

11.

In welfare we trust?
Political trust
in Portugal and Spain,
2008-2014

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INTRODUCTION

In representative democracies political trust is often featured as a key requirement of regime stability and legitimacy, as well as quality of democracy, translating the popular support that the democratic system enjoys (Easton 1975; Newton and Norris 1999; Norris 1999). Moreover, political trust has an impact in terms of electoral turnout and vote choice (mainstream vs. third-party vote), other modalities of political participation (distrust erodes institutionalized and fosters de-institutionalized forms of participation), or support for public policies targeting social outgroups (Kaase 1999; Hetherington 1999; Hetherington and Globetti 2002; Bélanger and Nadeau 2005; Hooghe and Marien 2013). Trust in political institutions is, therefore, a building block of political citizenship in contemporary democracies.

For that reason, the fact that several public opinion surveys pointed to a downward trend in trust in political institutions in Western democracies since the 1980s (Kaase 1999; Newton and Norris 1999; Listhaug and Wiberg 1995; van der Meer 2010; Belchior 2015) has raised concerns. Representative institutions, in particular governments, parliaments, and political parties, are those earning less trust amongst citizens, while implementing institutions (e. g. police, courts) seem to fare better (Kaase 1999; Newton and Norris 1999; Marien 2011). This decline is more pronounced in the United States than in Europe (Marien 2011). Within Europe, Southern countries have recently known sharp downturns in terms of political trust (Torcal 2014; Belchior 2015; Muro and Vidal 2017; Fernandes et al. forthcoming). Portugal and Spain are no exception in the wider Southern European context, although the trust debacle seems to have been steeper in the latter than in the former (Fernandes et al. forthcoming).

Unsurprisingly, in the Iberian Peninsula these falling trends gained visibility as the economic and financial crisis became more severe. While previous studies pointed out the relevance of the general economic or government performance as key factors of political (dis)trust in these countries (Teixeira and Freire 2010; Torcal 2014; Teixeira, Tsatsanis and Belchior 2014), less attention has been paid to the role of perceptions regarding the impact of the economic crisis beyond unemployment rates or poverty risks: namely the way the welfare state, an important staple in these recent democracies, actually works. A notable exception to this is the work by Fernandes et al. (forthcoming), who revealed that at the macro-level there was, surprisingly, a negative relationship between social protection spending and trust in representative institutions in

Southern Europe between 2000 and 2015. A positive relationship between the citizens' welfare state experiences and political trust (that is, at the micro-level) has been observed elsewhere, however (Kumlin 2002; Kumlin and Haugsgjerd 2017).

This chapter analyses the relationship between welfare state performance (namely in the lesser-studied subfields of health and education) and trust in political institutions in Portugal and Spain at three key moments: before the financial crisis (2008), during its peak (2012), and after the end of the foreign aid programmes (2014): a full-fledged bailout in the case of Portugal (2011-2014) and the injection of funds in Spanish banks (2012). Both countries are new democracies, with slightly different institutional profiles (Bruneau et al. 2001) and party systems with similar degrees of stability, registering an increase in volatility only in the post-2008 period (Sanches 2017). Nevertheless, these countries have been affected unequally by the recent Eurozone crisis (Bellucci, Lobo and Lewis-Beck 2012; Magalhães 2014): while Portugal experienced the most acute crisis and had to be rescued by the Troika, Spain also saw a worsening of several macroeconomic indicators such as government debt and the unemployment rate, but the external intervention was of a considerably milder nature: cash flows to Spanish banks in peril. The context of the post-2008 financial and economic crisis in these countries is an interesting one to test hypotheses about the factors that influence political trust, since the turmoil was of greater volume than any other pattern of negative economic performance experienced by most European democracies in the last decades. From this broad depiction, what interests us the most is how perceptions of welfare performance may have had different impacts on levels of political trust in Portugal and Spain, before, during, and after the peak of the sovereign debt crisis, and for citizens with different levels of cognitive mobilization.

This chapter is structured as follows. In the next section we review the literature on the factors underlying political trust in democratic societies, with a special focus on studies carried out in Portugal and Spain and on those that attempted to find a causal link between welfare and trust in representative institutions (Guillén, Álvarez, and Silva 2003). Then, recent welfare state developments and citizens' perceptions of welfare performance in both countries are discussed. The following section presents the goals, hypotheses, and data used in this chapter. The fourth section is devoted to the discussion of the results of several regression models computed with the aim of testing our hypotheses. The chapter ends with the summary and discussion of the main empirical patterns observed.

TRUST IN POLITICAL INSTITUTIONS: AN OVERVIEW

Trust in political institutions is a recurring theme in the political science research agenda. This includes studies looking at political trust as an explanatory factor of political attitudes and behaviours such as satisfaction with democracy and political participation (Almond and Verba, 1963; Kaase 1999; Inglehart 1999; Zmerli and Newton 2008), but also those contributions seeking to identify the cultural, economic, and policy factors of political trust, at either the micro or macro-level (Newton and Norris 1999; Mishler and Rose 2001; Hooghe, Marien and Oser 2017; Zmerli and van Der Meer 2017). This second research stream, to which the present chapter contributes, can be divided into two main schools of thought: cultural and institutional.

Cultural theories suggest that political trust is exogenous, that it is generated outside the political sphere. Within this account political trust is perceived as “an extension of interpersonal trust, learned early in life and, much later, projected onto political institutions” (Mishler and Rose 2001, 31). In other words, it is determined by the level of social trust that individuals develop throughout life, resulting from their socialization in specific cultural norms. Almond and Verba (1963) were the first to theorize this relationship by postulating that social trust was an important component of the democratic civic culture. Later, Putnam et al. (1983) and Putnam, Leonardi and Nonetti (1993) argued that citizens’ integration in social networks produced forms of social capital and of mutual trust that helped to increase the effectiveness and vitality of democratic political institutions. A few recent empirical studies have, indeed, observed such a relationship: there are significant correlations between social and institutional trust at the macro-level and, when important controls are included in the analysis, the relationship between social and political trust is also observed at the individual level (Zmerli and Newton 2008; Newton and Zmerli 2011).

Alternatively, institutional theories argue that trust is endogenous, a result of the evaluations people make of the performance of political institutions (Mishler and Rose 2001; van der Meer and Zmerli 2017). Institutional theories contend that the quality and the performance of institutions is what best predicts trust, thus suggesting that trust is quite instrumental: “Institutions that perform well generate trust; untrustworthy institutions generate skepticism and distrust” (Mishler and Rose 2001, 31). This explanatory account anticipates short-term changes in trust levels as a result of shifts in economic growth or

perceptions of corruption. Many empirical studies have tested the effect of institutional performance, either alone or in conjunction with cultural variables. Listhaug and Wiberg (1995) found that at the macro-level, unemployment and governmental instability are negatively correlated with trust in government and in parliament. Newton and Norris (1999) have shown that neither social trust nor associativism are key factors of individual trust in political institutions; in fact, the performance of governments and political institutions are the strongest explanations for the decline of political trust observed in western democracies between the 1980s and the 1990s. Focusing on the Central and Eastern European post-communist countries, Mishler and Rose (2001) also concluded that the origins of political trust lie mainly in institutional explanations, being largely determined by the countries' political and economic performance. Lühiste (2006) developed a similar study for Estonia, Latvia, and Lithuania, noting that the performance of political institutions (perceptions about the economy, corruption, and evolution of civil rights) explains the confidence in political institutions better than cultural variables.

The recent wave of studies aiming at explaining the erosion of trust in political institutions in Southern Europe, namely in Portugal and Spain, have pointed out the relevance of the institutional factors, but also of cultural factors and political attitudes. Teixeira and Freire (2010), for instance, analysing the determinants of trust in parliaments in Portugal, Spain, and Italy, found that the greater the interest in politics and the trust in other institutions, the greater the confidence in parliaments. Interestingly enough, Portugal was the only country in which economy and government performance variables were statistically significant, and Spain the only one in which social trust has a significant effect. This does not mean that these are opposite cases, but instead that there are within-country specificities that need to be taken into consideration. Torcal (2014) also studied the determinants of trust in political institutions in Spain and Portugal during the crisis, using as main independent variables assessments of the economy and responsiveness (that is, the extent to which political elites care about what people think). One of the most significant results is that policy responsiveness is the most important and robust predictor of trust, suggesting that the fact that citizens think political elites do not care about their opinion is what most negatively affects trust in political institutions. His study also finds a significant effect of economic assessments, especially sociotropic assessments, in the levels of trust in representative institutions. Analysing the cases of Italy, Portugal, Greece, and Spain, Muro and Vidal (2017) tested the

effects of the quality of institutional outputs, observing that levels of public debt, unemployment, and perceptions of corruption were the main predictors of political trust, while inflation, GDP, and government effectiveness had no significant consistent effects, unlike the GINI index, which also emerges as a significant predictor. Teixeira, Tsatsanis and Belchior (2014) observed that short-term factors (evaluations of the government performance, the economy, and the main parties during the crisis) were those with larger and more regular effects on trust in parliaments in Portugal and Greece between 2008 and 2012. More recently, in a macro-level study of trust in national political institutions, Fernandes et al. (forthcoming) noted that higher levels of trust in representative political institutions were correlated with lower rates of unemployment and poverty risk in Southern Europe.

Within the institutional framework, studies focusing on the relationship between welfare state performance and trust in political institutions are, as we noted above, less common (Kumlin 2002; Kumlin and Haugsgjerd 2017; Fernandes et al. forthcoming). Our knowledge on the effects of welfare performance on political trust lags behind what we know about the effects of interpersonal trust, and short-term economic and government performance. However, citizens' personal experiences with different kinds of welfare institutions can play an important role in generating trust (Kumlin 2002), because citizens will make inferences about the functioning of the political system and the conduct of public officials on the basis of their experiences with these institutions (Rothstein and Stolle 2008).

WELFARE STATE IN PORTUGAL AND SPAIN: RECENT EVOLUTION AND CITIZEN PERCEPTIONS

The creation of welfare systems in Portugal and Spain dates back to the second half of the 1970s with the dismantling of the authoritarian regimes and the transition to democracy. The new democratic constitutions sanctioned the citizens' right to social protection, such as access to public education and health systems (Ferrera 2000; Silva 2013). European integration has activated a set of reforms aimed at modernizing and improving the social protection systems (Ferrera 2005; Petmesidou and Guillén 2014). Although several indicators point to an improvement of the social protection system, some dysfunctions persist in the two countries (Alves 2015; Silva 2013).

The outbreak of the crisis in 2008 and the following recession and its social and economic effects have put the welfare systems of Southern European countries under stress. Structural reforms of the welfare systems and cuts in social protection were carried out during the crisis, and key sectors such as pensions, workers' protection, healthcare, and education were targeted by austerity measures (Gutiérrez 2014; Pereirinha and Murteira 2016; Villota and Vázquez-Cupeiro 2016), causing investment in these areas to obtain smaller proportions of governmental spending *vis-à-vis* previous periods. Indeed, if we consider public health expenditure as a percentage of the government expenditure, the data show a decrease of 2.8 percentage points in Portugal and 1.2 percentage points in Spain between 2008 and 2014 (Table 11.1). At the system level the measures undertaken meant a shift of the costs of healthcare increasing for patients, with potential negative effects in terms of access and inclusion (Petmesidou, Pavolini and Guillén 2014). Public investment in the educational system has fallen as well, but not at the same time in the Iberian countries. In 2009 Portugal came close to the European average in terms of government expenditure in education, but it quickly regressed to lower levels in 2010; in Spain, a visible governmental disinvestment is apparent only from 2012 on (Table 11.1).

To what extent has this set of developments had an impact on the way the Portuguese and Spanish assess the performance of their welfare states, namely in terms of the quality of healthcare and public education? In both countries citizens show throughout this period low, moderate, to negative, levels of

Table 11.1

Public expenditure on health and education: trends in Portugal and Spain (2008-2014)

		2008	2009	2010	2011	2012	2013	2014
Public health expenditure (% of the government expenditure)	Portugal	14.7	14.3	13.8	13.3	12.9	12.5	11.9
	Spain	15.7	15.6	15.5	15.3	14.1	14.5	14.5
	EU	15.5	15.6	15.5	15.7	15.7	16.0	16.0
Expenditure on education as % of total government expenditure	Portugal	10.4	11.1	10.4	10.2	10.2	10.6	9.9
	Spain	10.9	10.6	10.6	10.6	9.2	9.5	9.6
	EU	11.9	11.4	11.1	11.1	11.3	11.5	11.6

Source: World Bank.

Notes: EU = European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom.

satisfaction with the performance of their welfare systems (see Table 11.2). The European Social Survey data for 2008-2014 shows that the panorama in Portugal is of relative stability, while in Spain there is a continuous decrease in the perceptions of welfare performance. This trend may be surprising if one considers that, *grosso modo*, cuts were not significantly harsher in Spain than in Portugal, and could be explained by the fact that the decrease in public investment in these sectors may have been directed to more visible aspects of the health and education systems in Spain than in Portugal, or may have received more negative media coverage. Also, the fact that Portugal had to implement harsher austerity measures under the troika programme targeting several other areas of the welfare system might have polarized the media and the public debate around other topics (wage freeze, cut in pensions, massive emigration), leading to the same feeble impact on citizen perceptions of how the healthcare and education systems were performing.

GOALS, HYPOTHESES, AND DATA

This chapter has two main goals at its core: to test the effects of welfare performance perceptions on political trust and to examine whether there are differences in the effects of welfare performance on political trust in Portugal and Spain at different moments of the sovereign debt crisis, as well as for citizens with different levels of cognitive mobilization.

Four main hypotheses will be tested. First, in line with the institutional theories and inspired by the work of Kumlin (2002) and Kumlin and Haugsgjerd (2017), we expect that trust in political institutions will be greater amongst the citizens who assess the performance of the welfare state in a more positive manner (*hypothesis 1*). Assessments of the welfare state performance and levels of trust in political institutions that ultimately decide how much and how to manage the welfare system are different and fairly independent features. While trust can be seen as an affective orientation toward the political system, welfare assessments express an evaluative orientation concerning specific political/institutional objects (Almond and Verba 1963). Even though trust may have, in specific circumstances and for a number of citizens, a biasing impact on satisfaction with welfare performance, we expect the former to be a consequence of the latter. In other words, citizens will trust as a result of an instrumental evaluation of how well institutions perform, based on the quality

of the outputs. Thus, how citizens assess the performance of key sectors of the welfare state (specifically health and education) is likely to generate trust or otherwise distrust in the political institutions that are responsible for implementing welfare policies.

In addition, we expect that welfare performance perceptions will have a stronger role after the advent of the sovereign debt crisis (*hypothesis 2*). This expectation is based on the assumption that the context of crisis may have polarized these perceptions and given them a stronger political meaning.

We also test the assumption that during the crisis years, the impact of welfare assessments is less in Portugal (in which welfare cuts could be seen as exogenous) than in Spain (in which they did not stem from a bailout programme). In the first case, the welfare cuts were associated with the bailout, while in the latter a formal bailout never occurred; therefore, it makes sense that the national political institutions in Spain would suffer more in terms of their trustworthiness due to negative assessments of the welfare state performance. On the contrary, in Portugal the crisis was initially seen as “imported” and the incumbent party was not strongly punished for it at the polls in 2009 (Freire and Santana Pereira 2012), and the need for austerity measures was strongly linked with the three-year foreign aid programme. Corroborating this depiction, it has been shown that Portugal has the lowest share (even if still majoritarian) of citizens holding the government accountable for the crisis when compared to the other Southern European countries (Lobo and Lewis-Beck 2012). Therefore, national political institutions may have been comparatively less blamed for the quality of welfare services in Portugal than in Spain. In short, during the peak of the crisis, the impact of welfare performance perceptions on the levels of trust in political institutions will be stronger in Spain than in Portugal (*hypothesis 3*).

Lastly, we examine the extent to which the effects of welfare performance on trust are significantly shaped by the way citizens process political information. The theory of cognitive mobilization suggests that those who are better educated and those who have more access to information will have more supportive attitudes toward the political system (Inglehart 1970, 1977), but also rely less on short-term cues to assess the degree of trustworthiness political institutions are entitled to. If that is the case, we should expect satisfaction with welfare performance to be less important for those with higher levels of cognitive mobilization. In other words, citizens with higher levels of cognitive

mobilization will display weaker links between their perceptions of the welfare performance and trust in political institutions (*hypothesis 4*).

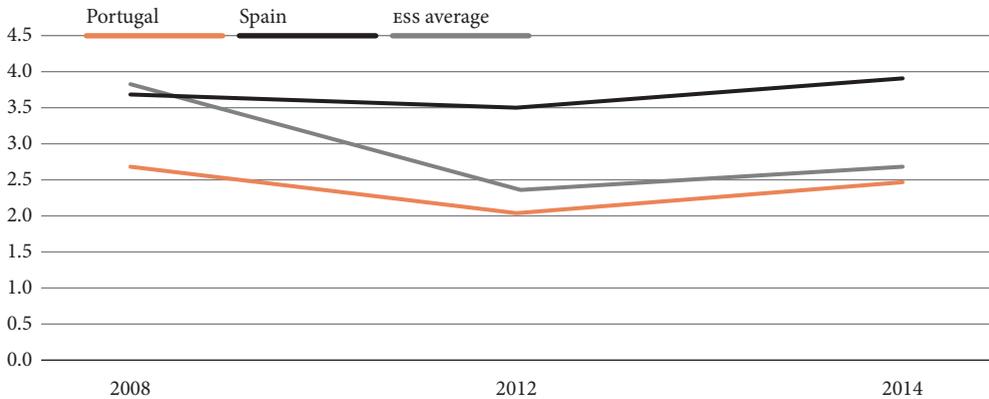
Our analysis draws on data from three rounds of the European Social Survey (ESS) conducted at the onset (2008), the peak (2012), and the aftermath (2014) of the crisis in Portugal and Spain. The dependent variable is an index of political trust that varies between 0 (no trust at all) and 10 (complete trust). It reports citizens' levels of trust toward three representative institutions/actors: political parties, national parliament, and politicians. The decision to collapse citizens' ratings into an index follows conventional conceptualizations that treat representative political institutions as a cluster (Marien 2011) and is furthermore supported by both factor and reliability analysis that reveal a unidimensional structure of trust in our data.¹ As Figure 11.1 demonstrates, levels of confidence in political institutions are particularly low not only in Portugal and Spain, but across the sample of cases included in the ESS. Still, there are some differences that merit highlighting. First, citizens of the two Southern European countries (Portugal in particular) display much lower levels of political trust when compared to most European countries. From a longitudinal perspective, however, levels of trust exhibit a more dramatic fall among the Spanish than the Portuguese. Second, levels of trust follow a downward trend during the crisis and recover a little in 2014.

To explain these differences, our main independent variable is welfare performance, which is measured as an index² that aggregates citizens' appraisals of the state of education and of health services using a scale on which 0 means "extremely bad" and 10 "extremely good".³ This variable enters the models alone and interacted with an index of cognitive mobilization that considers citizens' levels of media exposure and interest in politics. The index ranges between 0 (when there is no interest in politics and no time at all devoted to watching/listening/reading news about politics and current affairs programmes) and 4 (when the highest level of interest in politics and exposure to information on politics is reached).

1 Both analyses were performed for each country and year considered. All factor analyses produced a one-component solution that explained at least 70% of the total variance. The Cronbach Alfas are good, running from 0.861 (Spain 2008) to 0.890 (Portugal 2012).

2 Cronbach Alfas are acceptable, running from 0.570 (Portugal 2008) to 0.765 (Spain 2014).

3 Unfortunately the survey does not include questions on the performance of social security or pension systems, which is why we focus on education and health systems.

Figure 11.1*Trust in political institutions in Portugal and Spain (2008, 2012, 2014)*

Question: Using this card, please tell me on a scale of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. [Parliament, political parties, and politicians]

Note: Russia and Israel were not included in the calculation of the ESS average.

Additionally, we have considered a set of controls that come across as relevant predictors within the main theories of trust. Following the cultural approach discussed above (Mishler and Rose 2001), interpersonal trust was included in the analysis, with the expectation that it will bear positively on political trust. Interpersonal trust is measured by the question “generally speaking, would you say that most people can be trusted, or that you can’t be too careful in dealing with people?”, with answers being confined to a scale on which 0 means “you can’t be too careful” and 10 means that “most people can be trusted”. Also, based on the institutional approach (Mishler and Rose 2001), we use satisfaction with the economy and satisfaction with the government as a way to control for the effect of institutional performance on matters unrelated to welfare on trust. Both variables are measured similarly, through a scale running from 0 “extremely dissatisfied” to 10 “extremely satisfied”.⁴ We also added a variable measuring the level of agreement with the sentence “The government should take measures to reduce differences in income levels” (original scale was recoded so that 1 means “disagree strongly” and 5 “agree strongly”). Finally, socio-demographic variables were also included:

4 Question: On the whole how satisfied are you with the present state of the economy/government in [country]?

age (in years), gender (0 = female; 1 = male), education (in years), household income (runs from the lowest – 1st decile – to the highest income level – 10th decile), working status (1 = if respondent had a paid job in the last seven days; 0 = if otherwise), and radicalism, which is measured as the distance between citizens' placement in the left-right scale (where 0 means “left” and 10 means “right”) and the centre point of the scale.

A total of six regression models were estimated for each country. That is, for each of the years considered (2008, 2012, and 2014) we estimated one model that comprises all independent and control variables and a second model that adds the interaction term between welfare performance and cognitive mobilization.

Descriptive statistics of the independent and control variables, presented in Table 11.2, allow us to make an initial characterization of Portugal and Spain across the three time points considered. Regarding satisfaction with

Table 11.2 *Summary statistics on independent and control variables*

	PORTUGAL						SPAIN					
	2008		2012		2014		2008		2012		2014	
AVERAGE VALUES	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Welfare performance	4.2	1.8	4.3	2.0	4.5	2.1	5.7	1.8	4.9	2.2	4.5	2.2
Cognitive mobilization	2.5	0.7	2.8	0.8	2.8	0.9	2.5	0.7	2.7	0.9	2.8	0.9
Interpersonal trust	3.7	2.3	3.7	2.3	3.7	2.5	5.0	2.0	5.1	2.1	4.9	2.1
Satisfaction with the economy	2.9	1.9	2.2	1.9	3.0	2.1	3.6	2.0	2.2	2.0	2.9	2.2
Satisfaction with the government	3.3	2.2	2.2	2.0	3.0	2.5	4.1	2.2	2.5	2.5	2.7	2.4
Reducing differences in income levels	4.2	0.7	4.4	0.7	4.3	0.8	4.0	0.9	4.1	0.9	4.3	0.9
Age	46.6	19.4	48.3	19.0	49.1	19.4	46.0	18.7	46.9	18.1	47.9	18.5
Years of education	8.0	4.7	8.7	5.0	9.1	5.0	11.6	5.3	12.9	6.0	13.1	5.9
Income	4.6	1.8	3.8	2.0	5.0	2.7	5.1	2.6	4.7	2.9	5.0	2.7
Radicalism	1.0	1.2	1.0	1.4	1.7	1.8	1.2	1.4	1.6	1.7	1.4	1.5
PERCENTAGES												
Gender (male)	47.8		46.8		47.0		48.9		48.9		48.8	
Occupation (paid work)	47.9		42.9		45.1		55.3		44.3		46.7	

welfare performance, differences across time are small at the aggregate level, but the standard deviations (SD) suggest some variation around the average. Still there are differences between countries, for while in Portugal the trend of satisfaction is relatively flat, in Spain it is downward, thus suggesting greater convergence between perceived and actual welfare performance among the Spanish (see Table 11.2). In terms of cognitive mobilization, citizens have become more interested in politics and exposed to it over the years in both countries, and levels of interpersonal trust stayed more or less the same – even though much greater in Spain than in Portugal. Furthermore, it is in Portugal that more people agree that “the government should take measures to reduce differences in income levels”, particularly during the crisis. As for the other control variables, the Spanish have more years of education and higher income levels than the Portuguese, while levels of radicalism are very low in both countries (in Portugal polarization increased slightly after the crisis and in Spain at the peak of the crisis).

RESULTS

Starting with the first set of regressions, presented in Tables 11.3 and 11.4, the results give support to hypothesis 1. Across the models estimated, citizens’ satisfaction with welfare performance is positively and significantly correlated with political trust (the exception is Portugal 2012). The moderating variable – cognitive mobilization – also reaches significant effects, with higher levels of cognitive mobilization engendering higher levels of political trust. Regarding the main control variables, interpersonal trust is a significant predictor of political trust, thus supporting the culturalist perspective that trust is embedded in norms and values that citizens acquire outside the political sphere and throughout the socialization process. Additionally, the conventional explanation that trust is a matter of how well institutions perform is also corroborated: the greater the satisfaction with the economy and the government’s record, the higher the level of popular trust in political institutions. The other variables considered in the model show little or no effect at all on political trust.

For a clear idea of the effects of welfare performance on political trust, adjusted predictions are presented in Figures 11.2, 11.3, and 11.4. This gives us the predicted value of trust as welfare performance goes from being evaluated

Table 11.3*Determinants of political trust in Portugal: the effect of welfare performance assessment*

	2008	2012	2014
Welfare performance	0.20(0.03)***	0.04(0.03)	0.18(0.03)***
Cognitive mobilization	0.34(0.08)***	0.16(0.06)**	0.44(0.07)***
Interpersonal trust	0.07(0.02)**	0.11(0.02)***	0.07(0.02)**
Satisfaction with the economy	0.34(0.03)***	0.44(0.03)***	0.32(0.03)***
Satisfaction with the government	0.02(0.01)**	0.00(0.01)	0.01(0.01)*
Reducing differences in income levels	-0.06(0.07)	-0.07(0.07)	-0.11(0.07)
Age	0.00(0.00)	0.00(0.00)	0.00(0.00)
Gender (male)	-0.07(0.10)	-0.23(0.10)*	-0.27(0.12)*
Years of education	0.01(0.02)	0.00(0.01)	0.05(0.02)**
Income	0.14(0.03)***	0.09(0.03)**	-0.02(0.03)
Occupation (Paid work)	-0.14(0.13)	-0.13(0.12)	-0.25(0.13)+
Radicalism	0.07(0.05)	-0.02(0.04)	0.05(0.03)
_cons	-0.57(0.46)	-0.05(0.44)	-0.38(0.46)
Number of observations	933	972	983
R-squared	0.32	0.29	0.31
Adj R-squared	0.31	0.28	0.30

Note: significant at +p<0.1*p<0.05, ** p<0.01, *** p<0.001.

as “extremely bad” (0) to “extremely good” (10), while all other variables are centred at their mean. Taking one year at a time, in 2008 (at the start of the economic crisis) the average value of trust when welfare performance is considered bad (0) is of 1.9 in Portugal and 2.3 in Spain (Figure 11.2). However, when the highest level of satisfaction with welfare performance is reached (10) the average value of political trust is 5 in Spain and 3.9 in Portugal. The effect of welfare performance on political trust then falls substantially in 2012, in both countries, and especially in Portugal, where the effect is not significant (as the flat line, and larger CIs, of Figure 11.3 show). In Spain the average political trust is of 1.5 at the lowest levels of satisfaction with welfare performance and reaches 3 at the highest levels of satisfaction. In Portugal levels of trust move from 1.9 to 2.2 from the lowest to the highest point of the

Table 11.4

Determinants of political trust in Spain: the effect of welfare performance assessment

	2008	2012	2014
Welfare performance	0.27(0.03)***	0.17(0.02)***	0.23(0.02)***
Cognitive mobilization	0.43(0.07)***	0.26(0.05)***	0.22(0.06)***
Interpersonal trust	0.19(0.02)***	0.12(0.02)***	0.14(0.02)***
Satisfaction with the economy	0.33(0.02)***	0.39(0.02)***	0.31(0.02)***
Satisfaction with the government	0.00(0.00)	0.02(0.01)**	0.02(0.01)**
Reducing differences in income levels	-0.01(0.05)	-0.12(0.05)*	-0.09(0.05)+
Age	0.00(0.00)	0.00(0.00)	0.00(0.00)
Gender (male)	-0.24(0.09)**	-0.19(0.09)*	0.04(0.10)
Years of education	0.00(0.01)	0.01(0.01)	0.02(0.01)
Income	0.03(0.02)+	0.01(0.02)	-0.03(0.02)
Occupation (Paid work)	0.05(0.11)	-0.18(0.10)+	-0.40(0.11)***
Radicalism	0.11(0.03)**	0.06(0.03)*	0.01(0.03)
_cons	-1.06(0.37)**	-0.16(0.34)	0.06(0.39)
Number of observations	1534	1452	1382
R-squared	0.33	0.32	0.31
Adj R-squared	0.32	0.32	0.30

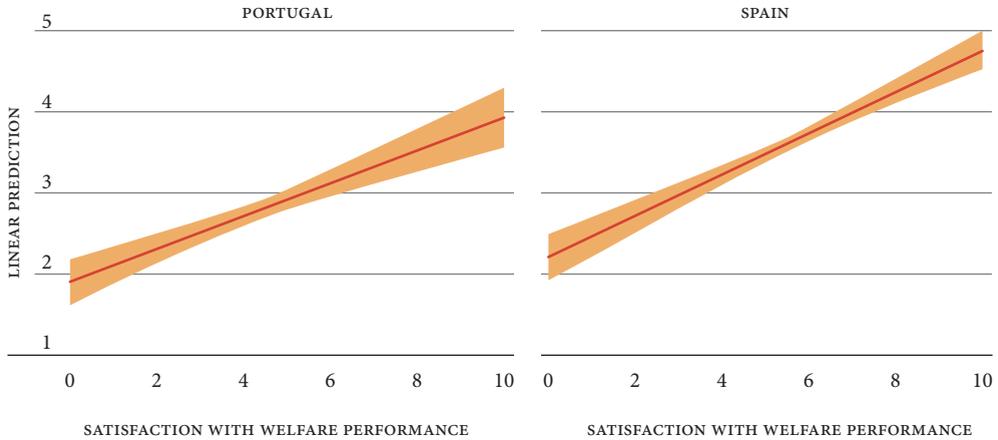
Note: significant at +p<0.1*p<0.05, ** p<0.01, *** p<0.001.

welfare performance satisfaction scale (thus confirming no effect of the latter at all). In 2014, levels of trust are more similar between the two countries. In fact, at the worst evaluation of welfare performance the predicted value of trust is 1.7 in both countries. Trust then increases across the scale, reaching 3.9 in Spain and 3.5 in Portugal at the highest point of satisfaction with welfare performance (Figure 11.4).

Overall the results show that the levels of political trust in Spain are much more affected by evaluations on welfare performance than in Portugal, thereby confirming Hypothesis 2. Contrary to our expectations under Hypothesis 3, the impact of welfare performance perceptions at the peak of the crisis is lower than its effect before and at a later stage of the crisis. In the Portuguese case the effect is not even significant in 2012.

Figure 11.2

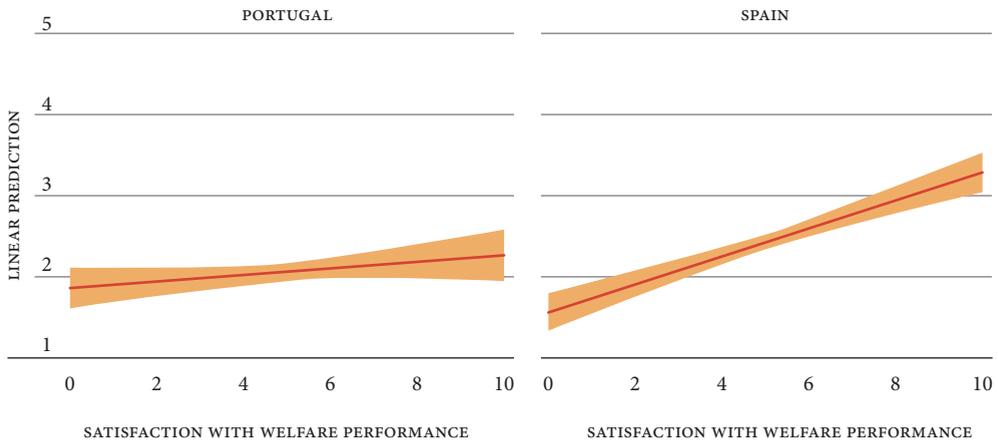
Adjusted predictions of political trust as a function of welfare performance (2008)



Note: Adjusted Predictions with 95% CIs. All other variables are centred at their mean.

Figure 11.3

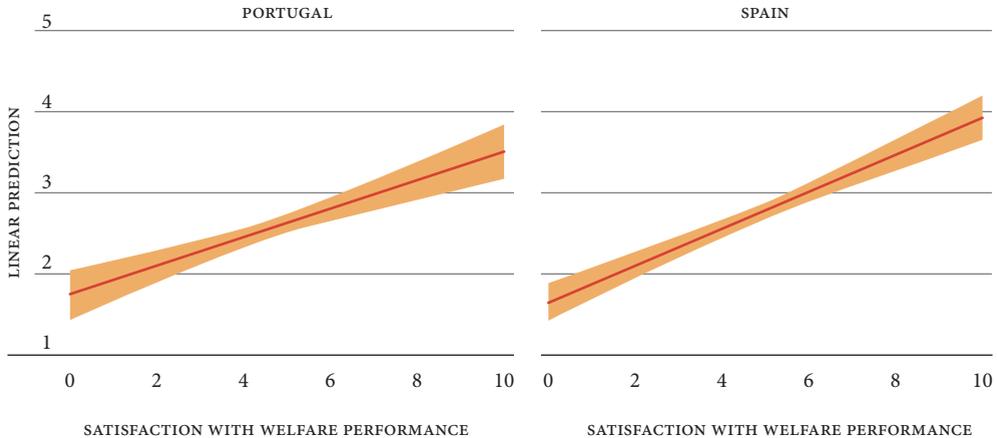
Adjusted predictions of political trust as a function of welfare performance (2012)



Note: Adjusted Predictions with 95% CIs. All other variables are centred at their mean.

Figure 11.4

Adjusted predictions of political trust as a function of welfare performance (2014)



Note: Adjusted Predictions with 95% CIs. All other variables are centred at their mean.

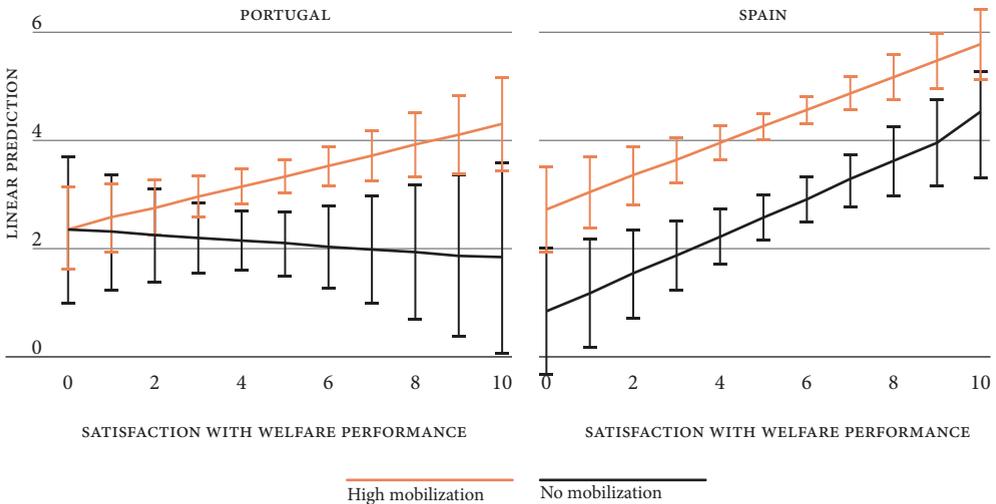
Now, to what extent is the effect of satisfaction with welfare performance on political trust influenced by citizens' levels of cognitive mobilization? To answer this question we performed a second set of regression analyses in which an interaction term between welfare performance and cognitive mobilization was added to the models. Results are presented in the Appendixes A and B. Overall our previous results obtain confirmation as to the significant role of cultural and institutional variables on trust. Regarding the interaction term, the effects are more significant for Spain (especially in 2014) than they are for Portugal. This suggests that for Portuguese citizens the impact of their evaluations of welfare performance on political trust is comparatively less affected by how much interest they have in politics and the amount of information they consume. To better clarify these effects we calculated the adjusted predictions for the interaction term. In 2008 the interaction is not significant in either country; looking at Spain, the effect of satisfaction with welfare performance on political trust is very similar for those with higher and lower levels of cognitive mobilization. In Portugal the interaction coefficient is also nonsignificant, but an interesting pattern, which would disconfirm Hypothesis 4, is observable: the effect of welfare performance on trust is hardly visible for those with no cognitive mobilization; otherwise, this effect would be positive among those more informed and interested in politics.

A similar trend – i.e. nonsignificant effects – is observed in 2012, but the pattern observed for Portugal in 2008 is no longer present (Figures 11.5 and 11.6).

Finally, in 2014 the interaction term for Spain is significant. There are striking differences between those with no interest in politics or exposure to political news and those that, on the contrary, are very interested and exposed to the political world: while the latter progressively gain confidence in political institutions as they are more satisfied with welfare performance (with predicted values of trust rising from 1.7 to 3.5), the former follow a downward trend (Figure 11.7). Hypothesis 4 is therefore disconfirmed. Instead, in Portugal the two groups follow a similar trend, although more cognitively mobilized individuals tend to accord more trust to political institutions. Differences between the two groups stop being significant when the highest levels of satisfaction with welfare performance (that is, >7) are reached.

Figure 11.5

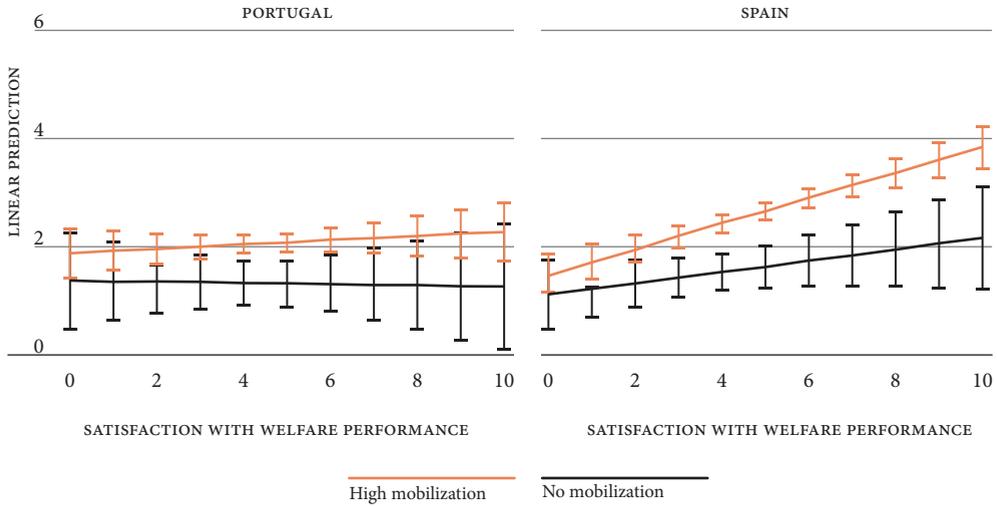
Adjusted predictions of political trust as a function of welfare performance and cognitive mobilization (2008)



Note: Adjusted Predictions with 90% CIs. All other variables are centred at their mean. No mobilization = no exposure to news on politics and public affairs in the media and no interest at all in politics, High mobilization = higher exposure to news on politics and public affairs and higher interest in politics.

Figure 11.6

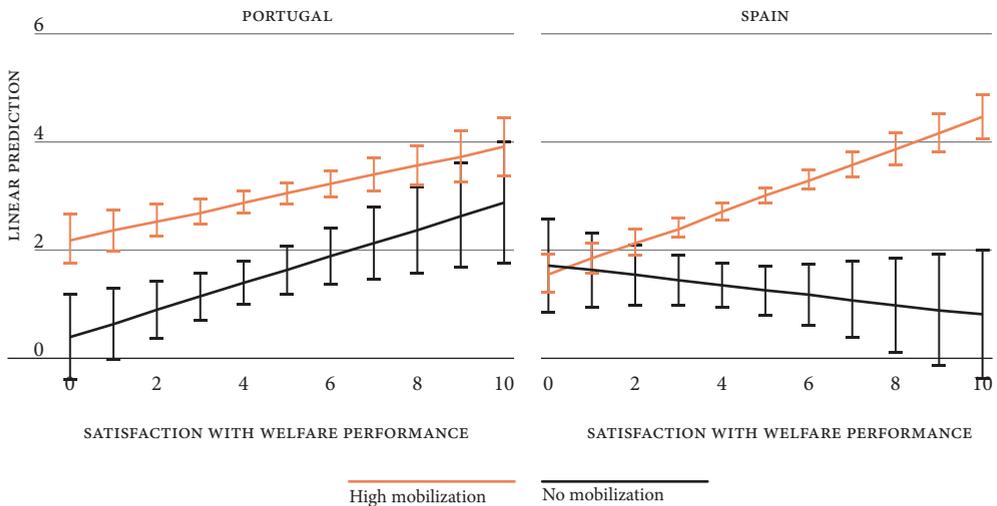
Adjusted predictions of political trust as a function of welfare performance and cognitive mobilization (2012)



Note: Adjusted Predictions with 90% CIs. All other variables are centred at their mean. No mobilization = no exposure to news on politics and public affairs in the media and no interest at all in politics, High mobilization = higher exposure to news on politics and public affairs and higher interest in politics.

Figure 11.7

Adjusted predictions of political trust as a function of welfare performance and cognitive mobilization (2014)



Note: Adjusted Predictions with 90% CIs. All other variables are centred at their mean. No mobilization = no exposure to news on politics and public affairs in the media and no interest at all in politics, High mobilization = higher exposure to news on politics and public affairs and higher interest in politics.

CONCLUSION

Citizens' trust in political institutions is often seen as a barometer of democratic health. The last decade has witnessed a widespread skepticism and distrust in political institutions, particularly affecting representative political institutions and politicians in European democracies. This chapter sought to identify the sources of political (dis)trust in two countries that were profoundly affected by the Euro Zone crisis. Our main arguments were twofold. Firstly, that levels of trust were strongly influenced by citizens' interactions and experiences with welfare institutions such as the education and healthcare systems. This matters because it is on the basis of these experiences (perceived as good, bad, fair, and unfair etc.) that citizens base their assessments of political institutions. Moreover, since in both countries there had been important reforms in welfare systems, especially during the crisis, it was likely that this could bear negatively on citizens' levels of political (dis)trust. The second argument was that this effect would be weaker for those more cognitively mobilized. To test these arguments, we performed regression analyses before (in 2008), during (in 2012), and after the peak of the economic crisis (2014) using ESS data for Portugal and Spain.

The results gave support to most of our expectations and confirmed the main explanatory accounts in the literature (cultural and institutional explanations). A first set of results confirmed that there is a causal link between satisfaction with welfare performance and political trust: the higher the level of satisfaction with how health and education systems performed, the higher the level of trust. This was more evident in the case of Spain and also at the start (2008) and after the crisis peak (in 2014). In fact, in 2012, which we used as benchmark for the peak of the crisis, satisfaction with welfare performance had lighter (Spain) or no significant effect on political trust (Portugal). A possible explanation for the differences between Portugal and Spain might have to do with the extent to which the Portuguese citizens – more than the Spanish – were more prone to hold the European Union – rather the national executive – responsible for the crisis. This might have shielded representative political institutions from harsher appraisals of their performance during the crisis. The fact that welfare performance assessments mattered less at the peak of the crisis suggests that other competing/control variables, such as satisfaction with the economy and with the government, played a larger role in shaping citizens' perceptions.

A second set of results disconfirmed our expectation that welfare performance would matter less for the more cognitively mobilized individuals in terms of shaping their levels of trust. The only instance in which there is a significant moderating effect of cognitive mobilization was in Spain in 2014, and the trend is opposite to our hypothesis: indeed, the impact of welfare performance assessment was stronger for those more cognitively mobilized. Therefore, it seems that if and when interest in politics and exposure to political information had an impact on the explanatory power of welfare assessments on political trust, this impact is positive, reinforcing and strengthening the ties between outcomes and trust. Additional research, namely focused on what it meant to be strongly exposed to political information during these years in Portugal and Spain (in terms of salience and framing of welfare issues), might shed additional light on this finding.

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Appendix 11.A

Determinants of political trust in Portugal: the effects of welfare performance and cognitive mobilization

	2008	2012	2014
Welfare performance	-0.05(0.18)	-0.01(0.12)	0.25(0.11)*
Cognitive mobilization			
2	-0.64(0.84)	0.10(0.58)	1.19(0.53)*
3	-0.39(0.85)	0.94(0.59)	1.42(0.56)*
4	0.03(0.94)	0.51(0.62)	1.80(0.56)**
Welfare performance * Cognitive mobilization			
2	0.25(0.18)	0.10(0.12)	-0.11(0.12)
3	0.28(0.18)	-0.01(0.12)	-0.04(0.12)
4	0.24(0.20)	0.05(0.13)	-0.08(0.12)
Interpersonal trust	0.07(0.02)**	0.11(0.02)***	0.06(0.03)*
Satisfaction with the economy	0.34(0.03)***	0.44(0.03)***	0.33(0.03)***
Satisfaction with the government	0.02(0.01)**	0.00(0.01)	0.01(0.01)*
Reducing differences in income levels	-0.07(0.07)	-0.06(0.07)	-0.11(0.07)
Age	0.00(0.00)	0.00(0.00)	0.00(0.00)
Gender (male)	-0.07(0.11)	-0.22(0.10)*	-0.29(0.12)*
Years of education	0.01(0.02)	0.00(0.01)	0.05(0.02)**
Income	0.15(0.03)***	0.09(0.03)**	-0.02(0.03)
Occupation (Paid work)	-0.15(0.13)	-0.15(0.12)	-0.28(0.13)*
Radicalism	0.07(0.05)	-0.03(0.04)	0.04(0.03)
_cons	0.79(0.92)	-0.03(0.68)	-0.45(0.64)
Number of observations	933	972	983
R-squared	0.32	0.30	0.32
Adj R-squared	0.31	0.28	0.30

Note: significant at +p<0.1*p<0.05, ** p<0.01, *** p<0.001.

Appendix 11.B

Determinants of political trust in Spain: the effects of welfare performance and cognitive mobilization

	2008	2012	2014
Welfare performance	0.35(0.12)**	0.11(0.09)	-0.09(0.11)
Cognitive mobilization			
2	-0.10(0.13)	0.03(0.09)	0.30(0.12)*
3	-0.06(0.13)	0.08(0.09)	0.33(0.12)**
4	-0.04(0.15)	0.13(0.10)	0.38(0.12)**
Welfare performance * Cognitive mobilization			
2	-0.10(0.13)	0.03(0.09)	0.30(0.12)*
3	-0.06(0.13)	0.08(0.09)	0.33(0.12)**
4	-0.04(0.15)	0.13(0.10)	0.38(0.12)**
Interpersonal trust	0.19(0.02)***	0.12(0.02)***	0.14(0.02)***
Satisfaction with the economy	0.33(0.02)***	0.39(0.03)***	0.30(0.02)***
Satisfaction with the government	0.00(0.00)	0.02(0.01)**	0.02(0.01)***
Reducing differences in income levels	-0.01(0.05)	-0.12(0.05)*	-0.10(0.05)+
Age	0.00(0.00)	0.00(0.00)	0.00(0.00)
Gender (male)	-0.24(0.09)**	-0.18(0.09)*	0.04(0.10)
Years of education	0.00(0.01)	0.01(0.01)	0.01(0.01)
Income	0.03(0.02)	0.01(0.02)	-0.03(0.02)
Occupation (Paid work)	0.05(0.11)	-0.19(0.10)*	-0.40(0.11)***
Radicalism	0.11(0.03)**	0.06(0.03)*	0.01(0.03)
_cons	-1.40(0.78)+	0.11(0.49)	0.84(0.63)
Number of observations	1534	1452	1382
R-squared	0.33	0.33	0.32
Adj R-squared	0.32	0.32	0.31

Note: significant at +p<0.1*p<0.05, ** p<0.01, *** p<0.001.

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CITE THIS CHAPTER AS:

SANCHES, E. R., J. S. Pereira, I. Razuoli. 2018. “In welfare we trust? Political trust in Portugal and Spain, 2008-2014?”. In *Changing Societies: Legacies and Challenges*. Vol. II. *Citizenship in Crisis*, eds. M. C. Lobo, F. C. da Silva and J. P. Zúquete. Lisbon: Imprensa de Ciências Sociais, 269-294.
<https://doi.org/10.31447/ICS9789726715047.11>