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TRUST IN POLITICAL INSTITUTIONS: THE EFFECT OF CORRUPTION, ELECTORAL WINNERS, AND THE POST-COMMUNIST LEGACY[1]

Abstract

Trust in political institutions is an important issue in contemporary democracies, as it contributes to democratic regimes' legitimacy and sustainability. This paper investigates what effects corruption, political allegiance, and the post-communist history of a country have on political trust. Political trust is measured as trust towards parliament, political parties, and politicians. Both individual- and country-level factors are included in the analytical model in order to account for the personal and contextual characteristics that might shape political trust. This research employs the multilevel modelling for empirical analysis. The results show that the winner effect and corruption perception impact are relatively strongly affecting political trust. Surprisingly, the post-communist history of a country seems to play no significant role in driving political trust. The concluding part links the findings of this study back to the theory and draws several implications not only for the future research but also the real world of policies and politics.

Keywords: political trust, corruption, political allegiance

Introduction

Trust in political institutions is essential for the democratic regimes, their consolidation and sustainability. According to Anderson and Tverdova, the trust in political institutions is also, "an important indicator of a healthy civic and democratic political culture" (2003, 92). A critical amount of political distrust from citizens might endanger the survival of the democracy itself. The issue of trust in political institutions is important for contemporary political science especially in the light of the recent economic crisis, numerous strikes across Europe, and the increase in popularity of the so called non-political parties and movements. Some speak of "large-scale crisis of confidence" in Europe's modern democracies (Marien 2011, 13). Additionally, the lack of trust in the traditional political parties and political system represented by "traditional" politicians might lead to increased popularity in those political forces that present themselves as anti-establishment or anti-mainstream. Experience of several countries show that it is the extreme parties and anti-establishment movements that offer themselves, and often successfully, as an alternative (recall the electoral results of the Five Star Movement in Italy, Syriza in Greece, the French National

Front, and UKIP in the 2014 elections). Similarly, the lack of trust in political institutions might contribute to the rise of populist and/or extreme political forces.

In addition to the core political issues, there is also a link between the trust in political institutions and economic issues. One of the most known arguments is that the reason why people are willing to pay taxes is that they trust the government to provide certain services and public goods. Entrepreneurs' willingness to invest and engage in different types of economic activities depends partially on their trust towards the state to enforce contracts and punish wrongdoers. Simply, political trust is an important piece of the puzzle in explaining how democratic and capitalist societies function.

This paper studies the political trust in Europe and its major drivers. To a certain extent, this paper presents replication research, while combining the most appropriate data with the most recent knowledge in this field. This allows us to test the relevant factors identified by the up-to-date literature: corruption perceptions, the electoral winner effect, and the West-East divide. The novelty element is to test the corruption perception as a contextual variable specific to a whole country. This eliminates the possible double causal path from individual trust to corruption perception. In addition, we also test the legacy of post-communism under the assumption of all countries having the same level of economic development and corruption perception.

The nature of the research question and the need for explaining differences within, as well as between countries, lead us to the need for a multilevel approach. The empirical analysis makes use of both micro and macro data. Using data for 26 European countries, the results strongly support the view that political trust deserves a cross-level approach.

The structure of this paper is as follows. The first section develops the theoretical approach to studying political trust and its determinants. Subsequently, we describe the data and method used to conduct empirical analysis. After presenting and interpreting the results of the tested models, we discuss the substantial importance of our findings. The concluding part summarises the results and raises several questions and suggestions for future research.

Theoretical Background

Trust towards political institutions has proved to be important for several reasons. First, the legitimacy of the democratic regime is at stake. If citizens' trust in the institutions supposedly representing thereof decreases, the government becomes less effective (Braithwaite and Levi, 1998). Especially crucial is the legitimacy question for the consolidation of the new democracies. Lack of trust towards political institutions might threaten the existence of the regime itself (see, e.g., Seligson [2002] for Latin America or Dogan and Higley [1998] for post-communist Europe).

Apart from regime stability and sustainability, the trust towards political institutions is important also for economic reasons. Scholars point out that the state's capacity to collect taxes is to a certain extent dependent on citizens' trust towards the government (Kuokstis 2012). A growing body of literature shows that people are willing to pay taxes because they expect a certain level of public goods and services to be delivered in return. With the de-

creasing level of trust that the people have in a state comes an increase in the willingness to evade taxes (Frey and Torgler 2007; Uslaner 2007). Kuokstis (2012) investigated the fiscal performance of Estonia and Lithuania during the years 2008-2009 and showed that the higher efficiency of tax collection in Estonia was caused by higher public trust. Hellman and Kaufmann (2004) proved a similar effect in the business sphere. The authors showed that perceived corruption among firms leads to less confidence in the judiciary, and, more importantly, a higher tendency towards cheating on taxes.

Based on the above, it is clear that political trust is important in modern democratic societies. This research explores the main factors behind political trust at both individual- and country-level. More specifically, we focus on what the effects of corruption, political allegiance, and the post-communist history of a country on the trust towards political institutions are.

Corruption

Tverdova and Anderson (2003) studied the relation between corruption and people's attitudes towards the government in 16 mostly European countries. Using multilevel analysis, the authors found evidence that higher corruption perception leads to a lower evaluation of political system performance and lower trust towards civil servants. Chang and Chu (2006) studied the effect of corruption on institutional trust in four Asian democracies. Similarly to Anderson and Tverdova (2001; 2003), the authors confirmed the corrosive effect of corruption on the trust towards political institutions.

Clausen, Kraay, and Nyiri (2011) published an exhaustive study on the relation between corruption perception, corruption experience, and trust towards public institutions (military, judicial system, national governments, and fairness of elections). Their findings show that corruption in both forms decreases public confidence in state institutions. However, the lowering effect of corruption perception is three times as large as personal experience of corrupted behaviour.

Marien (2011) discusses the possible link between lower trust levels in Central Eastern Europe and corruption (although the author does not test this particular relationship). Marien asserts that "given the high levels of corruption in several of these newer democracies, it could be argued that low levels of trust in political institutions reflect an accurate assessment of the trustworthiness of these institutions" (2011, 48).

Ceka, on the other hand, provides an alternative explanation of the lower trust level in Eastern Europe. The author argues that people in post-communist countries have not been used to "fierce political competition" (2013, 1615) and therefore the revelation and accusations of corruption made by opposition parties has led to dissatisfaction and decreasing trust in political parties. The argument Ceka makes is rather strong, although the author uses the effective number of parties as a proxy to the aggressiveness of party competition in a country. Although there might be a rationale behind it, one could easily find several pairs of countries where the higher effective number of parties (ENP) is not translated into more fierce party competition (for instance Slovakia and the Czech Republic). Regardless of the exact causal channels, the role of corruption in people's trust in political institutions has been repeatedly confirmed.

Our research design allows the post-communist legacy to be disentangled from economic development and corruption perception. However, it is true that Eastern European countries have lower levels of gross domestic product (GDP) and simultaneously higher levels of corruption (or at least the perception thereof). Our model estimates what the effect of post-communism would be if all countries were equally developed and corrupted.

Winner vs. Looser effect

When investigating the trust towards the government, one must also consider the electoral allegiances of the respondents. Several studies have shown that a person who identifies themself with the governing party(ies) or has voted for any of the incumbent political parties is more likely to evaluate the government positively (Anderson and Tverdova 2003; Anderson and LoTempio 2002). From this research's point of view, this means that a person identifying themself with the incumbent political party tends to underestimate the corruption practices and overestimate the trustworthiness of the government.

Anderson and Tverdova (2003) included the winner-loser effect in their study and confirmed that people who voted for the political parties in power tend to have more positive attitudes towards the government. The authors also confirmed the conditionality of the winner-loser division on the effect corruption has on political trust. Substantively it means that corruption lowers the level of political trust to a lesser extent with people who have voted for the incumbent political party than with those voting for the opposition.

Post-Communist Legacy

There is a theoretical reason to believe that the post-communist past of a country might have an effect on political trust. The cultural approach to trust research would argue that the trust in political institutions is exogenous and is only an extended form of societal and interpersonal trust (Putnam 1993; Inglehart 1997). Mishler and Rose (2001), who investigated the political trust in the post-communist Europe, explain that the exogeneity of the trust towards the political institutions is driven mainly by the forces outside the "political sphere in long-standing and deeply seeded beliefs about people that are rooted in cultural norms and communicated through the early-life socialization" (2001, 31).

As the cultural argument follows, political trust is path-dependent and takes a long-time to change (Putnam 1993). Logically, it should take between years to decades for the previously distrusted communist states to regain political trust. Thus, the expectation of such a theory is that, other things being equal, citizens of post-communist states should express lower political trust than people from countries with a longer democratic history.

Hakhverdian and Quinton (2012) conducted a study on trust in institutions and compared eight Central and Eastern European countries with 13 Western European countries. The main focus of the study was the conditioning effect of corruption on the relation between education and institutional trust; however, one of the findings was that "citizens of Central and Eastern European countries report lower levels of institutional trust than those of Western European countries even after controlling for corruption and macroeconomic performance" (2012, 745).

Based on the theoretical ground reviewed above, we can draw three hypotheses. First, higher levels of corruption lead to lower political trust. Second, citizens who vote for the incumbent political party (or president in case of a presidential system of government) put higher trust in political institutions than citizens voting for an oppositional political force(s). Third, the citizens of post-communist countries have, *ceteris paribus*, lower trust towards political institutions than citizens of countries with a longer democratic history.

Data and Method

This paper investigates the relationship between factors at two levels – individual and country. The reason is as follows. As human beings, people, not countries or regions, can put trust in institutions. The dependent variable is therefore measured at the individual level. Subsequently, individual motivations and characteristics (e.g., winner-loser effect) need to be part of the analysis, as they are hypothesised to shape a persons' trust in institutions.

However, people are nested within larger structures that influence their trust as a part of the community whose members share the same institutions. Due to the nature of political institutions (in our case politicians, parties, and parliament), we consider national states as the higher level unit, and thus country characteristics (e.g., post-communist history) should also be part of the analysis.

This situation clearly requires the multilevel model (Snijders and Bosker 1999). First, when dealing with the nested data structure and multi-stage sampling, this is a more appropriate method than methods taking into account just one level (1999, 14). Additionally, this procedure enables us to avoid ecological fallacies and leads to better estimate cross-level effects. In this case, we will be able to estimate the influence of contextual factors on political trust measured at the personal level.

This study uses several resources of data for the analysis. For the individual-level data, we make use of Round 5 of the European Social Survey (ESS; conducted in 2010). The necessary variables were available for 26 countries, including 11 post-communist countries. The macro-level data were taken from various sources such as Eurostat (economic development, religious structure), the Economist Intelligence Unit (democracy), the World Bank, and official websites of national governments. These were consulted for determining the ruling political parties necessary for constructing the electoral winner variable. The list of all variables used in the analysis with exact coding can be found in Appendix 1.

Political Trust

We have defined the dependent variable as the trust towards political institutions. ESS 2010 asked respondents some questions regarding the issue at hand. This study makes use of the questions regarding trust in the parliament, political parties, and politicians generally. Factor analysis was conducted to explore whether there is possibly a latent, unobserved factor behind the trust in the three institutions. The results of factor analysis strongly support the thesis of one extracted factor we call "political trust". The scale consisting of the three items was constructed to represent the dependent variable. The reliability analysis showed that the scale is strongly reliable with a Cronbach's alpha of 0.922.

The index of political trust was constructed as the mean of values on the three items it consists of. Hypothetically, political trust is an interval of real numbers from zero to ten. Substantially, zero means total distrust and ten stands for complete trust. Both of the outer values of the index range are observed in the sample.

This way of constructing trust in political institutions has been previously applied and its validity and reliability has also been confirmed in simulation studies (Marien 2011; Brown 2006; Hu and Bentler 1999).

Corruption

This study investigates the political trust in Europe, with the main focus on the effect of the following factors: corruption, the electoral winner effect, and the post-communist history of a country. For measuring corruption, I use the Transparency International Corruption Perceptions Index (TI CPI), which is a commonly-used indicator in this type of studies (Hakhverdian and Mayne 2012; Anderson and Tverdova 2003).

At this point it is important to discuss different forms of corruption measurement. Except for Transparency International's CPI, there are also survey data asking about respondents' corruption experience (e.g., Gallup World Poll 2006), survey data on respondents' corruption perceptions (e.g., ESS Round 5), and macro indicators such as the World Bank's Control of Corruption. Each of these forms has its advantages and disadvantages. On the one hand, individual measures regarding corruption experience might capture the individual relation between the experience of corrupted behaviour and other variables. On the other hand, people might have different incentives not to provide truthful information on their corruption experience, as this regards illegal activities. The advantage of corruption perception measurement is that there is less motivation for avoiding truthful answers. On the other hand, there is the risk of a confounding factor that would drive corruption perception as well as attitudes towards political institutions.

Using TI's Corruption Perception Index has an additional advantage for this type of study. Due to the way in which the CPI is constructed, there is almost zero chance of the reversed causality. In other words, it is impossible that the experts' views on corruption that creates the base for the CPI would be influenced by ESS respondents' answers on political trust items. Therefore, I argue that the relation between the corruption measure and political trust that this study might reveal can have only one causal direction.

Political Winners and Losers

In addition to corruption, I am interested in how political allegiance influences the trust towards political institutions. Specifically, I inquire whether a person who claims to have voted for a governing political party puts higher trust in political institutions than other voters (Anderson et al. 2005; Anderson and Tverdova 2003).

The ESS survey asked people which political party they voted in the last national elections. I have combined this information with information on what the ruling coalitions in the respective countries are. This allowed me to construct a binary variable indicating whether a person claims to have voted for a ruling party or not.

I realise this is not a perfect indicator without any possibility of error. For instance, a person might have voted for a ruling party but has refused to say so. Another option for bias is that a person voted for another party but now claims to have voted for the winner. On the one hand, we understand that these are serious methodological issues. On the other hand, there is nothing that I, or the designers of the survey, can do to prevent people from giving untrue answers. Thus, I admit that what our variable really measures is whether a respondent "claims to have voted" instead of "have voted" for a ruling party. However, we believe this measure is a very good approximation of the real winning voters.

Finally, I also follow the potential effect of the post-communist history of country. Due to the theoretical expectation that the citizens of the post-communist parties would be less likely to trust political institutions, a variable distinguishing post-communist countries was constructed at the country-level.

Control Variables

Except for the main variables of interest reviewed above, I also control for other important factors. Several studies regarding political trust have approached the question at hand from the individual-level perspective only. Glaeser et al. (2000) revealed a significant effect of gender, education, and income on political trust. The same effects were later confirmed by Guiso et al. (2003), with men trusting the government slightly more than women, more educated people having lower trust levels, and richer people also trusting the government less than poorer people. Another type of studies is represented by country-level research using an aggregated type of data. Knack and Kneefer (1997) highlighted the relation between political trust and income level, education level, ethnic homogeneity, and institutions restraining predatory actions. In another study, Zak and Knack (2001) also pointed out a link between institutions and trust. Berggren and Jordahl (2006) investigated general trust and confirmed its support by rule of law, property rights' protection, and share of the population affiliated to any hierarchical religion.

Recently, many studies have applied the multilevel modelling approach to institutional trust research (e.g., Mishler and Rose 2001; Seligson 2002; Anderson and Tverdova 2003; Chang and Chu 2006). They confirmed the role of economic variables, either in the form of economic growth (Rohrschneider and Schmitt-Beck 2002; Clausen et al. 2011; Mishler and Rose 2001) or level of development (Anderson and Tverdova 2003; Mishler and Rose 2001). It was also demonstrated that the level of democracy and/or freedom play a positive role (Anderson and Tverdova 2003) as well as the legal system and property rights (Wang and Gordon 2011). A detailed overview of the operationalisation of control variables as well as the data source for this study can be found in Appendix 1. For most of the variables we use data from the same time period in which the ESS data collection took place (GDP per capita 2010, Freedom of Press in 2010, etc.).

Econometric model

Before building the specific multilevel model, it is recommended decomposing the variation in the dependent variable and checking to what extent it differs among countries and within countries. In this case, the intra-class correlation is 0.25, which means that about

25% of the variance in political trust occurs at the contextual level. Therefore, omitting country-level variables from the model would result in failing to explain a relevant part of the political trust variance.

In the next step, we specify the random intercept and the random slope models we employ to investigate the determinants of political trust. The expected value of political trust can be modelled as follows:

$$Y_{ij} = \beta_{0j} + \beta_{01} X_i + \varepsilon_{ij} \tag{1}$$

In equation 1, Y represents the expected outcome for the *i*-th individual in country *j*. The term β_{0j} stands for the mean population value for country *j* and the term is an intercept in the level-1 regression. β_{01} is the vector of coefficients for the individual characteristics, represented by X_i. ε_{ij}, the last term in the equation, is the random effect on the individual level, e.g., individual error term. The country effect is then modelled as:

$$\beta_{0j} = \beta_{00} + \gamma_{10} C_j + \mu_{0j} \tag{2}$$

where β_{00} is the grand mean value for the hypothetical European population, γ_{10} stands for the vector of coefficients for independent country variables *C* for each country *j*, and μ_{0j} is the random country effect, in other words the error term of the level-2 regression. Both of the random effects are assumed to be normally distributed with the mean equalling zero.

In addition, we also test whether the individual level variable of interest, the winner effect, varies across countries. As the countries are economically, culturally, and historically diverse, it is plausible that the winner effect will not be the same in them all. Thus, we also test a random slope model where we allow the winner effect to be different across countries.

Before interpreting the final model, we had to make sure that there is no multicollinearity. The (multi)collinearity problem emerges when two or more variables in a model are mutually correlated and thus renders such a model "under identified", technically speaking. In multivariate regression models, this issue results in high standard errors and overly sensitive or nonsensical regression coefficients. The diagnostics and remedies of multicollinearity in regression analysis is rather well described.

However, multicollinearity in multilevel models is very rarely studied and not so well described (Clark 2013). A simulation study (Shieh and Foula 2003) showed that increased correlation between predictors influences the model fit. Their findings also show that mutual correlation of Level 2 predictors is not a concern (e.g., it does not produce biased estimates), but there is a problem in case of multicollinearity in Level 1 predictors.

Based on these findings, I tested the Level 1 predictors for multicollinearity by inspecting the Variance Inflation Factors (VIF). None of the Level 1 predictors had a VIF value larger than 1.76, with the mean VIF value of 1.36. Therefore, I don't assume the multicollinearity problem in my analysis.

Analysis and Results

Before proceeding to the regression analysis, I briefly review the descriptive statistics of the main interest variables. On the individual level, political trust ranges from 0 to 10

with the grand mean 3.34. Aggregated on the national level, the dependent variable runs from 1.56 (Greece) to 5.47 (Sweden). The CPI takes on hypothetical values from 0 to 10; however, the highest and the lowest values among the sample countries are 9.3 and 2.1 for Denmark and Russia, respectively. The political allegiance and post-communist history of a country are binary variables. In total, 31.2% of the sample identifies themselves as electoral winners. A table with the descriptive statistics for all variables can be found in the Appendix 2.

Model 1 in the regression results represents the random intercept model with individual characteristics only. In the next step, we added one country characteristic to Model 2 – post-communist history. When alone in the model, post-communist history seems to have a decreasing effect on political trust. However, as it is shown in the remaining six models, this effect weakens and loses significance after including additional contextual factors in the regression. The reason is that in Model 2, the post-communist variable is the only contextual one and thus captures the other country differences not yet introduced to the model.

Model 3 contains corruption perception as the only contextual variable. The effect of corruption perception also seems to be relatively strong after adding other variables, and remains significant at a level of 0.001. Thus, I can conclude that lower perception of corruption increases political trust. Precisely, a 1-point rise in the country's CPI score increases citizens' political trust by almost one-third of a point (on 0-10 scale), other things being equal (Model 8).

In models 4 to 7, I included the rest of the country-level characteristics to explain the country effects on political trust. These, as mentioned before, are freedom of the press, the development of democracy, and the economic development in terms of GDP per capita. Comparing Model 6 and Model 7 we see that freedom of the press seems to have no substantial effect, and thus it is excluded from the final, eighth model.

Democratic development seems to have a negative impact on political trust. A one-point increase in the EIU Democracy Index leads to political trust lower by one-third of a point.[2]

Economic development proved to have a positive effect on political trust. Although the coefficient in the result's table seems to be very small, economic development is measured in dollars and ranges from 2,974 USD per capita (Ukraine) to 85,443 USD (Norway) in the set of 26 countries. Thus, the maximum effect of economic development on political trust is 2.14 points on the 0–10 scale.

Political allegiance, the coefficient of the main interest variable at the individual level, was stable across models. Voters who claimed to have voted for the governing party tend to report higher political trust roughly by half a point. Therefore, I can confirm the hypothesis that electoral winners put higher trust in political institutions than other voters.

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[2] After running several models to check the robustness of the results, it was revealed that the effect of the EIU Democracy Index is considerably influenced by Russia's presence in the sample. This is because of Russia's specific position with regard to the dependent variable and democracy variable. The country has a considerably low value on democratic development while relatively high value of the political trust. After excluding Russia from the analysis, the effect of democratic development decreases to 0.095 and loses statistical significance. Other effects remain relatively stable.

Although no other hypotheses on the individual level were drawn, I will briefly review the regression results of the individual-level variables. In general, men have a slightly higher trust in political institutions. Education and interest in politics have a negative impact on political trust, while interpersonal trust has a positive effect. With the worsening financial situation of the household, the trust in political institutions tends to decrease. Age and the size of the residential area seem to have no effect on political trust.

Conclusions

This paper investigated trust in political institutions and how it is influenced by corruption perception, political allegiance, and the post-communist history of a country. Based on the multilevel approach to the problem of political trust, I tested three hypotheses regarding the determinants of political trust.

First, I confirmed my hypothesis that corruption negatively influences political trust. In other words, a higher level of corruption leads to lower trust in political institutions. Second, the analysis also confirmed our expectation of the positive effect of the electoral winner on political trust. Third, I expected political trust to be generally lower in post-communist countries due to the lower credibility of the state. However, this was not confirmed by empirical analysis. Therefore, I conclude that there is no systematic difference in political trust regarding the old and new democracies.

Looking back to the theoretical base of this study, the analysis confirmed the corruption hypothesis and the electoral winner effect on the trust in political institutions. The effect of corruption perception on political trust I found is about the same in magnitude as the effect Anderson and Tverdova (2003) found using data from 1996. This suggests that the corruption effect is relatively stable over time. On the other hand, I didn't find the effect of cultural differences between the post-communist and Western European countries. It is possible that after controlling for economic development and corruption perception, the role of historic legacies remains rather small. Additionally, if we take into account the relatively large sample of countries and individuals, our findings indicate that the post-communist character of a country alone does not decrease the trust towards political institutions. This could mean that respondents in 2010 did not reflect the credibility of the pre-1989 political regime in their contemporary attitudes towards political institutions.

There are two major implications for democratic states and their political representatives. First, incumbent politicians (whether in government, parliament, or just party members) will generally enjoy more trust from their voters than from the rest of the population. This might also mean that electoral winners will be less sensitive (or more tolerant) to the wrongdoings of politicians in the office. This might have an implication for countries facing high pressure of difficult reforms. As it is known, politicians or political parties avoid economic reforms and austerity measures due to being afraid of losing popularity. Our results indicate that oversized coalitions will be more likely to keep their popularity than just the minimal-winning coalition. The argument behind this is that a large coalition enjoys a larger popular tolerance and trust and is therefore less sensitive to a small loss of trustworthiness, as compared to the minimal-winning coalition.

The second major implication is that trust related outcomes, for instance the efficiency in tax collection (Kuokstis 2012), could be improved by behaviour that decreases the corruption perception of the people. In addition, the stability and survival of democracy might also be at stake in the case of low levels of political trust. Sustaining high trust in political institutions by avoiding corrupt behaviour might thus contribute to the stability of democracy in Europe.

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Appendix 1: List of variables used in the analytical models

Variable	Variable description	Source
Individual Level		
Political trust	Continuous scale with range of values from 0 (complete distrust) to 10 (total trust)	ESS Round 5
Electoral Winner	Dummy constructed based on whether a respondent aligns himself with the governing political party; 0 = "no", 1 = "yes"	ESS Round 5, official websites of governments
Personal trust	Ordered scale from 0 ("You can't be too careful") to 10 ("Most people can be trusted")	ESS Round 5
Education	0 = "ES-ISCED I, less than lower secondary"	ESS Round 5
	1 = "ES-ISCED II, lower secondary"	
	2 = "ES-ISCED IIIb, lower tier upper secondary"	
	3 = "ES-ISCED IIIa, upper tier upper secondary"	
	4 = "ES-ISCED IV, advanced vocational, sub-degree"	
	5 = "ES-ISCED V1, lower tertiary education, BA level"	
	6 = "ES-ISCED V2, higher tertiary education, >= MA level"	
Residence size	0 = "Big city"	ESS Round 5
	1 = "Suburb or outskirts of a big city"	
	2 = "Town or a small city"	
	4 = "Country village, farm, or home in countryside"	
Feeling about income	0 = "Living comfortably on present income"	ESS Round 5
	1 = "Coping on present income"	
	2 = "Difficult on present income"	
	3 = "Very difficult on present income"	
Male	0 = female, 1 = male	ESS Round 5
Age	Real age number	ESS Round 5
Belonging to a religious group	0 = "no"	
	1 = "yes"	
Interest in politics	1 = "Very interested"	ESS Round 5
	2 = "Quite interested"	
	3 = "Hardly interested"	
	4 = "Not at all"	
Country Level		
GDP per capita	Real number, in millions of USD, current prices	World Bank
Democracy index	Real number	Economist Intelligence Unit
Freedom of Press	Real number	Freedom House
Post-communist history	0 = "no" 1 = "yes"	
Corruption Perception Index	Real number	Transparency International
Rule of Law	Real number	World Bank
Regulation Quality	Real number	World Bank

Source: Author's construction based on European Social Survey, Freedom House, World Bank, Transparency International, and Economist Intelligence Unit

Appendix 2: Descriptive statistics for variables used in the analytical models

Variable	N	Min	Max	Mean	Std. Dev.	Skewness	Kurtosis
Individual level							
Most people can be trusted or you can't be too careful	43677	0	10	4.833	2.466	-0.182	2.284
Gender	43677	0	1	0.457	0.498		
Age of respondent, calculated	43677	14	102	50.258	17.646	0.088	2.092
Domicile, respondent's description	43677	0	3	1.812	1.156		
Highest level of education, ES - ISCED	43677	0	6	2.825	1.863		
Feeling about household's income nowadays	43677	0	3	1.209	0.924		
Electoral Winners	43677	0	1	0.312	0.463		
Political Trust	43677	0	10	3.342	2.272	0.225	2.193
Belonging to particular religion or denomination	43677	0	1	0.629	0.483		
Interest in politics	43677	1	4	2.642	0.906	-0.048	2.168
Country level							
Regulation Quality	26	-0.530	1.901	1.138	0.617	-1.097	3.803
Rule of Law	26	-0.843	1.970	1.047	0.810	0.654	2.814
Freedom of the Press	26	0.000	49.900	10.603	12.719	1.917	6.190
GDP per capita (WB)	26	2974,000	85443,000	30926,923	20509,848	0.823	3.454
Democracy Index by EIU	26	4.260	9.800	7.894	1.181	-1.068	5.000
Post-communist history	26	0.000	1.000	0.423	0.504		
Corruption Perception Index	26	2.100	9.300	6.235	2.156	-0.190	1.890

Source(s): European Social Survey, Freedom House, World Bank and Economist Intelligence Unit

Appendix 3: Results of the regression

Level	Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
	Intercept	3.705***	4.062***	1.908***	1.797**	1.752***	3.590***	3.469	3.453***
		(0.173)	(0.191)	(0.337)	(0.565)	(0.522)	(1.015)	(1.771)	(0.973)
Individual level	Interpersonal Trust	0.206***	0.206***	0.206***	0.206***	0.206***	0.206***	0.206***	0.205***
		(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
	Interest in Politics	-0.435***	-0.435***	-0.435***	-0.435***	-0.435***	-0.435***	-0.435***	-0.434***
		(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
	Male (no / yes)	0.127***	0.127***	0.127***	0.127***	0.127***	0.127***	0.127***	0.122***
		(0.018)	(0.018)	(0.018)	(0.018)	(0.018)	(0.018)	(0.018)	(0.018)
	Age	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001
		(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
	Size of Residence (base = A big city)								
	Suburbs or outskirts of big city	-0.024	-0.024	-0.025	-0.025	-0.026	-0.026	-0.026	-0.030
		(0.034)	(0.034)	(0.034)	(0.034)	(0.034)	(0.034)	(0.034)	(0.034)
	Town or small city	0.051*	0.051*	0.051*	0.051*	0.051*	0.050*	0.050*	0.048
		(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)
	Country village, farm or countryside house	0.056*	0.056*	0.055*	0.055*	0.054*	0.054*	0.054*	0.048
		(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)
	Education (base = ISCED I, less than lower secondary)								
	ES-ISCED II, lower secondary	-0.155***	-0.154***	-0.154***	-0.155***	-0.155***	-0.155***	-0.155***	-0.154***
		(0.036)	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)
	ISCED IIIb, lower tier upper secondary	-0.255***	-0.253***	-0.254***	-0.254***	-0.255***	-0.255***	-0.255***	-0.249***
		(0.039)	(0.039)	(0.039)	(0.039)	(0.039)	(0.039)	(0.039)	(0.039)
	ISCED IIIa, upper tier upper secondary	-0.213***	-0.211***	-0.211***	-0.211***	-0.212***	-0.212***	-0.212***	-0.206***

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)
ISCED IV, advanced vocational	-0.208***	-0.206***	-0.206***	-0.207***	-0.207***	-0.207***	-0.208***	-0.202***
	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)
ISCED V1, lower tertiary education	-0.140**	-0.139**	-0.139**	-0.140**	-0.140**	-0.140**	-0.140**	-0.138**
	(0.043)	(0.043)	(0.043)	(0.043)	(0.043)	(0.043)	(0.043)	(0.043)
ISCED V2, higher tertiary education	-0.203***	-0.201***	-0.200***	-0.201***	-0.201***	-0.202***	-0.202***	-0.199***
	(0.042)	(0.042)	(0.042)	(0.042)	(0.042)	(0.042)	(0.042)	(0.042)
Feeling about income (base = Living comfortably on present income)								
Coping on present income	-0.175***	-0.174***	-0.173***	-0.173***	-0.173***	-0.173***	-0.173***	-0.176***
	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)
Difficult on present income	-0.418***	-0.417***	-0.415***	-0.416***	-0.415***	-0.415***	-0.415***	-0.420***
	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)
Very difficult on present income	-0.610***	-0.609***	-0.607***	-0.607***	-0.606***	-0.606***	-0.606***	-0.613***
	(0.037)	(0.037)	(0.037)	(0.037)	(0.037)	(0.037)	(0.037)	(0.037)
Electoral Winner (no / yes)	0.507***	0.507***	0.507***	0.507***	0.507***	0.508***	0.508***	0.509***
	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)
Country level								
Freedom of the Press							0.001	
							(0.016)	
GDP per capita (WB)				0.000**	0.000*	0.000**	0.000**	0.000*
				(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
EIU Democracy Index						-0.350*	-0.339	-0.333*
						(0.170)	(0.210)	(0.163)
Post-communist Country (no / yes)	-0.851**	0.076	0.373	0.348	0.357	0.307		
	(0.276)	(0.308)	(0.316)	(0.294)	(0.311)	(0.281)		
Corruption Perception Index	0.288***	0.301***	0.183*	0.309**	0.314**	0.318***		
	(0.050)	(0.072)	(0.086)	(0.100)	(0.116)	(0.096)		
Level 1 variance								

St.Dev.	0.811	0.693**	0.537***	0.536***	0.494***	0.457***	0.457***	0.437***
	(0.113)	(0.097)	(0.075)	(0.075)	(0.069)	(0.064)	(0.064)	(0.062)
Random Effects Level 2 random effects								
Intercept random effects	1.838***	1.838***	1.838***	1.838***	1.838***	1.838***	1.838***	1.834***
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Slope st.dev. for winner effect								0.275***
								(0.044)
N	43677	43677	43677	43677	43677	43677	43677	43677

Note 1: * p<0.05, ** p<0.01, *** p<0.001

Note 2: the value of the GDP coefficient is 2.6×10^{-5}. As the measurement of this variable is in millions of dollars, the maximum effect of economic development is very strong

Source: Author's calculation