



## The Importance of Electoral and Judicial Trust for Regime Support

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### Abstract

What kind of institutions is most essential to be trustworthy in order for a society to function well? To the extent that previous research has addressed the problem, trust in electoral, judicial and economic institutions and in public administration have been most frequently mentioned as most important for the functioning of society. The problem, however, is worth a more thorough research approach, where trust in different kind of institutions is systematically compared across political systems. The study is based on five different data sources: three aggregated datasets (CSES, WVS and ESS), and two surveys of Swedish citizens (SOM and the Lore Citizen Panel). When it comes to regime support (and legitimacy) institutional trust matters; especially trust in electoral and judicial institutions. Quality of government matters also. Economic factors, however, matter less in this instance. Political factors rule, not economical. Nations succeed when there is trust in electoral and judicial institutions and when there is an impartial public administration.

**Keywords:** Institutional trust; Regime support; Comparative studies; Quality of government

### Introduction

Trust builds societies. Without trust we would not put money in banks, eat at restaurants or leave our children at school. Lacking trust most cities would have surrounding walls like in ancient times and many of us would be carrying arms. Without trust human exchange does not happen easily and civil society runs the risk of breaking down. Trust not only minimizes violence [1]; it makes all endeavors more efficient, saves time, and makes everything less expensive. The operating ingredient is that trust lowers transaction costs. In societies with high levels of interpersonal social trust and of institutional trust most things run smoother and at lower costs [2-6].

This may all seem almost self-evident. But trust it not an either or commodity; with zero trust most things do not work, but what about with somewhat trust or medium trust? In theory as well as operationally, trust must be conceived of as a graded phenomenon, not as a dichotomy. Furthermore, we need to establish what kind of trust we are talking about: social trust between people [7,8], or people's trust in a society's different institutions [9]. If we intend to engage with the latter, we need to address the question of what kind of institutions is most essential to be trustworthy in order for a society to function well: electoral institutions, judicial institutions, civil society institutions, economic institutions, religious institutions, communicative institutions, public administration institutions or some other kind of institution?

To the extent that previous research has addressed the problem, trust in electoral, judicial, public administration and economic institutions have been most frequently mentioned as most important [10-12]; for older times, trust in religious institutions has proved to be important as well [13]. If any institutions have to be especially mentioned, the best candidates would probably be located within the electoral or judicial systems [14]. Trust in the rule of law is often singled out as a cornerstone in any legitimate and rightful commonwealth [15] and trust in the electoral input side of democracy is usually seen as an indispensable part of a well-functioning democratic regime [2,16]. The problem, however, is worth a more thorough research approach, where trust in different kind of institutions and their impact on how well societies are governed is systematically compared across political systems. That is the quest we have set up to pursue in this article.

### Theoretical Vantage Point

Our theoretical problem is regime support and the extent to which, and through which mechanisms, popular support is related to peoples' trust in different societal institutions. The hypothesis is that trust matters. And that trust theoretically and empirically is something different and separate from support or positive evaluations.

Trust lowers transaction costs and enhances compliance behavior. What should be done gets done less costly, more efficiently and quicker, and this is in turn more appreciated among people than the opposite; that is, when things are done in a more costly, less efficient and slower manner. Consequently, trust in important societal institutions is essential for building and preserving support for political regimes. By regime support we mean the degree to which citizens positively evaluate governance outcomes; not only assessments of policies or policy outputs, but judgments of functionalities on the ground.

In this context we will restrict the analysis to democratic regimes. Thus, our concrete focus becomes how citizens in democracies evaluate how their democratic system works and the extent to which these evaluations are associated with trust in different societal institutions. Observe that we are interested in how people assess how their democratic polity functions (works). Whether or not citizens are in favour of a democratic system as such lies beyond the scope of this project.

When it comes to institutional trust and its relation to regime support and legitimacy, previous research has paid most attention to trust in two specific kinds of institutions: electoral and judicial institutions [12,17-22]. We will do the same, yet the impact of trust in

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Received December 24, 2015; Accepted February 24, 2016; Published February 26, 2016

Citation: Dahlberg S, Holmberg S (2016) The Importance of Electoral and Judicial Trust for Regime Support. Review Pub Administration Manag 4: 182. doi:10.4172/2315-7844.1000182

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electoral and judicial institutions on democratic regime support will be put in perspective by also studying the effect of trust in other societal institutions. Our theoretical expectation is that trust in especially electoral institutions, but also in judicial institutions, is more strongly related to evaluations of how democratic regimes function, than is trust in other types of societal institutions; be they economic institutions, religious institutions, civil society institutions, bureaucratic institutions or media institutions.

The reason for this hypothesis is twofold. First, electoral institutions for sure, but also judicial institutions are constitutive elements of a democratic system. If they fail to function there is no democracy. Unfree and unfair elections, and police and judges that do not uphold the law and control corruption, are recipes for a dysfunctional democratic system. Rule of elections and rule of law constitute the foundation of any functioning democracy.

Second, trust research has showed that institutional trust on the individual level builds on and is sustained by a number of factors, among which peoples' perceptions of how an institution fulfills its main task is the most essential [2,23-26]. Trust is mostly a consequence of the degree to which citizens perceive that an institution performs what it is supposed to perform. Job performance is the key: bad performance causes trust to go down; good performance causes trust to go up.

### A Simplified and Operationalized Model

Ideally and in an empirical fashion, we would like to be able to study good government and the extent to which good government is dependent on or at least related to trust in different forms of societal institutions. However, in order to achieve something close to that we have to make simplifications, theoretically as well as operationally. Our study object-our dependent variable-ideally ought to be some kind of "objective" measure of how well different political systems perform. In practice, in our case, we have settled for a rather rough proxy variable based on how citizens subjectively assess the performance of their polity. In a way we let people be the judge of whether their political system is run well or not. We have chosen the much discussed and often criticized satisfaction with the working of democracy (SWoD) variable as our operational dependent variable [2,16,27-30]<sup>1</sup>. As a subjective measure of "job performance" it has been extensively applied across many countries around the world, which is to us an advantage, since it increases the number of cases in our empirical tests. A potential drawback is that the SWoD-index is multidimensional, measuring short term factors such as economic circumstances and government performances, as well as more long term factors related to the status of civil rights and the extent to which elections are considered free and fair. This drawback does not necessarily constitute a problem in our case, however, as we want a broad measure of job performance encompassing short term economic and government assessments as well as more systemic judgments of regime procedures and outcomes. A more evident drawback is that the SWoD measure is only applicable for democratic political systems. Consequently, our study is restricted to democratic nations, excluding authoritarian and non-democratic countries like China, Vietnam, Cuba and Zimbabwe [31].

Another merit of SWoD, which surprised us since we did not know of it when we began working on our study, is that among our chosen thirty four test countries, the aggregated SWoD measure correlates very well with another "Good Government" measure Bruce Gilley's

much used measure of state legitimacy. Gilley's theoretical definition is that "a state is legitimate if it holds and exercises political power with legality, justification, and consent" [17]. He operationalizes legitimacy using a complicated system encompassing no less than nine indicators, most of them involving attitudinal data taken from comparative surveys and aggregated to the national level (pp 14-15). Correlations between Gilley's elaborate legitimacy measure and the more simple and straightforward SWoD measure is 71 in our sample of countries. This means that in operational terms, Gilley's measure of legitimacy and the SWoD measure are, if not scientific siblings then at least close cousins [27,32].

Consequently, in an empirical sense and with a little stretch, our study could be regarded not only as a study of the importance of institutional trust for regime support, but also a study of the importance of institutional trust for regime legitimacy. However, we will not go down that road any further; studying regime support is good and tough enough without complicating things by widening the task by including the legitimacy concept as part of our dependent variable.

Our explanatory factor, trust in different kinds of institutions, involves less problematic simplifications. Trust is an inherently subjective individual trait; it can be aggregated to a group level, but it is best measured subjectively on the individual level [33]. An accessibility problem could be that we-in the present context-do not wish to study the impact of the widely measured inter-personal trust phenomenon [34,12]. Instead, we want to study the impact of different kinds of institutional trust, and therefore need measures of trust in various sorts of societal institutions, not only the standard measures of trust in government or parliament. Luckily and mainly thanks to the world value survey (WVS), there is today no shortage of useful comparative measures of institutional trust, covering a wide variety of different institutions [35]<sup>2</sup>.

WVS measures trust in some sixteen different institutions across a large number of countries. All of these sixteen institutions will be part of our analysis but we are especially interested in studying the impact of political and legal institutions, the reason being that previous research has claimed that the functioning of political legal institutions is of special importance for regime support. Rule of law and the procedural performance and/or output of democratic/political input institutions like parliaments and political parties are essential. The WVS studies encompass trust measures of two legal institutions (Justice System and Police) and of four political institutions (Political Parties, Parliament, Government and United Nations).

Even if our model is simplified-not the least in that we specify that institutional trust "causes" SWoD, and not the other way around-we need to include a couple of other explanatory variables in our test in order not to exaggerate the potential impact of the institutional trust factors on the dependent variable-citizens' degree of support/positive evaluation of their democratic regime. Two obvious controls are the state of the economy and the quality of government. We know from previous research that citizens in richer countries tend to be more appreciative of their regime than people in poorer countries [10]. Furthermore, it has been established that citizens in political systems with better functioning bureaucracies (i.e. high levels of quality of government, QoG) tend to be more content with how their democracy works [36,37]. A good economy and an impartial bureaucracy matter, and thus need to be statistically controlled before we can say anything

<sup>1</sup>In order to emphasize that we are talking about Satisfaction with the Working of Democracy, not Satisfaction with Democracy, we use the acronym SWoD instead of the perhaps sometimes misleading SWD.

<sup>2</sup>Another useful measurer of comparative institutional trust is the European Social Survey (ESS). We will as well use ESS data. However, ESS only covers European countries and includes a limited number of institutions (eight).

more definitive about a possible separate impact of institutional trust on people's evaluation of how their democratic regime functions. GDP/capita and QoG constitute our baseline model on top of which the institutional trust variables have to prove their potential independent effects on democratic regime support.

The model is an aggregate level model intended to be applicable primarily on the national level. State functionalism and how it is related to different forms of institutional trust is our research area. However, some of the model's implications could also be tested on the individual level, given the availability of relevant data. As it happens, reasonably suitable micro level data is to be found in our native Sweden. Hence, we will test the model on the aggregate as well as on the individual level [38]<sup>3</sup>.

## Data Sources

The data source that is by far the best for our institutional trust variables is the World Value Survey. Beginning in the 1980s and continuing up to date in six consecutive waves, trust in some sixteen different institutions has been systematically measured in about seventy countries [35]. The institutions covered include electoral and judicial as well as bureaucratic, civil society, economic, religious and media institutions. We will work with the measurements taken in the early 2000s. Trust indices will be constructed based on results for more than one institution, and these indices will be used in the model tests.

The most theoretically important indices will be the ones involving trust in input oriented democratic institutions like Parliament and Political Parties, and legal institutions like the justice system and the police<sup>4</sup>. Regrettably, no index concerning trust in public administration could be constructed since WVS only contains one relevant item trust in civil services. And, to make things worse, that item is highly questionable, as it is unclear what it actually measures; civil service, we are afraid, can mean very different things in different national contexts and is also sensitive to translation nuances<sup>5</sup>.

Our dependent variable, people's satisfaction with the working of democracy in their country, is not included in the WVS. Instead WVS has chosen to measure a related but quite different concept, namely how citizens evaluate the development of democracy in their country. And since a development assessment is something else than an assessment of how well something works an evaluation of direction versus an evaluation of level- we cannot use WVS data for our dependent variable. Yet since our main empirical test is to be done on the aggregate national level, we are not necessarily stuck with WVS data but can look elsewhere to find information on how citizens evaluate the working of their democracy, and then aggregate that information to the national level. Our search for this data led us to CSES- the comparative study

of electoral systems, which is a cooperative project involving national election studies in most electoral democracies [39]. Since the mid-1990s, CSES has carried out four waves of comparative election studies in some forty democracies. The SWoD measure has been included as a regular feature in all the surveys. Thus, our dependent SWoD variable is taken from early 2000 CSES data<sup>6</sup>.

The control variables, economic situation and the quality of government, are both taken from the Quality of Government data bank [40]. Economic situation is rather conventionally defined as GNP/capita. Quality of Government (QoG), on the other hand, is a more novel concept and thus less self-evidently measured. We have chosen to apply two related but differently operationalized versions of QoG. One is the government effectiveness index developed by the world bank [41-43]. The other is an impartial public service (IPS) index designed within the quality of government institute [44,37]. The two measures are correlated with each other on a high level but they are not identical. A Pearson's *r* correlation, stretching from -1 to +1, yields a correlation coefficient of: ( $r=0.87$ ). By applying both of them separately as well as in tandem, we are giving QoG an extra strong controlling position in the model test. However, the outcome of these robustness tests does not change any conclusions in this paper. Consequently, in the analyses to follow we will only apply the IPS Index from the QoG institute.

Our micro level test will be performed based on data from the SOM Institute (Society, Opinion and Media) at the University of Gothenburg. The Institute carries out annual nationwide and regional surveys in Sweden since 1986 [17,45]. We will use data from the 2010 and 2012 national surveys [46], which included the SWoD measure, institutional trust results for twenty one different institutions and data relevant for our two control variables- economic situation and quality of government<sup>7</sup>. Data on household income will be used to tap peoples' economic circumstances.

The QoG variable is more difficult to nail down in a reasonable and comparative way. However, the SOM data bank includes extensive measurements of how citizens evaluate the job performance of a whole set of public services, such as health care, tax collection, primary schools, and the Public Employment Service. Consequently, we can get measures of how ordinary citizens assess the quality of government. Admittedly, it is not the same as the World Bank's or the QoG Institute's quality of government measures. WB and QoG primarily rely on expert judgments, not evaluations done by citizens; SOM measure will, in contrast, be based on assessments by ordinary people. However, this difference does not necessarily pose an obstacle, as comparative studies on perception of corruption among experts and elites and among common citizens indicate very small differences [47]. Regardless of whether respondents are expert or laymen, perceptions of corruption tend to look the same across countries. Perhaps that is also true for the broader phenomenon quality of government?

<sup>3</sup>An important criticism made by Kittel (2006) is the lack of robustness that often seems to appear in macro-quantitative comparative research in the social sciences. We agree with this criticism but we do not think the solution is to stop conducting cross-sectional country comparative research. Instead we argue that theoretical propositions of individual behavior should be empirically tested on different levels of aggregation. Hence, our approach is to run our models on the aggregated level across countries and then, in a second step, we are zooming in and testing the same models among individuals in one of the countries included in our sample. By this approach we are extending the validity and generalizability of our findings.

<sup>4</sup>WVS measures trust in two other political institutions, Government and the United Nations. Neither of them is included in our democratic/political trust index since Government is more of an output institution and the UN is not a national institution.

<sup>5</sup>The translation of Civil Services in the Swedish questionnaire is "Civilförvaltningen", a terminology not used at all in Sweden for public administration. The best translation would instead probably be "Offentlig förvaltning". We have not systematically looked at how "Civil Services" has been translated into other languages.

<sup>6</sup>The guiding principle for matching CSES data with WVS data has been to use trust items from the wave that most closely matches the year for the CSES modules. When data has been missing for the corresponding wave, the intermediate WVS wave has been used and thereafter the subsequent WVS wave in relation to the CSES.

<sup>7</sup>The SOM Institute's measures of institutional trust include trust in Parliament and Political Parties as well as trust in Courts and Police; hence, indices for our democratic/political input variables as well as for our legal variables can be constructed. However, SOM's institutional trust measurement does not include any measurement of trust in Public Administration (or Civil Services). Consequently, we cannot on the individual level test the impact of trust in Public Administration on Satisfaction with the Working of Democracy.

## It's the Judicial and Electoral Institutions, Stupid

Bill Clinton's campaign manager James Carville [48] once answered the question what determined elections with: "It's the economy, stupid!" Bo Rothstein, and others who have pointed to the importance of well-functioning political and judicial institutions in building societal trust and, more specifically, in building inter-personal trust, could have exclaimed: It's the judicial and electoral institutions, stupid! When asked what kind of institutions are most important for creating and sustaining support for the performance of democracy. And they would have been right, at least preliminary and only looking at bivariate relationships [49].

Among thirty four countries, correlations between trust in sixteen different institutions and the aggregated level of citizens' satisfaction with how their democracy functions are clearly strongest for some judicial and electoral institutions like the Police, the Judicial System, Political Parties and Parliament (Table 1)<sup>8</sup>. trust in economic, civil society, media and religious institutions show up with weaker or in some cases even negative relationships with SWoD. As is shown in Table 1, the four institutions with the strongest trust associations with how citizens evaluate the working of their democracy are first the Political Parties, second, the Parliament, third, the Justice System and fourth, the Police. Civil Services, whatever that connotes in different national contexts, are ranked number eight. Government- a political institution, but more output-oriented and more partisan-shows up further down the list on rank ten [50].

Trust in the four top electoral and legal institutions are correlated about the 0.50 level with the aggregated SWoD measure among our thirty four countries. In other words, there is a pretty substantial bivariate relationship between trust in central input focused electoral

<sup>8</sup>The countries included are: 1. Albania, 2. Australia, 3. Brazil, 4. Bulgaria, 5. Canada, 6. Chile, 7. Czech Republic, 8. Finland, 9. France, 10. Germany, 11. Hungary, 12. Italy, 13. Japan, 14. Kyrgyzstan, 15. Lithuania, 16. Mexico, 17. Netherlands, 18. New Zealand, 19. Norway, 20. Peru, 21. Poland, 22. Republic of Korea, 23. Romania, 24. Slovenia, 25. South Africa, 26. Spain, 27. Sweden, 28. Switzerland, 29. Taiwan, 30. Thailand 31. Turkey, 32. United Kingdom, 33. Uruguay, 34. USA. We have excluded countries that were classified as "not free" according to the Freedom House Index at the time when data was collected (see Freedom in the World. Selected data from Freedom House's annual global survey of political rights and civil liberties". www.freedomhouse.org).

	Institution	Correlations (r)
1	Political Parties	0.56
2	Parliament	0.52
3	Justice System	0.51
4	Police	0.51
5	Labour Unions	0.50
6	Environmental Movement	0.44
7	Women's Movement	0.42
8	Civil Services	0.39
9	Humanitarian Organizations	0.39
10	Government	0.37
11	Major Companies	0.14
12	Armed Forces	0.10
13	United Nations	-0.14
14	Press	-0.17
15	Churches	-0.20
16	Television	-0.22

**Comment:** The data on SWoD comes from National Election Studies in the years 1996-2006 administrated through CSES. The trust data are from wave three, four and five of WVS.

**Table 1:** Correlations between satisfaction with the working of democracy (SWoD) and trust in societal institutions in thirty four countries (Pearson's r).

institutions and SWoD as well as between trust in judicial institutions and peoples' support for the way their democracy works. Comparable associations for trust in other types of institutions tend to be lower. For example, the correlation between SWoD and trust in Civil Service and Government are 0.39 and 0.37, respectively, while the comparable correlations with trust in Parliament and the Justice System are 0.52 and 0.51. Apparently, what matters most is trust in democratic input institutions and judicial institutions.

In order to illustrate the relationships more vividly, six scatter plots are depicted in Figure 1, all with SWoD as the dependent vertical axis and with trust in police, parliament, justice system, political parties and armed forces and press as independent horizontal axes. Armed forces and press are included to demonstrate how the results look for two institutions with no relationship between the degrees of trust and how citizens evaluate how their democracy works.

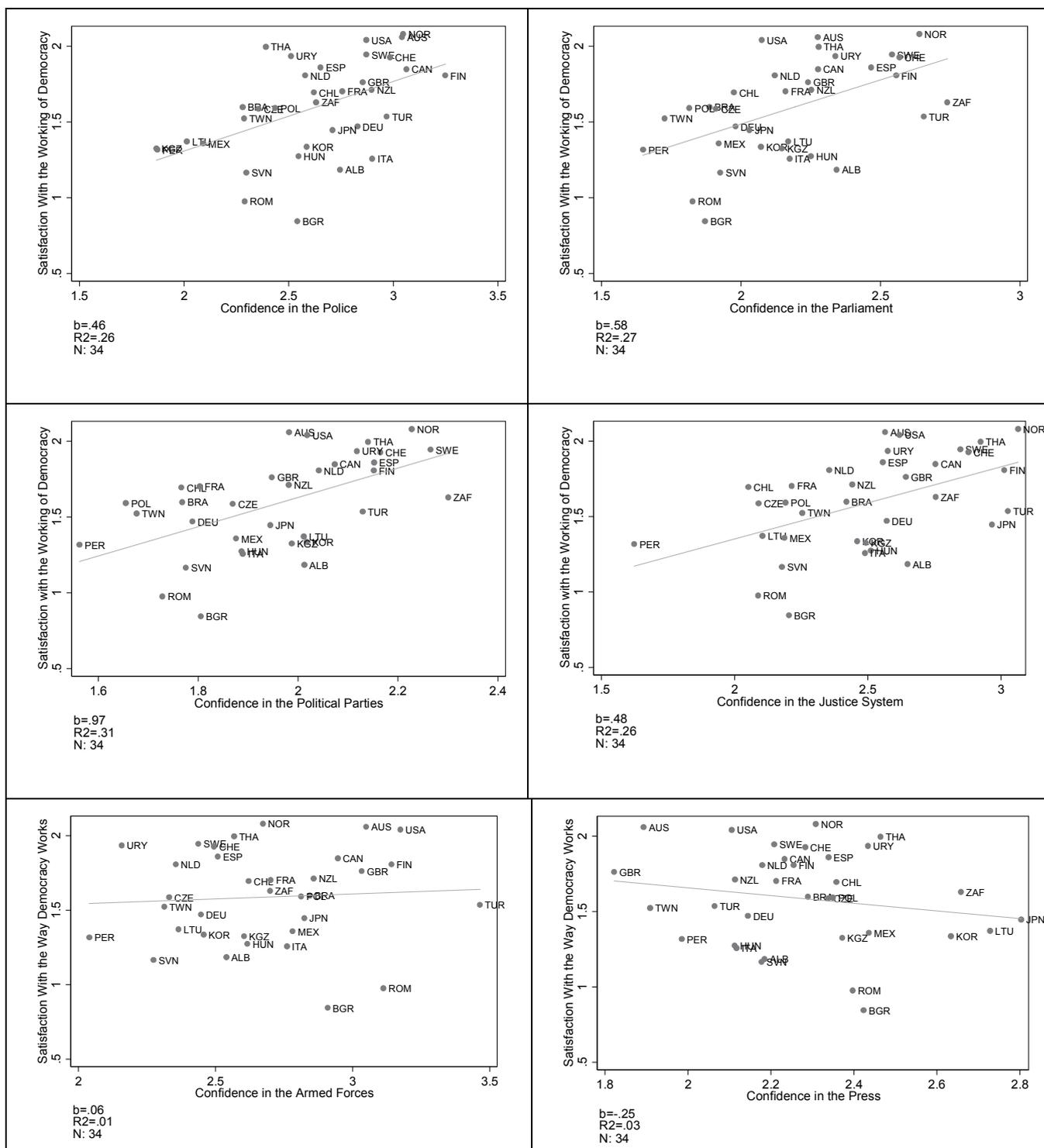
The strong positive correlation between SWoD and trust in the judicial system and in the political parties is evident in the scatter plots, with countries like Norway, Switzerland and Sweden-where people tend to trust parties and the rule of law and at the same time tend to be satisfied with the working of their democracies in the upper right corner, and other countries like Bulgaria, Slovenia and Romania, with citizens less trusting and less satisfied, in the lower left corner. The case of trust in the armed forces reveals in our sample of thirty four democracies-an almost total lack of association between how people assess how their democracy functions and the extent to which the Armed Forces are trusted. The scatter plot involving trust in the Press also reveals an almost non-existent correlation with SWoD; the very weak association is even negative. The empirical reason for the slight negative relationship is that citizens in countries like Australia, United Kingdom and USA tend to be satisfied with how their democracies work but at the same time tend not to trust the Press, while in other countries, such as Bulgaria and Romania, people are less satisfied with the working of their democracy but tend to trust the press. Obviously, trust in media, press as well as television-is of less importance in sustaining positive citizen evaluations of the functioning of democratic regimes than is sometimes portrayed in the literature [51-53].

## Effects of Institutional Trust Still Remains After Controls

No matter if we model institutional trust as a causal factor behind citizens' satisfaction with the working of their democracy or only talk of attitudinal co-variations, we want to make sure that our empirical bivariate relationships withstand some obvious statistical controls. The relevant and minimal controls in our case are to account for the effects of quality of government and economic situation-our baseline model. The purpose of the regression analysis in Table 2 is to do just that.

In our sample of thirty four democracies, SWoD is regressed on two trust indices combining trust in two democratic/political input institutions and two judicial institutions, on an index measuring impartiality in public administration, and on GDP per capita. Bivariate and multivariate regression coefficients are presented in the Table 2<sup>9</sup>.

<sup>9</sup>We have also tried to include trust in Civil Services as an independent variable, although we suspect the validity of that measure to be doubtful. The bivariate regression outcome in our sample of 34 countries is that the relationship between trust in Civil Services and SWoD is significant and has an expected sign – the more trust in Civil Services, the more Satisfaction with the Working of Democracy. However, the effect is less pronounced than the comparative effects of the democratic/political input institutions and the judicial institutions. After controls, the effect of Civil Services not only becomes insignificant; it ends up with the wrong sign. Our conclusion is not that trust in Public Administration does not play a role when it comes to how satisfied citizens are with how well their democracy works.



**Comment:** The scatterplots are based on data from CSES (for the SWoD-variable, scaled 1-4) and from WVS (for the trust variables, scaled 1-4). The higher SWoD and the higher trust scores, the more citizens tend to be satisfied with the working of their democracies and have more confidence in the relevant institutions.

**Figure 1:** Impact of institutional trust on citizens' regime support (SWoD): six illustrative scatterplots.

A first observation is that the two trust indices as well as the impartiality index all demonstrate strong bivariate relationships with how people evaluate the working of their democracy. The economic variable, GDP per capita, also has an impact on SWoD, although it is weaker than expected. The first rounds of multivariate tests demonstrate

Instead, our conclusion is that the jury is still undecided. The WVS measurement of trust in Public Administration (Civil Services) is not good enough a measure to render a more conclusive verdict.

	Bivariate	Model 1	Model 2	Model 3	Model 4
	SWoD	SWoD	SWoD	SWoD	SWoD
Electoral Trust Index	1.71*** (.40)	-	1.17*** (0.36)	-	1.72*** (0.57)
Judicial Trust Index	1.89*** (.41)	-	-	-0.85 (.54)	-0.96 (0.79)
Impartial Public Admin.	-0.74*** (.12)	-0.87*** (.24)	-0.70*** (.20)	-0.73*** (.23)	0.77*** (0.23)
GDP/cap(ln)	-0.46** (.18)	-0.16 (.27)	-0.11 (.21)	-0.21 (.24)	-0.03 (0.24)
Constant	-	4.06 (2.60)	2.99 (1.99)	4.08 (2.21)	2.46 (2.29)
R-squared	-	-0.42	-0.54	0.44	0.54
N	34	34	34	34	34
VIF (Mean):	-	2.14	1.87	2.13	3.01

**Comment:**  $p > |t| = .01^{***}$ ;  $= .05^{**}$ ;  $= .10^*$ . Standard errors are boot-strapped with 1000 replications. SWoD, the dependent variable, is taken from CSES and scaled 1 (low satisfaction) to 4 (high satisfaction). The independent variables are all scaled between 0 (low trust, low impartiality and low GDP per capita) and 1 (high trust, high impartiality and high GDP per capita). The Trust Indices, based on WVS data, combines trust in two electoral institutions and two judicial institutions - Political Parties and Parliament as well as Police and Justice system (Table 1). The Impartial Public Administration Index builds on a global expert survey run by the Quality of Government Institute (see Holmberg and Rothstein 2012). GDP/capita is taken from the World Bank-World Development Indicators (World Bank WDI 2013), provided by Teorell et. al. (2013). We have here elaborated with different measures of economy, such as for example GDP-growth/cap, but our results remain unaffected.

**Table 2:** Regressing Satisfaction with the Working of Democracy (SWoD) in Thirty Four Countries on Trust in Electoral and Judicial Institutions, on Impartial Public Administration and on GDP/capita (OLS regr. coeff; Std. Err. within parentheses).

the same basic result. Institutional trust measured separately via democratic input institutions and via judicial institutions, and impartial public service all have independent and highly significant effects on citizens' assessment of how their democracy works, while the effect of economic circumstances is clearly weaker and non-significant<sup>10</sup>.

However, when we test the impact of the two trust indices together in multiple regressions, Judicial trust fails to reach an independent significant effect level although the effect signs in both of the separate cases (Model 2 and 3) are the correct and expected ones; the higher the trust in democratic input institutions and judicial institutions, the better SWoD. However, the limited number of cases and the high correlation between our two trust indices ( $r=0.75$ ) imply that we run into a serious multicollinearity problem that prevents us from being able to test the separate effect of the Judicial trust factor<sup>11</sup>. Trust in legal institutions has an impact on how people judge how well their democracies function. Yet we cannot know how strong that impact is taken separately and under control for trust in other relevant institutions given the limited number of countries at our disposal<sup>12</sup>.

<sup>10</sup>As mentioned earlier, our analyses on the aggregated level are based on data from two different data sources. Our dependent variable (SWoD) is taken from Comparative Studies of Electoral Systems (CSES) module 1, 2 and 3, while the independent variables on Electoral and Judicial Trust are taken from time corresponding waves in the World Value Survey (WVS). The SWoD item is, however, included in the European Social Survey (ESS) as well, reading: *On the whole, how satisfied are you with the way democracy works in [country]?* In contrast to the CSES questionnaire (where the response options are 1-not at all satisfied to 4-very satisfied), the ESS response options are based on an 11 point scale, stretching from 0 (extremely dissatisfied) to 10 (extremely satisfied) (for more information, see: [www.europeansocialsurvey.org/data](http://www.europeansocialsurvey.org/data)). The CSES and the ESS survey items are highly correlated in our sample of 34 countries ( $r=0.81$ ), which makes them not identical but at least very close. When also incorporating countries from the ESS in our dataset, the number of cases increases to 42. The outcome from such a maneuver is that all of our relationships become even stronger. For example, the bivariate relationship between confidence in Political Parties and SWoD is ( $b=1.87$  and  $R^2=0.54$ ) with ESS data included compared to ( $b=0.97$  and  $R^2=0.31$ ) without ESS data. The bivariate relationship between confidence in the Justice System and SWoD is ( $b=1.06$  and  $R^2=0.51$ ) with ESS data included compared to ( $b=0.48$  and  $R^2=0.26$ ) without ESS data. However, the fact that all our results are strengthened when ESS data is included is not very surprising since the ESS only adds European countries, where trust in different institutions as well as SWoD are generally higher compared to countries outside Europe. Including ESS data in our study would in relative terms "over-represent" Europe (let be that the sample is not representative as such in terms of countries included). Not including ESS (or Eurobarometer) data gives our hypothesis more of an uphill battle.

<sup>11</sup>The sudden loss of significance and change of direction in the effect is often an indication of multicollinearity, which is here also indicated by the low tolerance value for the Judicial Trust Index in model 4 ( $1/VIF=0.23$ ).

<sup>12</sup>The very strong relationship between our two trust indices makes it possible to

Not with standing the limitation of not being able to really separate the impact of trust in democratic input institutions from the impact of trust in legal institutions, our conclusion is that countries where citizens tend to appreciate how democracy functions are also countries where people tend to trust societal institutions, especially democratic input- and judicial institutions, and where we find more impartial public administrations. Whether the country is more or somewhat less successful economically is of less importance.

### A Micro Level Test–The Case of Sweden

Obviously, in all kinds of scientific endeavors, it is important to test theories not only in one but in many different ways. Multiple tests are reassuring, given that they come to the same result; and call for more tests and perhaps rethinking if they come to divergent outcomes. It is therefore an important advantage that we through our access to data from the SOM Institute's annual Swedish surveys can test our model using micro level individual data.

On the individual level and at least among Swedes, the SWoD variable tends to be positively correlated with trust in all kinds of societal institutions; but to very different degrees. The results in Table 3, based on the 2012 SOM survey, show the strongest correlations for some political institutions-government, parliament and political parties-and weakest relationships for institutions like trade unions, the royal house, primary schools, the Swedish church, banks and the daily press. Two judicial institutions-courts and police-are ranked in the upper half among the twenty-one institutions, but have only medium sized correlations (Table 3).

Disregarding institutions not included in both the aggregated macro analysis and in the micro individual level Swedish analysis, the similarity of the outcomes is remarkable. The rank order correlation between the results in Tables 1 and 3 is 0.67 (Spearman's Rho). Most significantly, macro as well as micro electoral and judicial institutions tends to have the strongest relationships with how people judge the working of democracy-or in the case of judicial institutions among Swedes, at least be placed in the upper half of the institutional ranking.

combine them and theoretically talk of trust in four central "procedural" electoral-judicial institutions – in Parliament and Political Parties (free and fair elections) as well as in Judicial System and Police (rule of law). For this reason we have also elaborated with an interaction term between the two indices, but due to multicollinearity, the model did not perform well.

	Institution	Correlations (r)
1	Government	0.52
2	Parliament	0.50
3	Political Parties	0.43
4	The Riksbank	0.38
5	EU Commission	0.35
6	Local Governments	0.35
7	Courts	0.34
8	EU Parliament	0.33
9	Universities	0.29
10	Police	0.28
11	Major Companies	0.28
12	Health Care	0.27
13	Radio/Television	0.25
14	Armed Forces	0.24
15	United Nations	0.23
16	Press	0.23
17	Banks	0.22
18	Swedish Church	0.21
19	Primary School	0.20
20	Royal House	0.20
21	Trade Unions	0.15

**Comment:** The data come from an annual Swedish survey conducted in 2012 by the SOM Institute at the University of Gothenburg. The number of respondents is between 4500 and 6000.

**Table 3:** Correlations between Satisfaction with the Working of Democracy (SWoD) and Trust in Societal Institutions among Swedish Citizens (Pearson's r).

	Bivariate	Model 1	Model 2	Model 3	Model 4
Electoral Trust Index	2.12*** (0.06)	-	1.48*** (0.06)	-	1.35*** (0.07)
Judicial Trust Index	1.40*** (0.06)	-	-	0.95*** (0.07)	0.39*** (0.07)
Public Service Performance Index	1.46*** (0.08)	1.50*** (0.08)	0.82*** (0.08)	0.94*** (0.09)	0.64*** (0.08)
Household Income	0.32*** (.04)	0.34*** (0.04)	0.18*** (0.03)	0.27*** (0.04)	0.17*** (0.03)
Constant	-	1.89*** (0.05)	1.59*** (0.05)	1.66*** (0.05)	1.52*** (.05)
Adj. R-squared	-	0.13	0.29	0.19	0.30
N:	2.831	2.831	2.831	2.831	2.831

**Comment:**  $p > |t| = 0.001^{***}$ ;  $= 0.01^{**}$ ;  $= 0.05^*$ . Individual level Swedish data from a SOM Institute survey in the fall of 2010. The dependent variable (SWoD) is coded 1 (low satisfaction) to 4 (high satisfaction). All independent variables are scaled from 0 (low trust, low performance assessments, low income) to 1 (high trust, high performance assessments, high income). The trust indices combines trust in four electoral-judicial institutions- political parties and parliament as well as police and the courts. The Public Service Performance index is based on how Swedes evaluate the job performance in ten public service areas (Johansson and Holmberg 2011). Survey respondents provide the information behind the household income variable. Thanks to Per Hedberg for help with data runs on the SOM material.

**Table 4:** Regressing satisfaction with the working of democracy (SWoD) among swedes on trust in electoral and judicial institutions, on assessments of public service performance, and on household Income (OLS regr. coeff, Std. Err. within parentheses).

The rather striking resemblance between our macro and micro results remains when we move from bivariate relationships and rank orders to multivariate controls. In Table 4, Swedes' satisfaction with the way democracy works is regressed on two separate trust indices footed on confidence in democratic input institutions (Political Parties and Parliament) and in legal institutions (Courts and Police) on a public service performance index based on how citizens' evaluate the job performance of ten Swedish public authorities/public service areas, and on household income.

Given the number of respondents about 3000, it is not surprising that all coefficients are highly significant. Hence, in this case it is the size of the coefficients that are of preliminary interest. And here we find an outcome we recognize from the previous macro analysis, although it is more evident on the micro level. Peoples' trust in democratic input and legal institutions and their assessment of the performance of the public sector (quality of government) are strongly related to how the working of Swedish democracy is evaluated; political trust is stronger than performance assessments. Trust in judicial institutions has the expected positive impact as well but not on the same level. The correlation

between our two trust indices is medium high (+0.51). The independent effect of trust in legal institutions is somewhat overshadowed by trust in the related trust in political institutions. The economic status of citizens is also connected to how the working of democracy is perceived, but clearly on a much lower level.

The conclusion is the same as before when we analyzed aggregated national results. Overall satisfaction with how Swedish democracy works tends to be most pronounced among people who trust central electoral and judicial institutions and who perceive that the job performance of Swedish public authorities is good. And here the direct effect of institutional trust is stronger than the direct effect of the assessments of how public bureaucracies perform in their work. Whether people are rich or poor matters less.

### Causal Direction

Our model is based on the simplified notion that institutional trust "causes" regime support, not the other way around. This is of course an oversimplification. In reality, we must assume that trust impacts support at the same time as support impacts trust. We have a circular process with feedback loops.

One way to highlight that peoples' SWoD is influenced by institutional trust at an earlier time ( $t_{-1}$ ) and that citizens' trust levels are also influenced by how they previously evaluated the working of their democracy ( $t_{-1}$ ) is to apply a dynamic model on panel data. We have preliminary done that using Swedish data from a Citizen Panel put together at the Department of Political Science in Gothenburg [6,35]. The outcome is very instructive. The effects both ways turn out to be substantial and statistically significant. Institutional trust at  $t_{-1}$  has an effect on SWoD at time-point  $t$ , and SWoD at  $t_{-1}$  has an effect on institutional trust at time-point  $t$ . There is thus an effect circle. Yet within that feedback loop it, looks as if the more specific attitude, i.e. institutional trust, has a somewhat larger impact on the more general attitude SWoD<sup>13</sup>. At least that is the result in our analysis using SWoD and trust in parliament as the operational measures. However, it is important to emphasize that the effects go both ways. Consequently, our model specifying an impact of institutional trust on regime support is relevant. Granted though that the estimated effects of institutional trust are going to be on the high end since we have not ruled out the reversed effect of SWoD on institutional trust.

### Conclusion: Institutional Trust Matters

Our main results can be stated simply: there is truth in the saying that trust builds and sustains societies. In our study, which is based on macro as well as micro level data, we have shown that institutional trust has an independent effect on regime support. The kind of institutional trust that is most important is trust in political/democratic input institutions and in judicial institutions. Trust in other societal institutions like economic institutions, media institutions, religious institutions, civil society institutions, and public service institutions matter less<sup>14</sup>.

The conclusions, however, are not stand alone facts that can be drawn independently of our theoretical model. On the contrary, the results are to a degree contingent on the model and the controls applied. In our case we have squared a complex reality by specifying a model with only three/four explanatory factors. And we have neither specified nor tested any indirect effects between our explanatory variables. Furthermore, the model presupposes a uni-directional causal mechanism that we for sure know is a simplification. Peoples' evaluations of how their democracy works influence the degree to which they trust vital societal

<sup>13</sup>In situations with reversed causality in cross-section data, the effects in terms of absolute levels could be overstated since the relationships may suffer from endogeneity. In order to sort out this problem, panel data is required. In the Swedish Citizen Panel (Oscarsson, Dahlberg and Martinsson 2013) hosted by the Laboratory of Opinion Research (LORe) at the University of Gothenburg, approximately 15 000 Swedish citizens are surveyed on a regular basis, usually every sixth months, starting back in late 2010 (for more information, see. www.lore.gu.se/surveys/citizen). The Citizen Panel consists of contains a standing block of survey questions where SWoD and trust in Parliament are included. In total, the survey contains seven waves, which implies that we have the opportunity to run auto-regressive models on SWoD and institutional trust. In this respect we specify a simple LDV model such as:  $\Delta Y_t = \alpha + (\gamma - 1)Y_{t-1} + \beta X_{t-1} + e_t$ . Starting with the effect of trust in Parliament at  $t_{-1}$  on SWoD at  $t$ , under control for the effect of SWoD at  $t_{-1}$ , the main effect is  $(b=0.27^{***} R^2=0.21)$  while the effect of SWoD at  $t_{-1}$  on trust in Parliament at time-point  $t$ , under control for the effect of trust in Parliament at  $t_{-1}$ , is  $b=0.22^{***} R^2=0.18$ . The results become, on the marginal, even more pronounced when longer lags are used. These outcomes suggest that the relationship is dynamic and that causality is going in both directions. There is, however, a slightly stronger impact from trust in Parliament on SWoD than the other way around, which supports the theoretical approach of the current paper.

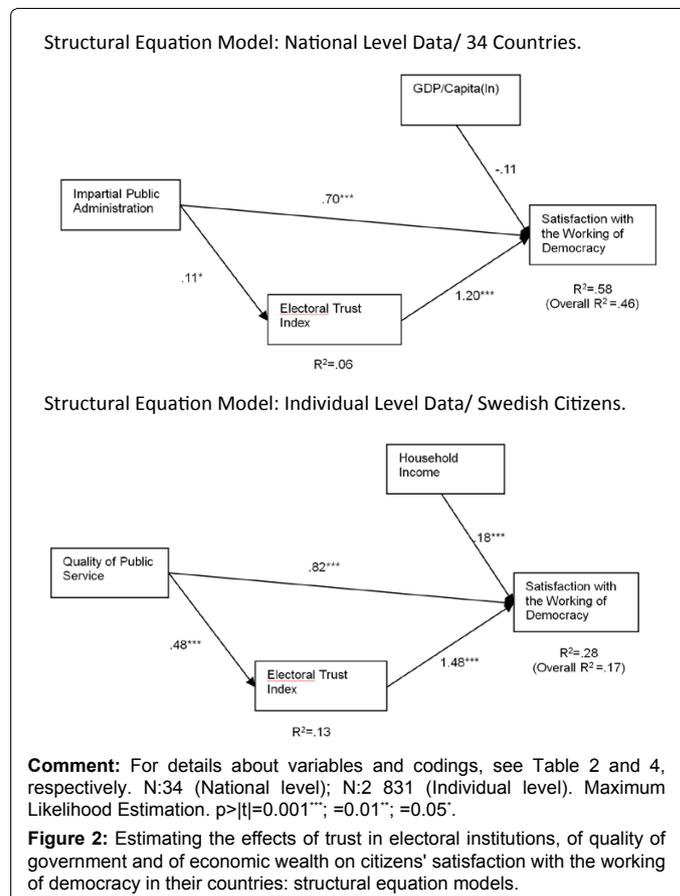
<sup>14</sup>With the reservation that our test of the effect of trust in public administration is questionable since it is only based on macro data aggregated from WVS-measurements of trust in Civil Services. Those measurements, we believe, may not accurately measure trust in public administration. Our micro level tests using data from the Swedish SOM Institute did not include any measure of trust in public administration.

institutions at the same time as trust in central institutions impacts how citizens assess the working of their democracy. We can talk of feedback loops and vicious or virtues circles [5]; however, our tests have mainly been stationary at one point in time, not dynamic over time as they ideally should have been.

We would like to conclude with two easy to grasp and very visual graphical models – one on the individual micro level and one on the macro level. Both models include our three explanatory factors as well as the dependent variable regime support, measured as satisfaction with the way democracy works. In the models, we have estimated not only direct effects on SWoD but also a potential indirect effect of quality of government through institutional trust on SWoD (Figure 2). The measure of institutional trust is operationalized as our index covering democratic electoral input institutions.

The results of the macro and micro tests are, just as before, the same. Trust in democratic electoral input institutions as well as quality of government, measured as quality and impartiality of public administration, have independent direct effects on how citizens evaluate the functioning of their democracy; electoral trust matters somewhat more than quality of government. However, quality of government also has an indirect effect on regime support, which goes via institutional trust: quality of government influences institutional trust, which in turn impacts regime support.

When it comes to regime support (and regime legitimacy), institutional trust matters; especially trust in electoral and judicial institutions. Furthermore, quality of government matters. Economic factors, however, matter less in this instance. Political factors rule, not



economical. The economists Daron Acemoglu and James Robinson repeatedly stress the importance of political institutions in their book *Why Nations Fail* [10]; our results render further support to their conclusions. But we are more specific. Nations succeed when there is trust in electoral and judicial institutions and when there are impartial public administrations.

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