

# Framing Bad Governance with Worse Governance: Evidence from Hungary's Goulash Communism

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## Abstract

This paper examines the consequences of comparisons people make between their own and other countries. Building on research on context dependent preferences and framing effects we propose a new approach to the study of international comparisons. We argue that domestic evaluation of governments depends on which benchmarks are made salient and thus, international comparisons diminish and not increase the accountability of governments if governments can “frame” themselves with other, worse governments. We test our hypotheses using original survey data from Hungary’s socialist era and a survey experiment conducted on a convenience sample. We find that Hungarians who were more critical of the socialist regime tended to compare their government with that of capitalist countries. Our experimental results support the hypotheses that making different comparisons salient can lead to significant changes in the evaluation of the regimes<sup>1</sup>.

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## Introduction

People make social comparisons to evaluate their well being in a broad range of social situations<sup>2</sup>. These comparisons are relevant for the study of politics since much of the literature on elections or regime changes posit - implicitly or explicitly - that individuals evaluate counterfactuals to their current situation and their behavior depends on how these counterfactuals are formed (eg. Meirowitz and Tucker, 2013). When evaluating a political regime or a government, one sensible counterfactual could be formed by observing how other countries are doing under a different regime or government<sup>3</sup>.

While there exist some theoretical and empirical literature (Duch and Stevenson, 2010; Leigh, 2009; Kayser and Peress, 2012) in political economy on “benchmarking”, that is comparisons across borders, we know very little about whether and how citizens actually make such comparative judgments. First, the the dominating theoretical approach ignores important details about benchmarking: for instance, how do citizens learn about foreign countries and how do they decide which countries to use as a benchmark. Second, the existing empirical evidence is based on aggregate level data and as such it is not well suited to explore the mechanisms behind benchmarking or the lack of thereof<sup>4</sup>.

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<sup>2</sup>Social psychology research on social comparison processes date back to Festinger (1954). For a review on psychological research on interpersonal comparisons see Kruglanski and Mayseless (1990). The result that people care about their relative welfare and not just the absolute is sometimes referred to as the Easterlin-paradox (Easterlin, 1995) or the “keeping up with the Joneses effect” (eg. Harris et al., 2008).

<sup>3</sup>To be sure, we do not argue that other countries are the only or even the best basis for forming counterfactuals. An obvious alternative is to look at past outcomes in the same country. While the former ignores particularities of the home country and the latter ignores particularities of the time.

<sup>4</sup>On the other hand, empirical research on public opinion in autocratic regimes is close to non existent due to the lack of survey data (exceptions are Geddes and Zaller, 1989 and Kern and Hainmuller, 2008).

In this paper we propose a framework to analyze the consequences of international comparisons. Building on research on reference dependent preferences and framing effects we posit a hitherto untested hypothesis about benchmarking. We argue that support for political regimes is affected by the reference point citizens use to evaluate it. As a consequence making a reference point that makes the domestic situation look better (i.e other countries that do worse) more salient can garner support for the government.

We test this claim using original survey data collected in 1983 by the then ruling Hungarian Communist party and a survey experiment conducted on a “contemporary” sample. Our historical data shows considerable variation in reference points people used. Moreover, we find that individuals who reported more favorable benchmarks (the other communist countries) were more approving of the regime than those who compared Hungary to less favorable benchmarks (the Western European countries).

Since this pattern is consistent with other explanations too, we conducted a follow-up experiment that randomly assigned participants to conditions that encouraged the use of different reference points. The results of the experiment show that the induced reference points were indeed consequential: participants who were primed to think of the West as a comparison were about 10% less approving of Janos Kadar, the leader of the country between 1956 and 1989.

The study has implications to the study of public opinion in general and public support for authoritarian regimes in particular. We show how benchmarking can have a perverse effect on accountability by creating an opportunity for powerful framing effects. The study

also shows that the stability and persistence of authoritarian regimes hinge at least partly on citizens willingness to accept other authoritarian countries as benchmarks. This idea is consistent with the findings of Kern and Hainmuller (2009) on the failure of Western media in reducing support for the Communist Party in East Germany. Moreover it is can also provide an alternative explanation for the spatial clustering of transitions and revolutions (Gleditsch and Ward, 2006).

The remainder of the paper is structured as follows: the next section summarizes the existing political economy literature on benchmarking and develops our argument about framing effects in the context of inter-country comparisons. Then, we go on to describe Goulash Communism in Hungary as our test case and present some descriptive evidence on the effects of benchmarking using historical survey data. The fourth section reports the evidence of the experiment designed to capture the causal effects of priming people with different benchmarks and the last section describes the implications of these results and concludes.

## **Benchmarking and framing with reference points**

### **The political economy model of benchmarking**

The idea of comparisons across borders is not new political economy. Benchmarking models (Besley and Case, 1995; Sand-Zantman, 2004) posit that while voters information of government performance is imperfect, they can use information about other countries to gauge the quality of their government's policies better. In this sense, the possibility of observing other

countries helps citizens to judge their government better and thus improves accountability.

Given what we know about the systematic biases voters make when evaluating domestic performance (see Achen and Bartels, 2002; Healy et al., 2010; Huber et al., 2012) it perhaps is not surprising that the evidence for benchmarking is at best, mixed. While the point of benchmarking is to distinguish elements of luck and successful policy in observed economic performance, there is evidence that voters in fact reward lucky governments (eg. Leigh, 2009). On the other hand, Kayser and Peress (2012) and Ebeid and Rodden (2006) find evidence consistent with benchmarking.

What is notable in the literature is its insistence of finding evidence in favor of or contrary to the rational voter without making much effort in theorizing *how* voters actually benchmark. In fact, the empirical approach of the existing literature (that is, explaining election results with some economic performance, partitioned to “luck” and “merit”) is not suitable to analyze the way citizens learn, interpret and use information about other countries. One critical problem that our paper focuses on is how certain countries can become benchmarks and what is the consequence of the differential salience of benchmarks.

Our approach focuses on the supply side of this problem. That is, we look at the incentives elites have to exert influence over what benchmarks people consider relevant and how making the right benchmarks salient can garner support for government. From this perspective, benchmarking collapses to a problem of framing: changes in the reference points people use can alter their perception of government performance even if the surroundings remain the same.

## **Framing and reference points for comparison**

Most of the time, countries are surrounded with some neighbors that are doing better and some that do worse. In fact, if the natural reference points are countries that usually do similarly as the home country, it needs to be the case that these natural benchmarks sometimes do better and sometimes do worse than the home country. Thus, in principle many countries could serve as a reference point: there is no particular reason for the use of one over the other, and these reference points could potentially affect support for the home government.

If the reference points are not fixed, then nudging people towards one that makes them more approving of the government seems like a very attractive enterprise. In fact, this insight has long been known in the marketing literature: some experiments (Simonson, 1989; Tversky and Simonson, 1993) show that the way goods are displayed together can increase the demand for a given product <sup>5</sup>. These contextual effects have been repeatedly shown to have great influence on consumer choice.

More generally, we can view such context effects (Simonson, 1989; Callander and Wilson, 2008) as special cases of framing effects that have been shown to have enormous impact on public opinion in a variety of domains (Druckman, 2001; Chong and Druckman, 2007). As Chong and Druckman (2007) point out, “changes in the presentation of an issue or an event produce (sometimes large) changes of opinion” (p. 104) and thus “politicians attempt to mobilize voters behind their policies by encouraging them to think about those policies along particular lines” (p. 106).

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<sup>5</sup>More people will buy a moderately expensive camera if placed next to a very expensive one. Alternatively, people are more willing to buy a particular product if it is placed next to a similarly priced but lower quality version.

Based on the theory of framing, a country (frame) will serve as a reference point if it is known to the individual (*availability*), salient (*accessibility*) and similar to the home country (*relevance*) (Chong and Druckman, 2007). Thus, regimes can garner support by a combination of making more difficult to individuals to learn about countries that could serve as an unfavorable reference point, making a favorable reference points more salient and highlighting the similarities between the home country and neighbors that can serve as favorable benchmarks.

Based on these considerations we now state our hypotheses that we seek to test empirically in the remainder of the paper. We expect that people who benchmark their country with a neighbor that performs relatively well will evaluate their own government less favorably. Moreover, we assert that making a more favorable comparison salient (i.e inducing people to compare their country to one that is doing worse) increases approval of the home government.

Some anecdotal and indirect evidence supports this view. The efforts authoritarian regimes make to block their citizens access to foreign media, distort their citizens beliefs about economic and political conditions in other countries and limit their opportunities to travel abroad all serve the purpose of limiting the set of comparisons people can make. It is also suggestive that in the case of Hungary the Communist party seems to have been quite obsessed about learning how people saw Hungary as compared to both other socialist countries and the West. To our knowledge such questions have been asked in 5 different surveys conducted between 1983 and 1989<sup>6</sup>.

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<sup>6</sup>The questionnaires are available on <http://www.tarki.hu/adatbank-e/>

In any case, the lack of evidence on public opinion in authoritarian countries and particularly on how citizens in these countries makes comparative judgments has made it impossible support these conjectures with data. In fact, one of the very few studies on the effect of foreign media on support for authoritarian regimes (Kern and Hainmuller, 2008) reports the counterintuitive finding that listening to West German broadcasting actually increased support for the East German regime among adolescents. Thus, additional evidence how international reference points effect regime support is very much needed.

## **Political context and descriptive evidence**

While Hungary was part of the Eastern Block and was occupied by the Soviet Union it exhibited some peculiar features that differentiated it from the other socialist countries. After the crushed revolution of 1956, political oppression softened and gradual economic reforms starting in the early 1960s loosened the rigor of the centrally planned economy (Kornai, 1996). While these reforms were not particularly successful in the long run, along with substantial foreign loans, they made it possible for the regime to bring about a substantial increase in living conditions compared to neighboring socialist countries.

As Kornai (1996) points out the Socialist regime in Hungary was different from other countries in the region in that economic policy made consumption growth a priority. In the 1970s many people “bought their first refrigerators [and] their first Trabant car [...] This was when the West began to develop a partly true, partly distorted picture of the Kadar regime as the happiest barrack in the camp.” (p. 952). Empirical evidence in Juhasz (2010) supports



the same point. Using data on the consumption in durable goods (such as refrigerators, cars and telephones) and housing quality she shows that in each of these dimensions Hungary was between Western and Eastern standards.

## Survey data

The data we use in our paper was collected between October 1983 and December 1983 by the Institute for the Social Sciences an organization subordinated to the Central Committee of the Communist Party. The survey contained a representative sample of Hungarian adults with an oversample of intellectuals and party leaders <sup>7</sup>. The total number of respondents was 1610.

While it is possible that fear drove respondents to give answers that are less critical of the regime, we find that interviewees gave surprisingly critical responses. For instance 77% said that they saw many problems in the distribution of housing, and 40% complained about the supply in stores. Respondents were more careful with explicitly political questions: only 18% said that there were many or a lot of problems with national independence and only about a quarter of respondents complained about the difficulties to travel abroad.

Our main variable of interest is the benchmarks individuals chose to assess the political and economic situation <sup>8</sup>. The offered choices were the Western-European countries; the European socialist countries; Hungary, before the liberation (i.e. the Soviet occupation)

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<sup>7</sup>Unfortunately there is no identifier for the two parts of the sample and since the representative part also contains intellectuals there is no way to restore representativity

<sup>8</sup>Respondents were asked the following question: "If we want to form a judgment of the present situation in Hungary, with which countries shall we compare ourselves?"

and respondents could also specify their own preferred benchmarks. Respondents were then asked to compare the domestic situation in Hungary to both European socialist countries and Western countries.

## Descriptive evidence

Before we go on to look at the how the choice of reference points correlates with other expressed beliefs and attitudes, we first show how respondents evaluated the situation in Hungary as compared to both the West and the East as a benchmark. This step is important since reference points could only matter for domestic evaluations if there are meaningful differences in the way people see those potential reference points.

**Table 1: Comparative judgments about Hungary (historical data)**

The situation in Hungary compared to the	Western countries	Socialist countries
Better	17%	74%
Same	10%	12%
Worse	42%	0%
Don't know	31%	14%

Table 1 shows the distribution of answers to the benchmarked evaluation item. Remarkably, none of the respondents said that the situation in other Socialist countries is better than in Hungary (and around 75% said it was better). On the other hand, 60% of those who provided an answer (and 40% of the full sample) acknowledged that Western countries did better than Hungary. These numbers show that respondents were quite realistic about the relative standing of Hungary. But according to our account, these the effect of these beliefs

on the support of the regime are conditional on which group of countries individuals view as the appropriate benchmark.

Since our goal is to show that individuals who chose different benchmarks evaluated the Socialist regime differently, we look at a range of different dependent measures that capture attitudes toward the authoritarian regime. These measures include a retrospective assessment of the economy (*Economy*), an index of perceived justice in the society (*Justice*) and an index of satisfaction with different aspects of society (*Satisfaction*). The latter two measures are constructed as the simple means to a set of Likert-like questions. Each of the dependent measures are recoded to range from 0 to 1 and so that higher values indicate more positive attitudes towards the regime.

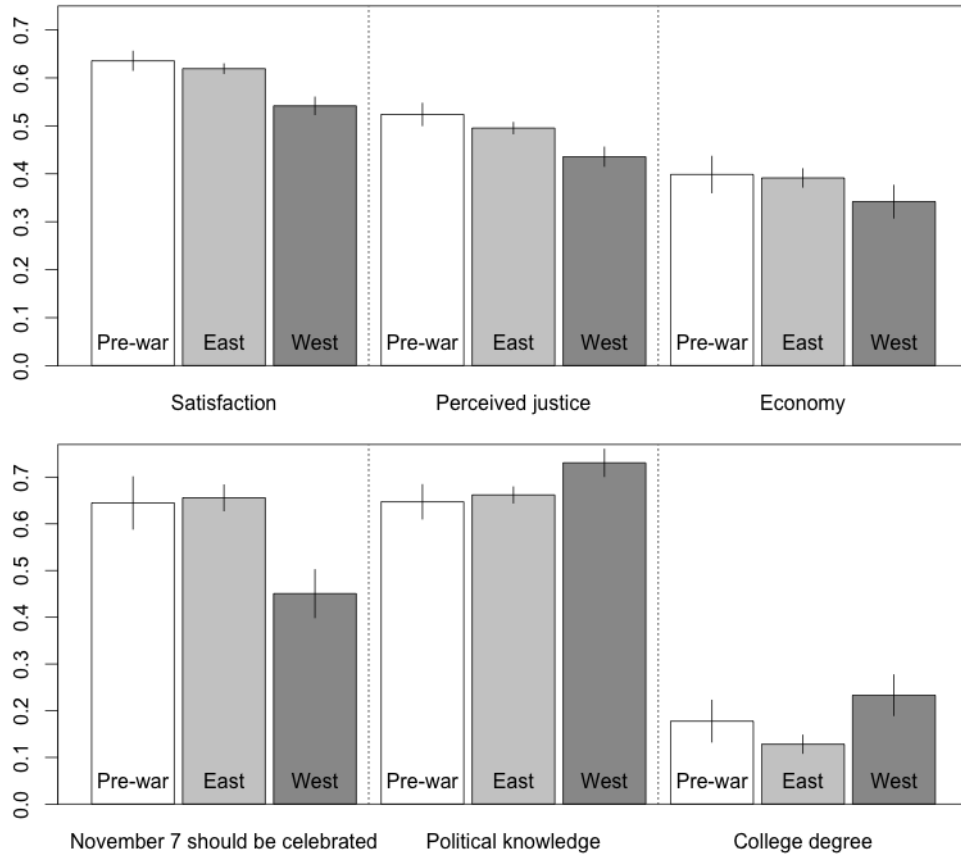
The statistical analysis of the choice of benchmark is simple and reflects our skepticism about causal mechanisms at this point. Our two goals here are to show that there existed substantial variation in what people considered a meaningful benchmark, and that these individual differences co-vary with the evaluation of the regime. Multivariate regression results that establish that these correlations survive the inclusion of some demographic controls are reported in the Supporting Material (Table S1.)

The top panel of Figure 1 tabulates the answers to the benchmarking questions along with the mean of three variables that capture regime support. We focus on people who chose either the Western countries, the socialist countries or pre-war Hungary as a reference point and leave the respondents who chose other reference points from the analysis or could not answer the question (11% and 8% of the sample respectively)<sup>9</sup>.

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<sup>9</sup>As it turns out, those who could not answer the question about the reference points were similar to those who chose

**Figure 1: The correlates of benchmark choice (historical data)**



*Note:* Figure shows the mean levels of selected variables by the choice of reference points. Satisfaction and perceived justice and are indices (both coded from 0 to 1) averaged over items covering a variety of domains (eg. income distribution, selection of leaders etc.). Economy is the retrospective evaluation of the Hungarian economy (coded from 0 to 1). Political knowledge was constructed as the sum of correct answers to six factual questions (eg. who is the President of France) recoded range from 0 to 1. The 90% confidence intervals for the means are also shown.

What is apparent from the figure is that people who compared Hungary to Western countries saw a direr picture of the economy, perceived the social system less fair and they were less satisfied with the way the country worked. People who choose pre-war Hungary as their

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the socialist countries as reference points; and those who chose the “Other” option were similar to those who choose the Western countries in terms of the dependent variables we looked at. Since we have no way to tell what these people had in mind as reference points, we left them out from subsequent analyses.

reference point were very similar to those who chose the other socialist countries in terms of our dependent measures. While these results are consistent with our hypothesis, these patterns do not lend themselves to a causal interpretation and in fact they are consistent with a quite different explanation, too.

It is likely that people who generally approved of the regime simply chose more favorable benchmarks engaging in motivated reasoning (Kunda, 1990; Taber and Lodge, 2006). Apart of this explanation based on reverse causation, it is also possible that some omitted variable influenced both the choice of reference points and evaluations. The bottom panel of Figure 1 thus reports the means of same variables that are plausibly related to the choice of reference points but also hypothesized to precede that choice.

What we see is that the choice of benchmarks was systematically related to each of the three measures we used to explain it. First, there is some suggestive evidence that “socialist ideologues” were less likely to chose the West as a reference point. The measure of ideology we adopted is an indicator that takes the value of one if the respondent thought that the Great October Socialist Revolution should be commemorated in Hungary as a national holiday <sup>10</sup>. People who agreed with this statement were more likely to compare Hungary with other Socialist countries.

We also see that more educated respondents and those who knew more about politics in other countries were more likely to chose the West as a referene point than either of the

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<sup>10</sup>Because of the differences between the Julian and the Gregorian calendar, the holiday was of course held on November 7. Reading the survey item we had some doubts wether the question was about knowledge or opinion of these holidays. However, in the data we found no relationship between an affirmative answer and various measures of political knowledge, but a positive relationship with other measures of regime support. Thus, we concluded that repondents at least understood the question as a normative and not factual one.

other two options. Thus we conclude that while the correlation between the reported choice of reference point is consistent with our theory of framing effects it is also consistent with other explanations such as motivated reasoning, fear from repercussions (social desirability) or simply differences in information about other countries. To get a better traction of the causal effect of framing we conducted an experiment in which we sought to induce participant to use favorable and unfavorable benchmarks.

## **Experimental evidence**

An obvious problem with using experiments to better understand the problem at hand is that it is impossible to replicate the political context of 1983 in a survey situation. However, if the causal mechanisms we are after are general then we might get some traction of the effect of reference points even if we conduct an experiment on subjects who live in an entirely different time and political context. Our approach here is similar to Druckman (2003) who revisited the persuasive power of television in the context of the Kennedy Nixon debate using a lab experiment with participants who were not even born at the time of the debate <sup>11</sup>.

## **Experimental design and measurement**

The goal of the experiment was to randomly assign people to conditions that make different reference point to comparative evaluation of the socialist regime in Hungary salient. To achieve this, we asked participants to compare Hungary in the socialist era to different groups

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<sup>11</sup>Thanks for Erik Peterson for pointing out this analogy.

of other countries. In particular, respondents were given the task to compare Hungary in that time to either other socialist countries (henceforth East treatment) or to Western European countries<sup>12</sup>.

We expected that respondents would evaluate the Socialist regime more favorably when the benchmark was the Eastern Bloc and less favorably when they had to compare Hungary with the West. This exercise also made it possible for us to assess how realistically respondents saw Hungary in a comparative perspective. The experiment was embedded in a survey that took 20 minutes to complete on average and the remaining content was unrelated to the politics, or society of Hungary before the transition. The primary dependent measure that we used to gauge support for the regime was a feeling thermometer score of Janos Kadar, the leader of the Socialist Party between 1956 and 1988 and as such a symbol of the post-revolution era of the socialist regime.

We asked participants to rate Kadar on a 1-100 scale along with other historical figures. This choice reflected our efforts to reduce demand effects and to enable us to conduct placebo tests, that is checking if our treatment had an effect on the approval of other figures too. It is worth noting that while the benchmarked evaluation items were asked roughly the middle of the survey, the dependent measure was placed at the very end. Thus, we consider this as a conservative test of our hypotheses at least in the sense of survey design.

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<sup>12</sup>See Figure S2 and S3 in the SI for the exact wording of the treatment.

## Recruitment

We recruited participants in a large state university in Budapest, Hungary to participate in the survey for course credit. We are aware of the problems this creates for external validity but since the goal of the experiment was to approximate a “treatment” that was administered more than 30 years ago by the socialist regime in Hungary, it is unclear how much a sample representative of the current population of country would have been less prone to the this issue (see Druckman, 2003 for a similar approach).

By completing a roughly 20 minutes questionnaire students could earn 3 extra points from a total of 100 for that class. Eligible participants were informed about the opportunity to earn extra credits in the beginning of one of the lecture, and their teaching assistants reminded them about the possibility in the next section of the week. Respondents could access the questionnaire online and after they have completed the survey they received a code that they could use to prove that they actually participated. To minimize the the risk of interactions between students we gave only a week for students to complete the survey.

Out of 1290 students who were registered for the course for which the survey was advertised, 1003 choose to participate and 929 completed it fully. Since the questionnaire was relatively long we included a standard screener question in the end of the survey and excluded respondents who failed to follow the instructions (173 out of 929 respondents who completed the survey) and we report results for both this subsample and the full sample. 52% of the participants were male and the median age was 19 years old. Of course, the sample is in not necessarily representative of college freshmen in the country, let alone the Hungarian general.



Thus, the levels of our variables are probably not informative for general conclusions about the approval of the socialist regime in Hungary.

## Results

Figure 2 reports the findings of the experiments<sup>13</sup>. The top panel reports the mean level of approval for Kadar and his regime. It confirms that respondents who were induced to use a benchmark that was favorable for the authoritarian regime in fact rated Kadar significantly higher. The difference is 5 points on a 100 points scale and is statistically significantly different from zero ( $P = 0.015$ ). Since the mean evaluation in the control group was 31 points the increase is as large as 16%. The results suggest that the unfavorable benchmark lead to a 2 points decrease in the approval of Kadar, a difference not significantly different from zero.

The top right panel replicates this comparison using our alternative dependent measure constructed from the answer to an item about the regime itself, immediately following the treatment<sup>14</sup>. The pattern is very similar with a 4 points effect of the favorable benchmark and a 2 points effect of the unfavorable reference point. Again, the only the former is statistically distinguishable from zero ( $P = 0.037$ ). The asymmetry in the treatment effect might be due to pretreatment: if in the present discourse about the Socialist regime in Hungary, the negative reference point dominates (i.e the comparison with the West) then for participants

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<sup>13</sup>Figure S1 in the online appendix reports a manipulation check that shows that participants actually rated Hungary lower when compared to the West then when compared to the East (a results reproducing the results of Table 1 in the experimental sample).

<sup>14</sup>The question read: “Thinking about the Kadar regime do you feel rather positive or rather negative about this era?” The measure is a 5 points scale from “Very negative” to “Very positive”.

in the control condition the negative benchmark was more available, leading to smaller treatment effect. Alternatively, the asymmetry could be due to simple floor effects: since the approval of both Kadar and his regime was very low in the sample, there was simply more “room” for a positive effect.

The bottom panel of Figure 3 reports the results of our placebo tests: they indicate that the treatments had no significant effect on the approval of four other historical figures (Ferenc Szalasi, the leader of the country during the German occupation, Matyas Rakosi the leader of the Hungarian Communist Party from 1945 and 1956, Miklos Horthy, the regent of Hungary between the two wars and Imre Nagy a martyr of the 1956 revolution).

To further check the robustness of our findings we also estimated the effect of the benchmarks via linear regressions adjusting for some covariates and including respondents who were screened out. The controls that we include are age and gender of the respondent, an index of political knowledge constructed from answers to 5 knowledge items<sup>15</sup> and a feeling thermometer score towards the Hungarian Socialist Party (the successor of the Hungarian Communist Party). To ease interpretation, the latter two variables were recoded to range from 0 to 1. Table 4 shows the results of these regressions.

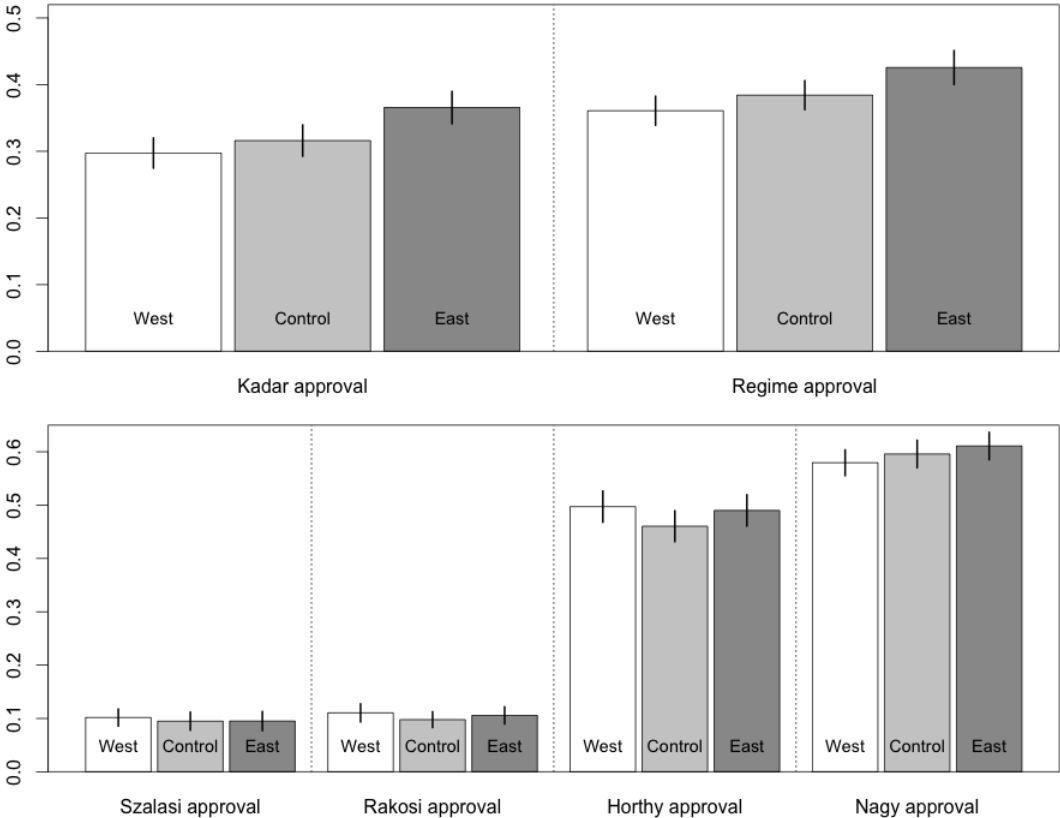
What is notable in Table 4 is that the introduction of covariates and the inclusion of inattentive participants has little effect on the parameter of interest that is, the effect of the favorable benchmark. The effect sizes range from 3 to 6 points with standard errors around 2 points for both dependent measures. Adjusting for covariates slightly increases the esti-

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<sup>15</sup> Respondents were asked to identify current holders of Hungarian offices, such as the President of the National Bank or the Speaker of the House.

mated effects (perhaps correcting for slight imbalances across treatment groups), while the inclusion of inattentive participants slightly decreases the estimates of the treatment effects. The effect of the unfavorable reference point (i.e comparison with Western European countries) is also stable across specifications and samples, with effect sizes ranging from -1 to -2.5 points with standard errors around 2 points. Thus, it is possible that a negative effect could be detected with a larger sample.

**Figure 2: The effects of induced reference points (experimental data)**



*Note:* Top panel of figure shows the mean approval of Janos Kadar and his regime. The bottom panel reports placebo tests (i.e. the approval of other historical figures). Approval for historical figures was measured on a 100 points feeling thermometer and was recoded to range from 0 to 1. The approval for the socialist regime is the average of three question about regime also recoded to lie between 0 and 1. The 90% confidence intervals for the means are also shown.

Among the covariates we included in the models, support for the Hungarian Socialist Party shows the largest effects. Socialists are more approving of both Kadar and the pre 1990 regime. Somewhat surprisingly, more knowledgeable respondents and female participants also showed more approval for Kadar.

To summarize, the results of our experiment supported our hypothesis that the salience of reference point has a significant impact on regime support. The effect of inducing people to think of other Socialist countries as benchmarks lead to a 16% increase in their approval for Kadar. Of course as it is the case with all survey experiments, it is difficult to map these effects to those that could have taken place in Hungary in the 1980s or in any other authoritarian country for that matter. Two factors give us some confidence that our findings are not simply artifacts of the survey situation.

The strength of the framing mechanism that we sought to replicate in our experiment is hard to overstate. The socialist one party state had tremendous resources to control what its citizens could learn about the world surrounding them. Restricting access to foreign media, limiting opportunities to travel and completely controlling the agenda of the Hungarian media allowed them to manipulate the salience of reference points to a great deal. Thus it seems that it would be hard to introduce conditions that are stronger than those “real life treatment effects” even in an experimental setting. Moreover, compared to most survey experiments, we measured our dependent variable around 10 minutes after the treatment, introducing an element to the design that reduces our concerns about demand effects or extremely short lived effects.

**Table 2: The effect of induced benchmarking (linear regressions)**

<i>Dependent variable:</i>								
	Approval of Kadar				Approval of socialist regime			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
East	0.032*	0.050**	0.042**	0.059***	0.037**	0.041**	0.041**	0.047**
	(0.019)	(0.020)	(0.018)	(0.019)	(0.018)	(0.020)	(0.018)	(0.019)
West	-0.020	-0.019	-0.016	-0.018	-0.013	-0.023	-0.010	-0.024
	(0.019)	(0.020)	(0.018)	(0.019)	(0.018)	(0.020)	(0.017)	(0.019)
MSZP			0.323***	0.336***			0.201***	0.241***
			(0.037)	(0.041)			(0.036)	(0.040)
Knowledge			0.060**	0.062*			0.069**	0.082**
			(0.031)	(0.034)			(0.030)	(0.034)
Female			0.030**	0.018			0.057***	0.055***
			(0.015)	(0.016)			(0.015)	(0.016)
Age			-0.009**	-0.009*			-0.00001	-0.003
			(0.004)	(0.005)			(0.004)	(0.005)
Constant	0.320***	0.316***	0.381***	0.381***	0.386***	0.384***	0.269***	0.304***
	(0.013)	(0.014)	(0.090)	(0.112)	(0.013)	(0.014)	(0.080)	(0.111)
Covariates	No	No	Yes	Yes	No	No	Yes	Yes
“Shirkers”	Included	Excluded	Included	Excluded	Included	Excluded	Included	Excluded
Observations	929	756	929	756	942	756	942	756
R <sup>2</sup>	0.008	0.016	0.096	0.111	0.009	0.014	0.059	0.080
SER	0.232	0.227	0.222	0.217	0.224	0.222	0.219	0.215

*Note:* East and West are indicators for experimental conditions. MSZP is a feeling thermometer score for the Hungarian Socialist party (recoded to range from 0 to 1). Knowledge is a measure of political information: it is the number of correct answers to 5 factual questions (also recoded to range from 0 to 1). Standard errors are in parentheses \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

## Discussion

In this paper we explored the psychology of comparisons citizens make when they evaluate their government. Building on both the canonic political economy and the framing literature in political psychology, we argued that the reference points individuals use to compare their home with is somewhat arbitrary and allows for different comparative judgements that in turn lead to different evaluations.

Using historical survey data from Hungary under the socialist rule we showed that while the majority of respondents considered the other socialist countries as benchmarks there was considerable variation in the reference points respondents reported. These reference points in turn were indeed correlated with their evaluation of the regime. However, since it is very likely that the choice of reference point itself depends on political dispositions, that data was not suitable to make causal claims about the consequences of choosing reference points.

In a follow-up experiment we randomly assigned participants to conditions that primed favorable or unfavorable international comparisons. We showed that individuals who were induced to compare the socialist regime in Hungary with other socialist countries reported more favorable attitudes towards the regime than those who made the comparison with Western European countries. The results were robust to alternative measurements of the dependent variable, the inclusion of control variables and placebo tests.

We believe that our results have some important implications for the study of authoritarian regimes and also for the burgeoning study of framing effects in political psychology. First, the idea that the salience of reference points shape regime support through changing the counterfactuals citizens use to evaluate their government helps to explain why information about more prosperous countries does not turn people against autocratic rulers (Kern and Hainmuller, 2008). At the same time, this mechanism can explain spillover effects of regime changes across borders (Gleditsch and Ward, 2006; Keller, 2012) by implying that changes in the political environment of neighboring countries influences the expectations of citizens about what they could achieve under a new regime.

Second, the possibility of generating framing effects by changing the comparisons people make is also relevant for the study of public opinion more generally. Political psychologists have used the concept of framing mostly to explain how attitudes about specific issues or policies can change depending on the way they are presented (Chong and Druckman, 2007). Reference points as frames can have potentially broader implications since they can change

the counterfactuals people use to evaluate their general situation.

Our study is also novel from a methodological perspective. We advance the extremely thin empirical literature on public opinion in socialist countries (an exception is Kern and Hainmuller, 2008) and we are also among the first studies to use survey experiments for the study of authoritarian regimes. We believe that the rich theoretical literature on the political economy of authoritarianism and democratization would benefit from more attempts to test hypotheses on micro level data.

Finally, to our knowledge we are among the first to use a contemporary convenience sample to approach past political phenomena (an exception is Druckman, 2003). While, as we have pointed out above, this approach is open to very legitimate criticisms with respect to external validity, it seems like the only way to approach some problems empirically in the lack of data that allow for testing causal hypotheses, or any data at all.

We are aware that our study brings up more new questions it answers. First, we focused on the consequences of reference points without drawing conclusions on the antecedent of them. We conjecture (and report some suggestive evidence) that motivated reasoning plays an important role in the choice of benchmarks with people more supportive of their government to begin with choosing more favorable reference points.

Second, our data (both observational and experimental) was not suitable for drawing conclusions about the precise mechanism of the effect. It seems likely that the media plays a decisive role in authoritarian countries to make some reference points more salient than others. Unfortunately, our historical data did not contain information on media exposure, and even if it did it would be hard to draw inference based on self report in the lack of some exogenous variation in exposure (as in Kern and Hainmuller, 2008).

Thus future research could explore how media outlets report on economic and political events in foreign countries, both in terms of content and salience. If citizens in democratic

countries actually benchmark their governments performance when they vote (Kayser and Peress, 2012) then such research would be important even in advanced democracies.

At the same time, it would also be important to investigate how partisan predispositions and motivated reasoning conditions the way people make such comparative judgments. Research on the partisan disagreement in factual beliefs (Bartels, 2002; Gerber and Huber, 2010) and in the attribution of blame (Malhotra and Kuo, 2008; Brown, 2010) suggests that there are partisan differences in the way citizens process information about foreign countries. While our paper does not answer these questions, hopefully it will provoke some new research in this unexplored area.

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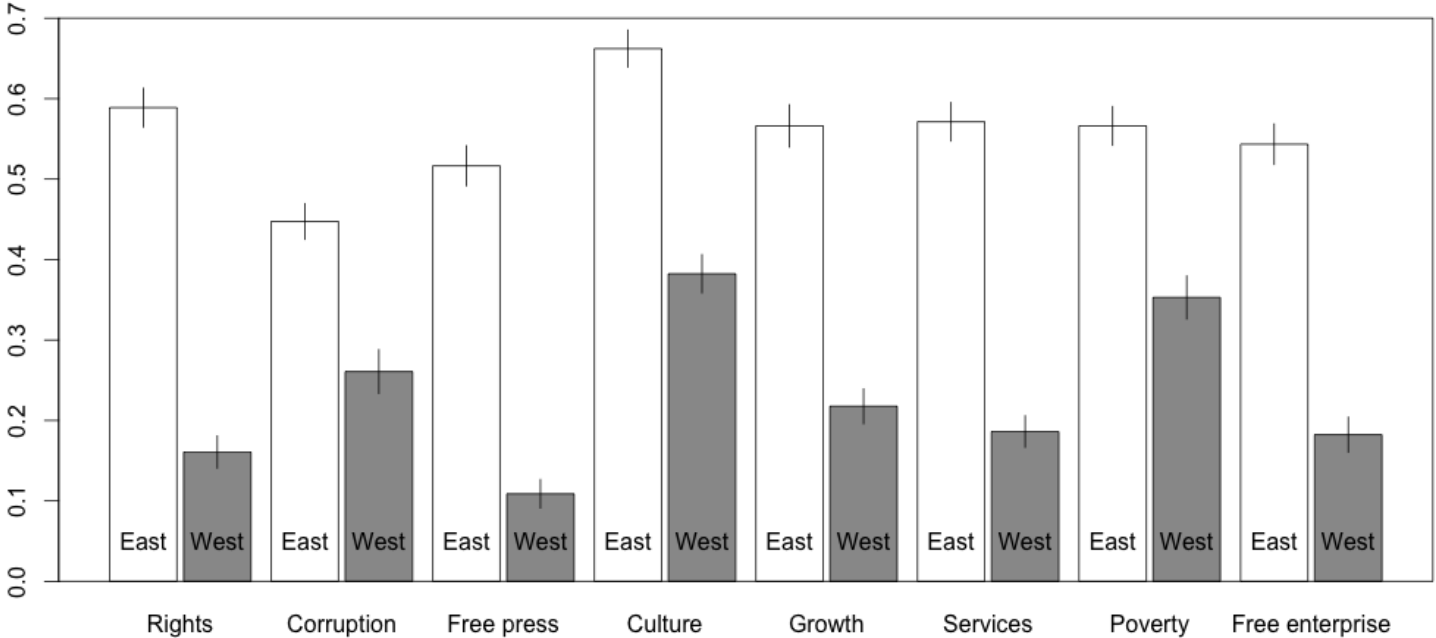
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# Supporting information

Figure S1: Comparative judgments about Hungary (experimental data)



*Note:* Bars show the mean rating of Hungary as compared to either the other socialist countries (white bars) or to the West (grey bars). Ratings range from 0 (much worse in Hungary) to 1 (much better in Hungary). The 90% confidence intervals for the means are also shown.

Figure S2: Experimental treatment (Eastern benchmark)

As you probably know, the economic and political system in Hungary between 1956 and 1990 was much different from the current. Now we would like to ask you to compare Hungary in that period to the other Eastern European socialist countries (like East Germany, Romania or Bulgaria) at the time along some specific points.

Please decide where the following things were better: in Hungary or in the other Eastern European socialist countries. First consider some social issues:

	Much better in Hungary	Somewhat better in Hungary	About the same	Somewhat worse in Hungary	Much worse in Hungary
Human rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corruption	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Press freedom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Finally, please compare compare Hungary between 1956 and 1990 to the other Eastern European socialist countries (like East Germany, Romania or Bulgaria) at the time along some more points but now consider some economic issues.

	Much better in Hungary	Somewhat better in Hungary	About the same	Somewhat worse in Hungary	Much worse in Hungary
Economic growth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of goods and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poverty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Freedom of enterprenourship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Figure S3: Experimental treatment (Western benchmark)

As you probably know, the economic and political system in Hungary between 1956 and 1990 was much different from the current. Now we would like to ask you to compare Hungary in that period to the Western European countries (like West Germany, Austria or France) at the time along some specific points.

Please decide where the following things were better: in Hungary or in the other Western European socialist countries. First consider some social issues:

	Much better in Hungary	Somewhat better in Hungary	About the same	Somewhat worse in Hungary	Much worse in Hungary
Human rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corruption	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Press freedom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Finally, please compare compare Hungary between 1956 and 1990 to the Western European countries (like West Germany, Austria or France) at the time along some more points but now consider some economic issues.

	Much better in Hungary	Somewhat better in Hungary	About the same	Somewhat worse in Hungary	Much worse in Hungary
Economic growth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of goods and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poverty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Freedom of enterprenourship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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**Table S1: The correlates of benchmark choice (multivariate analysis)**

	<i>Dependent variable:</i>		
	Economic evaluation	Percieved justice	Satisfaction
Benchmark: East	0.03	0.05***	0.07***
	-0.02	-0.01	-0.01
Knowledge1	-0.09**	-0.06***	-0.06***
	-0.04	-0.02	-0.02
College	-0.13***	-0.06***	-0.06***
	-0.02	-0.02	-0.01
Female	-0.04*	-0.01	-0.02**
	-0.02	-0.01	-0.01
Born before WW2	0.01 >	0.02*	0.05***
	-0.02	-0.01	-0.01
Constant	0.48***	0.54***	0.65***
	-0.03	-0.02	-0.02
Observations	1058	1079	1086
R <sup>2</sup>	0.038	0.044	0.089

*Note:* Robust standard errors in parentheses, \*p<0.1; \*\*p<0.05; \*\*\*p<0.01. Knowledge was constructed as the sum of correct answers to six factual questions (eg. Who is the President of France?) recoded range from 0 to 1.