondents in Uzbekistan believe that the economic and political situation was better in 2016 than four years prior to the survey. These are the two highest satisfaction rates in the transition region, and they are both well above the corresponding averages for Germany and Italy. Among Uzbek respondents, 78 per cent also think that there was less corruption in 2016 than in the four years before the survey, up from 59 per cent in 2010.

86 per cent of Uzbek respondents believe that their households lived better in 2016 than they did in the four years before the survey, while 80 per cent report that they are satisfied with their current personal financial situation, again the two highest percentages in the transition region and both significantly higher than in Germany and Italy.

Life satisfaction increased from 66 per cent in 2010 to 93 per cent in 2016, and is now the highest in the transition region. There is widespread reported life satisfaction across all age and income groups, despite the fact that the country remains among the poorest in the region in terms of GDP per capita.

Uzbek respondents also show a very high level of optimism. According to 97 per cent of respondents, children born now will have a better future than the current generations. These optimism levels are higher than those recorded in the previous survey in 2010 (78 per cent).

Attitudes towards democracy and the market economy

Among Uzbek respondents, 81 per cent prefer democracy to any other political system and 69 per cent support the market economy, two of the highest figures in the entire survey. The percentages of respondents who say they might, under some circumstances, prefer a planned economy or an authoritarian government are 17 per cent and 7 per cent, respectively. The remaining respondents believe that "for people like me, it does not matter" what type of economic and political system prevails in the country.

When asked which democratic institutions exist in Uzbekistan, 99 per cent of respondents indicate that peace and stability are guaranteed in the country, followed by gender equality and law and order, both at 95 per cent, and a fair court system, at 94 per cent. These results are more than 20 percentage points higher than the averages for the western European comparators.

Priorities for government spending

32 per cent of Uzbek respondents think that the main priority for additional government spending should be health care, followed by education (25 per cent) and assisting the poor (18 per cent). Additional analysis of the LITS III data shows that as many as 85 and 83 per cent of Uzbeks would be willing to contribute more taxes to improve the quality of their public health system and public education, respectively.

CHART 1. Life satisfaction: percentage of respondents who are satisfied with life, all things considered



Sources of information

The main daily sources of information for Uzbek people are television and radio, used by 77 per cent of the population, and discussions with family, friends or colleagues, mentioned by 51 per cent of the respondents. In sharp contrast, the percentage of respondents who use the internet and social media on a daily basis is the second lowest in the entire transition region, at only 12 per cent. Newspapers are read at least once a day by one-tenth of the population, in line with the transition region average but below the figures reported for the western European comparator countries.

Self-assessed health

58 per cent of Uzbek respondents consider their health to be "good" or "very good", a figure slightly higher than the transition region average but below the corresponding average for Germany and, most importantly, a 10-percentage point decline relative to 2010 levels. Unsurprisingly, data show that the healthiest respondents are the ones aged 18-39 and those in the upper-income bracket.

Quality of public services

The majority of Uzbek respondents report being satisfied with the general quality of public services and utilities provided in their country. Satisfaction rates range from 95 per cent for telephone services (one of the highest in the transition region) to 58 per cent for local roads (still one of the highest scores across the transition region).

Social and economic mobility

When Uzbek respondents were asked from a list of options what they thought were the most important factors for success in life in their country, three-quarters of them chose "effort and hard work", one of the highest results for that response option in the transition region, while one-fifth answered "intelligence and skills". Less than 3 and 1 per cent of respondents chose "political connections" and "breaking the law", respectively.

Attitudes towards women

91 per cent of Uzbek respondents believe it is important for their daughter to achieve a university education, and 85 per cent of female respondents and 76 per cent of male ones think that female business executives are as competent as male business executives. Nevertheless, 82 and 80 per cent of female and male respondents, respectively, believe that men make better political leaders than women, while 80 per cent of the population favours a traditional family arrangement where the man works and the woman takes care of the house and children, one of the highest figures in the transition region. Lastly, 93 per cent of Uzbek respondents think that a woman should do the household chores, even if her husband is not working.

CHART 2. Optimism: percentage of respondents who are optimistic about the future of the younger generation

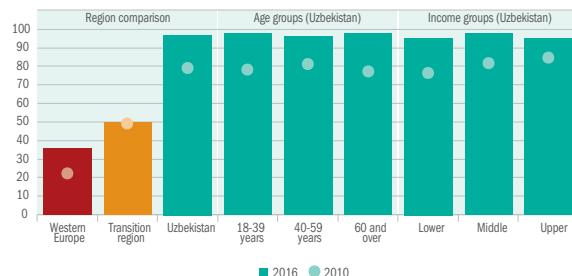


CHART 3. Market economy and democracy: percentage of respondents who prefer a market over a planned economy and democracy over an authoritarian government

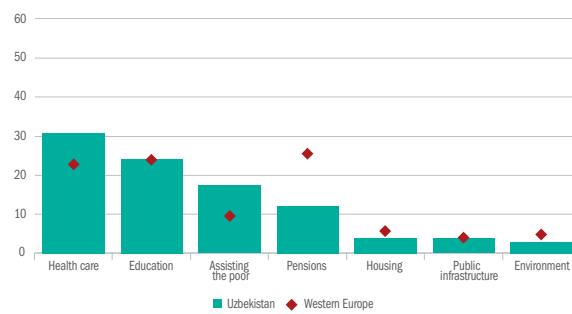


CHART 4. Basic democratic institutions: percentage of respondents who agree that the country has these basic democratic institutions



CHART 5. Priorities for government spending

Panel A: Percentage of respondents who identify a given area as a priority in terms of government spending



Panel B: Breakdown of preferences for the top priority (health care)

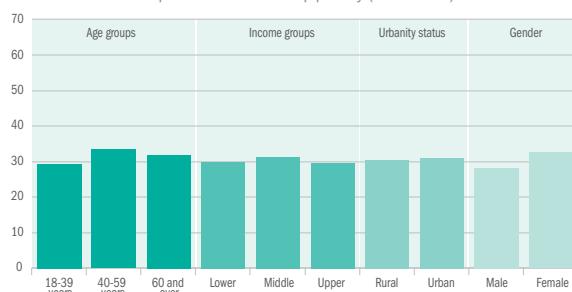


CHART 6. Sources of information: percentage of respondents who use these different sources of information

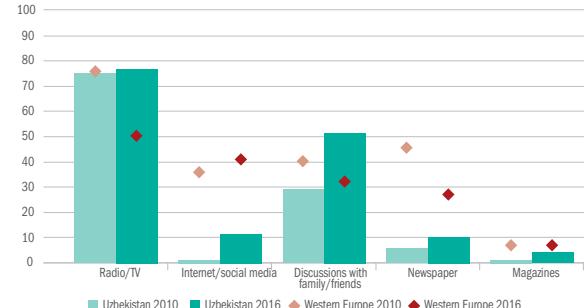


CHART 7. Health assessment: percentage of respondents who report themselves to be in good health (self-assessed)



CHART 8. Quality of services: percentage of respondents who are satisfied with the quality of public services, by category

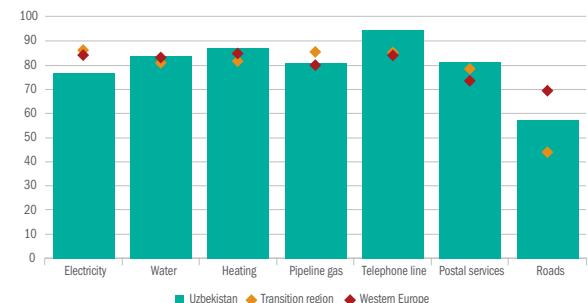


CHART 9. Factors for success: percentage of respondents who identify the given factor as the most important for success, by income level

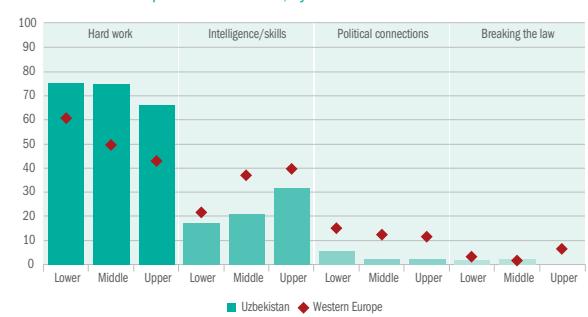
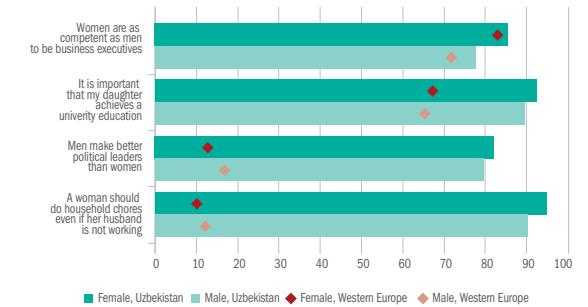


CHART 10. Attitudes towards women: percentage of respondents who agree with the statements below



Acknowledgements

This *Life in Transition* report was prepared by the Office of the Chief Economist (OCE) of the EBRD, under the general direction of Sergei Guriev and Ralph de Haas. The editor was Ralph de Haas. Cevat Giray Aksoy and Francesca Dalla Pozza provided project management support for the entire report. Ana Kresic, Valentin Moreau and Kevin Tran provided research assistance.

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Country assessments

The country assessments were prepared by Cevat Giray Aksoy and Francesca Dalla Pozza and edited by Ralph de Haas.

The authors are grateful to the following for comments and suggestions on parts of this report: Elena Ruiz Abril, Bruno Balvanera, Michaela Bergman, Christoph Denk, Alper Dincer, Jolanta Gabriel, Kristine Grun, Dimitri Gvindadze, Janet Heckman, Graeme Hutchison, Matti Hyrynen, Anca Ioana Ionescu, Richard Jones, Vedrana Jelusic Kasic, Natasha Khanjenkova, Libor Krkoska, Matthieu Le Blan, Oleg Levitin, Francis Malige, Larisa Manastirli, Neil McKain, Jakov Milatovic, Holger Muent, Elena Petrovska, Barbara Rambousek, Peter Sanfey, Dimitris Sourvanos, Arvid Tuerkner, Grzegorz Zielinski and Emir Zildzovic.

Editorial, design and production guidance was provided by Dermot Dooley, Dan Kelly, Philippa Moore and Jane Ross in the EBRD Communications Department. The report was designed and print-managed by Blackwood Creative Ltd; www.weareblackwood.com.

The Life in Transition Survey III

The third round of the Life in Transition Survey (LiTS III) was designed by the EBRD's Office of the Chief Economist, Transparency International and the World Bank's Poverty and Equity Global Practice. The EBRD and the World Bank worked in close collaboration with Professor Natalie Shlomo on the sampling and weighting of the survey. Within the EBRD, Francesca Dalla Pozza and Elena Nikolova were responsible for the implementation of the project.

The survey fieldwork was designed and implemented by a team at the research firm Kantar Public Brussels (formerly known as TNS opinion), which was selected by a competitive tender. The team was led by Marco Pelucchi, Hayk Gyuzalyan and Kristina Slavova. Many others have contributed significantly to the project, including Kantar Public Brussels staff members, teams at hub centres in Sofia and Tbilisi, and fieldwork agencies in all 34 countries. The survey relied on the work of hundreds of interviewers and the enthusiastic participation of the survey respondents in each fieldwork country.

LiTS III was funded by the EBRD Shareholder Special Fund, Transparency International and the World Bank's Umbrella Facility for Gender Equality. This funding is gratefully acknowledged.



Printed in England by Park Communications Ltd,
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paper recycling programme.

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Cover photograph: EBRD/Dermot Doorly.

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