

Perception of Euro in Poland – Economic and Psychological Factors

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Abstract

Purpose: Diagnosis of the opportunities and threats associated with the introduction of the euro in Poland was the main focus of this study. The research had two main objectives: exploratory and operational. The exploratory objective was to capture the structure of convictions affecting Poles' attitudes toward the introduction of the euro. The operational objective was to verify which of those convictions have the most influence on the lack of support for the introduction of the euro.

Methodology: The research was conducted with a national random sample (n=509) of Polish citizens. The CAPI/CASI face-to-face questionnaire was used.

Findings: There exists a multi-level structure of attitudes towards the euro. The attitude toward the introduction of the euro is explained by attitudes toward the euro and the Polish zloty, perceived gains and losses from introduction of the euro and life attitudes. One cannot force another individual to support the introduction of the euro. However, one can act upon the convictions of the nation, which has a major impact on raising euro acceptance. The most impact is from strengthening of national beliefs, which strongly and positively affect the level of euro acceptance, whereas any reduction lowers the acceptance of the introduction of a new currency.

Limitations: As any other social phenomena, money perception is very dynamic and dependent on current political and social issues. Therefore, despite the fact that the model seems to define the factors and their influence on euro perception very accurately, it is essential that every time it is applied, the current state of mind of the society is measured. Furthermore, additional research should be conducted for groups deviating from the average results for the society.

Originality: The practical aspect of this research is the opportunity to point out convictions, which need to be modified to increase euro acceptance.

Keywords: currency changeover, euro, path analysis

JEL: D10, D12, D14, E60, E65

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| Introduction

Euro changeover in Poland will be as difficult, or perhaps as easy, as it was in other European Union (EU) countries that underwent the same change. However, Poland has the advantage of past experiences of those countries and if used wisely, this information can help prevent some problems. Yates and Aronson (1983) suggested that certain situational factors can override the formal logical properties of a situation and cause people to endorse preferences that are not economically rational. Therefore, it is important to consider psychological aspects of transition to the euro as it can have a very strong impact on the rational perception of economic benefits of such a transition.

As in cases of other currencies and other countries, the perception of the euro in Poland is determined by two fundamental factors: psychological, and economic. This study analyzed the future transition to the euro in Poland from those two perspectives. Needless to say, there are many economic analyses of euro implementation in European countries. However, it is essential to point out that money is not only an economic medium of exchange but also activates psychological mechanisms that should not be underestimated.

As some researchers suggested (Muller-Peters (1998), Pepermans and Verleye (1998)), perception of the euro is also influenced by patriotism. Although those two projects provide a detailed picture of patriotism in several European countries and the way it influenced perception of the euro in those countries, Poland was not included in those analyses.

One psychological aspect discussed by Burgoyne et al. (1999) was the symbolic meaning of money. Money has many different meanings attached to it, for example, national and political identities. A coin has not only an economic nominal symbol associated with it but also has a patriotic symbol or a symbol of national sovereignty (e.g. an eagle on the Polish zloty, the Queen on the British pound). Money creates a sense of belonging to a country, which can be problematic in the case of the EU as it does not have a separate identity as a state. Additionally, money has an emotional meaning. The source of money may affect who can use it and for what purposes, even against economic rationality. For example, a child's pocket money can be used by the child for sweets but typically not by the parents to pay off their credit card debt. It is therefore important that users identify themselves with the euro as the new currency and positively associate it with the old currency (e.g. dual labeling) even before it is launched.

A more economic aspect to be considered when addressing the issues of the euro transition is money as a frame of reference. Research on people who lived abroad and were faced with a new currency found that they experienced problems assessing the value for money. They were not able to assess whether or not a given price is fair for a good. Often they thought they were being exploited and became distrustful. This is also supported by evidence from Gallup surveys from as early as 2002 that showed that Eurozone customers believed they were taken advantage of by

the introduction of the euro. This problem has been dealt with in some countries by the introduction of euro calculators, which enabled calculation of the price in the old currency, or the duality of prices, fostering price transparency.

Euro Attitudes

The concept of social representations and their value when considering the euro were discussed by Katja Meier-Pesti and Erich Kirchler (1998). They claimed that social representations are essential in understanding the underlying motives for liking or disliking the euro. Social representations are thoughts, feelings and ideas about a subject of social interest and are the means for understanding social reality. In the absence of knowledge or information about a social subject, the experience is shaped by social contacts such as friends, family or mass media. The information gained determines the attitudes towards the object. If one doesn't have an opinion about the euro, one will use information produced by his/her social environment; i.e., if the family responds negatively to the euro, one's attitude will also be negative. The structure of social representations consists of central elements, which are stable and shared by most group members; and peripheral elements, which surround the core and are shared by only parts of the group. The peripherals are less stable than the core and are therefore subject to change as new information emerges.

| Experiences of other countries – lessons for Poland

An important aspect of the transition to the euro is the experience Poland can draw from other EU member states that have undergone the transition in 2002, or in the case of Slovenia, 2007. Besides using the economic performance as a guide to what will happen in Poland after the euro is introduced, the government could benchmark information programs and thus assist a smooth transition in Poland.

Psychological Factors Influencing Perception of Euro

A retrospective interview conducted by Ranyard et al. (2005) provided very interesting insight into how Irish consumers perceived the euro before and after the transition and what difficulties they experienced in the first days of introduction of the new currency. They analyzed the hopes and fears shared by Irish society before the euro was implemented in that country. The authors found that most people reported being in favor of the euro before it was introduced. The participants felt the euro would ease traveling and be advantageous for business and commerce. The price transparency between European countries was hoped to cause a decrease in prices of some goods that seemed too high in Ireland. Interestingly, the Irish perceived the euro as the opportunity to demonstrate their independence from the Pound Sterling, thus creating a positive

patriotic image for the new currency. The concept of cultural and European integration was perceived as positive by the interviewees.

However, the interviewees also experienced some fears concerning the euro, mainly confusion and fear of being cheated. Relatively few respondents mentioned that losing the punt (Irish pound) would mean losing their national identity. This might be partly due to the punt being a relatively new currency and very similar to the English pound. This positive attitude towards the euro might explain an above-average fondness for the euro in September 2002, nine months after its introduction. Flash Eurobarometers (ad hoc thematic telephone interviews) from that period found that 77% of Irish people were very or quite happy with the adoption of the euro and only 5% were very or quite unhappy about it. This compared with 53% and 10% respectively in the 12 Economic and Monetary Union (EMU) members altogether.

An important finding of this research was that people did not try to prepare themselves for the introduction of the new currency. Most participants mentioned that they only relied on the information provided to them by government bodies and would probably not have been informed at all if leaflets etc. were not distributed.

When it came to the number of euro supporters before the currency implementation, similar results were observed in Germany. The number of euro supporters increased to 60% a couple of months before the introduction day. During the same time, it was found that Germans were the most knowledgeable about the euro (out of 12 EMU members). This feeling of confidence and education among German citizens might explain the increase in support for the new currency. However, a report from December 2000 (Eurobarometer 54, 2001) suggested that the euro was regarded rather negatively with 47% supporters and 44% opponents. This result put Germany in the second rank (after Finland) of 12 EMU members who were the least keen on the euro.

To explain those contradictory findings, it's been suggested that although Germans do not feel overtly patriotic, they are proud of the "economic miracle" (an economic boom after WWII) strongly associated with the Deutsch mark (DM). Research suggests that German citizens considered the old currency to be a sign of economic wealth and stability as well as a sign of something that positively distinguishes Germany from other countries. On the other hand, the new currency seemed to endanger growth and introduce risk to the economy.

Economic Factors Influencing Euro Perception

The research by van Raaij (2003) showed how perception of the euro might be influenced by economic factors resulting from the currency implementation. The Netherlands is an interesting case of a EMU member mainly due to the exchange rate of the Dutch guilder to the euro. It meant that prices were considered to be lower in euros than they were in guilders. The exchange rate was 2.2 guilders to 1 euro; therefore, prices seemed more than two times cheaper than before.

Dutch participants were asked what would be the maximum price they would pay for toothpaste. When the answer was in guilders, the maximum price was 3.08 (i.e. €1.40); when answered in euros, the maximum price was 1.43 (i.e. 3.16 guilders). The difference shows that euro prices seemed lower to the participants. Although this might at first sight seem like a positive effect, it results in customers spending more of their budget when shopping. In effect, they consider the prices as much higher than before since their budget lasted a shorter period of time.

The research also found that due to the exchange rate having a decimal place, the conversion procedure from guilders to the euro might not have been accurate, thus causing customers to think the prices were cheaper than they actually are. To transfer prices from guilders to euros, consumers divided the price by two and subtracted 10%. However in practice, many of them forgot the 10% subtraction (or addition in the case of euros to guilders calculation). This calculation was easier and led to fewer mistakes, for example in Germany, where the exchange was exactly 2 DM to 1 EUR.

The research by Ranyard et al. (2005) provided further evidence that double pricing as well as the exchange rate causes problems for the society, particularly at the very beginning when the new currency is implemented. Many participants in this research found it difficult to deal with two currencies at the same time and had problems with the physical exchange of the new currency (queues in banks and at ATMs). Consumers found it essential to compare euro prices with the old currency but found it easier thanks to dual labeling. Furthermore, this rarely took place for a period longer than a few weeks. The respondents mentioned the usefulness of euro calculators (simple tools that enabled consumers to compare prices in both currencies). The research also discovered that the learning process was still ongoing, which gives a clue to how long and complex it is.

| Multi-dimensional approach to euro perception

Perception of the euro can also be analyzed through its correlation with phenomena that are typically not considered to be part of the psychology of money (i.e. patriotism and nationalism that are commonly understood to be in the scope of political science or sociology). Nevertheless, there is research available that tackles the issue of euro perception by analyzing its correlation with those phenomena.

One of the biggest and most influential studies conducted on the relationship between patriotism, nationalism and their effect on the acceptance of euro was a Europe-wide study by Anke Muller-Peters (1998). The study was conducted in the EU-15 states: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Muller-Peters (1998) found that the EU-15 countries could be divided into three groups based on the results obtained from the study.

The first group consisted of Belgium, Denmark, Finland, Greece, Ireland, Italy, the Netherlands, Portugal, Spain and Sweden; this group represents most of the sampled countries. In this first group, the hypothesized correlations were observed: nationalism correlated negatively with euro acceptance, European patriotism correlated positively with euro acceptance and national patriotism scarcely correlated with the attitude toward the euro. This was to be expected since the feelings of nationalism are threatened by the loss of one's own currency, whereas European patriotism embraces that which strengthens a unified Europe. On the other hand, national patriotism concentrates on the well-being of the country, disregarding any outside influence; therefore, the attitude toward the euro had no effect on it and vice versa.

In the second group of countries consisting of Austria, France, Germany and Luxembourg, the analysis showed that national and European patriotism were connected. It might be that national patriotism was manifested in a strong attachment to the EU. This could happen particularly in a situation when a country perceived the EU to provide well-defined benefits to that country, or the EU was a part of its long history (France, Luxembourg and West Germany established what later became the EU). Therefore in this group, both national and European patriotism as a mixed dimension correlated positively with acceptance of the euro. Interestingly, this correlation was almost as high as the correlation of purely European patriotism and acceptance of the euro in the first group of countries. The nationalism was, as hypothesized, negatively correlated with acceptance of the euro.

The third group consisted of only one country, the United Kingdom. Only two dimensions were identified: national patriotism and anti-European nationalism. Interestingly, both are correlated negatively with acceptance of the euro. It might be, and indeed the analysis seems to suggest, that national patriotism in the UK has a nationalistic element to it. This result explained the strong opposition of Britons toward the euro and helped explain why Britain's situation is so different from countries in groups one and two. It seems that the euro will be rejected in the UK no matter how the national image is framed. This was further supported by the study that Gabel and Hix (2005) conducted in Britain.

Nationalism was identified by Muller-Peters (1998) as negative emotions directed at other countries than one's own and seemed to be the most significant reason for British opposition to the euro (Muller-Peters 1998). Research performed by Gabel & Hix (2005) in Britain used Eurobarometer (EB 53) surveys and British Election Studies (BES) to explore whether national pride and national identity have an effect on support toward the euro. The research assigned variables of national pride and national identity to some of the questions in EB and BES and tested hypotheses by estimating a series of heteroskedastic probit models. The research did not find support for the claim that pride in being British suppresses support for the euro. On the other hand, British identity proved to generate a weaker support for the euro than European identity.

The research by Muller-Peters (1998) also provided support for the idea that the euro threatens one of the national symbols, i.e., the national currency. In 14 countries, it was found that the more proud

countries felt about their own currency, the less supportive they were of the euro. Furthermore, the results differ with regard to cultural-historical pride (pride in the past achievements and traditions of a country) and economic-political pride (pride in the country's institutions and its economic prowess). It seems that economic-political pride affects the liking of the euro more than cultural-historical pride. This might be because the accession to EMU and the introduction of the euro results in a transfer of some of the economic decision-making power to supranational EU institutions.

Although no similar study has been conducted in Poland, this topic attracts a lot of attention so it can be expected that full-scale studies will be conducted in the near future. A smaller scale study, conducted by Cichocka (2008) on a small Internet convenience sample, showed that Poland would belong to the first group as classified by Muller-Peters (1998). The research of Cichocka showed that European patriotism was positively correlated with the attitude toward the euro and that blind patriotism (Staub 1997, in Radkiewicz n.d.) was negatively correlated.

Similarly to the Muller-Peters (1998) first group, constructive patriotism (Staub 1997 in Radkiewicz n.d.) had no effect on perception of the euro. Further explanation of this issue may come from another multi-national study by Pepermans and Verleye (1998). In this study the EU-15 countries were analyzed in terms of a number of different psychological concepts and their effects on attitudes toward the euro. The authors used multidimensional scaling (MDS) and produced a map that allowed for the division of countries into groups. Three dimensions were identified: national economic pride and satisfaction, self-confident open-mindedness and progressive non-nationalistic (Pepermans & Verleye 1998). Five regional nation groups and two individual countries were brought forward as a result of the analysis:

- Northern-Central region: Germany and the Netherlands;
- Pseudo-Scandinavian region: Austria, Denmark, Finland and Sweden;
- Central region: Belgium, France and Luxembourg;
- Latin-South region: Italy and Spain;
- Deep-South region: Greece and Portugal;
- The United Kingdom;
- Ireland.

Generally, the attitude toward the euro was positive in the Central, Latin-South and Deep-South regions and in Ireland, and it was negative in the Northern-Central region and the UK. The Pseudo-Scandinavian region was divided, although the average score for the region showed a negative attitude.

The analysis of study results showed that nationalism influenced attitudes toward the euro negatively across all groups, with the most pronounced negative influence of nationalism observed in the UK. European patriotism as a psychological construct yielded quite opposite results; in all groups, it positively influenced attitudes toward the euro, with the greatest effect being observed

in the UK. This is different to what was found in Muller-Peters (1998), which did not identify European patriotism within this country. On the other hand, Pepermans and Verleye (1998) supported the finding that pride in national currency can be translated into a more negative attitude toward the euro. Furthermore, their analysis showed that out of all psychological constructs tested, those countries that were proud of their economic and political achievements had a more negative attitude toward the euro than those which were proud of their culture and history.

This is in accordance with social identity theory since introduction of the euro and the economic changes associated with it do not threaten culture and history but they do result in less economic and political control of the currency. This might provide some insight into what might happen in Poland. If one considers only pride in culture and history vs. pride in economy and politics, one could assume that Poles would rate higher on the first type of pride. Therefore, Poland would be more likely to have a positive attitude toward the euro.

The knowledge that comes from studying nationalism and patriotism with respect to the euro can prove very insightful, especially when research concerning Poland in particular is so limited and fragmented. As mentioned before, the Polish studies will increase in number as the interest in the topic increases.

| Research on euro perception in Poland

The research concerning Poland and measures of patriotism in relation to the euro is scarce. However, some international studies provide some insight into patriotism and nationalism in Poland from the European perspective.

One of these is the National Social Survey Programme 1995 (in Radkiewicz n.d.), which included 25 countries, some of which were EU-10 countries, e.g. Hungary, Latvia, Bulgaria, Slovenia and Poland. The study found that on average the more proud the country is of its institutions (institutional pride (Radkiewicz, n.d.)), the less xenophobic it is. However, Poles were found to have a negative institutional pride in their country, yet the xenophobic dimension was close to zero. Poland was found to be less xenophobic than other countries in the Eastern bloc, e.g., Bulgaria, Czech Republic, Hungary, Latvia, Russia, Slovakia and Slovenia but more so than some EU-15 countries: Austria, Germany, Great Britain, Ireland, Norway, the Netherlands, Spain and Sweden.

A relationship was also found to exist between national pride and nationalism. National pride, i.e., pride in country's culture and history that is more basic than institutional pride, was found to generally exist in tandem with nationalism. Poland seems to be an exception to this since its national pride score was second to lowest among participating countries, yet its nationalism score was third highest. A comparative study of Poland between 1995 and 2002 (Radkiewicz n.d.) showed that Poland is becoming less xenophobic and more tolerant toward others. Both scores

for xenophobia and nationalism decreased between 1995 and 2002 and citizens' individual opinions are less guided by the Catholic Church membership. One might therefore assume that the acceptance of the euro today would be higher than it would have been in previous years.

Przybyszewski (2007) conducted a study to measure the effects of gains and losses by entrepreneurs on their attitudes toward the euro. Since attitudes are formed by emotions as well as by reasonable judgments, research also included nationalism measures. The convenience sample used in this study included entrepreneurs and hired laborers and the participants were asked various questions. These included how they liked the euro and what they thought about its physical appearance when compared to the Polish złoty (PLN); how they perceived the threat of losing a national symbol; and what gains and losses were likely to result from introduction of the euro. Przybyszewski found that what he called monetary nationalism affected the perception of the gains in a negative way and the perception of losses in a positive way. This means that a person with a higher level of monetary nationalism understated the gains and exaggerated the losses associated with introduction of the euro. It might be argued that Poles in this study wanted to see the worst in the euro.

Another finding by Przybyszewski (2007) was that for the entire sample, monetary nationalism played a less important role on attitudes toward the euro than the likelihood of gains did. This implies that participants were willing to put their feelings about the currency and their nation aside if this gave them a prospect of higher gains. It suggests that although humans may react emotionally to stimuli, they have the advantage of being capable of processing a conscious and reflective thought.

Furthermore, Przybyszewski (2007) found that attitudes toward the euro were slightly more dependent on monetary nationalism in the entrepreneurial group than in the hired workers group. This might be associated with a more personal and emotional involvement entrepreneurs have with their own companies and the money they make. However, this appealing finding showed that although nationalism plays some role in the perception of gains and losses associated with introducing the euro in Poland, the most important was the actual gains. This might suggest that Poles are ready to give up their national symbol if they consider gains to be large enough and they are encouraged to think about the euro in terms of those gains.

These aspects seem to gain importance when considered together, especially in the context of Poland, a country that is about to make the decision on implementing the euro. An empirical study was set up to explore the significance of the theoretical foundation in Poland.

Empirical Study

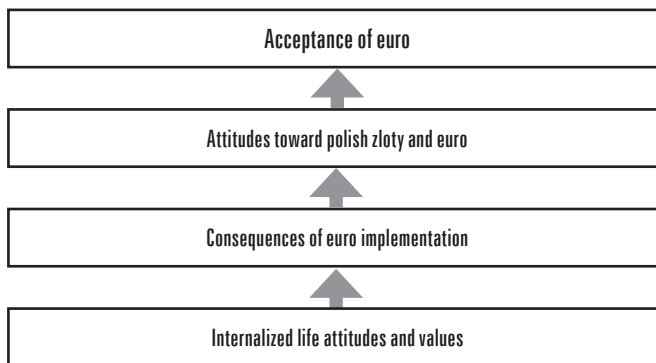
Aims and Scope

The research had two main objectives: exploratory and operational.

The exploratory objective was to capture the structure of convictions affecting Poles' attitudes toward introduction of the euro on a representative sample. The operational objective on the other hand was to verify which of those convictions had the most influence on the lack of support for introduction of the euro.

The assumption of the model was that there exists a tier-based structure of convictions. On the top level, an attitude toward introduction of the euro was placed. A lower level was represented by attitudes toward the euro and Polish zloty. One level below that was the level of perceived gains and losses. On the primary level was internalized life attitudes. The complete model is depicted in Figure 1.

Figure 1 | Tier-based structure of convictions towards euro



Source: own elaboration.

The convictions of individuals regarding the legitimacy of introducing the euro are a resultant force of an earlier and complex cognitive process. One cannot force another individual to support introduction of the euro. However, one can act upon the convictions of the nation, which have a major impact on raising acceptance for the euro. The most impact will be in strengthening national beliefs, which strongly and positively affect the level of euro acceptance, and a reduction of those that lower the acceptance of introducing a new currency.

At the base of the nation's level of euro acceptance lie internalized life attitudes. The shift in such life attitudes, for example in "nationalism," can prove to be very difficult since the convictions that build these attitudes are typically deeply rooted in one's psyche.

The consequences of euro introduction represent this level of the model, which *de facto* refers to the nation's expected gains and losses that can occur due to euro introduction. The increasing national awareness of the positive consequences of euro introduction will result in strengthening the more positive attitudes toward the euro and thus will lead to a higher acceptance of the euro as a Polish national currency.

This model was empirically tested to verify its propriety and the strength of influence of different predictors on acceptance of the euro.

Method and Participants

The analysis of prior research allowed isolating a few categories of factors, which can have an effect on the attitude toward introduction of the euro. These include:

- Economic factors – perceived gains and losses;
- Money patriotism – the habit of having/using Polish zloty;
- Opinion about the euro and the Polish zloty as currencies;
- Patriotism in all of its forms (open, closed, xenophobia);
- Attitudes toward political transformation;
- Social confidence (social capital).

The research was conducted on a national random sample (n=509) of Polish citizens. The CAPI/CASI in-home face-to-face questionnaire was used.

Variables and Measurement

For the benefit of this research, a number of pilot sets of questionnaires were prepared and tested on the pride of political transformation, attitudes toward the euro and the Polish zloty and patriotism. A modification was made to a previously used questionnaire on the gains and losses of euro introduction. All questionnaires were subject to factor analysis that separated aggregated variables for path analysis. The following paragraphs will present the aggregated variables and their factor loading tables (only up to the 3 largest are shown). These tables will show which questions from the questionnaires form the aggregated variable (their wording constitutes a definition of this variable). The size of factor loading constitutes the measure of correlation between the item and the aggregated variable.

Measurement of variables – level of fundamental attitudes to life

Patriotism

To measure patriotism, the author's own scale was used. After factor analysis application, four types of patriotism were identified:

- Critical (anti-Polish);
- Intellectual patriotism;
- Nationalism;
- Personalized national pride.

Factor analysis (principal component analysis, Varimax rotation) showed the existence of 4 factors. In Table 1, up to 3 factors for each type of patriotism with the highest loadings are shown.

Table 1 | Factor loading table for 'Patriotism' scale

	Critical patriotism	Intellectual patriotism	Nationalism	Personalised national pride
I try to make Poland a better place.		0,61		
My country is the highest value for me.		0,61		
I am interested in Polish economy and politics because the future of the country is important to me.		0,74		
Polish people differ from the rest of Europe with their extraordinary intelligence.				0,74
Polish people are more entrepreneurial than other nations of the EU.				0,65
I feel no obligation toward Poland.	0,66			
I think that Polish people have no reason to feel pride of their country.	0,78			
Poles are responsible for displacement from Polish grounds.	0,65			
The government in Poland should only be made of persons of Polish descent.			0,79	
Poland for Poles.			0,63	
Poland should be protected from the negative influence of other countries.			0,50	

Pride of political transformation

To measure the attitudes toward political transformation, the author's own scale was used. After factor analysis application, 5 factors were identified. It was decided to name the factors in the following way:

- Adaptation of Western culture;
- Regaining independence;
- Self-governance;
- Cross-national activity;
- Civil freedom.

Factor analysis (principal component analysis, Varimax rotation) showed the existence of 5 factors. Table 2 shows up to 3 factors that proved to have the highest loadings.

Table 2 | Factor loading table for 'Pride of political transformation' scale

	Adaptation of Western culture	Regaining independence	Self-governance	Cross-national activity	Civil freedom
We can be proud of the fact that we kept our culture and tradition.		0,71			
We can be proud that we separated from Soviet bloc.		0,67			
We can be proud that we can celebrate Polish national holidays.		0,68			
We can be proud that we have opened ourselves to Western culture.	0,74				
We can be proud that we have more Western companies in our country.	0,70				
We can be proud that we managed to get closer to the West.	0,67				
We can be proud that we have independent Polish media.					0,74
We can be proud that Poland is independent of others.					0,43
We can be proud that Poland independently makes decisions.			0,69		
We can be proud that we became independent of Eastern capital.			0,65		
We can be proud that our market became independent of East.			0,69		
We can be proud that we have opened our market.				0,59	
We can be proud that we were part of changes happening as part of the EU.				0,61	
We can be proud that we make our own laws.				0,61	

Trust

To measure this variable, a trust scale was used, extended by questions concerning the National Bank of Poland and retailers. The scale typically has two factors:

- Trust toward institutions;
- Social trust.

Factor analysis (principal component analysis, Varimax rotation) showed the existence of the expected factors. Table 3 presents only the factors with the 3 highest loadings:

Table 3 | Factor loading table for 'Trust' scale

I trust:	Trust toward institutions	Social trust
Neighbours		0,85
Tradesmen		0,72
Retailers from a shop in which I shop daily		0,78
Civil servants	0,72	
Government	0,82	
Banks	0,77	

Measurement of variables – level of consequence perception

Perceived gains and costs

The measurement of this category of variables was conducted with the use of a questionnaire of perceived gains and losses (modified), used in previous research for the National Bank of Poland. Table 4 shows only three factors with the highest loadings for the “strong country” variable.

Table 4 | Factor loading table for 'perceived gains and costs' scale

	Strong country	Work	Costs of euro introduction	Stability of the value of money (parity)	International cooperation	Loss of sovereignty
Faster economic growth	0,80					
Increase in the effectiveness of financial markets	0,82					
Increase in the stability of national finances	0,85					
Decrease in the price of credit				0,82		
Decrease of inflation				0,84		
Increase of foreign exchange with EU countries					0,82	
Strengthening of Polish position in the EU					0,74	
Increase of employment		0,73				
Increase of salaries		0,82				
Increase of foreign investment		0,63				
Temporary price increase			0,90			
Increase in the cost of IT systems change			0,79			
Loss of autonomic financial policy						0,84
Loss of control of the country over economic policy						0,87

Measurement of variables – level of attitudes toward euro and Polish zloty

Money patriotism questionnaire

Measurement of variables was conducted with a money patriotism questionnaire. It allowed the measurement of the relationship between national currency and national identity, measurement of attachment to national currency, measurement of attitude toward the euro and the EU and a generalized fear of euro introduction. Table 5 shows the factors and their loadings. For attachment-attitude toward the Polish zloty, only 3 factors with the highest loadings are presented.

Table 5 | Factor loading table for ‘Money patriotism’ scale

	National identity -attitudes toward Polish zloty	Attachment -attitude toward Polish zloty	Pro- Europeanism	Fear from introduction of euro
I am attached to the look of Polish zloty coins and banknotes.		0,71		
Polish zloty coins and banknotes are aesthetically pleasing.		0,84		
I got used to our current currency.		0,67		
Change of Polish zloty into euro means loosing some of our sovereignty.	0,74			
By introducing euro, we lose part of our national identity.	0,85			
By introducing euro instead of Polish zloty, we lose part of our history.	0,87			
Euro will ensure our security.			0,75	
I am pleased with our membership in UE.			0,84	
I fear the introduction of the euro.				0,61

Who benefits (in shortened version)

“Who benefits” questionnaire includes in its full version questions about who will benefit from introduction of the euro. In a shortened version, the following type of question was used: “My family and I will benefit from introduction of the euro”. Gains on the macroeconomic level were removed from the scale because, considering other tools used in this research, they were redundant.

Questionnaire of currency “goodness”

In this part of the questionnaire, a modified scale of “goodness” of money (Tyszka & Przybyszewski, 2007) was used. This scale allows measurement of perceived strength of currency through

two factors: its reliability and its commonness/popularity. Instead of judging separate currencies, participants judged which currency from a pair exhibited more of a given characteristic. Table 6 shows only 3 factors with the highest loadings.

Table 6 | Factor loading table for 'Currency goodness' scale

pln vs. euro	Reliability	Commonness
Strong	0,81	
Valuable	0,77	
Trustworthy	0,75	
Popular		0,77
Available		0,87
Easy to use		0,76

Measurement of dependent variable – acceptance of euro

To measure the dependent variable, a scale made of questions typically beginning with “are you for...” was substituted with a behavioral scale that contained questions about whether the participants would use euros in reality on a daily basis. The scale proved to have a required one-factor structure under factor analysis and high factor loadings (only the 3 highest are shown in Table 7).

Table 7 | Factor loading table for 'Acceptance of euro' scale

	Acceptance of euro
I would like Poland to enter the Eurozone.	0,92
I would like to use euros on a daily basis.	0,92
I would like to have the opportunity the pay in euros in my local shop.	0,90

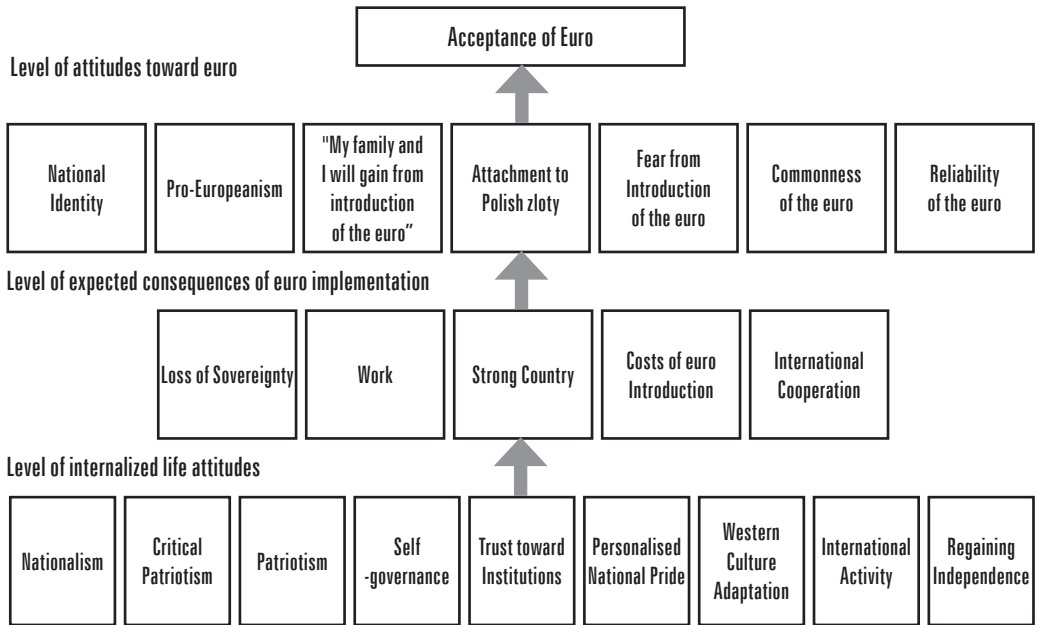
Results

General model

All variables previously described were subject to path analysis and regression.

The results showed that the theoretical model reflects well the reality. Figure 2 shows the influence of each variable on acceptance of the euro. Further parts present the data that illustrates the intensity of influence of different levels of the model on acceptance of the euro.

Figure 2 | General model – acceptance of euro



Source: own elaboration.

As can be seen in Figure 2, on the basic level of internalized life attitudes, the following variables have been included:

- Feelings of patriotism of four types: nationalism, critical patriotism, patriotism, and self-governance.
- Trust toward institutions (including National Bank of Poland).
- Personalized national pride.
- Pride from adaptation of Western culture.
- Pride from international activity of Poland after transformation.
- Pride from regaining independence after transformation.

On the level of expected consequences, the following convictions can be observed:

- Fear of loss of sovereignty after introduction of the euro.
- Fear regarding work and salary.
- Convictions regarding strengthening of the country.
- Costs associated with introduction of the euro (adaptation of systems and temporary price increase).
- Increase of international cooperation (mainly foreign trade).

The level of attitudes toward the euro consists of:

- Fear from losing national identity.
- Appreciation of EU accession (Pro-Europeanism).
- Convictions that my family and I will gain from the euro (personal gains).
- Attachment to the Polish zloty.
- Generalized fear of introduction of the euro (probably fear of change).
- Appreciation of commonness of the euro.
- Appreciation of value/strength of the euro (reliability of currency).

Model description – intensity of influence of variables on acceptance of the euro

Interpretation remarks

To aid in the interpretation of the following graphs, some introductory remarks are required regarding parameters of the analysis. In Figure 3, two numbers are included: percentage and decimal fraction. The decimal fraction stands for weight, while percentage stands for the percentage of participants in the sample agreeing with a given statement (Top 2 Box Score; mean of statements acceptance level). Weight is the intensity of influence of attitudes toward a currency on the acceptance of introduction of the euro. Positive or negative values of weights indicate positive or negative influence respectively. The higher the weight is, the bigger the influence of a given attitude on acceptance of the euro. The results show that if the number of participants who agree with a given statement with the weight of 0.36, increases by 1%, then one can induce that the number of people accepting introduction of the euro will increase by 0,36%. In this type of analysis, it is assumed that:

- High weight is >0.30 (variable has strong influence over the result);
- Average weight is within the range of 0.11 to 0.30 (variable has some influence over the result);
- Low weight has value below 0.11 (variable has little influence over the result).

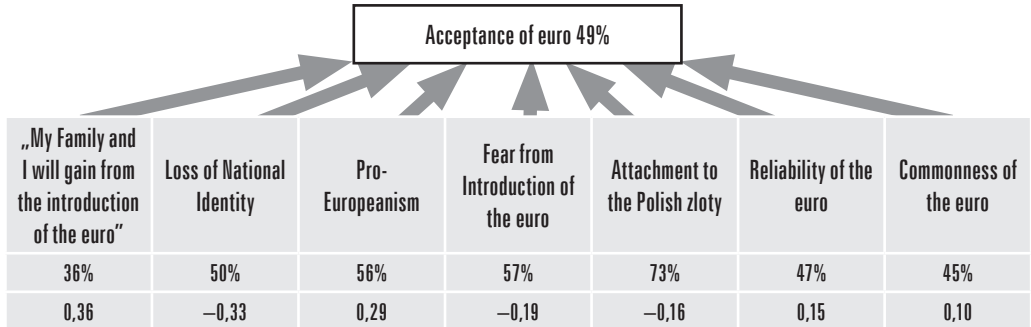
Level of attitudes toward euro and Polish zloty

The factors described in this model explain 63% of variance (r^2) of euro acceptance by Polish people. Key decisive factors for the level of acceptance of the euro by Polish society include:

- General perception of participants that they will personally gain from introduction of the euro.
- Fear from losing national identity (Polish zloty, history, etc.).
- Pro-Europeanism (support for the EU and general appreciation of the EU).

- General fear of participants from introduction of the euro (fear of change).
- Attachment to the Polish zloty.
- Appreciation of the value (strength) of the euro (reliability of the currency).
- Appreciation of commonness of the euro.

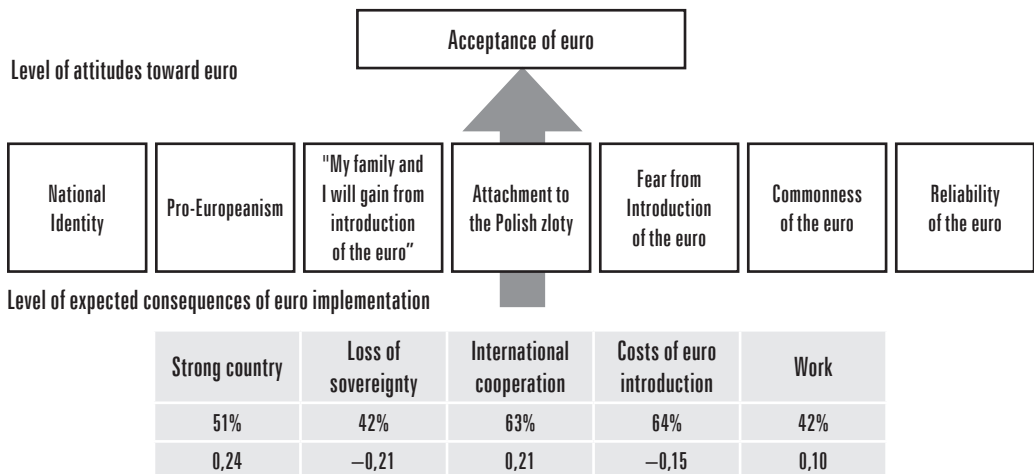
Figure 3 | Level of attitudes toward euro and Polish zloty



Source: own elaboration.

Level of perceived consequences of introduction of euro

Figure 4 | Level of perceived consequences of introduction of euro



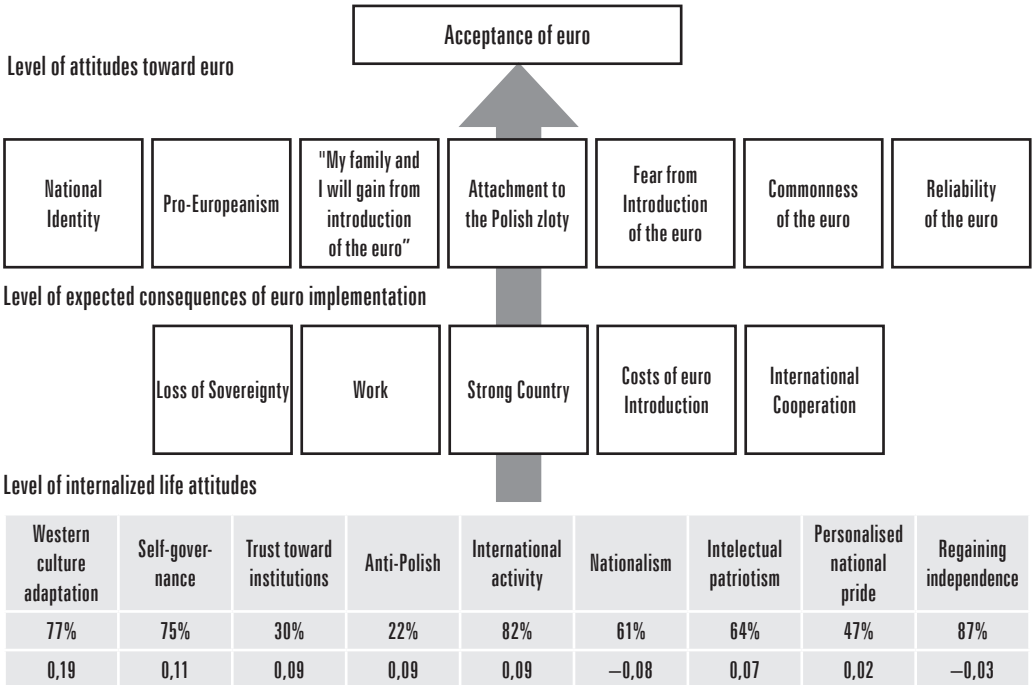
Source: own elaboration.

As can be seen in Figure 4, acceptance of the euro is influenced by consequences of its introduction, which are discounted by attitudes toward the euro (higher level of the model). The decimal fraction presents the total effect estimation (combined direct and indirect effect of a given variable):

- Strengthening of country.
- Fear of losing sovereignty.
- Convictions about the increase of international cooperation.
- Individual costs of introduction of the euro.
- Fear regarding work and salary.

Level of internalized life attitudes

Figure 5 | Level of internalized life attitudes



Source: own elaboration.

The lowest part of the model constitutes the level of internalized life attitudes. Again, the weights at this level are discounted by attitudes toward the euro as well as expected consequences of the euro implementation (higher levels of the model). The decimal fraction presents the total effect estimation (combined direct and indirect effect of a given variable). The highest influence on acceptance of the euro presents the following factors:

- Western culture adaptation (acceptance of Western culture).
- Feeling of self-governance (sovereignty regained after political transformation).
- Trust toward institutions.

- Anti-Polish approach – patriotism that makes people feel unhappy about being Poles.
- International activity – conviction that Poland has a say in global matters.

It can also be observed that Western culture adaptation, feeling of self-governance as well as international activity are well embedded in the self-identity of Poles (scoring 77%, 75%, and 82% respectively).

| Discussion

The percentage of people convinced that they will benefit from the introduction of the euro can be considered quite low, 36%, whereas the pro-European attitude is represented by a moderate number of participants, 56% (see Figure 3).

The level of acceptance of the euro is strongly lowered by the feeling of losing one's national identity if the euro was introduced (weight of -0,19) and attachment to Polish zloty (weight -0,16). Persons who display such attitudes will be much less inclined to accept the euro as their national currency. This is particularly so in the case of older persons (above 56 years old → 63% fears the loss of national identity) and those with vocational or primary education (58%). On the other hand, a relatively low percentage of people with higher education (35%) fear that Poland will lose identity if the euro was introduced, and this, among other things, results in this group's highest acceptance of the euro (65%).

A similar distinction can be made among age and education groups with "general fear of introduction of the euro" and "attachment to the Polish zloty". Again, older persons, more often than average, fear introduction of the euro (73%) and are more than the society on average are attached to their current currency (83%). Thus this group has a low percentage of people accepting the introduction of the euro (41%). Fear of introduction of the euro is also more often than average felt by people with vocational or primary education (66%).

On the other hand, Poles are generally highly attached to the Polish zloty (73%) and they consider the euro moderately "reliable" (47%) and "common" (45%).

Results of the research show that Poles expect positive and negative consequences from introduction of the euro to the same extent. On one hand, most Poles (63%) are convinced that international cooperation will be strengthened, and at the same time that they will bear individual "costs of introduction of euro" (63%). Also, half of the people are of the opinion that Poland will become "an economically stronger country"; on the other hand it will lose its sovereignty (42%). One might judge Polish people to be quite ambivalent about the consequence of introduction of the euro; they are still not sure if the new currency will bring them more gains or more costs.

The level of the two most important life attitudes that positively affect acceptance of the euro is quite high. 77% of Poles accept Western culture and have a strong feeling of the sovereignty of Poland (75%). Western culture has the most acceptance among persons with higher education (84%) and the least among persons with primary education (70%), although such a level can still be considered high. The feeling of sovereignty is made up of such statements as “Poland has made its market independent of the East” (74%) or that Poland has an opportunity to “independently build its own economy” (78%). One can say that when Poles made themselves independent of the East, they became *de facto* closer to the West, which still is very attractive to them. Therefore, sovereignty in the economic sense can be perceived as the opportunity to follow the West.

Unfortunately, a considerable barrier to introduction of the euro in Poland could be Polish lack of trust in institutions. Only 30% of Poles show trust in institutions, which *de facto* should be responsible for introduction of the euro in the future. This is also reflected in the trust in the National Bank of Poland displayed by 43% of total population, which includes only 33% of persons with primary education and 55% of persons with higher education.

The research was conducted using different methods when compared to those applied by both Muller-Peters and Pepermans & Verleye. Nevertheless, taking into consideration the results presented in this study, one could estimate the position of Poland in the previous models. As far as the Muller-Peters findings are concerned, Poland seems to be closest to the group consisting of Austria, France, Germany and Luxembourg (or the Pseudo-Scandinavian region according to Pepermans & Verleye) where both national patriotism and European patriotism were positively correlated with the implementation of the euro. Similarly, what is called “intellectual patriotism,” together with pro-Europeanism (attachment to the EU), can serve as a catalyst for the implementation of the new currency in Poland. Those attitudes should not be confused with nationalism, which would always have a negative impact on the perception of the euro. Furthermore, this research supports another finding of Muller-Peters concerning the correlation between the pride of local currency and the perception of the euro. As expected, a strong attachment to Polish zloty had a negative impact on the willingness of Poles to accept a new currency.

| Limitations

The aims of this study were achieved. Convictions affecting Poles' attitudes toward the introduction of the euro were captured. Furthermore, the influence of those convictions was verified and the most important factors were identified. Most important, the model was tested on a representative sample. Nevertheless, the authors are aware of some limits of this study. The most important one is that money perception (as any other social phenomena) is very dynamic and dependent on current political and social issues. Therefore, despite that the model seems to define the factors and their influence on euro perception very accurately, it is essential that every time it is to be applied, the current state of mind of the society is measured. Furthermore, additional research should be conducted for groups deviating from the average results for the society (such as for primary education holders, or older citizens).

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