

Who is Happy in Post-Socialist Slovenia?: Political Legitimacy and the Dynamic of the “Happiness Gap”

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Abstract:

The article starts from the premise that the legitimacy of the post-socialist order is strongly related to its ability to generate a level of happiness among the lower social strata that is not significantly lower than the happiness enjoyed by the privileged social strata. We used three waves of the Slovenian Public Opinion Survey and seven waves of the European Social Survey to explore the hypothesis that the average level of happiness in Slovenia is higher in the post-socialist period than during the socialist period, due to Slovenia's relative prosperity and new democratic circumstances. Whereas mature socialism was characterized by a rather egalitarian distribution of happiness, we would expect that in a post-socialist society inequalities would be increasing also in this area of personal wellbeing. This expectation is based on the assumption that growing inequality in the distribution of happiness is one of the consequences of the emergence of a more competitive economic, political and social order, which has led to the accumulation both of advantages and disadvantages. In other words, the growing gap between transition winners and losers should be reflected also in their respective levels of happiness. However, this growing gap may not be fully or significantly reflected in the overall trend of happiness, as the decrease in subjective well-being (SWB) in some social strata could be “masked” by its increase in other strata.

World-wide happiness analyses by Inglehart et al. (2008) also addressed the link between levels of life satisfaction and system legitimacy. The authors conclude that society's level of well-being is intimately related to the legitimacy of the socioeconomic and political system. If the SWB in an entire society falls sharply below its normal baseline, it can destabilize the entire socio-political order. As transition in Slovenia has been characterized neither by extreme economic stagnation nor political instabilities, we expected that average level of happiness will be higher in the post-socialist times compared to the socialist period, due to relative prosperity and new democratic circumstances. This would indicate that the new regime has been able to fulfil the basic expectations with regard to material well-being and create the economic and political conditions which facilitate a greater trust in the future.

In addition to examining the general trend, we set out to explore the social distribution of happiness over time, i.e. the happiness (trend) distinguished by two basic social strata. The sequence of surveys across time is such that it covers several significant historical periods. The first wave dates back to the socialist era, the second and third wave were carried out in the 1990s when transition-related social stresses reached their peak, the fourth and fifth are from the period of social stabilization and economic prosperity after 2000, while the last two waves were fielded when the global economic downturn that began in 2008 was already under way. In this way we could observe the relationship between happiness and socio-economic position in two political systems, as well as examine whether this relationship is affected by major episodes of social stress and economic crises.

Our key dependant variable was the following: *‘Taking all things together, how happy would you say you are?’* The answers were measured on an eleven-point numeric scale (ranging from 0 to 10), with labelled ends (0 ‘very unhappy’ and 10 ‘very happy’). Our results show that overall levels of happiness are relatively high throughout the entire measurement period; with the aggregate value consistently remaining at the 2/3 of the scale range. This

is true for the only measurement carried out in the socialist regime, as well as for the successive measurements in the period of democratic transition. Nevertheless, even though some of the cross-time differences between years are rather small there is some moderate-scale dynamic in the overall trend, such as a slight dip in the first half of the 1990s, compared to the 'socialist' starting point. A more pronounced shift is observable in 1999. Until then the mean value hovers around 6.7, then jumps to 6.9 and later on to 7.1 and 7.2.

In light of the transition effect, we explored another explanatory factor; namely optimism. In times of rapid social change an important mediating factor for personal happiness is likely to be the perception of future opportunities. If those whose expectations have not (yet) been met believe that this will happen within the foreseeable future, their current disappointments may lead to a smaller decline in their level of happiness than in those individuals who have less trust in the future. Our analysis confirmed that optimism plays an important role in the subjective self-assessments of happiness. With the exception of health, optimism is the strongest predictor of happiness, which suggests that an optimistic outlook does have the potential to compensate for the current lack of material standards among the 'losers' of transition.

In summary, our data indicates the remarkable stability of the overall happiness levels, despite key historical changes that have taken place between 1992 and 2014. We believe that the relatively smooth nature of Slovenia's transition in terms of economic and welfare performance is the most likely explanation for this result. Nevertheless, the transition did result in specific structural dynamics with regard to the distribution of happiness among different social strata. Our analysis captured a gradual underlying process of differentiation between class-specific happiness trends. The between-class gap has been growing steadily over the twenty-year period, supporting the theory that the overall level of happiness may disguise contradictory sub-trends. While in the upper educational group happiness has grown more or less steadily since the mid-1990s, it remained largely stable in the lower one. At the end point in 2012 the average level of happiness is actually slightly lower in this group than it was thirty years before. This confirms our expectation that the moderate rise in overall happiness in Slovenia observed after 1999 was not equally socially distributed, but was mainly a result of a rise in happiness in the wealthier groups. The 'happiness gap' between both social groups increases with time, most notably in 2006.

However, during the period of economic recession which began to affect Slovenia in 2009, the gap has shown a peculiar dynamic. We would expect it to grow even further under economic pressure, but the distance between the two social classes was in fact slightly reduced during the worst period of the crisis. A more detailed insight into how the crisis was handled by the national government reveals that the observed phenomenon is in fact a logical consequence of the type of austerity measures taken; namely, the measures did not so much affect the most vulnerable social groups as they did the middle class, which can be illustrated by the figures from several international institutions. Moreover, even with the recent recovery of economic growth and the cessation of the austerity measures law, some of their elements remain in place and they are precisely those that target primarily the middle class. It should therefore be interesting to see to what extent future happiness levels will be affected by the recent period of economic crises and the erosion of trust in institutions that it has brought. If the aftermath of the recession will begin to adversely affect individual and household wellbeing and the prosperity of the middle classes, happiness levels are bound to settle into a downward trend and the legitimacy of the democratic system will suffer.

Keywords:

Happiness. Subjective well-being. Transition. Optimism. Inequality.

1. Material and moral frustrations in the downfall of the socialist regimes

Comparative surveys of subjective well-being (SWB) show that in this respect post-socialist states¹ are lagging not only behind the western states, but also behind some states with relatively low levels of political and economic stability (Fahey & Smyth, 2004; Haller & Hadler, 2006). These findings are usually explained by the fact that political and economic transformations in post-socialist states have been (or were) accompanied by a decline in material well-being or at least by economic performance which could not meet mass expectations. Therefore, the low level of happiness in post-socialist states has been causally related to the unfulfilled expectations regarding economic well-being and security. This claim

¹ The systematic comparative analyses of happiness have been limited mostly to the post-socialist states which are members of the EU. Accordingly, our usage of terms socialist and post-socialist is limited to these states.

also implies that the main reason for the mass rejection of socialist regimes was largely its dissatisfaction with economic performance. The strong link between material and psychological well-being in post-socialist states - which conspicuously does not exist in many states which are less affluent than post-socialist ones - has been “inherited” from the socialist period. Bearing this in mind, the data on the dynamics of SWB in post-socialist states can contribute to the explanation both of the collapse of the socialist regimes and some of the barriers for the consolidation of the post-socialist order.

The claim that the mature socialist regimes were characterised by progressive “accumulation” of mass dissatisfaction with their economic performance, suggests that this was one of the main sources for dissenting activities. Nevertheless, with the partial exception of Poland, the regime collapse was not induced by mass protests and movements which would have been primarily economically motivated (Mason, 1996). Moreover, mass protests played a rather insignificant role in the downfall of the socialist regimes. The events leading to system transformation were more “revolutions of intellectuals” (Ash, 1990) than “people’s revolutions”. The decisive actor of change was a rather small group of dissenting intellectuals whose actions were much less motivated by material than by moral frustrations, i.e. frustrations stemming from the fact that the authoritarian regime imposed strict limitations on their professional activities (Havel, 1990).

The power of dissenting intellectuals was based on their cultural and social resources which enabled them to voice their dissent and to articulate an alternative to the existing order in an effective way. Nevertheless, it should not be overlooked that the open dissent of intellectuals was amplified by the mostly invisible but growing material frustrations of the more numerous social strata; especially the industrial workers. Therefore, the socialist order was undermined by the unique and short-living “coalition” of frustrations which differed in their content and their social and political articulation (Bauman, 1992; Lane, 2005). Assuming that both moral and material frustrations conditioned the SWB negatively, the plight of the “mature” socialism was that it generated unhappiness both among the culturally most influential social stratum of intellectuals and the more numerous social strata. On this basis we can hypothesise that due to that reason the level of SWB was declining in the decade or so preceding the collapse of socialist regimes and was lower than in comparable industrial states. But there are also good reasons to believe that sources of declining psychological well-being were different across the mentioned social strata as were also their expectations related to the system transformation.

The ample literature on losers and winners of post-socialist transition (Brainerd, 1998; Mason & Kluegel, 2000); Oražem & Vodopivec, 1995; Verhoeven, Jansen & Dessens, 2005) suggests that the benefits and costs of transition have been distributed unevenly, i.e., that expectations of different social strata have been met to a different degree. The general impression is that the transition has been less “revolutionary” as one might expect as far as the dynamic of social stratification is concerned. Those possessing power and prestige in the old regime have generally fared better also in the new economic and political circumstances than those belonging to the lower social strata (Lane, 2005)².

² It has been often claimed that the proponents of historical change, the intellectuals, have been among the transition losers (Ash, 1990). There is no doubt that the political influence of intellectuals has declined in the new circumstances, but it does not imply that intellectuals, or more precisely the professional groups into which they have been transformed in the post-transition period, have not been successful in securing their vital interests (Bernik & Trbanc 2005).

Therefore, it seems probable that post-socialist transformation has not led to the noticeable change in the level of happiness, but it has influenced the social distribution of happiness. Whereas the mature socialism was characterized by a rather egalitarian distribution of happiness across social strata, it is to be expected that in the post-socialist societies inequalities have been increasing also in this field. This expectation is based on the assumption that growing inequality in the distribution of happiness is one of the consequences of the emergence of a more competitive economic, political and social order, which has led to the accumulation both of advantages and disadvantages. In other words, the growing gap between transition winners and losers should be reflected also in their respective levels of happiness. This claim suggests that the general level of happiness has not been significantly affected by the post-socialist transformation because the increase in SWB in some social strata has been “compensated” by its decrease in other strata.

But our background assumption that there exists an immediate link between disappointed or met expectations and the level of happiness could be questioned on many grounds.³ Even when leaving aside the fact that met expectations can generate a growth of expectations and thus probably to a decline in SWB (the same may also apply, *mutatis mutandis*, to the disappointed expectations), there are many social and psychological factors which can mediate this link. In times of rapid social change an important mediating factor can be the perception of chance that current disappointments will be corrected in the foreseeable future. If those whose expectations have not (yet) been met believe that it will happen with an acceptable delay, their current disappointment may lead to a smaller decline in their level of happiness than those having less trust in the future. Drawing on survey data collected in the previous decade which shows that the majority of citizens in most post-socialist states believe in a foreseeable “brighter future” (Bernik & Malnar, 2008), it can be expected that the differences in the level of happiness across social strata are less pronounced than the inequalities in wealth, power and status generated by the new social order. In other words, it seems that in post-socialist societies happiness is possibly distributed more evenly than more tangible social goods⁴. In this perspective it seems that the fragility of mature socialist regimes was not related only to their inability to meet the vital expectation of the majority of population but also to their inability to generate trust in the population that they would be able to do so in the future.

2. Volatile life satisfaction in transition countries

As indicated, owing to historical circumstances, post socialist countries provide us with a specific opportunity to study the dynamic of SWB in relation to social change. This is particularly interesting because their case seems to contradict prior notions of happiness stability and suggests that large-scale social changes can have a significant influence on happiness levels (Sanfey & Teksoz, 2007). To create our analytical framework for the group of transition countries we are going to draw on the recent studies by Inglehart et al. (Inglehart, Foa, Peterson & Welzel, 2008) based on the World Values Survey (WVS) time series. Their findings were a somewhat surprising departure from previous notions that happiness in a given society remains constant or returns to its ‘baseline value’ after minor fluctuations, with

³ The same applies to claims like this: “Russians can increase their subjective well-being by an increase in their income or a reduction in their expectations with respect to this domain. The last approach is probably the easier way to more satisfaction for most people in Russia” (Saris, 2001).

⁴ The situation may have changed considerably at the end of the last decade when the feelings of a social crisis have set in.

neither individual efforts nor social policy being able to bring lasting changes. These theories, as they point out, were based on data showing that happiness levels in Western democracies remained more or less stable during the second half of the 20th century. The impression was that up to a point, economic factors played a major role in SWB (SWB), with global correlation between life satisfaction and GNP being 0.7 in 64 societies whose income per capita ranges from \$300 to \$30,000 (Inglehart & Klingemann, 2000). Yet when a certain level of affluence is reached, economic growth appeared to stop making a difference. In other words, there seemed to be a threshold at which economic growth ceased to increase SWB to any significant extent. From that point on, a country level of SWB seemed rather stable and more related to cultural than economic factors (see also Easterlin, 1995). The differences between countries seemed to be the relatively stable characteristics of given cultures, as was suggested by 25 years of cross-time measurements where countries ranked very similarly in this respect (Inglehart et al., 1995).

However, more recent evidence based on a longer time series suggests that SWB is a much more dynamic and macro context-sensitive phenomenon than originally assumed. According to WVS, SWB rose in 77% of the countries during the past two decades, implying that there are in fact no fixed cultural determinants to levels of happiness. As Inglehart et al. (2008) observe, recent decades have seen unprecedented economic development in large parts of the world as well as a widespread expansion of political freedom. People in rich democracies have also experienced major changes in social norms; with rising gender equality and growing tolerance towards ‘outside’ groups, the increasing freedom of choice for over half of the population and the creation of a more tolerant social environment. Therefore, what appeared to be fixed cultural determinants was to some extent an artefact of empirical evidence limited to Western societies and their favourable historical circumstances that included economic growth, social liberation and democratization. These changes expanded the freedom of choice which was conducive to rising levels of SWB. However, when world-wide data series became available, the SWB dynamic outside this framework began to transpire.

In the light of the above mentioned findings about greater happiness ‘elasticity’ as was previously assumed, it is interesting to examine SWB trends in post socialist countries which have recently undergone the processes of economic reform, democratization and social liberation. As Inglehart et al. point out, their case too seems to contradict the notion that SWB levels fluctuate around stable set points. It seems now that this notion may be adequate to explain variations in happiness during normal times, such as the prolonged period of prosperity and stable democracy, but cannot account for the sharp decline of life satisfaction that accompanied the collapse of communism. On the contrary, new evidence shows that under extreme conditions a society’s level of happiness and life satisfaction can show enduring changes, and ex-communist countries experienced an unusually strong dynamic of SWB in the two decades when transition took place. Life satisfaction values were relatively high in some 1981 measurements, but by 1990 in most cases SWB had fallen sharply, and subsequently continued to fall (Inglehart et al., 1995).

In their paper on world-wide happiness trends, Inglehart et al. (2008) also address the link between levels of life satisfaction and system legitimacy and point out that falling levels of SWB were a leading indicator of the collapse of former communist systems. Based on this, they conclude that changes in society’s level of well-being are not merely the result of institutional changes but may lead to them, and that society’s level of well-being is intimately related to the legitimacy of the socioeconomic and political system. If the SWB in an entire society falls sharply below its normal baseline, it can destabilize the entire socio-political

order. Conversely, high levels of SWB are conducive to the survival of democratic institutions, they claim.

Because of this intimate link between psychological well-being and trust in the regime's ability to deliver its promises in the future, both the average and strata-specific levels of happiness seem to be good generalised measure of a regime's legitimacy. Accordingly, if the viability of a socialist order was questionable, when the members of the vital social strata felt increasingly unhappy, the legitimacy of the post-socialist order is strongly related to its ability to generate among lower social strata the level of happiness which is not significantly lower than that of the privileged social strata. In this perspective, the inequalities in the distribution of psychological well-being across social strata are more indicative of the regime's legitimacy than the average level of psychological well-being. While Inglehart et al. address aggregate happiness trends, we will use the case of Slovenia to depict social class sub-trends as well, and tackle the issue of social distribution of happiness.

As transition in Slovenia has been characterized neither by extreme economic stagnation nor political instabilities, we expect that our micro-level data will reflect this reality. We therefore hypothesize that the average level of happiness will be higher in the post-socialist times than during socialism, due to relative prosperity and new democratic circumstances. This would indicate that the new regime has been able both to fulfil the basic expectations in regard to material well-being and create the economic and political conditions which facilitated rather higher trust in the future.

In addition to general trends we explore the social distribution of happiness over time, i.e. happiness (trend) broken down into social strata. Assuming that not only the average level of happiness but especially the difference in level of happiness between higher and lower strata can be a good generalised measure of diffuse acceptance of the post-socialist order (the lower the difference, the higher the diffuse acceptance), we will analyse the dynamic of this difference in Slovenia in the last decade. These analyses will be guided by the hypothesis that in times of socialism this distribution was more egalitarian than in post-socialism, as a reflection of low income differences, high social security and fewer individual economic risks. We expect that 1981 data will show only a small difference in the level of happiness across key social strata, while the social distribution of happiness in post-socialist period should show more differences across strata; with higher strata enjoying a higher level of happiness.

Our final aim will be to explore what the main factors are that explain differences in happiness levels in the Slovenian context. In particular, to what extent they are explained by the current state of individual's material well-being - the most notable dividing line between the losers and winners of transition - and on the other hand by the *prospect* of material and general well-being, embodied in an individual's optimistic outlook. Can the level of happiness in economically worse-off social groups be less low than expected based on existent inequalities because of the optimistic outlook? Or in other words, to what extent is the legitimacy of the current political system in economically deprived social groups based on optimistic expectations, rather than actual performance?

3. Data and methods

One of many paradoxes of socialism was that its declared aim was to make people happy, but there were - at least to our knowledge - no systematic research on the levels of happiness.

Slovenia seems to be among the few exceptions. Slovenian Public Opinion surveys⁵ (SPO) have been conducted annually since 1968; quite a rarity in countries of the former socialist block which usually had no established public opinion research instruments in the decades when the regime was still firmly in power (Toš, 1997; Toš, 2009, p. 521). In 1981, SPO included an item on happiness for the first time, which remains the only measurement from the socialist era. After the system change, Slovenia joined the boom in comparative social surveys which has provided ample data on psychological well-being. Unfortunately, measurements of actual life satisfaction do not reach that far back in the SPO, which prevents us from observing this part of the SWB dynamic. As mentioned, life satisfaction is more strongly tied to a society’s economic level and conditions, with economic variables being its main determinants, while happiness is more absolute and affect-laden. Nevertheless, both concepts are highly correlated and SPO data series still provides an opportunity to compare happiness levels within two different social and political systems.

For our individual-level analysis we are going to use three waves of the *Slovenian public opinion survey* and seven waves of the European Social Survey which included equivalent questions on happiness, using representative samples of the adult⁶ Slovenian population: 1982 (N=2049), 1994 (N=1037), 1999 (N=1012), 2002 (N=1447), 2004 (N=1345), 2006 (N=1395), 2008 (N=1242), 2010 (N=1357), 2012 (N=1212) and 2014 (N=1188). The reason we combine the two data series is that the Slovenian Public Opinion dataset goes back further in history, while the ESS waves provide a much denser time series for the last decade and a half, e.g. direct pre- and post-crisis measurements. The combined sequence of waves across time is such that it covers several significant historical periods. The first wave dates back into the socialist era, the second and third wave were carried out in the 1990s when transition-related social stresses reached their peak, the fourth and fifth are from the period of social stabilization and economic prosperity after 2000, while the last two waves were fielded when the global economic downturn that began in 2008 was already under way. In this way we can observe the relationship between happiness and socio-economic position in two political systems, as well as examine whether this relationship is affected by major episodes of social stress and economic crises.

Our key dependant variable is a respondent’s happiness. The question wording was the following: ‘*Taking all things together, how happy would you say you are?*’ The answers were measured on an eleven-point numeric scale (ranging from 0 to 10), with labelled ends (0 ‘very unhappy’ and 10 ‘very happy’). Due to its cross-time incomparability income variable was unsuitable for inclusion, which is why education was used as a proxy measure for socioeconomic position, as is done frequently in similar studies of subjective well-being (E.g. Bambra et al., 2009; Eikemo, Huisman, Bambra & Kunst, 2008).

Although an individual’s socioeconomic position may be more accurately expressed by occupation or income, education lies at the heart of people’s position in society because it is a fundamental determinant of both occupation and income. Education was recoded into two broad categories: lower education, encompassing primary school and vocational school, and higher education, encompassing secondary school or higher. Using more than two categories was not possible. Due to big changes in the educational structure during the observed period the analysis would not meet statistical requirements for all time points in this case (i.e. some

⁵ The survey is housed by the Public opinion research center at the University of Ljubljana and was first fielded in 1968.

⁶ ESS sampling frame includes respondents of fifteen years and above. For the comparability reasons, our analysis includes only adult respondents (eighteen years and above).

categories would be too small). The relationship between happiness and socio-economic position was examined by comparison of means and by Contingency Coefficient, a measure of association whose significance level is based on the chi-square statistics. Logistic regression was used to construct the model of happiness predictors for one of the time points.

4. Results

Chart 1 depicts the overall happiness trend for the adult Slovenian population over a period of 30 years. Somewhat contrary to our expectation that, due to increased freedom of political choice and relative economic prosperity, happiness levels would be higher in the post socialist time, the trend is quite steady. Levels of happiness are relatively high throughout the entire time period, with the aggregate value consistently remaining at the 2/3 of the scale range. This is true for the only measurement carried out in the socialist regime, as well as for the successive measurements in the period of democratic transition.

Nevertheless, even though some of the cross-time differences between years are rather small and mainly remain within the confidence interval there is some moderate-scale dynamic in the overall trend; such as a slight dip in the first half of the 1990s, compared to the ‘socialist’ starting point. A more pronounced and also statistically significant shift is observable in 1999. Until then the mean value hovers around 6.7, then jumps to 6.9 and later on to 7.1 and 7.2.

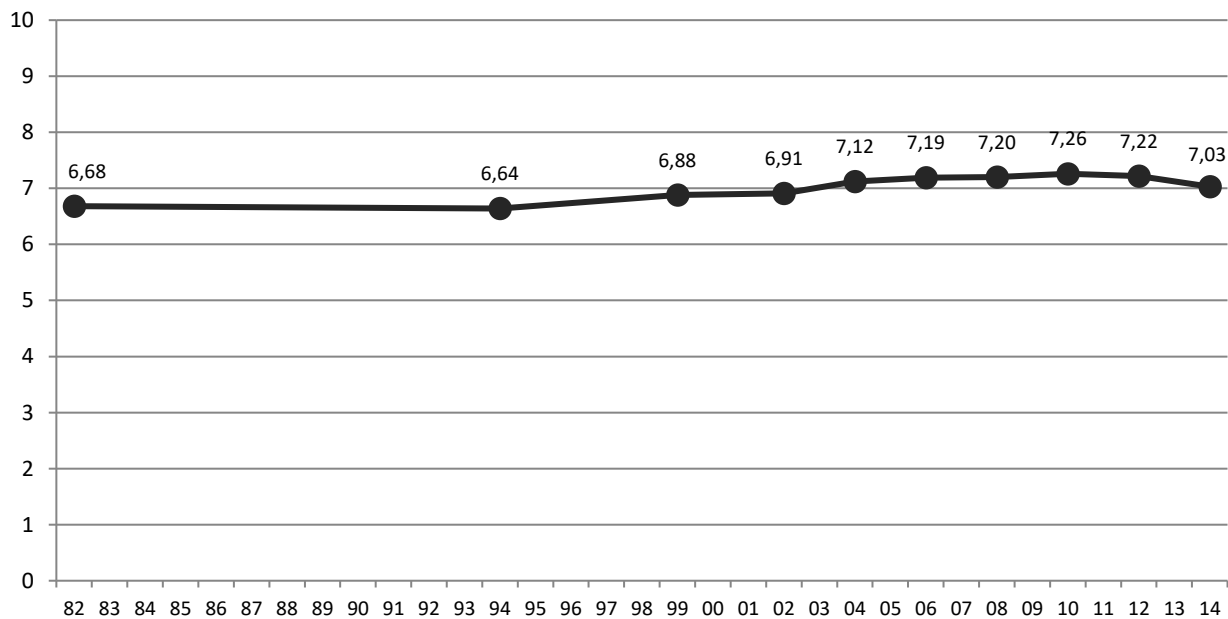


Figure 1: Mean values of happiness for all of respondents

It is unclear to what extent the overall level of happiness tells the whole story, which is why our second research question concerns the social distribution of happiness. Can it be the case that the observed cross-time stability of the aggregate happiness trend masks latent shifts taking place within it? Is the ‘happiness gap’ between different social groups such as less/more educated and less/more wealthy increasing because of their different coping capacities under new social and economic circumstances? We have hypothesized that, due to a different potential for economic achievements and unequal exposure to social risks, a process of internal restructuring of the ‘happiness capital’ could be taking place between ‘winners’ and ‘losers’ of transition.

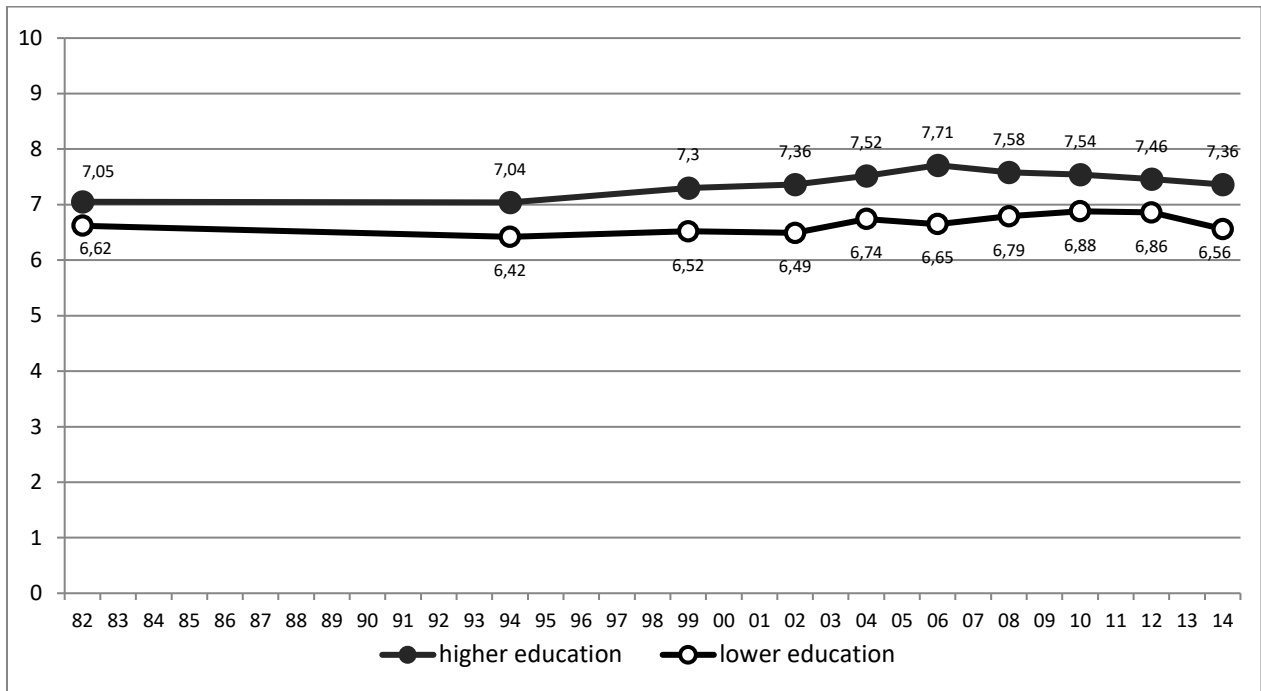


Figure 2: Mean values of happiness for the higher and lower educated respondents

Chart 2 that investigates this issue, clearly shows the existence of different sub-trends in the two educational groups which serve as our proxy for class. While in the upper educational group happiness has grown more or less steadily since the mid-1990s, it remained largely stable in the lower one. At the end point in 2012 the average level of happiness is slightly lower in this group than it was thirty years ago. This confirms our expectation that the moderate rise in overall happiness in Slovenia observed after 1999 was not equally socially distributed, but was mainly a result of a rise in happiness in the economically better-off groups. In fact, during the period of transition the level of happiness in the lower educated group is below the level of 1982 at three time points, even if the difference is not dramatic. The ‘happiness gap’ between both social groups increases with time, most notably in 2006. Later, the gap again narrows slightly.

Chart 3 explores cross-time differences between the two groups on the ‘happy’ end of the scale in more detail, showing percentages of respondents which chose values 8, 9 and 10. Here the gap between the two groups is even more pronounced. In 1982, the happiness gap between both groups was about 10 per cent points and remained so also in 1994. Then it began to grow steadily to around 20 per cent points. Despite the evolutionary character of post-socialist transformations class difference in happiness did not remain equally small and constant. ‘Happiness inequality’ has been on the increase and the assumption that happiness in post-socialist context is distributed more evenly than material goods does not seem to be confirmed.

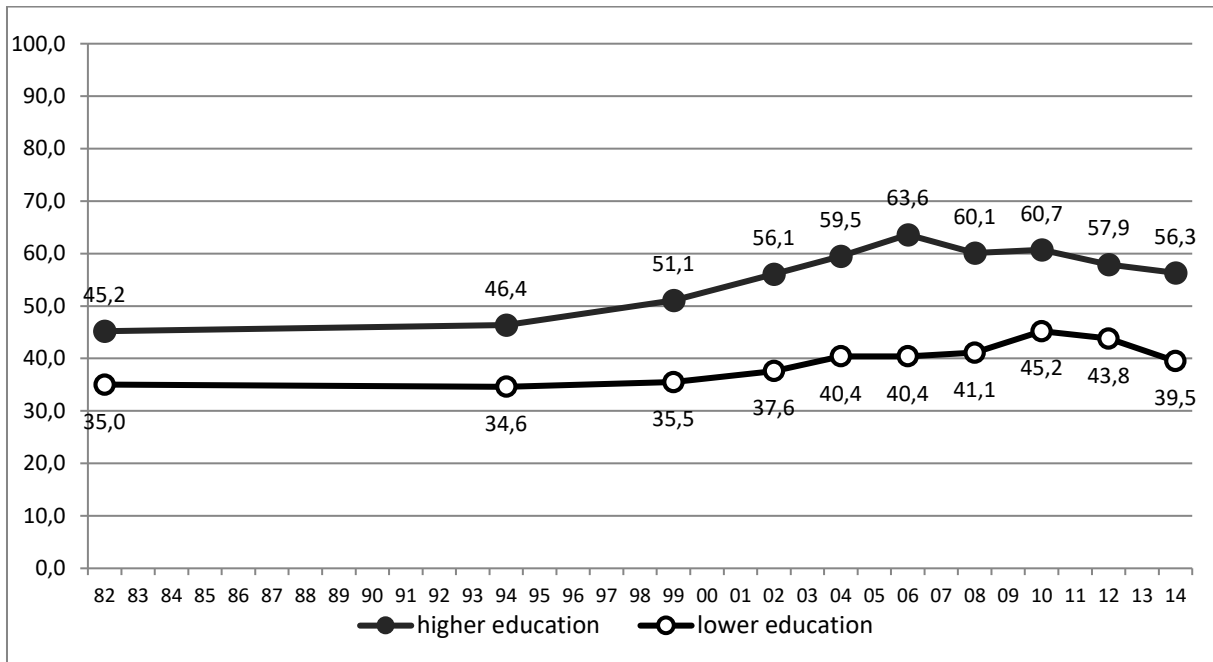


Figure 3: Percentage of higher and lower educated respondents who placed themselves on the top end of the happiness scale (values 8, 9, 10)

The final goal of our empirical analysis was to determine which factors primarily explain the differences in happiness levels in Slovenia; in particular what role does one’s outlook on the future play in comparison with current material standard. To explore this question we used the Slovenian part of European Social Survey 2006 (N= 1395), which included a variety of relevant predictors and most importantly, pessimism-optimism indicators. We believe the measurement in 2006 to be the most interesting to explore as it very clearly exposes the difference between the groups. Again, the level of happiness was measured on an eleven-point numeric scale (0 – 10). The mean value was 7.19. The scale was used dichotomously rather than as a continuous scale to increase the effect of predictors and consisted of two categories: below-average happy (0), and above-average happy (1). Other predictors in the model were the following: *optimism*, recoded into ‘optimists’ (2), ‘moderate optimists’ (1) and ‘others’ (0); *self-assessed health*, recoded into ‘very good’ (2), ‘good’ (1) and ‘other’ (0); *age*, recoded into ‘over 60’ (2), ‘30 to 60’ (1) and ‘under 30’ (0); *religiosity*, dichotomized into ‘religious’ (1) and ‘other’ (0); *partnership*, dichotomized into ‘has a partner’ (1) and ‘other’ (0); *education*, dichotomized into ‘higher education’ (1) and ‘lower education’ (2); *personal income*, dichotomized into ‘below average’ (1) and ‘above average’ (2). The set of predictors is fairly standard and was used in numerous happiness studies (E.g. Bradburn, 1969; Halpern, 2010; Veenhoven, 1996). As indicated, we were primarily interested in the strengths of ‘optimism’ predictor, as opposed to material situation predictor. To measure the strength of predictors we have used logistic regression.

Table 1: The results of binary logistic regression for factors associated with happiness (0 – below average happiness, 1- above average happiness)

Method Enter						
Variables	B	S.E.	Wald	df	Sig.	Exp(B)
optimism (0)*	<i>reference</i>		50.559	2	0.000	
optimism (1)*	1.000	0.161	38.330	1	0.000	2.718
optimism (2)*	1.402	0.226	38.641	1	0.000	4.065
health (0)*	<i>reference</i>		52.691	2	0.000	
health (1)*	0.765	0.147	27.121	1	0.000	2.150
health (2)*	1.632	0.251	42.302	1	0.000	5.116
age (0)	<i>reference</i>		4.252	2	0.119	
age (1)	-0.341	0.197	2.983	1	0.084	0.711
age (2)*	-0.446	0.223	4.010	1	0.045	0.640
religiosity*	0.297	0.135	4.828	1	0.028	1.345
partner	0.284	0.158	3.230	1	0.072	1.329
education*	0.561	0.145	15.005	1	0.000	1.753
income	0.044	0.156	0.081	1	0.776	1.045
constant	-1.549	0.246	39.494	1	0.000	0.212

Nagelkerke $R^2 =$
 0.225
 $Hi^2 = 202$ $df=10$ $sig.=0.000$
 Hosmer and
 Lemeshow
 Hi^2 Test = 7.027 $df=8$ $sig.=0.534$

Legend:

- B: Logistic regression coefficient
- S.E.: Standard error of B
- p*: Significance level
- Exp(B): Odds ratio for value 1 (happiness above average)
- * Significance level: $p < 0.05$

Table 1 summarises the strength of individual predictors and the model as a whole when happiness is the outcome variable. The strength of the model as a whole is fairly good (Nagelkerke $R^2 = 0.225$), and so is goodness of fit. The power of individual predictors is indicated by odds ratios – a coefficient which designates the probability to be classified into the category of the above average happy compared to the reference category. Results show, rather unsurprisingly, that the most powerful predictor of happiness is health. Those who assess their health as ‘very good’ are five and a half times more likely to be happy above average than those in the reference group, i.e. all who did not assess their health as very good. Also, those who assessed their health as ‘good’ are still twice more likely to be happy above average than those in the reference category.) Though health is partly an individual trait, it is in many ways related to wider structures such as social security network, accessibility of public health services and similar. It is therefore relevant for our analysis, but less directly so than indicators of class and material well-being.

The second most powerful predictor is optimism, in particular the ‘optimism 2’ category. These respondents are almost four times more likely to be happy above the average, than the reference group, and partial optimists (‘optimism 1’) are 2.7 times more likely. This seems to corroborate the theory that the *prospect* of wellbeing, embodied in an individual’s optimistic outlook, can raise the level of happiness and, as a consequence, helps sustain the legitimacy of the current political system, partly independently of its current performance.

Among the two social and economic predictors, the strongest is clearly education. Respondents in the higher educated group are almost twice as likely to be happy than average. Education seems to take most of the explanatory power away from income, which does not prove to be a relevant stand-alone predictor for happiness. Borderline relevance is also characteristic of partnership and age, whose effects are relatively weak. The exception is the oldest group (over 60), where the likelihood that their self-assessed happiness will be below average is almost 40% larger than with the reference group. Partnership indicates the presence or absence of social and emotional capital and is expected to affect happiness favourably. However, because it is a constant and not directly dependent on period socio-economic conditions or a political system, it is less interesting for our analysis. Another predictor worth mentioning is religion; there is a 30% likelihood for religious respondents to be more happy than non-religious respondents. Whether this is due to intimate religiosity or the social capital dimension remains unclear.

5. Discussion

Many ex-communist countries have shown much lower levels of SWB than their economic levels would predict, Inglehart et al. (2008) found. They interpret this in the light of traumatic experiences linked with the collapse of communism. The extent to which these experiences were traumatic varied considerably. Poland, Hungary, Slovenia, the Czech Republic and East Germany made relatively smooth transitions and show life satisfaction levels only marginally lower than those found in other EU members; an observation which is consistent with our results. The overall trend shows remarkable stability despite historical changes that have taken place between 1992 and 2014. The small decrease in the first half of the 1990s corresponds to harsher economic conditions during the period of restructuring, but is not very severe and is followed by an upward trend; reflecting favourable elements of the wider social context, such as economic growth, rising personal incomes, falling unemployment, political stability and accession to EU. In the years after 1999 there was a moderate overall increase of happiness, peaking in 2010. In 2014, a noticeable decline is evident; possibly a delayed effect of the crisis. Broadly speaking, the economic crisis did not result in dramatic deviations in the overall perceptions of the SWB, as confirmed by some related analyses (Kurdija & Korošec, 2016). This does not mean, however, that the crisis did not create differences in the perception of the SWB within specific social categories.

Like Inglehart et al. observe, the likely explanation is the relatively mild nature of Slovenian transition. Class inequalities did not dramatically increase (Luthar & Kurdija, 2011) and the process of social dialogue and collective bargaining in Slovenia during the 1990s was ongoing (Stanojević & Klarič, 2013). In addition, a host of statistical indicators corroborates that in terms of living standard the process of transition to a market regime went rather smoothly and that there were no sudden and dramatic increases in social inequalities. The Gini coefficient grew from 21.5 in 1987 to around 26 in the middle of 1990s (Urad za makroekonomske analize in razvoj [UMAR], 2010, p. 155; UMAR, 2006, p. 133) then began to decline, and the pre-crisis 2008 levels fluctuated around 23. This ranks Slovenia among European countries

with lowest incomes inequalities. HDI (Human Development Index) also tells a story of an improved quality of life over the 20 years, rising from 0,823 in 1992, to 0,929 in 2008 (UMAR, 2009, p. 12; UMAR, 2010, p. 151), which put Slovenia in 29th place among 182 countries. On the other hand, in comparison with the period of socialism, there was a significant increase in the number of unemployed in the past two decades, and the living standard of a large number of retired people is decreasing. Their real income has declined continuously since 1987 when the average old-age pension amounted to 84% of the average wage, while in 2010 it was only is 65%.

The Slovenian public opinion survey and European Social survey also projects the picture of growing living standard during this period. The proportion of those who said that they lacked nothing, or only luxury goods was 52% in 1983, in 1991 it fell to 35% , in 2000 it rose to 57% and in 2009 to 68% (UMAR, 2006, p.49). Subjective indicators of household material situation thus worsened in the first half of the 1990s, which was followed by fifteen years of improving living conditions; also shown by macro statistics. In international comparisons of subjective living standard, Slovenia was, along with Estonia, the most prosperous Eastern European country and was located in the upper half of European countries in general (UMAR, 2009, p. 40). Even in 2010 when economic recession was already under way, 87.4% of respondents reported ‘living comfortably’ or ‘coping’ with their present income, and a similar percentage responded in 2012. According to these numbers, recession in Slovenia has not yet radically decreased the standard of living, which probably explains the relative stability of happiness trends even in the most recent period. In addition, other indicators of subjective well-being, such as self-assessed health, also show favourable trends during the twenty-year transition period, but sometimes mask growing differences between social groups (Ule & Kurdija, 2013; Farkaš-Lainščak, Pahor & Zaletel-Kragelj, 2011).

Part of the explanation is also historical. Slovenia, as one of the republics in former Yugoslavia, was not a typical ‘iron curtain’ country. Its political regime was comparatively liberal, allowing for more political and citizen freedoms (e.g. free travel abroad). The economy too was not strictly state-controlled, but included pockets of private industry. Personal well-being and living standards were significantly higher than in most other communist societies. As a consequence, the experience of transition between the two systems in Slovenia was less harsh than in many other East European countries.

On the other hand, our time series did capture a gradual underlying process of differentiation at the level of class specific happiness trends. The class gap grew steadily over the twenty-year long period; which seems to support the theory that the overall level of happiness may disguise contradictory sub-trends. We may assume that during the transition inequalities in SWB have been increasing as a consequence of new social and economic pressures and risks, as well as the accumulation of advantages and disadvantages in a more competitive social and economic environment. During the period of economic recession, which began to affect Slovenia in year 2009, the gap has shown a peculiar dynamic. We would expect it to grow even further, but the distance between the two social classes was in fact slightly reduced during the worst period of the crisis. A more detailed insight into how the crisis was handled by the national government reveals that the observed phenomenon is in fact a logical consequence of the type of austerity measures taken. Namely, the measures did not so much affect the most vulnerable social groups as they did the middle class. On one hand, this is illustrated by the figures from several international institutions (Vacas-Soriano, 2017; International Labor organisation [ILO], 2016; World Economic Forum, 2017; Kirkup, 2010) that monitor living conditions and labour market across a range of countries. On the other, the

analysis of specific austerity measures in Slovenia (e.g. Law on Balancing Public Finance - ZUJF) would reveal that these were primarily designed to target the middle classes. Moreover, even with the recent recovery of economic growth and the cessation of the ZUJF law, some of its elements remain in place and they are precisely those that affect primarily the middle class.

The problem transition brought along was that nominally the scope of economic and political free choice increased, but the utility of these choices diminished greatly and rendered them ‘empty’. When people lack resources to fulfil their basic needs, the utility of freedom is relatively low. In transition countries the scope of free choice declined for many groups (or losers of transition) in the first decade and was replaced by new ‘traumatic’ economic insecurities, which increased the number of economic risks and generally diminished individuals’ control over a vital aspect of their lives. As we hypothesized, it is not only the average level of happiness, but especially the difference in the level of happiness between higher and lower strata that can be a good generalised measure of the diffuse acceptance of the post-socialist order. The fact that apart from health, optimism is the strongest predictor of happiness suggests that an optimistic outlook does have the potential to substitute for the current lack of material satisfaction. This could partly explain the absence of any dramatic dip in happiness among the lower educated in the 1990s, despite them being the losers in the transition.

In addition, the effect of ‘optimistic outlook’ seems to be affected by the wider normative and cultural dimension. As noted by Inglehart et al. (2008), the political and social liberation in most ex-communist countries was accompanied by economic collapse that lasted for about a decade. As we speculated, happiness can be mediated through *possibilities for future economic and political choice*. However, it seems that in particular in the first decade after the transition, and possibly longer, many post socialist countries lacked such a ‘positive’ normative framework that would buffer these stresses by providing a sense of higher purpose. At least in the case of Slovenia, traditional religious attitudes failed to fill its vacant place, as demonstrated by a recent study that finds atheists to be happier than religious people (Smrke & Uhan, 2012).

It is therefore not so surprising, that ex-communist societies show lower levels of SWB than predicted by economic levels, which is lower than many third-world countries. Though the level of development is similar in Latin America and ex-communist countries, people in the former are three to four times more likely to have high levels of SWB (Inglehart et al., 2008). This difference can be attributed precisely to the differences to the presence or absence of a normative framework ‘conductive’ of happiness. They suggest that some types of societies are more conducive to higher levels of SWB than others, quite apart from economic factors. As mentioned, the typical case is Latin America where traditional beliefs in God and national pride remain strong; which may explain the striking contrast in SWB levels between Latin America and ex-communist societies. In Latin America, the link between material wellbeing and life satisfaction is much weaker or less direct, because it is mediated through a religious ideological framework. Socialist ideology might have played a similar role during mature socialism by delaying wellbeing-related expectations for the future, but it has lost its mass appeal during the last decade.

Another interesting fact demonstrated by the World Values Survey based analysis of Inglehart et al. (1995) is that communist rule in itself is not necessarily linked with low levels of SWB, as long as the prospect of ‘brighter future’ is there. Similarly, democratic institutions in

themselves do not necessarily make people happy if social and economic risks increase. Post-communist countries experienced declining SWB during the 1990s despite democratization, and China, which moved towards a market economy without liberalizing its political system, shows a higher level of SWB than formerly communist states. China's remarkable economic growth since 1978 has offset its continued lack of political democracy.

Another study of 10 transition countries suggests that successful transitions took place in relatively favourable economic circumstances (Fink-Hafner & Hafner-Fink, 2009). Happiness is therefore not easily linked to any form of political and economic system, but is quite consistently linked with individual wellbeing and prosperity, irrespective, to some extent, of the political system.

Conclusion

From our discussion follows that it is not so much the level of material wellbeing as such, but the collapse of belief in the existing political framework and the prospect of future insecurities that is likely to depresses happiness levels. We believe there was an intimate link between psychological well-being and trust in the regime's ability to deliver its promises. Our goal was to explain the sometimes puzzling trajectory of the SWB in post-socialist countries and unravel the role happiness played in the decline of socialism. This can be applied to the democratic system as well.

So what are the implications for the crisis-stricken European countries, and the legitimacy of democratic institutions? If happiness is an indicator of system legitimacy and if an individual's present welfare and future prospects are the key to it, then the support for the democratic institutions in Slovenia may erode. One of the biggest challenges of the current recession is the breakdown of trust in institutions - from national parliament to the Catholic church (Smrke, 2013), which is also reflected in declining political participation and growing political alienation among the Slovenian public (Hafner-Fink, 2012). As indicated, the link between regime economic performance and SWB is not necessarily direct, so the economic downturn in itself would not necessarily bring along lower happiness levels. This did not happen to any significant extent in the early 1990s, when the belief in new democratic institutions was still fresh and strong and there was widespread expectation of a better future. In contrast to this period, Slovenia has been experiencing a significant drop of trust in the political, economic and legal systems which are areas closely associated with a societal 'optimistic outlook'.

It will be interesting to see to what extent future happiness levels will be affected by the recent period of economic crisis and the erosion of trust it has brought. Unlike life satisfaction, happiness is less directly linked to the dimension of material well-being, so at least for a while it may remain high, independent of the macro-economic circumstances. However, if the aftermath of the recession and the austerity measures still in place will begin to adversely affect individual and household wellbeing and prosperity of the middle classes, and according to survey data this did not yet happen widely in Slovenia in 2014, happiness levels are bound to settle into a downward trend and the legitimacy of the democratic system will suffer.

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