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# Radical distrust: Are economic policy attitudes tempered by social trust?

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## **Abstract**

Debates about the appropriate role of markets and governments are often shaped by sharply contrasting opinions. Based on individual data from the World Values Survey and the European Values Study for up to 190,000 respondents in a sample of 68 democratic countries, we find that social trust is associated with tempered attitudes regarding government intervention and redistribution. Results corroborate ideas from socio-psychological research that trusting people have personality attributes which work towards a moderation on politically divisive topics. Complementary to the existing literature on political polarization, this opens the possibility that trusting societies may be superior at implementing controversial policy reforms because social trust reduces the probability of extreme attitude formation.

**JEL codes:** D70, D78, Z13

**Keywords:** social trust, polarization, policy attitudes, preference formation

## **1 Introduction**

Debates about the appropriate role of markets and government are frequently shaped by diverging attitudes between advocates and opponents of state intervention. In Western democracies arguments appear to be particularly heated since the financial crisis (*Rode & Sáenz de Viteri* 2018, *Bjørnskov & Rode* 2018), possibly fueling political upheaval and partisan

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prejudice.<sup>2</sup> When large clusters of citizens hold views from opposite ends of the political spectrum, conflict is more likely, resulting in sluggish policy response to new circumstances, political gridlock (*Binswanger & Oechslin* 2015), or even social unrest and outbreaks of violence (e.g. *Esteban & Schneider* 2008, *Østby* 2008).

Another consequence of socio-economic conflict and polarization frequently discussed in the literature is the erosion of social cohesion and generalized trust (e.g., *Knack & Keefer* 1997, *Bjørnskov* 2008, *Beugelsdijk & Klasing* 2016, *Rapp* 2016). However, provided that social trust is a highly stable moralistic norm, trust could also impede individual attitude polarization, making causality between trust and cohesion unclear. In the present paper we argue that social trust has a tempering effect on the formation and expression of individual policy attitudes. We underpin this idea with results from socio-psychological research and findings on the determinants of extremism. Trusting societies appear to be more integrated, cohesive, liberal, open to alternative views and thus less polarized, rendering mutual political agreements easier and conflict less likely.

The paper is structured as follows: Section 2 briefly reviews related literature on social trust and social conflict to derive our basic hypothesis. Section 3 presents data and stylized facts. Section 4 empirically explores the relationship of social trust and 'extreme' policy attitudes. Based on individual data from the World Values Survey/European Values Study for up to 190,000 respondents in 68 democratic countries, we show that social trust is associated with more 'tempered' preferences regarding government intervention and income redistribution, supporting the notion that trust contributes to less attitude polarization. Section 5 concludes.

## **2 Related literature and basic hypothesis**

The relevance of social trust as a determinant of individual behavior, personal well-being and aggregate economic and political outcomes is well-known (cf. *Svendsen & Svendsen* 2009, *Uslaner* 2018). At the individual level, social trust can be interpreted as a moral norm which connects persons based on the belief that unknown others share similar values (*Fukuyama* 1995, *Uslaner* 2002). Social trust stimulates coordination and cooperation, making mutual agreements of opposing groups on divisive issues feasible (*Boix & Posner* 1998). Societies with high social trust are more likely to overcome political stalemate and conflict (*Heinemann &*

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<sup>2</sup> See *Ripley et al.* (2019) for a recent analysis of the U.S.

*Tanz* 2008, *Leibrecht & Pitlik* 2015, *Berggren & Bjørnskov* 2017). Trust thus facilitates the operation of institutions conducive to growth and good governance.

Research has treated the association of social trust and social conflict from several different angles. The main reason seems to be that a broad definition of ‘social conflict’ can encompass a variety of societal and individual level matters, such as political polarization, strongly diverging policy preferences, or even extremism and radicalization. If we view these as different aspects of similar phenomena, one can identify strands of literature that have until now not been treated as interconnected.

First, research on social trust and political polarization interprets social cleavages as determinants of social trust and distrust. Disregarding individual factors for the moment, income inequality is assumed to reduce social trust (*Uslaner* 2002, *Delhey & Newton* 2005, *Bjørnskov* 2008, *Gustavsson & Jordahl* 2008). Recent research has yet found that the correlation is not so robust (*Fairbrother & Martin* 2013), or rather driven by social exclusion than by polarization (*van Staveren & Pervaiz* 2017). *Bergh & Bjørnskov* (2014) even argue for reverse causality that trust impacts on equality through its effect on the expansion of the welfare state. Evidence further suggests that ethnically or linguistically diverse societies observe lower social trust (*Alesina & La Ferrara* 2002, *Montalvo & Reynal-Querol* 2010), but other studies in this field also stress that the association is weak (*Bjørnskov* 2007, *Dinesen & Sønderskov* 2015), or could be spurious, reflecting the specific history of certain minorities (*Berggren & Bjørnskov* 2011).<sup>3</sup>

In a second prominent strand of literature social trust is interpreted as a proxy for the density of social networks, mainly focusing on the connection with political conflict or radicalization. Here, *Freitag & Ackermann* (2016) and *Grechyna* (2016) argue that polarization is reduced through intense social interaction, where associational life that fosters communication and opinion exchange possibly restrains radical views. However, people who are trusting are also more likely to engage with different people (*Uslaner* 2010), and causality can easily go the other way due to selection. In addition, engagement in diversified associations may be related to more, not less, radicalization. If people who are much alike form internally homogeneous but segregated groups, bonding processes are inhibited and social cleavages are reinforced

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<sup>3</sup> Even if the direct impact on social trust is uncertain, income disparities and ethnic diversity may cause political discord (*Baldwin & Huber* 2010, *Esteban & Ray* 2011), which could elevate social distrust (*Knack & Keefer* 1997, *Bjørnskov* 2008, *Beugelsdijk & Klasing* 2016).

instead (*Putnam 2000, Stolle et al. 2008, Rydgren 2009, Downward et al. 2014*).<sup>4</sup> Likewise, research on extremism and terrorism has highlighted the ambiguous association with social capital, which might even facilitate terrorist operations to some degree via greater internal group cohesion, or less societal awareness (*Helpstein 2014*).<sup>5</sup>

Third, another field of research examines how social trust impacts on policy attitudes. For instance, evidence suggests that trusting people are less in favor of government intervention (*Aghion et al. 2010, Pinotti 2012, Pitlik & Kouba 2015*), favoring more liberal policy attitudes. On the other hand, these same individuals are, on average, also willing to support comparatively more welfare state redistribution (*Daniele & Geys 2015, Rode & Sáenz de Viteri 2018*), meaning that they do not reject state involvement per se.

If we interpret findings from this literature at the aggregate level, this causes somewhat of a paradox for the literature on political polarization: In hypothetical societies, consisting of only trusting or only distrusting people, respectively, we would expect preference homogeneity. A society of half trusters and non-trusters each should then be divisively split regarding attitudes, *ceteris paribus*, whereas a society of, say, 5 per cent trusters and 95 per cent non-trusters, should be less politically polarized. This heavily contrasts with macro-level evidence that high-trusting countries with a share of trusting people close to 50 per cent observe less political polarization.

That polarization considerably affects individual social trust is also not fully compatible with findings that political attitudes can substantially be traced back to fundamental norms, values and beliefs. Social trust seems to be learned during early childhood, or at least partly shaped genetically (*Cawvey et al. 2018*). *Bergh & Öhrvall (2018)* find trust in other people to be rather stable over an individual's life-course, even if the institutional context significantly changes. If that is the case, political polarization can hardly be a driver of an erosion in social trust.

One may rather consider that distrust could result in more extreme policy attitudes. Moreover, if low trust prevents people from interacting personally (*Uslaner 2010*), policy preferences are also less likely to be challenged and could become more radical. The competing hypothesis of this paper, which explains the negative relationship between social trust and polarization in an alternative manner, is that trusting people have a lower propensity to express support for extreme policies, leading to a general moderation of preferences in trusting societies. The idea

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<sup>4</sup> In a similar vein, *Uslaner (2010)* and *Dinesen & Sønderskov (2015)* argue that physical proximity and exposure to people of different ethnic backgrounds is not the mechanism that underlies a negative relationship between ethnic diversity and social trust, but rather segregation and not being in contact with ethnic minorities.

<sup>5</sup> Relatedly, *Reeskens & Wright (2013)* find in a sample of 27 high-income countries that an inclusive civic nationalism is related to higher social trust, while the more exclusive variant of ethnic nationalism is strongly associated with lower trust.

is that social trust generates a more open and 'liberal' attitude, promoting the idea that others may also be 'right' or 'have a point'. People who trust unknown others are not only more willing to accept dissimilar world views, but possibly adjust their own views of the world to what other people believe. High social trust may thus impede extreme preferences formation.

Research on the underlying personality traits of trusting people substantially supports that idea: Employing elements from the Big Five personality model, which conceptualizes personality by the global traits of openness, conscientiousness, extraversion, agreeableness, and neuroticism, it has been shown that high scores on social trust are especially linked to openness and agreeableness (*Mondak & Halperin 2008*). *Dinesen et al. (2014)* argue that both are key traits of a „civic personality”, with agreeable individuals showing preferences for harmony, conflict resolution, and care of others. Openness is related to creativity, curiosity, and a desire of trying to understand how other people think.<sup>6</sup> Both features would help explain why societies with more trusting individuals are less likely to become polarized, as personality attributes would work towards moderation on politically divisive topics via open debate and attempts at conflict resolution.<sup>7</sup> Also, research in social psychology indicates that individuals who are tolerant of ambiguity are also more likely to cooperate with and trust other people (*Vives & FeldmanHall 2018*). Being able to tolerate ambiguity predicts pro-social behavior, which prioritizes welfare of other people and respect for differing positions of others.

This evidence is also much in line with findings that link social trust to political extremism and radicalization: For example, *Subedi (2017)* argues that very low levels of individual social trust are early warning signals of a potential political radicalization and violent extremism. In a similar tone, *Lamprianou & Ellinas (2016)* find distrust to be an important predictor of voting for a radical right-wing party in Greek elections. On the contrary, *Geys & Qari (2017)* find evidence for Sweden that singular terrorist events do not substantially alter individual social trust levels, on average.<sup>8</sup> Accordingly, low-trusting individuals would thus self-select into radical policy positions, while the effect of singular external political events on trust is unclear.

The apparent attractiveness of a logic where relatively stable social trust as a personality feature inhibits the radicalization of political attitudes, is that it would more or less explain the existing

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<sup>6</sup> Research has found a negative association between social trust and different forms of private sector corruption (*Gutmann 2015, Gutmann & Lucas 2018*), which would further support the idea of social trust fomenting civic behavior.

<sup>7</sup> Openness has yet also been linked with a tendency towards more extreme response styles (*Hibbing et al. 2017*), which would work against moderation.

<sup>8</sup> Relatedly, *Carlin & Love (2018)* report evidence from behavioral experiments in eight democracies that trust gaps between co- and rival partisans are ubiquitous, and larger than trust gaps based on the social identities that undergird the party system.

contradictions in the literature mentioned above: Societies with a high share of trusting individuals could easier establish a consensus on how to reform, partly because these individuals often hold specific public policy preferences that reject excessive government intervention, but also see a limited extend of income redistribution as positive. Low social trust facilitates the radicalization of political opinions, and thereby the polarization of society, not necessarily the other way around.

### 3 Attitude polarization and social trust: Data and stylized facts

#### 3.1 Measuring (extreme) economic policy attitudes

To measure policy positions, we follow recent contributions by *Pitlik & Rode (2017)*, or *Beugelsdijk & Klasing (2016)*. Individual attitudes are assessed from data in the World Values Survey and European Values Studies (WVS/EVS), employing available survey waves since 1990. We focus on universal beliefs regarding the proper role of government. Responses to four distinct survey questions are used:

- Income equalization: „Incomes should be made more equal“ vs. „We need larger income differences as incentives.“ (*incomeequalization*)
- Government responsibility: „People should take more responsibility to provide for themselves“ vs. „The government should take more responsibility to ensure that everyone is provided for.“ (*govresponsibility*)
- State ownership: „Private ownership of business should be increased“ vs. „Government ownership of business should be increased.“ (*stateownership*)
- Competition attitudes: „Competition is good. It stimulates people to work hard and develop new ideas“ vs. „Competition is harmful. It brings out the worst in people.“ (*competitionbad*)

Responses are given on a 1-10 point Likert scale, and have been re-coded so that higher values indicate favorable attitudes towards government interventions. We additionally employ a 10-point scale for self-assessment on a political right-to-left-axis (*leftorientation*), higher values indicating a more „leftist“ (or left-wing) self-positioning.<sup>9</sup> It is important to note, though, that we do not examine party affiliation with this indicator, but individual ideological orientation.

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<sup>9</sup> It is not clear whether extremist (left or right) party voters actually have extreme policy preferences, or if they only aim to punish established mainstream candidates. High vote shares of far-left or far-right parties could be a sign of truly polarized attitudes and partisan preferences, but may as well mirror a general dissatisfaction with political elites. Also, the global left-right dimension often reflects much more than just economic policy attitudes



Despite the rapidly growing research interest on roots and consequences of extremism and political polarization, universally accepted indicators for both concepts do not exist. As our analysis has its focus on the individual level we need to define what we mean by „extreme“. There is a grain of arbitrariness in every definition, but in our setting we can safely argue that respondents who choose '1' or '10' on a 10-point-scale as preferred policy position are actually expressing a rather extreme policy attitude. The question is whether responding '2' (or '9'), or even '3' (or '8') on this scale should also be counted as extreme preferences? To some degree, the answer may depend on the general distribution of attitudes in a country at a certain point in time. Put differently, whether a response is perceived as extreme obviously also depends on the stated opinions of fellow citizens. If respondents are on average very pro-interventionist (say, a mean of '9' on the 10-point scale), expressing a '9' might not be perceived as extreme. In contrast, expressing an anti-interventionist attitude of '4' indicates a greater distance to the average fellow citizen, but is that extreme? Under these conditions, is a respondent expressing '10' (the strongest pro-interventionist attitude) still holding an extreme view? To address these possibilities we opted for two alternative definitions to measure extreme attitudes:

- a) If a respondent expressed '1' or '10' he/she always counts as having extreme attitudes and our indicator variable *attitude\_extr* gets assigned a value of 1, otherwise 0. Each extreme position can be anti-interventionist (*attitude\_lo*), or pro-interventionist (*attitude\_hi*) on the preference distribution.
- b) In a broader meaning of extreme attitudes we extend definition (a) to the following case (*attitude\_stdextr*) when a respondent is located further away than one standard deviation from the country-year mean.

We confine our sample to democratic countries.<sup>10</sup> In total, we have up to 190,000 individual observations, depending on the chosen specification, from about 70 countries over the period 1990-2014. According to definition (a), the share of respondents with extreme attitudes varies from 28.9% (*competitionbad\_extr*) at the higher end, contrasting with self-positioning on a left-right scale, where only 13.6% of respondents locate at the extremes. By definition (b), shares of extreme attitudes are higher, with 40% or above, which actually raises some doubts whether this measure of 'extremism' is suitable. Table A1 in the appendix shows all summary statistics.

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(cf. Bjørnskov & Rode 2018). Opinions regarding immigration, national security, or international cooperation – to name but a few – are also frequently divided along this line.

<sup>10</sup> We follow the electoral democracy definition by Cheibub, Gandhi & Vreeland (2010). Data are retrieved from Bjørnskov & Rode (2019).

### 3.2 Measuring social trust

Social trust is measured by the standard related survey question „Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?“. The two response categories are „most people can be trusted“ and „can't be too careful“. An answer that „most people can be trusted“ is assigned a value *socialtrust* = 1, and *socialtrust* = 0 otherwise. In the total sample 27.3% are trusting individuals.

### 3.3 Some basic aggregate level correlations

According to the theoretical ideas shortly discussed in section 2, we should observe a negative relationship of social trust on the one hand, and the expression of extremist attitudes on the other. Our analysis in section 4 will be conducted for the individual level. For illustrative purposes we present simple country level correlations in this subsection, where aggregate shares of trusting people and respondents who express extreme attitudes by country and survey wave are calculated from individual data.

Table 1 shows pairwise correlations. In all but one case, we find a negative association at the aggregate level. Correlations are weaker for our broader extremism definition. The theoretical idea of social trust as a tempering factor requires that it is negatively related to extreme attitudes on both ends of the attitude spectrum. Table 1 illustrates that, at the aggregate level, this holds for extreme pro- and anti-interventionist attitudes. The association is negative at the 1%-significance level, the only exception being *govresponsibility*, where anti-interventionist attitudes are negative but not at a conventional confidence level ( $p=0.29$ ).

All in all, aggregate country-level correlations are consistent with the idea that social trust has a tempering effect on attitudes. The direction of causality is however not obvious: Societal polarization and conflict, as proxied by aggregate shares of extreme attitudes could be a cause rather than a result of trust levels. Still, we argue that at the individual level it is more difficult to imagine how extreme individual policy positions should undermine personal trust, although this does not exclude the possibility that trust and policy attitudes are jointly determined by a third underlying factor, such as parental education.

*Table 1: Correlation of social trust with measures of extreme pro- and anti-intervention attitudes shares at the aggregate country-survey wave level*

	<i>attitude_extr</i>	<i>pro-intervention</i> <i>hi</i>	<i>anti-intervention</i> <i>lo</i>	<i>stdattitude</i> <i>extr</i>	<i>obs</i>
<i>incomeequalization</i>	-0.50*	-0.28*	-0.36*	-0.37*	235
<i>stateownership</i>	-0.52*	-0.54*	-0.19*	-0.50*	228
<i>govresponsibility</i>	-0.52*	-0.50*	-0.07	-0.42*	244
<i>competitionbad</i>	-0.49*	-0.43*	-0.43*	-0.48*	240
<i>leftorientation</i>	-0.51*	-0.42*	-0.43*	+0.05	242

\* an asterisk indicates  $p < 0.01$

## 4 Empirical evidence: Individual level findings

### 4.1 Empirical model

In section 4 we turn from aggregate descriptive statistics to an empirical investigation on the individual level and try to identify correlates of extreme intervention attitudes. We allow for a set of individual and macro-level covariates which probably drive the personal propensity to express extreme preferences. The central hypothesis is that trusting people are less likely to voice extreme policy attitudes. We estimate the following non-linear (probit) model:

$$P(\textit{attitude}_{extr_{ijt}} = 1) = F(\gamma_t + \alpha_j + \beta_1 \textit{socialtrust}_{ijt} + X'_{ijtl}\theta_l + Z'_{jtk}\delta_k) \quad (1)$$

$F$  is the standard normal cumulative distribution, suffixes  $i, j$ , and  $t$  indicate individual, country and survey year, respectively. To account for unobserved heterogeneity over time and cross-sectional dimensions we employ  $\gamma_t$  year- and  $\alpha_j$  country-fixed effects.

To have a clearly negative association of a certain variable with extreme positions, it is not sufficient that this variable is related to high or low interventionist attitudes only. If a certain variable is, say, positively related to strong interventionist attitudes, but negatively associated with low interventionist attitudes, effects on *attitude\_extr* may cancel out. Only if social trust is associated negatively in both dimensions, we can claim evidence in favor of our hypothesis.

Using a binary probit estimator we estimate the probability that respondent  $i$  will express an extreme policy attitude,  $\textit{attitude}_{extr_{ijt}} = 1$ . Our basic hypothesis lets us expect  $\beta_1 < 0$ . If the tempering effect of *socialtrust* holds, we should observe  $\beta_1 < 0$  for estimates of both extreme pro-interventionist and extreme anti-interventionist attitudes.

$X'_{ijtl}$  contains a battery of individual level covariates, retrieved from the WVS/EVS dataset. Standard reasoning emphasizes that attitude formation follows socio-economic cleavages. A crucial idea is that high income and low-income earners have divergent preferences. Research

regularly confirms that economic policy attitudes are to some degree income-dependent (e.g., *Pitlik & Kouba 2015*). High income respondents are expected to be more opposed to income equalization and government interventions. For low income people the reverse should hold. To assess the effects, we divided (self-reported) income levels into high-, middle-, and low-income groups (by country-year). High and low income in combination account for roughly 50% of respondents; middle-income earners serve as reference group in our estimates.

In a less distinct way, attitude expression may also be related to educational status. Highly educated people are expected to be better informed about politics and to have more educated views on economic topics. One might suppose they are also less inclined to support extreme views. However, well-educated people may participate more often in controversial economic and political debates. This might form more extreme ideas of what ‘good policies’ should look like. Likewise, less educated respondents may see themselves unable to sort out pros and cons of economic debates and this could lead them to express either more or less extreme attitudes: *Inglehart & Norris (2016)* argue that political extremist movements often appeal especially to the less educated. On the other hand, *Iversen & Soskice (2015)* claim that uninformed voters are more likely to locate in the center, although their socioeconomic position would suggest otherwise. Hence expectations are unclear for education effects.

We include a dummy variable for respondents that consider *obedience* a fundamental value to be taught to children, where we expect a positive sign for high interventionist attitudes, because individuals who value obedience probably also have a more positive view of state authorities and their capabilities. Finally, we control for personal interest in politics (*politicalinterest*), expecting highly interested people to have more pronounced views. Additional standard covariates include sex, age group, individual employment status (student, unemployed, self-employed, retired), religiousness, and religious denomination.

$Z'_{jtk}$  includes a small set of variables capturing the macroeconomic situation of country  $j$  at time  $t$ . We include the logarithm of *GDP per capita* to account for effects of economic development, and *ginidisp*, the Gini coefficient of disposable household income distribution in country  $j$  at time  $t$ .<sup>11</sup> Furthermore, we include GDP per capita growth performance over the past five years (*GDP growth*). The sign of this variable is unclear ex ante: High growth may reduce demand for government, or it may create additional interventionist and redistributive claims. Relatedly,

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<sup>11</sup> Data are retrieved from Penn World Tables (*Feenstra et al. 2015*) and *Solt (2016)*. As ethnic and language fractionalization are highly persistent over time, effects are captured by country fixed effects.

if economic crises generate income or wealth inequality, this might also deepen opinion polarization (*Funke et al.* 2016).

#### **4.2 Results of basic estimates for extreme policy attitudes**

Table 2 displays the results of our estimates of extreme attitudes, regardless on which policy extreme, on the individual level. We show individual-level and aggregate-level variables of main interest only. Results including all covariates are available on request.

In line with our basic hypothesis, estimated coefficients of *socialtrust* are negative and highly statistically significant in nine out of ten model specifications. Trusting people tend to have a smaller probability of expressing extreme attitudes. The only case where we do not find a negative relationship is for political ideology on the right-to-left scale, when extreme attitudes are measured broadly as standard deviation from the country/year-mean (10).

We conducted a robustness check where we test whether social trust is also positively related to a dummy representing ‘centrist’ policy attitudes, defined as equal to one when individuals respond with 4-7 on the 10-point scale. Our findings are in line with the idea that social trusting people have a higher propensity to express tempered (centrist) attitudes, with the exception of the left-right-dimension. Results are shown in the appendix, table A2.

At the individual level we find a strong and positive association of belonging to low-income-groups with extreme attitudes. Low income earners are more inclined to express extreme preferences, while for respondents with high income we cannot find conclusive results. There is a tendency for lower educated people to express extreme attitudes, while highly educated respondents appear to be less inclined to take extreme positions. Estimated coefficients for *obedience* are always positive. However, with so many observations a p-value of 0.05 is not overly convincing. Respondents who claim to be very interested in politics express extreme preferences in particular along the political right-left-dimension.

Table 2: Correlates of extreme policy attitudes, different measures

depvar	1		2		3		4		5		6		7		8		9		10		
	extr	stdextr	extr	stdextr	extr	stdextr	extr	stdextr	extr	stdextr	extr	stdextr	extr	stdextr	extr	stdextr	extr	stdextr	extr	stdextr	
individual level																					
socialtrust	-0.09 (0.000)	-0.06 (0.000)	-0.10 (0.000)	-0.07 (0.000)	-0.10 (0.000)	-0.09 (0.000)	-0.12 (0.000)	-0.10 (0.000)	-0.09 (0.000)	-0.10 (0.000)	-0.09 (0.000)	-0.10 (0.000)	-0.10 (0.000)	-0.12 (0.000)	-0.10 (0.000)	-0.10 (0.000)	-0.05 (0.007)	-0.05 (0.007)	-0.05 (0.007)	-0.05 (0.007)	0.02 (0.092)
obedience	0.03 (0.054)	0.04 (0.000)	0.02 (0.203)	0.03 (0.016)	0.03 (0.036)	0.04 (0.002)	0.03 (0.080)	0.03 (0.016)	0.04 (0.002)	0.03 (0.036)	0.04 (0.002)	0.03 (0.080)	0.03 (0.016)	0.03 (0.080)	0.04 (0.000)	0.04 (0.000)	0.05 (0.001)	0.05 (0.001)	0.05 (0.001)	0.05 (0.001)	0.02 (0.020)
income low	0.14 (0.000)	0.10 (0.000)	0.14 (0.000)	0.10 (0.000)	0.13 (0.000)	0.10 (0.000)	0.07 (0.000)	0.10 (0.000)	0.10 (0.000)	0.13 (0.000)	0.10 (0.000)	0.07 (0.000)	0.10 (0.000)	0.07 (0.000)	0.07 (0.000)	0.07 (0.000)	0.17 (0.000)	0.17 (0.000)	0.17 (0.000)	0.11 (0.000)	0.11 (0.000)
income high	-0.03 (0.021)	0.00 (0.827)	0.03 (0.025)	0.05 (0.000)	-0.01 (0.362)	0.03 (0.022)	0.05 (0.000)	0.05 (0.000)	0.03 (0.022)	-0.01 (0.362)	0.03 (0.022)	0.04 (0.000)	0.03 (0.022)	0.05 (0.000)	0.04 (0.000)	0.04 (0.000)	0.00 (0.809)	0.00 (0.809)	0.00 (0.809)	0.04 (0.008)	0.04 (0.008)
education low	0.07 (0.000)	0.08 (0.000)	0.03 (0.113)	0.03 (0.030)	0.06 (0.000)	0.05 (0.000)	0.02 (0.386)	0.03 (0.030)	0.05 (0.000)	0.06 (0.000)	0.05 (0.000)	0.02 (0.386)	0.03 (0.030)	0.02 (0.386)	0.03 (0.076)	0.03 (0.076)	0.10 (0.000)	0.10 (0.000)	0.10 (0.000)	0.07 (0.001)	0.07 (0.001)
education high	-0.08 (0.000)	-0.05 (0.000)	-0.06 (0.001)	-0.05 (0.000)	-0.10 (0.000)	-0.07 (0.000)	-0.03 (0.210)	-0.05 (0.000)	-0.07 (0.000)	-0.10 (0.000)	-0.07 (0.000)	-0.03 (0.210)	-0.05 (0.000)	-0.03 (0.210)	-0.07 (0.000)	-0.07 (0.000)	-0.10 (0.000)	-0.10 (0.000)	-0.10 (0.000)	0.02 (0.347)	0.02 (0.347)
politicsinterest	0.00 (0.960)	0.01 (0.526)	0.04 (0.001)	0.05 (0.000)	-0.02 (0.134)	0.00 (0.759)	0.04 (0.002)	0.05 (0.000)	0.00 (0.759)	-0.02 (0.134)	0.00 (0.759)	0.04 (0.002)	0.05 (0.000)	0.04 (0.002)	0.03 (0.006)	0.03 (0.006)	0.20 (0.000)	0.20 (0.000)	0.20 (0.000)	0.25 (0.000)	0.25 (0.000)
macro level																					
GDP p.c. (log.)	0.08 (0.602)	-0.04 (0.722)	0.10 (0.468)	0.13 (0.142)	0.11 (0.375)	0.25 (0.001)	0.20 (0.102)	0.13 (0.142)	0.25 (0.001)	0.11 (0.375)	0.25 (0.001)	0.20 (0.102)	0.13 (0.142)	0.20 (0.102)	0.33 (0.001)	0.33 (0.001)	-0.09 (0.655)	-0.09 (0.655)	-0.09 (0.655)	-0.03 (0.757)	-0.03 (0.757)
GDP growth	-0.80 (0.456)	-0.61 (0.524)	-0.40 (0.621)	-0.26 (0.512)	-0.45 (0.521)	-0.68 (0.131)	-0.59 (0.388)	-0.26 (0.512)	-0.68 (0.131)	-0.45 (0.521)	-0.68 (0.131)	-0.59 (0.388)	-0.26 (0.512)	-0.59 (0.388)	-1.21 (0.032)	-1.21 (0.032)	-0.91 (0.179)	-0.91 (0.179)	-0.91 (0.179)	-0.49 (0.282)	-0.49 (0.282)
ginidisp	0.03 (0.023)	0.01 (0.365)	0.01 (0.446)	0.01 (0.164)	0.02 (0.151)	0.01 (0.589)	0.02 (0.147)	0.01 (0.164)	0.01 (0.589)	0.02 (0.151)	0.01 (0.589)	0.02 (0.147)	0.01 (0.164)	0.02 (0.147)	0.01 (0.255)	0.01 (0.255)	0.01 (0.647)	0.01 (0.647)	0.01 (0.647)	0.01 (0.124)	0.01 (0.124)
obs	181824	181824	171457	171457	186602	186602	176411	171457	186602	186602	186602	176411	171457	176411	176411	176411	158709	158709	158709	158709	158709
N	68	68	67	67	68	68	67	67	68	68	68	67	67	67	67	67	68	68	68	68	68
Pseudo R-square	0.062	0.022	0.065	0.018	0.061	0.024	0.077	0.018	0.024	0.061	0.024	0.077	0.018	0.077	0.046	0.046	0.087	0.087	0.087	0.020	0.020

Probit estimates. P-values below coefficients in parentheses. Clustering at the country level. Control variables include age groups, gender, employment status (self-employed, unemployed, retired, student), religiousness, religious denomination (roman catholic, protestant, orthodox, muslim, jewish, hindu). All estimates with country and year effects. For an explanation of extreme attitude measures, see section 3.1 of the paper.

At the macro-level we do not find consistent and substantial effects, which may of course be due to inclusion of time and country fixed effects which account for unobserved heterogeneity but also cover cross-country and over-time variation. We find no significant effects of GDP growth performance although a negative sign is in line with expectations that crises are conducive to polarization. A more unequal income distribution, as indicated by higher Gini values, seems to be related to extreme attitudes regarding income equalization.

#### **4.3 Results of estimates for pro- and anti-interventionist attitudes**

In Table 3 we examine the association of our set of explanatory variables with extreme policy attitudes on both ends of the preference spectrum separately. Unevenly numbered columns display results for extreme pro-interventionist attitudes ('hi'), while evenly numbered columns show results for strong anti-interventionist attitudes ('lo').

Results for *socialtrust* are highly compatible with our expectations. In all specifications, and for all different attitude items, we observe a negative coefficient of *socialtrust*. In seven out of ten regressions, the coefficient of *socialtrust* coefficient is significant at the 1%-level. Only for pro-income equalization attitudes (model 1), social trust is unrelated. In line with our hypothesis, trusting people express tempered preferences for government intervention and they are not drawn to either of the extreme sides in the one-dimensional opinion spectrums under observation. Results remain qualitatively unchanged when we define extremist attitudes broader by including not only the highest (10) and lowest (1) score on the respective Likert-scales, but also the second-highest (9) and second-lowest (2) scores. Only for self-placement on the political left-right scale *socialtrust* is not related to extreme left positions any more.

*Obedience* shows a very consistent and highly intriguing pattern, when judged from a political psychology standpoint: People, who state that obedience is an important value to teach to children, always report a positive inclination to express extreme pro-interventionist opinions, while no relationship to anti-interventionist attitudes can be observed. However, with respect to self-positioning on the political right-to-left-scale, obedient people lean towards right-wing positions. On average, individuals who value obedience are self-identified conservatives, who nonetheless support public policy positions of far left-wing tendencies.

Table 3: Probit estimates of correlates of extreme pro- and anti-interventionist attitudes

depvar	1		2		3		4		5		6		7		8		9		10		
	hi	lo	hi	lo	hi	lo	hi	lo	hi	lo	hi	lo	hi	lo	hi	lo	left (hi)	right (lo)	left (hi)	right (lo)	
individual level																					
socialtrust	-0.02 (0.415)	-0.13 (0.000)	-0.09 (0.004)	-0.08 (0.000)	-0.09 (0.000)	-0.07 (0.000)	-0.10 (0.000)	-0.11 (0.000)	-0.10 (0.000)	-0.07 (0.000)	-0.07 (0.000)	-0.07 (0.000)	-0.10 (0.000)	-0.11 (0.000)	-0.10 (0.000)	-0.11 (0.000)	-0.11 (0.000)	-0.05 (0.018)	-0.05 (0.000)	-0.05 (0.044)	-0.05 (0.000)
obedience	0.04 (0.014)	0.00 (0.912)	0.04 (0.026)	-0.02 (0.265)	0.05 (0.001)	-0.01 (0.475)	0.03 (0.114)	0.02 (0.360)	0.03 (0.114)	0.05 (0.001)	0.01 (0.713)	0.02 (0.360)	0.03 (0.114)	0.02 (0.360)	0.03 (0.114)	0.02 (0.360)	0.02 (0.360)	0.00 (0.883)	0.00 (0.883)	0.08 (0.000)	0.08 (0.000)
income low	0.14 (0.000)	0.06 (0.002)	0.18 (0.000)	0.04 (0.034)	0.16 (0.000)	0.01 (0.713)	0.11 (0.000)	0.04 (0.013)	0.16 (0.000)	0.01 (0.713)	0.01 (0.713)	0.04 (0.013)	0.11 (0.000)	0.04 (0.013)	0.11 (0.000)	0.04 (0.013)	0.12 (0.000)	0.12 (0.000)	0.15 (0.000)	0.15 (0.000)	0.15 (0.000)
income high	-0.13 (0.000)	0.08 (0.000)	-0.09 (0.000)	0.11 (0.000)	-0.08 (0.000)	0.07 (0.000)	-0.05 (0.015)	0.06 (0.000)	-0.08 (0.000)	0.07 (0.000)	0.07 (0.000)	0.06 (0.000)	-0.05 (0.015)	0.06 (0.000)	-0.05 (0.011)	0.06 (0.000)	-0.05 (0.011)	-0.05 (0.011)	0.04 (0.072)	0.04 (0.072)	0.04 (0.072)
education low	0.12 (0.000)	-0.04 (0.082)	0.09 (0.000)	-0.04 (0.043)	0.10 (0.000)	-0.03 (0.194)	0.14 (0.000)	-0.06 (0.000)	0.10 (0.000)	-0.03 (0.194)	-0.03 (0.194)	-0.06 (0.000)	0.14 (0.000)	-0.06 (0.000)	0.00 (0.932)	-0.06 (0.000)	0.00 (0.932)	0.00 (0.932)	0.13 (0.000)	0.13 (0.000)	0.13 (0.000)
education high	-0.13 (0.000)	0.00 (0.989)	-0.13 (0.000)	0.01 (0.672)	-0.10 (0.000)	-0.05 (0.006)	-0.18 (0.000)	0.01 (0.791)	-0.10 (0.000)	-0.05 (0.006)	-0.05 (0.006)	0.01 (0.791)	-0.18 (0.000)	0.01 (0.791)	-0.04 (0.090)	0.01 (0.791)	-0.04 (0.090)	-0.04 (0.090)	-0.13 (0.000)	-0.13 (0.000)	-0.13 (0.000)
politicsinterest	-0.03 (0.046)	0.03 (0.034)	0.03 (0.086)	0.04 (0.025)	-0.04 (0.001)	0.02 (0.048)	-0.07 (0.000)	0.06 (0.000)	-0.04 (0.001)	0.02 (0.048)	0.02 (0.048)	0.06 (0.000)	-0.07 (0.000)	0.06 (0.000)	0.12 (0.000)	0.06 (0.000)	0.12 (0.000)	0.12 (0.000)	0.19 (0.000)	0.19 (0.000)	0.19 (0.000)
macro level																					
GDP p.c. (log.)	0.11 (0.475)	0.01 (0.981)	-0.03 (0.917)	0.09 (0.580)	0.06 (0.588)	-0.06 (0.814)	-0.10 (0.621)	0.24 (0.045)	0.06 (0.588)	-0.06 (0.814)	-0.06 (0.814)	0.24 (0.045)	-0.10 (0.621)	0.24 (0.045)	0.07 (0.657)	0.24 (0.045)	0.07 (0.657)	0.07 (0.657)	-0.22 (0.349)	-0.22 (0.349)	-0.22 (0.349)
GDP growth	0.15 (0.814)	-0.72 (0.613)	-0.65 (0.628)	-0.11 (0.900)	-0.80 (0.222)	1.53 (0.058)	0.63 (0.520)	-0.79 (0.180)	-0.11 (0.900)	-0.80 (0.222)	1.53 (0.058)	0.63 (0.520)	0.63 (0.520)	-0.79 (0.180)	-1.54 (0.124)	-0.79 (0.180)	-1.54 (0.124)	-1.54 (0.124)	-0.03 (0.959)	-0.03 (0.959)	-0.03 (0.959)
ginidisp	0.01 (0.468)	0.03 (0.195)	0.02 (0.494)	0.00 (0.778)	0.02 (0.259)	0.02 (0.427)	0.03 (0.203)	0.01 (0.267)	0.02 (0.259)	0.02 (0.427)	0.02 (0.427)	0.01 (0.267)	0.03 (0.203)	0.01 (0.267)	0.00 (0.909)	0.01 (0.267)	0.00 (0.909)	0.00 (0.909)	0.01 (0.482)	0.01 (0.482)	0.01 (0.482)
obs	181824	181824	171457	171457	186602	186602	176411	176411	186602	186602	186602	176411	176411	176411	158709	158709	158709	158709	158709	158709	158709
N	68	68	67	67	68	68	67	67	68	68	68	67	67	67	68	67	68	68	68	68	68
Pseudo R-square	0.083	0.088	0.103	0.059	0.102	0.063	0.067	0.077	0.102	0.063	0.063	0.067	0.067	0.067	0.058	0.077	0.058	0.058	0.107	0.107	0.107

Probit estimates. P-values below coefficients in parentheses. Clustering at the country level. Control variables include age groups, gender, employment status (self-employed, unemployed, retired, student), religiousness, religious denomination (roman catholic, protestant, orthodox, muslim, jewish, hindu). All estimates with country and year effects. For an explanation of extreme attitude measures, see section 3.1 of the paper.



Additional interesting results should be mentioned. Low income groups express extreme pro-interventionist attitudes with a higher probability (as compared to middle income groups). The association with anti-interventionist positions is also positive but less pronounced. A remarkable finding is that members of low-income groups have a higher propensity to express both extreme right and extreme left political self-positioning (columns (9) and (10)). This income group is rather polarized when it comes to extreme policy attitudes. The pattern for high income groups shows a higher propensity to favor anti-interventionist extreme positions and a lower propensity for extreme pro-interventionist attitudes. Political placement is slightly skewed in the direction of the political right in this group.

A lower *education* level is always associated with a higher probability to express extreme pro-interventionist attitudes. The relation with anti-interventionist attitudes is more mixed, albeit we find a slight tendency to disfavor extreme anti-interventionist positions. Interestingly, we find a significantly higher propensity of less educated people to express an extreme right self-positioning, but no relation to extreme left political positions. Higher educated people are always negatively associated with extreme pro-interventionist positions, but we do not observe a consistent pattern regarding anti-interventionist attitudes.

Respondents who state that they are highly interested in politics show a rather inconsistent pattern with respect to pro- or anti-interventionist attitudes. Yet it seems that they are in favor of competition (columns (7) and (8)). Again, politically interested respondents consistently associate themselves with both, extreme left and extreme right political positions.

## 5 Conclusions

The findings forwarded in this paper indicate that social trust at the individual level is negatively related to a variety of extreme policy attitude measures. Our interpretation of this result is that trusting people have a systematic tendency towards preference moderation, at least when it comes to expressing their political views. While we cannot preclude that this result is driven by reverse causality, it seems hardly plausible that interpersonally similar policy preferences (if ever expressed) should bring about people to trust unknown others, or vice versa. Nevertheless, endogeneity in the form of a common driving factor can certainly not be ruled out: If early childhood socialization by parents is important for social trust building, it may be important for the formation of individual political attitudes, with probably far-reaching consequences.

Notwithstanding, this possibility does not undermine a central argument of this paper, namely that social trust probably functions as a reform facilitating mechanism, where societies with a

higher degree of interpersonal trust are better able to establish a consensus on crucial public policy reforms. This is not only due to the idea that social trust is conducive to cooperation and coordination in group decision making processes, but also to the findings of our paper that socially trusting people tend to express more moderate views and standpoints regarding the appropriate role of government. This would mean that, among other things, social trust functions as a potential buffer against the political polarization and conflict of a society while, in a parallel manner, it can facilitate important political and economic reforms.

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Table A1: Summary statistics

Variable		Obs	Mean	Std. Dev.	Min	Max
<b>dependent variables</b>						
incomeequalization	extr	184,967	0.274	0.446	0	1
	extr_hi	184,967	0.145	0.352	0	1
	extr_lo	184,967	0.130	0.336	0	1
	stdextr	184,967	0.421	0.494	0	1
stateownerhsip	extr	174,318	0.235	0.424	0	1
	extr_hi	174,318	0.108	0.311	0	1
	extr_lo	174,318	0.127	0.332	0	1
	stdextr	174,318	0.392	0.488	0	1
govresponsibility	extr	190,019	0.283	0.450	0	1
	extr_hi	190,019	0.177	0.382	0	1
	extr_lo	190,019	0.106	0.307	0	1
	stdextr	190,019	0.430	0.495	0	1
competitionbad	extr	179,667	0.289	0.454	0	1
	extr_hi	179,667	0.040	0.195	0	1
	extr_lo	179,667	0.250	0.433	0	1
	stdextr	179,667	0.421	0.494	0	1
right-left-orientation	extr	161,226	0.136	0.342	0	1
	extr_hi	161,226	0.054	0.225	0	1
	extr_lo	161,226	0.082	0.274	0	1
	stdextr	161,226	0.333	0.471	0	1
<b>individual covariates</b>						
socialtrust		191,200	0.273	0.446	0	1
obedience		191,159	0.357	0.479	0	1
politicsinterest		192,982	0.457	0.498	0	1
incomelevel	low	192,982	0.255	0.436	0	1
	middle	192,982	0.478	0.500	0	1
	high	192,982	0.267	0.443	0	1
educationlevel	low	192,982	0.314	0.464	0	1
	middle	192,982	0.437	0.496	0	1
	high	192,982	0.249	0.432	0	1
female		192,982	0.524	0.499	0	1
age 15-30		192,982	0.268	0.443	0	1
age over 60		192,982	0.194	0.396	0	1
selfemployed		192,982	0.059	0.235	0	1
unemployed		192,982	0.172	0.377	0	1
student		191,200	0.273	0.446	0	1
retired		191,159	0.357	0.479	0	1
religiousperson		192,982	0.719	0.450	0	1
romancatholic		192,982	0.340	0.474	0	1
protestant		192,982	0.150	0.357	0	1
orthodox		192,982	0.153	0.360	0	1
muslim		192,982	0.097	0.296	0	1
otherreligion		192,982	0.234	0.424	0	1
noreligion		192,982	0.138	0.345	0	1
<b>macro covariates</b>						
GDP per capita (log)		239	9.66	0.88	6.64	11.40
GDP growth (5ys)		233	0.03	0.03	-0.16	0.12
Gini (disp. inc.)		233	33.52	8.00	18.50	52.70

Table A2: Correlates of tempered policy attitudes (centered attitudes 4-7 on a 1-10-point scale)

	1	2	3	4	5
depar	incomeequalization	stateownership	govresponsibility	competitionbad	leftorientation
individual level					
socialtrust	0.070 (0.000)	0.048 (0.001)	0.066 (0.000)	0.057 (0.000)	-0.027 (0.013)
obedience	-0.033 (0.005)	-0.036 (0.001)	-0.042 (0.001)	-0.026 (0.041)	-0.021 (0.028)
income low	-0.100 (0.000)	-0.078 (0.000)	-0.078 (0.000)	-0.026 (0.088)	-0.107 (0.000)
income high	-0.017 (0.257)	-0.068 (0.000)	-0.026 (0.058)	-0.081 (0.000)	-0.061 (0.000)
education low	-0.050 (0.000)	-0.024 (0.188)	-0.051 (0.000)	0.016 (0.278)	-0.071 (0.000)
education high	0.022 (0.061)	0.042 (0.003)	0.073 (0.000)	-0.024 (0.083)	-0.024 (0.224)
politicsinterest	-0.004 (0.689)	-0.032 (0.003)	0.018 (0.169)	-0.027 (0.043)	-0.272 (0.000)
macro level					
GDP p.c. (log.)	-0.078 (0.497)	-0.094 (0.387)	-0.171 (0.065)	-0.087 (0.446)	0.075 (0.615)
GDP growth	0.275 (0.703)	0.120 (0.860)	0.683 (0.136)	0.576 (0.246)	0.722 (0.025)
ginidisp	-0.017 (0.092)	0.004 (0.749)	-0.007 (0.429)	-0.015 (0.166)	-0.007 (0.511)
obs	181824	179159	187227	177995	158709
N	68	67	68	67	68
Pseudo R-square	0.030	0.041	0.027	0.030	0.036

Probit estimates. P-values below coefficients in parentheses. Clustering at the country level. Control variables include age groups, gender, employment status (self-employed, unemployed, retired, student), religiousness, religious denomination (roman catholic, protestant, orthodox, muslim, jewish, hindu). All estimates with country and year effects. For an explanation of tempered attitude measures, see section 3.1 of the paper.