

Trust in institutions is necessary for the well functioning of modern democracies and the maintenance of institutional arrangements. The euro crisis has been identified by several scholars as a major factor contributing to [falling trust](#) in various [European institutions](#). In a [recent article](#) we have investigated whether, as a result of the crisis, trust has declined equally across European countries, and whether the decline varies among individuals with different socioeconomic backgrounds.

More precisely, we have addressed these questions, first, by investigating whether trust in the European Parliament (EP) declined between 2002 and 2012 in twenty European Union countries; second, by ascertaining whether the decline was steeper in those peripheral countries that were hit hardest by the crisis—i.e. Portugal, Italy, Ireland, Cyprus, Greece and Spain—and third, by asking whether, in these countries, individuals from less privileged social strata (the unemployed, the retired, the poorly educated, those from low-income households, the youth and the elderly) were more likely to mistrust the EP, especially after the onset of the economic crisis.

A growing gap in trust between social strata would be worrying, as it would indicate that the economic crisis strengthened the link between social and political inequalities, potentially leading to the alienation from the political world of the most disadvantaged citizens—or worse, to anti-democratic mobilization driven by anti-establishment populist parties.

The euro crisis and trust in the EU

When the public debt crisis hit the Eurozone, its consequences were more serious in some countries than in others, with peripheral European countries hit particularly hard. In response to the crisis and in agreement with the European Central Bank (ECB), the European Commission and the International Monetary Fund (IMF)—the so-called “Troika”—fiscal austerity packages and structural reforms were implemented in a number of crisis-struck peripheral European countries.

This perceived lack of representation may, in the worst-case scenario, leave the ground open to anti-liberal and anti-democratic political entrepreneurs with populist

views

As no immediate recovery from the crisis occurred after the implementation of these fiscal consolidation measures, the severity of the EU anti-crisis interventions might have triggered feelings of mistrust towards the EU. In fact, citizens in peripheral countries might have felt that EU membership was no longer beneficial to them. Sluggish growth, increasing poverty, growing unemployment and increasing polarization between Europe's north and south might have led to the emergence of an ideological divide in terms of trust in EU institutions. We have tested this first hypothesis by comparing trust in the EP across twenty member states before and after the onset of the crisis.

Who trusts?

Trust in institutions is not equally distributed among populations. In general, people from higher social strata are likely to demonstrate greater [support for the political system in which they live](#), as they are the [ones who mostly benefit from it](#). However, recent studies have also shown that people with higher social status in established democracies do not necessarily have greater trust in institutions than [people with lower social status](#). These studies suggest that subjects with better education have higher expectations from democracy than in the past and thus have become more critical and less trustful of their governments.

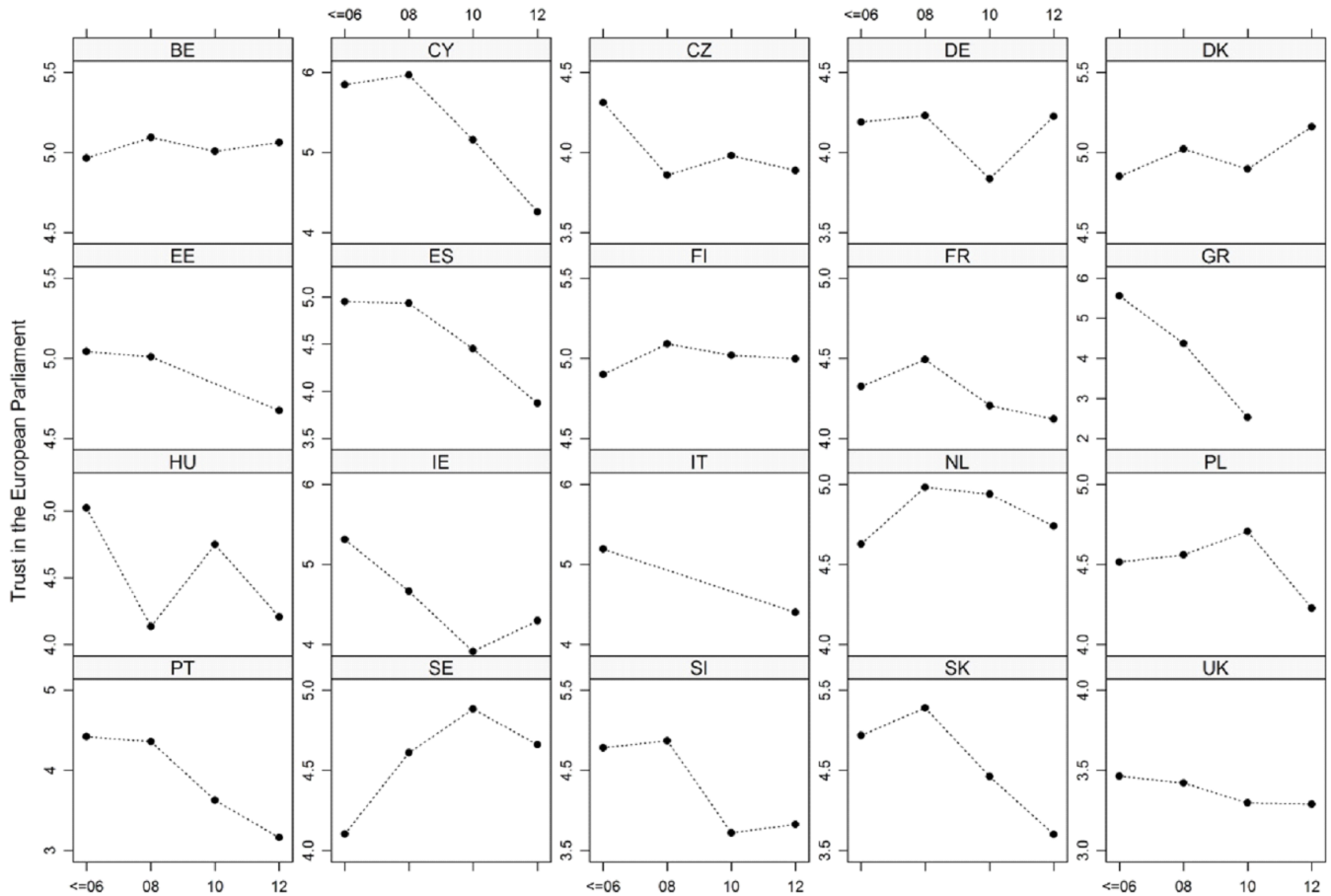
However, during an economic downturn and especially in times of constrained budgetary policies, people from the lower social strata are the most likely to suffer from austerity measures and, therefore, might [withdraw their support from institutions](#). The question of increasing inequality in trust is especially important in times of economic crisis. In fact, if during the recession trust declined more steeply for those social groups already hit economically by the crisis, these groups are being doubly impoverished—not just in terms of their social position and economic well-being, but also in the extent of their confidence in institutions.

Trust in the EP steeply declined in those countries worst hit by the crisis

This perceived lack of representation may, in the worst-case scenario, leave the ground open to anti-liberal and anti-democratic political entrepreneurs with populist views, which may ultimately threaten the institutional order of liberal democracy. Our second hypothesis is, therefore, that subjects from the lower social strata (the unemployed, the retired, the poorly educated, those from low-income households, the youth and the elderly) have experienced a steeper decline in trust than people from higher social strata.

Trust in the European Parliament

Our empirical analysis indicates that over the time period considered trust in the EP steeply declined in those countries worst hit by the crisis, and that it is especially in these countries that subjects from the lower social strata lost more trust than citizens at the higher end of the social ladder. More precisely, as shown in figure 1, in northern and western Europe trust in the EP did not follow a homogeneous trend. In central and eastern European countries a declining trend was observed. However, the largest declines in trust in the EP occurred in Portugal, Italy, Ireland, Cyprus, Spain and Greece. The latter stands out as the country with the highest trust prior to the crisis (5.7) and the lowest afterwards (2.5).



With respect to the extent to which social classes are driving the declining in trust, in the countries where austerity measures were implemented, subjects from the lower positions in the social ladder—especially the poorly educated, those who find it difficult to cope on their income and, to a smaller extent, the unemployed—lost more trust in the EP compared to those who are better off.

When citizens are unhappy with the performance of their economies, mistrust in government increases. The economic crisis and the growing scarcity of resources have been putting democratic institutions under pressure, resulting in a negative evaluation of political responsiveness and a subsequent decline in citizens' levels of institutional trust. Indeed, studies show that if large numbers of citizens start mistrusting institutions and if this fall in trust is sudden and consistent, the legitimacy and survival of the [institutions may be at serious risk](#).

Increasing political inequality

The opposite, however, is also true: more trust in institutions is found to lead to their better functioning—a truly valuable good in times of economic downturn. The finding that the economic crisis led to greater losses in trust at the bottom of the social ladder rather than at the top is troubling as it indicates that political inequalities increased with the economic crisis. Indeed, trust in institutions is not only essential for the functioning of democracies, but it is also an important individual asset. Citizens who trust their institutions are more likely to be politically active within them and to voice their need to improve their social position.

The greater losses in trust over the onset of the crisis period experienced by the economically and socially disadvantaged groups may potentially lead to their alienation from the political world, or worse, to antidemocratic and authoritarian mobilization. Findings by Kriesi and coauthors, for instance, show that globalization’s “losers” are more likely to show support for radical right-wing parties mobilizing [against immigration and European integration](#).

This feeling of unresponsiveness of European institutions to the social conflicts generated by the economic crisis might have created the opportunity for populist parties to exploit the popular malaise against the status quo and often to appeal to nationalism and anti-EU feelings. As Europe’s very own existence is challenged on several grounds—from the economic to the refugee crisis, from the threat of terrorism to a potential Brexit—the prevailing reaction from the polls seems to be calling for a historical reversal of direction for Europe, towards nationalism and closure.

The troubling link between economic and political inequality in Europe

By Beatrice Magistro

Photo credits CC: [Sage Ross](#)