

Political Trust in Iceland
Determinants and trends, 1983 to 2018

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Abstract

Despite the often intense public debate about how Icelanders have lost confidence in their regime institutions following the financial crisis of 2008 and policy recommendations on how to restore political trust, no systematic examination on the sources of political trust in Iceland has been carried out. This doctoral research aims to provide theoretical and empirical answers to the question: “*what are the determinants of political trust in Iceland?*” This includes mapping the dependent variable (i.e. political trust levels in Iceland) over time and studying its relationship with potential explanatory factors.

Five theoretical perspectives from political science literature explaining the origins of public trust in political institutions guide the study: modernisation and value change, civic culture and social capital, policy performance, process performance, and electoral outcomes and partisanship. The study’s empirical section is based on repeated opinion survey data from two European programmes, and this data is used to conduct two types of analyses: a longitudinal descriptive analysis and a multivariate analysis. The longitudinal descriptive analysis identifies trends in the development of political trust levels in Iceland from 1983 to 2018, focusing on public trust in the national parliament (Althingi) in a comparative perspective. The multivariate analysis tests five models on the sources of political trust, evaluating the effects of different determinants of Icelanders’ political trust judgements across three time points: 2004, 2012, and 2016. The financial crisis of 2008—the crash—provides a before and after comparison framework for both the longitudinal descriptive and multivariate analyses.

The study’s results show that Icelanders are and have been among the most trusting citizens in Europe, placing Iceland among the high trusting Nordic countries. Following the financial crisis of 2008, political trust levels in Iceland followed the same path as was observed in other countries greatly affected by the crisis. Public trust in the institutions and actors of political representation plummeted, while the crisis had a limited impact on trust in institutions on the implementation side of the system, such as the civil service, justice system, and police. The results demonstrate a strong and stable impact of evaluations of policy performance and process performance on political trust. Overall, satisfaction with the state of the economy proved to be the strongest determinant of Icelanders’ political trust over time. Social trust, demographic characteristics, and social status are all predictors of political trust in Iceland. Partisanship in general remained a stable source of political trust across the study’s three time

points, while the relative impact of feeling closer to the parties in the coalition government changed significantly following the crash. The post-crisis economic recovery in Iceland has not been sufficient to restore Icelanders' trust in the parliament Althingi to its pre-crash levels, as the political aftermath of the crisis seems to be having a greater and more prolonged impact on public trust in the key institutions of political representation.

Ágrip

Pólitískt traust á Íslandi: Helstu áhrifaþættir og þróun frá 1983 til 2018

Mikið hefur verið rætt um hvernig Íslendingar misstu traust á stjórnvöldum og opinberum aðilum í kjölfar efnahagshrunsins árið 2008. Umræðan hefur oft verið hvöss og hávær og ríkisstjórnin sem nú situr hefur sett sér markmið um að efla traust almennings á stjórnámálum og stjórnsýslu. Hins vegar hefur minna farið fyrir því að greina á markvissan hátt hverjar eru rætur pólitísku trausts í íslensku samfélagi eða að skoða hvað samanburður við önnur ríki segir okkur um stöðuna hér á landi. Markmið þessarar doktorsrannsóknar er að skoða þróun pólitísku trausts á Íslandi til lengri tíma og greina hvaða áhrifaþættir liggja til grundvallar þegar almenningur treystir stjórnvöldum. Í rannsókninni er sjónum sérstaklega beint að trausti almennings til Alþingis en einnig er rýnt í gögn um traust Íslendinga til opinberra stofnana, dómskerfisins og lögreglunnar. Tímabilið 1983 til 2018 er til skoðunar þar sem þróunin á trausti Íslendinga til stjórnvalda er greind yfir tíma og í alþjóðlegum samanburði.

Fræðilegur grunnur rannsóknarinnar byggir á fimm leiðandi kenningarsjónarhornum í stjórn málafræði um rætur pólitísku trausts. Þau eru: 1) Nútímavæðing og breytt lífsviðhorf (e. modernisation and value change); 2) samborgaraleg siðmenning og félagsauður (e. civic culture and social capital); 3) pólitískur árangur (e. policy performance); 4) vönduð stjórnsýsla og ákvörðunartaka (e. process performance), og; 5) flokkakerfið og samsömun við stjórn mála flokka (e. partisanship). Leitast er við að meta hvort og þá hversu mikið hver af þessum fimm áhrifaþáttum skýrir þróun pólitísku trausts á Íslandi yfir lengri tíma. Rannsóknin fylgir meginreglu aðferðafræði félagsvísinda og samanstendur af tveimur tölfræði greiningum: Langtíma lýsandi tölfræði sem greinir þróun pólitísku trausts á Íslandi frá 1983 til 2018 og marghliðagreiningu sem metur forspágildi helstu áhrifaþátta pólitísku trausts á Ísland á þremur tímamótum, 2004, 2012 og 2016. Í báðum greiningum er efnahagshrunið 2008 notað sem tímamót til að skoða sérstaklega þróunina á trausti almennings til stjórnvalda fyrir og eftir hrun. Greiningin byggir á gögnum úr tveimur evrópskum spurningakönnunum: Evrópsku lífsgildakönnuninni (e. European Values Study - EVS) sem hefur verið framkvæmd fimm sinnum á Íslandi á tímabilinu 1984 til 2018, og Evrópsku samfélagskönnuninni (e. European Social Survey - ESS) sem var framkvæmd hér á landi árið 2004, 2012 og 2016. Gögn

úr Íslensku kosningarannsókninni, frá 1983 til 2017, eru einnig höfð til hliðsjónar í greiningunni.

Niðurstöður rannsóknarinnar sýna að í alþjóðlegum samanburði hefur pólitískt traust á Íslandi verið mikið og að traust Íslendinga á lykilstofnunum stjórnkerfisins var lengst af sambærilegt því sem gerðist á hinum Norðurlöndunum. Mikið pólitískt traust á Norðurlöndunum hefur verið útskýrt með vísun í samfélagsgerð þeirra sem leggur áherslu á jöfnuð og samfélagslega þátttöku, sem og árangur stjórnvalda við að skapa góð lífskjör og byggja upp vandaða stjórnsýslu. Í kjölfar fjármálahrunsins árið 2008 varð þróunin á Íslandi sambærileg þeirri sem gerðist í öðrum Evrópuríkjum sem einnig urðu illa úti í alþjóðlegu efnahagskreppunni sem fylgdi, svo sem á Írlandi, Spáni og í Portúgal. Meðan traustið á pólitískum þáttum stjórnkerfisins hrundi, eins og á Alþingi, stjórnmalaflokkum og stjórnmalamönnum, þá héldu Íslendingar áfram að bera traust til dómskerfisins og traust þeirra til opinberra stofnanna og lögreglunnar jókst.

Nánari greining á einstaklingsþáttum sem liggja til grundvallar þegar almenningur treystir stjórnvöldum sýndi að rætur pólitísku trausts á Íslandi liggja víða. Niðurstöðurnar eru í samræmi við það sem kenningar rannsóknarinnar spáðu fyrir um en pólitískur árangur stjórnvalda við að búa þegnum sínum góð lífskjör hefur þó mesta forspágildið þegar þróunin er skoðuð yfir lengri tíma. Þar er upplifun almennings á stöðu efnahagsmála mikilvægasti þátturinn, en mat fólks á stöðu velferðarþjónustu skiptir einnig máli. Rætur pólitísku traust liggja líka í upplifun almennings á stjórnsýslunni og hvernig pólitískri ákvörðunartöku er háttað. Íslendingar eru mun líklegri til að bera traust til stjórnvalda þegar þeim finnst að sanngirn og óhlutdrægni séu höfð að leiðarljósi í málsmeðferð opinberra aðila. Þeir eru líka mun líklegri til að bera traust til stjórnvalda þegar þeim finnst að valdhafarnir hlusti eftir sjónarmiðum almennings við pólitíska ákvörðunartöku.

Bakgrunnspættir eins og kyn, aldur, menntun og tekjur hafa allir forspágildi þegar rætur pólitísku trausts í íslensku samfélagi eru skoðaðar yfir tíma. Þar vekur mikið vægi kynferðis athygli, en íslenskar konur eru mun líklegri til að treysta stjórnvöldum en karlar meðan forspágildi menntunar og tekna er minna. Félaglegt traust er mikilvægt fyrir þróun pólitísku trausts á Íslandi eins og víðar, sem og flokkakerfið og þá sérstaklega samsömun einstaklinga við stjórnmalaflokkanna sem eru í ríkisstjórn hverju sinni (einnig kölluð flokkshollusta í fræðunum). Þegar vægi áhrifaþáttanna var borið saman milli tímamunktanna 2004, 2012 og 2016 var niðurstaðan sú að samsömun við stjórnmalaflokk í ríkisstjórn var eini áhrifaþátturinn sem sýndi marktæka breytingu milli tímamunkta. Samsömun við ríkisstjórnarflokk var eitt mikilvægasta forspágildið fyrir pólitískt traust árið 2004 meðan áhrif þess var

hverfandi árið 2012. Greiningin á 2016 gögnum sýnir að áhrif samsömunar við ríkisstjórnarflokk á pólitískt traust er aftur að aukast en það hefur samt engan veginn náð sama vægi og það hafði á árunum fyrir hrun.

Rannsóknin sýnir að heilt yfir er það mat almennings á stöðu efnahagsmála sem er sá þáttur sem hefur hvað mest áhrif á hvort fólk segist bera traust til stjórnvalda eða ekki. Hinn mikli efnahagsuppgangur undanfarinna ára hefur samt sem áður ekki dugað til að fá Íslendinga til að treysta Alþingi í sama mæli og þeir gerðu fyrir hrun. Niðurstöðurnar benda til þess að pólitíska umrótið og uppstökkunin í flokkakerfinu eftir hrun er að hafa meiri langvarandi áhrif á traust almennings til Alþingis og annarra pólitískra stofnanna stjórnkerfisins.

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1 Introduction

In the beginning of 2018, the prime minister of Iceland, Katrín Jakobsdóttir, appointed a working group “on the promotion of public trust in politics and public administration” (in Icelandic: *starfshópur um eflingu trauts á stjórnmálum og stjórnsýslu*). The appointment of the working group was in accordance with the government’s priorities to address the issue of political trust in Icelandic society. As stated in the coalition agreement when the government came to power in November 2017, “[t]he government aims at cultivating trust in politics and public administration. One element in this will be a review of the rules on the registration of the interests of both government ministers and members of the Althingi in the light of recommendations received and international standards” (*Coalition agreement between the Progressive Party, the Independence Party and the Left Green Movement*, 2017). The recommendations and international standards mentioned refer to the Council of Europe’s Group of States against Corruption (GRECO) anti-corruption standards and GRECO’s recommendations to Icelandic authorities regarding compliance with those standards.

At the time of the appointment of the working group at the beginning of 2018, a growing public distrust in political institutions had been stimulating debate in Iceland for almost a decade, ever since the country experienced the impact of the global financial crisis in October 2008. An increasing interest in the topic of political trust was not confined to Iceland. With the global financial crisis of 2008 and the ensuing economic recession and fiscal crisis, citizens in crisis-hit countries were questioning their governments’ capacities to deal with the situation. At the same time, they were becoming more sceptical towards the political system. Consequently, political trust received media attention and generated public debate across the world, eventually putting the topic in the forefront of public policy making.

The Organisation for Economic Co-operation and Development (OECD) expressed concerns over the loss of public trust in political and public institutions in many of its member states following the global financial crisis of 2008 and called on governments in its member states to put political trust at the forefront of public policy making (OECD, 2013, 2017c). The OECD claimed that the governments’ capacity to implement policies dealing with the aftermath of the financial crisis of 2008 depended to a significant degree on public confidence in government and regime institutions. In the OECD’s view, the positive influence of political trust on policy outcomes justified government

institutions making the building of public trust a policy objective (OECD, 2017c).

With the appointment of the prime minister's working group on the promotion of public trust in politics and public administration, political trust was put on the policy agenda in Iceland. The working group's mandate was to develop a proposal for action to increase Icelanders' trust in politics and public administration. In September 2018, the working group submitted its report to the prime minister (*Efling trausts á stjórnámálum og stjórnsýslu. Skýrsla starfshóps forsætisráðherra* 2018). The report states that its suggestions focus more on actions to be taken to improve relations between authorities and citizens, than on actions directly aimed at restoring political trust (p. 16).

Many of the working group's suggestions for action follow the recommendations put forward in the GRECO evaluation reports. The focus is on strengthening the existing frameworks for integrity to prevent corruption amongst government ministers, senior government officials, members of law enforcement agencies and members of parliament. Suggested actions include: developing a code of conduct and registration system pertaining to declarations of financial interest, developing clear rules on whistle-blower protection, and introducing rules on how people in top government functions engage with lobbyists. The report addresses the low levels of political trust in Iceland by focusing on the integrity of the government processes. Yet, it does not address alternative propositions on how political trust is generated. Nor does it provide an empirical account identifying the sources of Icelanders' trust in political institutions or the drivers behind the development of trust levels over time.

Despite the often intense public debate about how Icelanders have lost confidence in their regime institutions following the crash of 2008 and policy recommendations on how to restore political trust, no systematic examination of political trust in Iceland has been carried out. While political trust is a relatively new topic in public policy making, it has drawn scholarly attention ever since the 1960s. Studies show that political trust is a multidimensional notion, and the literature acknowledges that the notion is complex and tangled. Understanding how political trust levels evolve over time requires identifying the factors to explain individual-level variations and analysing a country's characteristics, institutional context and historical development. Empirical research has shown that the determinants of political trust are grounded in political, economic and social factors. Moreover, the importance of these factors can vary between countries, and the relative importance of each explanatory factor can change over time between countries and within a country. Without establishing what the factors explaining Icelanders trust in political and regime institutions are, it is difficult to fully understand how the country's trust levels have developed

over time and to identify what is behind the fall in trust levels since the financial crisis of 2008.

The importance of political trust in democratic governance and its relevance in shaping patterns of citizen behaviour has stimulated academic interest in political trust. In theory, the importance of political trust is based on the assumption that the citizenry's evaluations of political actors and regime institutions impact all levels of the democratic system. The positive relationship between high levels of political trust and the economic and social development of nations has also been recognised in academic research. In times of increasing international competitiveness, high-trust countries are at an advantage in attracting investment and trade, resulting in economic growth (Listhaug & Ringdal, 2008). High levels of political trust can also be seen as an indicator of successful social integration as high trust levels are usually only possible to attain when the major social and political groups in society regard institutions as trustworthy. Referring to their study on political trust in the highly developed Nordic countries, Listhaug and Ringdal regard high levels of political trust "as a success criterion for societies" (p. 131). While much of the literature focuses on public trust in the institutions and political actors of the nation-state, political trust is considered to be relevant for governance at the supranational and local levels as well (Listhaug & Ringdal, 2008; Munoz, 2017).

It has become accepted in the literature that political trust can function as a thermometer for assessing the wellbeing of political systems based on democratic principles. The literature and empirical research on political trust are very much confined to the origins, roles and consequences of political trust in the context of democratic rule. In fact, it has been suggested that political trust is a necessary precondition for democracy (van der Meer, 2017b). But, the highest levels of political trust are often found in countries that are defined as illiberal regimes rather than democracies, countries such as Uzbekistan, China, and Qatar. By contrast, political trust levels are relatively low in the established democracies of the West, where only a minority of citizens express trust in the national parliament in most countries (Holmberg, Lindberg, & Svensson, 2017; van der Meer, 2017b). Acknowledging that it is unclear what citizens in illiberal regimes mean when they report trust in political institutions and actors, van der Meer (2017b) suggests that their responses may reflect their fear of responding critically or stronger feelings of loyalty to the regime.

Political trust develops through interactions between citizens and political authorities. A government that is considered to have the competence to govern effectively, to care for its citizens, and to demonstrate accountability, stability and reliability earns the trust of its citizens. In return, citizens express supportive attitudes towards the political system. These supportive attitudes

should, however, not simply be labelled as public approval or popular support because there is a degree of uncertainty integrated into the relationship between a government and its citizens. This uncertainty is linked to future government actions and outcomes, and citizens are vulnerable to these actions and outcomes. As van der Meer (2017b) states, “political trust can be understood as citizens’ support for political institutions such as government and parliament in the face of uncertainty about or vulnerability to the actions of these institutions” (p. 1).

Furthermore, Newton and Norris (1999) suggest that political trust can be considered a “central indicator of the underlying feeling of the general public about its polity” (p. 2). As such, political trust can be seen as a way to understand how citizens relate to political authorities. Citizens’ avowed political trust may have an evaluative character and be influenced by objective factors, such as government performance and the integrity of democratic processes. It may also have an affective character and be influenced by subjective predispositions, such as values, norm and identities. People’s trust judgements may also be based as much on perceptions as on facts (OECD, 2017c).

Many different explanations exist for the origins of political trust. Since political trust is based on people’s judgements about a number of political objects and experiences, the variety in explanations is understandable. Scholars like Easton and Norris emphasise how institutional performance, manifested in the quality of procedures and government outputs, generates political trust (Easton, 1965, 1975; Norris, 2011). Others, like Inglehart, Dalton, and Welzel, point to how different stages in societal development shape public attitudes towards the political system, including political trust (Dalton, 2004, 2005; Dalton & Welzel, 2014; Inglehart, 1997a, 1997b). The relationship between political trust and social trust has received considerable attention in the trust literature (Newton, 2001, 2006, 2009; Newton, Stolle, & Zmerli, 2018; Rothstein & Stolle, 2008a, 2008b). Holmberg, Miller, and Listhaug have argued for considering political factors like electoral outcomes, as well as citizens’ policy preferences and party attachment, as sources of political trust (Holmberg, 1999; Holmberg et al., 2017; Miller, 1974; Miller & Listhaug, 1990, 1998). More recently, there is a growing body of research focusing on the relationship between perceived fairness in political decision making and political trust. According to this school of thought, political trust is generated when the political decision-making process matches people’s ideas of how the process should work (Grimes, 2005, 2017; Hibbing & Theiss-Morse, 2001; Tyler, 1998).

Political trust as an empirical research topic first gained the interest among American political scientists in the 1960s and was confined to the democracies

of North America and Western Europe for a long time. A number of studies have been published on the long-term trends in political trust and support levels in advanced, industrial democracies (Dalton, 2004; Fuchs & Klingemann, 1995; Norris, 2011, 1999d; Nye, Zelikow, & King, 1997). These studies, however, are not all in agreement. Nye et al.'s (1997) study from the 1990s focused on the long-term decline of political trust levels in the United States, a trend that can be traced back to the late 1960s. The long-term development of political trust levels in Europe has been more stable, although there have always been variations in trust levels between individual countries and regions. The Scandinavian countries have continually reported the highest levels of political trust, while the citizens of the countries in southern European and former communist countries in Eastern Europe are less trusting toward their political systems (Klingemann & Fuchs, 1995; Listhaug & Ringdal, 2008; Torcal, 2017).

Furthermore, Norris (1999d) and associates observed a trend they referred to as the rise of critical citizens in their cross-national comparative analysis survey data from the 1980s and 1990s. They concluded that societal changes associated with the values of postmaterialism and rising education levels had made citizens more demanding in their evaluations of political and public institutions. Dalton (2004), in his longitudinal research on political support in advanced industrial democracies, came to the conclusion that the citizens in these countries were becoming increasingly sceptical towards political institutions and actors. In a more recent study, Norris (2011) warned against exaggerating the extent of political dissatisfaction and claimed that the changes in political trust and support levels observed are more likely to be trendless fluctuations than evidence of long-term decline. However, studies focusing on the impact of the global financial crisis of 2008 have revealed a distinct downturn in political trust levels in many advanced, industrial democracies (Armingeon & Guthmann, 2014; Erkel & van der Meer, 2016; OECD, 2017c). This trend was more pronounced in the countries most exposed to the crisis, such as Greece, Cyprus, Portugal, Spain, Ireland, and Iceland (Johnsen & Sigurgeirsdóttir, 2018a; Kristinsson & Vilhelmsdóttir, 2015; Roth, Nowak-Lehmann D., & Otter, 2011).

Icelanders refer to the collapse of the country's financial system in October 2008 as *hrunið*. The term is translated into English either as "the crash" or "the collapse." In this thesis, the term "the crash" will be used. In the years leading up to the global financial crisis of 2008, Iceland had been enjoying political stability, strong economic growth and social advancement, placing the country at the top of the United Nations' Human Development Index in 2007 (UNDP, 2007). The global financial meltdown in October 2008 plunged Iceland immediately into a severe economic recession that was felt across sectors and social groups (Danielsson & Zoega, 2009; Ólafsson & Kristjánsson, 2012;

Zoega, 2018). The crash was followed by popular protest and increasing political instability and electoral volatility (see e.g. Bernburg, 2016; Indriðason, Önnudóttir, Þórisdóttir & Harðarson, 2017; Vilhelmsdóttir & Kristinsson, 2018).

Johnsen and Sigurgeirsdóttir's (2018a) analysis of Gallup Iceland's annual public trust survey data from 2001 to 2017 clearly shows the impact of the crash on Icelanders' trust in political and public institutions. Gallup's annual public trust survey in February 2008 showed that 43% of Icelanders had "a lot" or "a great deal" of trust in the national parliament, Althingi, and some 40% in the country's banking system. In February 2009, approximately four months after the crash, public trust in Althingi was down to 13% and a mere 4% of the respondents expressed trust in the banking institutions (Johnsen & Sigurgeirsdóttir, 2018a). Trust in many of the country's public institutions went down following the crash, but the downturn was in no way comparable to the fall in trust levels for the national parliament and the banking system. Icelanders' trust in the police, on the other hand, remained high throughout the tumultuous times following the financial meltdown, as well as in the post-crisis years.

Johnsen and Sigurgeirsdóttir's (2018a) findings are in line with studies showing that the impact of the crash on political trust in Iceland was more concentrated on the institutions of political representation rather than on the institutions of public administration and law and order. Kristinsson and Vilhelmsdóttir (2015) concluded that the fall in political trust levels in Iceland following the crash should be viewed as a fall in specific political support, rather than a legitimacy crisis. It appears that the Icelandic public blamed the politicians for the crash and for the economic recession that followed. Yet, they simultaneously expressed confidence in other regime institutions and strong overall support for the values and principles of the political system.

Bjarnason's (2014) study on trust in crisis demonstrate clearly the growing gap in trust levels between different institutions in Iceland in the post-crash years. Using Gallup Iceland survey data from 2012, the measured trust in the police and the president was 85% and 53%, respectively, while only 11% of respondents expressed trust in parliament and 7% in politicians. Furthermore, the 2013 Institute of Social Science Research's study on Icelanders' trust toward the national parliament of Althingi demonstrated clearly the public's discontent with elected representatives following the crash (Institute of Social Science Research, 2013). Only 13% of the survey respondents expressed trust in Althingi, while 60% said they had "rather little" or "very little" trust in the national parliament. In the study's focus group sessions, participants were asked to elaborate on the reasons for their distrust. They expressed dissatisfaction with

the parliamentarians' standards of behaviour in conducting parliamentary procedures and with their inefficiency in dealing with the problems facing the nation from the crash. The majority of participants said that their distrust was more directed at the members of parliament than at the parliament as an institution (Institute of Social Science Research, 2013) .

The economic crisis of 2008 undermined public trust in the actors and institutions of political representation, such as politicians and the national parliament. This was the case in Iceland and across Europe, especially in the countries most exposed to the crisis. Economic performance has a well-known relationship with political trust, as will be discussed in more detail in Chapter 4. When the economy is perceived to be performing well, citizens have more favourable attitudes toward the political system regarding trust. Negative economic performance probably brought on the downfall of public trust in the national parliament in Iceland following the crash.

Through a combination of efforts and favourable external conditions, Iceland's economic system not only survived the crash but actually entered a phase of rapid economic growth and full employment. In 2017, nine years after the crash, Icelanders were enjoying economic conditions better than the pre-crisis levels in terms of gross national product per capita, (OECD, 2017a). Icelanders' trust in the national parliament did, however, not increase to a comparable degree. Gallup Iceland's annual trust survey in February 2018 showed that 29% of respondents expressed trust in Althingi, a trust level still far off from the 2008 level of 42% ("Gallup Iceland," n.d.).

Lower levels of political trust in Iceland in the post-2008 era have been addressed in academic research. Vilhelmsdóttir and Kristinsson (2018) claim that, while economic performance has been instrumental in re-building political trust in the post-2008 years, the political impact of the crash should be considered an obstacle in restoring political trust in Iceland to pre-crash levels. According to this view, failure in the party system and increasing fractionalisation of political alternatives are important in explaining why political trust levels have not recovered. Johnsen and Sigurgeirsdóttir (2018b) focused on two major accountability mechanisms established by Althingi within months of the crash and aimed at restoring confidence in Icelandic policy makers and institutions: the Special Investigation Commission (SIC) and the Office of the Special Prosecutor (SP). The work of the SIC and SP disclosed information on the corrupt behaviour of bankers, as well as about the actions of elected representatives in which their integrity could be questioned. Johnsen and Sigurgeirsdóttir's conclusion is that these revelations only fuelled the climate of mistrust in Icelandic society post-2008 and did not restore public confidence as had been anticipated.

In the public debate, the discussion about lower levels of political trust in Iceland has often been linked to perceptions of corruption. Before the crash, international indicators measuring corruption suggested a happy state of affairs for Iceland. But the crash escalated Icelanders' perceptions of corruption, and made them more sensitive to its manifestations in the country's political system (Erlingsson, Linde, & Öhrvall, 2016; GRECO, 2018). One example of this increased public intolerance is the fact that two coalition governments did not survive a full four-year term because of integrity-related scandals, first in 2016 and then again in 2017 (see discussion in Önnudóttir & Harðarson, 2018, and in Chapter 5). Another manifestation of the growing perception of corruption in Icelandic society is the country's scores and ranking on the Transparency International's Corruption Perception Index (CPI). In 2018, Iceland ranked number 14 out of 180 on Transparency International's CPI, down one place from 2017 (*Corruption Perceptions Index 2018*, 2018). This is very different from the top positions the country used to occupy in the years before the crash. Iceland has not been among the top 10 least corrupt countries since 2009 ("Corruption Perceptions Index," n.d).

The current government wants to increase public trust in politics and public administration in Iceland and is looking to strengthen integrity frameworks that build on international anti-corruption standards to achieve this aim. Yet, the question that still has not been fully answered is what the determinants of political trust in Iceland are. As discussed earlier, the determinants of political trust are believed to be derived from a number of political, economic and social factors. There is cross-national variation in the importance of these explanatory factors, and a country's culture can also play an important role. Moreover, the relative importance of each explanatory factor can change over time. Without establishing what the main sources of political trust in Iceland are and analysing their relative importance, it is difficult to fully understand how the country's trust levels have evolved over time. Establishing a systematic theoretical and empirical account of the sources of political trust will allow us to answer important questions regarding the development of the country's trust levels, including questions on how the crash changed Icelanders' trust in political institutions.

These are questions such as: On what do Icelanders base their trust judgements about their political actors and institutions? What explanatory factors are at play and how do they interact? What are the sources of political trust after a major economic trauma? Do the social unrest and political instability that followed the crash have a more prolonged impact on public attitudes toward the political system although the direct effects of the economic recession are behind us? Can we detect differences in trust levels between social groups as part of their reactions to the crash and their experiences of the

economic recovery? Are the bases of the citizens' political trust judgements the same in turbulent and difficult times as they are in stable and good times? Has the collective traumatic experience of the crash altered Icelanders' orientations toward their political institutions more permanently?

1.1 The study: Aims, originality and contribution

This is a study of the development of political trust in Iceland and its main research question is: What are the determinants of political trust in Iceland. This includes mapping the dependent variable (i.e. political trust levels in Iceland) over time and studying its relationship with potential explanatory factors. The overall aim of the study is to contribute to the accumulation of research on political trust in the context of democratic governance and to increase our knowledge and understanding of the determinants of political trust. More specifically, the study aims to chart and explain the development of political trust in Iceland, concentrating on public trust in the national parliament of Althingi from 1983 to 2018. The study takes a broad approach to the inquiry, considering political, economic, and social factors, and relies on a number of quantitative sources.

The literature does not provide a unanimous operationalisation of political trust for empirical research (this will be discussed in more detail in Chapters 3 and 6.2.1). The focus of the inquiry can be on public trust in institutions and actors on the representation side of the political system, such as politicians, political parties, parliaments, and/or cabinets. It can also be on trust in institutions on the implementation side of the system, such as the civil service, the legal system, and/or the police. Alternatively, the focus can be on public trust in both types. In this study, the focus is on popular trust in institutions of political representation in a representative democracy. More specifically, the study focusses on Icelanders' trust in their national parliament, Althingi.

The reasons for choosing this focus for the inquiry are threefold. Firstly, the national parliament is a key institution of political representation in representative democracies, and, as such, it is central in political decision-making in established democracies (Dalton, 2004; Holmberg et al., 2017). Secondly, Althingi has a historical and cultural significance for Icelanders. It was the key regime institution in the emergence of the modern Icelandic state and, as such, became the main source of political legitimacy in Iceland. Althingi took a leading role in the Icelandic independence movement that led Iceland to be recognised as a sovereign state in a personal union with the King of Denmark, in 1918. Iceland became an independent republic in 1944, and politics in Iceland has, ever since, taken place within the framework of a parliamentary representative democracy. Under the Icelandic constitution,

Althingi and the president jointly hold legislative power, but the role of the president is largely of a ceremonial nature, as the head of state, while the prime minister serves as the head of government (Kristinsson, 2006). Compared to national parliaments in other European countries, Althingi held an unusually powerful and influential position within the Icelandic state throughout the twentieth century (Kristinsson, 2018). Today, Althingi is a unicameral legislature, with 63 elected members from six electoral constituencies, elected every four years based on party-list proportional representation (*Althingi*, 2018).

The third reason for focusing on public trust in the Althingi for this study is the fact that the impact of the crash on political trust in Iceland was more concentrated on the institutions of political representation than on the institutions of public administration and of law and order. Concentrating on public trust in Althingi in this study will allow for a sharper focus on the impact of the crash to examine how political trust levels have developed over time in Iceland. While the main focus in the study is on public trust in the national parliament, empirical findings and measures on public trust in other regime institutions will be included for a comparative purpose.

Five theoretical perspectives in the political science literature explaining the origins of public trust in political institutions will guide the study. Two of these are grounded in the tradition of cultural theories, focusing on modernisation, value change, and civic culture in the form of social capital. The other three are derived from institutional theories that focus on policy performance, process performance and the role of the party system. While theoretically distinct, these five perspectives need not to be considered mutually exclusive. Together they enable a thorough examination of how Iceland's socio-economic development, civic culture, institutional performance, and party system have shaped the development of political trust in Iceland. Based on these five perspectives, theoretical expectations are developed and tested at the individual-level to assess to what extent socio-economic characteristics, social trust, subjective government and institutional performance, and partisanship influence Icelanders' political trust judgements. The study also examines if the relative impact of these explanatory factors has changed over time.

The political science literature on political trust has developed using quantitative research methods, enabling scholars to test the generalisability of their theories. Research has relied extensively on survey studies, allowing for cross-sectional, cross-national, and longitudinal research designs (Citrin & Muste, 1993; Marien, 2011b, 2017). The present study follows this quantitative research tradition and relies exclusively on secondary survey data. This research strategy allows for testing established hypotheses on the sources of political

trust and for examining political trust levels for Iceland in longitudinal and comparative perspectives.

The study makes use of repeated opinion survey data from 1983 to 2018. The choice of the time period is driven by the availability of survey data measuring political trust in Iceland. The empirical analysis is mainly built on individual-level survey data from two survey programmes, five waves of the European Values Study (EVS), across five time points from 1981/84 to 2017/18 and three rounds of the European Social Survey (ESS), the second (2004), the sixth (2012) and the eighth (2016). The EVS data will be used to understand the key elements in the descriptive evidence, charting trust levels over time to see if significant changes or trends can be identified. The ESS data will be used in evaluating to what extent the five theoretical perspectives guiding the study explain the development of political trust in Iceland by using a multivariate analysis. Additionally, the study will make use of measures from the Icelandic National Election Study (ICENES) from 1983 to 2017 to complement the EVS descriptive analysis. While the empirical domain of the study is mainly restricted to Iceland, the EVS and ESS data will also be used to examine political trust levels in Iceland in a cross-national perspective, in terms of degree and movements.

In the political science literature, there is a growing body of research on the origins of citizens' trust in actors and institutions of a representative democracy and on what influences the development of political trust in the short and long term. This body of research consists, to a great extent, of large-scale, cross-national studies that focus on general trends. The present study, however, focuses on a single country using a longitudinal comparison to take into account social, economic and political developments particular to Iceland. Furthermore, as Norris (2011) points out, cases where countries have experienced a major change in a short period of time provide an interesting comparative scenario for a study on public attitudes toward the political system. These countries may have undergone a regime change or experienced a major crisis. As such, these countries provide before and after scenarios to study the impact of such changes on political attitudes. Iceland's financial meltdown in October 2008 and its wide impact on Icelandic society provide this study with its comparative setting.

The outcome of the study will be a comprehensive analysis of the development of political trust in Iceland from 1983 to 2018. This kind of long-term analysis of political trust levels in Iceland has not been addressed by research before. The findings will tell us how political trust has developed in a country that international indicators describe as democratic and industrially advanced, highly developed and peaceful, small and homogenous, and egalitarian and socially cohesive. All these attributes are believed to enhance

greater political trust, as discussed in Chapter 4. Iceland has, in the last few decades, like most other Western, advanced, industrial nations, undergone substantial societal changes, resulting in a more diversified economy and a more diverse population. The literature suggests these kinds of changes are followed by a transformation of public values, including citizens' orientation toward government. Inglehart (1997a, 1997b) talks about the emergence of postmaterialism, and Norris (1999d) and colleagues talk about a development of critical citizens. Dalton and Welzel (2014) emphasise a transition from allegiant to assertive citizens. The present study seeks to observe whether these societal changes have also brought about a transformation in Icelanders' attitudes toward the political system. Additionally, the study's findings will tell us what impact a major economic crisis has on a nation's political trust, and if and how trust is regenerated when the country has undergone economic recovery.

In addition to contributing to the accumulation of research on political trust and increasing our understanding of the determinants of political trust, the findings from this study could also have important implications for political decision making and public policy. Political trust is an important issue for all democratic states, both those suffering from long-standing low levels of trust in the government and, even more acutely, for states that have recently experienced a sharp decline in political trust. As Fitzgerald and Wolak (2016) point out, political trust is not a fixed attribute of particular countries and cultures. Therefore, authorities should have the ability to rebuild public trust in the political system by altering the design of political processes or by improving government performance. Policies and endeavours to rebuild and retain citizens' trust in the institutions and processes of the political system have to be grounded in our understanding of what the main determinants of political trust are and how it is generated in good and in difficult times, when the political system comes under stress.

The remainder of this thesis is structured as follows. In Chapter 2, I will extend my earlier discussion on the relevance of political trust for democratic governance. Chapter 3 discusses conceptual issues raised in the literature regarding the notion of political trust and their implications for theory and empirical research. In Chapter 4, I review the key theoretical arguments on the origins of political trust in the political science literature and develop theoretical expectations concerning factors likely to explain the determinants of Icelanders' political trust. Chapter 5 sets the context for the case of the study. Observing Iceland's social, economic and political developments and noting important political and economic events will help us to understand the foundation of the nation's political trust and interpret significant changes and trends. Chapter 6 presents details of the research design and methodology applied in the study. Chapter 7 maps the trends on political trust levels in Iceland from 1983 to 2018,

focusing on descriptive evidence and comparative examination. In Chapter 8, ordinary least squares (OLS) regression analysis will be used to test five models based on the five theoretical perspectives guiding the study. All the explanatory factors will be tested at the individual-level of analysis across three time points. In Chapter 9, the study's results are discussed along with the limitations of the study and opportunities for further research. Finally, Chapter 10 focusses on the main findings of the research, as well as on any open questions emerging from this work.

2 Why political trust?

The importance of political trust to democratic governance and its relevance in shaping patterns of citizen behaviour has drawn scholarly attention for more than five decades. The literature demonstrates a consensus on a normatively positive view of political trust, although a counter argument has been put forward, suggesting that public scepticism towards political authority can be regarded as benign for the functioning of democracy. In this chapter, the relevance of political trust for democratic governance will be discussed.

The literature on political trust is very much grounded in a normative hypothesis on political trust; higher levels of trust are beneficial to both elected office holders and to political institutions. Scholars mainly disagree over why, not whether, political trust is positive for the functioning of democracies (Hetherington, 2005). Citrin and Muste (1993) emphasise the supportive quality of political trust for democratic governance and maintain that the concept of political trust is a close relative of other positive terms used to describe citizens' subjective support for their political system, such as political allegiance, commitment and legitimacy. Other terms belonging to the same family tree, but considered to have the opposite meaning, are political alienation, disaffection and estrangement. All of these concepts presume that greater popular trust and support enables governments to function more effectively while the lack of trust and support, in the forms of alienation, disaffection or estrangement, undermine the workings of the political system.

Furthermore, the concept of political trust has three counterparts that have very different implications for the functioning of democracies. As pointed out by van der Meer and Zmerli (2017, 5), these counterparts are political mistrust (i.e. the absence of trust), political distrust (i.e. the opposite of trust) and political scepticism (i.e. withholding one's judgement). When public scepticism towards political authority is a reflection of a vigilant citizenry, it can be regarded to be benign for that democracy (this point is discussed in more detail later). The other two counterparts are more troubling. When citizens are distrustful toward political institutions and actors, they are likely to withdraw from the democratic process and develop a cynical view that undermines the political system. Political cynicism is found where the citizens believe that political processes, institutions and actors are inherently corrupt, incompetent and self-serving.

The enhancing effects of political trust on political legitimacy and voluntary compliance have been the most prominent arguments in the literature. Political legitimacy is a key concept in political science, referring to the belief that the

political authority, being it the government or regime institutions, has the right to govern (Beetham, 1991; Habermas, 1975; Weber, 1978). Weber (1978) emphasises the role of values and norms in creating legitimacy. According to Habermas (1975), the legitimacy of a democratic state depends on the government's capacity to meet the social and economic needs of its citizens, and as such, it is grounded in institutional performance. Beetham (1991) maintains that political power is legitimated when it fulfils the following requirements: 1) it conforms to established rules, 2) the rules are justified by reference to beliefs shared by both dominant (political authorities) and subordinate (citizens) sectors of society, and 3) there is evidence of consent by the subordinate (citizens) societal sector to particular power relations (constitutional order of the regime).

Easton (1965, 1975) regards political trust and legitimacy as two sub-dimensions of diffuse support that function like a reservoir of supportive attitudes towards the political system, emphasising their enduring effects on the political process. He argues that political trust is part of diffuse support that helps governments to get through politically difficult times when the political system itself comes under stress. He says that in a political system backed up with diffuse support, citizens are more willing to accept political outcomes than to oppose them. Listhaug and Wiberg (1995) take a more narrow approach, maintaining that the analysis of political trust should be regarded as “a step towards measuring legitimacy” (p. 299), whereas the legitimacy of a democratic government can only be evaluated relative to other forms of government. They emphasise that low levels of trust in political institutions should only be regarded as a threat to the legitimacy of a democratic state if and when citizens show support for alternatives at the same time.

In empirical research, the degree of legitimacy of a political state has been assessed according to two criteria, the actions of the political authorities and the citizens' attitudes, beliefs and behaviours towards the same authorities (Gilley, 2013; O'Sullivan, Healy, & Breen, 2014; Weatherford, 1992). Political trust is considered to be a key indicator in assessing whether citizens' attitudes toward political authorities are having enhancing or weakening effects on the legitimacy of the state. The interaction between political trust, legitimacy and voluntary compliance has drawn scholarly interest (Grimes, 2005; Levi, Sacks, & Tyler, 2009; Levi & Stoker, 2000; Marien & Hooghe, 2011; van der Toorn, Tyler, & Jost, 2011). According to Levi, Sacks and Tyler (2009), “[a] government perceived as legitimate can expect widespread public cooperation for such voluntary acts as voting, volunteer military service, and participation in community problem solving as well as quasi-voluntary compliance with taxes and enlistment” (pp. 354-354). The argument on the relationship between political trust and compliance is that when governments demonstrate that they

are reliable, observe the rules of the game and serve the general public interest, they earn the trust of their citizens, resulting in the citizens' willingness to comply voluntarily with government demands.

Citrin and Muste (1993) refer to high levels of voluntary compliance as a resource for governments to act and expect to be obeyed. As such, a high level of political trust "endows the political system with a basic source of power" (Citrin & Muste, 1993, 466). In the absence of voluntary compliance, authorities have to resort to coercive measures to enforce law and regulations, making governing more difficult and costly (Marien & Hooghe, 2011). Political trust is, as noted by Catterberg and Moreno (2005), especially important to authorities in democracies because democratic governments cannot rely on coercion to the same degree as other types of regimes.

The long-term development of political trust is believed to impact political relations within a political system beyond the relationship between the elected officials and voters (Dalton, 2004; Hetherington, 2005; Holmberg et al., 2017; Listhaug & Ringdal, 2008). It also impacts social group relations, having implications for the issue of political representation. The literature in economics emphasises the fact that trust facilitates transactions and lowers transaction cost; political trust is believed to have the same effect on political relations. One could say that high levels of political trust lower the transaction costs associated with governing (Dalton, 2004). Dalton (2004) is concerned that a decline in political trust and support undermines the relationship between political actors and citizens, arguing that a public that treats elected officials with scepticism and distrust can be expected to spend more time monitoring government. Along the same line of reasoning, office holders would have to spend more time assuring voters that their interests are being effectively represented. The effectiveness of trust is of no less value for political relations and the functioning of a representative democracy than it is for economic interactions.

Newton and Norris (1999) are more concerned with the effects of trust levels on political institutions than on political actors, maintaining that the loss of trust in the institutions of a representative democracy is "a far more serious threat to democracy than a loss of trust in politicians" (p. 2). Trust and approval levels for political leaders tend to fluctuate in the short term, as they easily respond to specific events or news items related to the leaders in question and as politicians are voted in or out of office in elections. By contrast, political and public institutions are impersonal, large, broad-based and persistent. They are regarded as the basic pillars of society and meant to be stable and not easily be affected by specific political events or short-term changes. Newton and Norris (1999) propose that research on political trust should be most concerned with

the institutions of a democratic government, such as parliament, the executive branch, political parties, courts, police, civil service and the military.

Furthermore, studies have shown that citizens who express trust in the institutions of the political system are more likely to be politically and civically engaged (Dalton, 2004; Norris, 1999a; Nye, 1997). In his study on the long-term development of political support in advanced, industrial democracies, Dalton (2004) found that political trust is positively correlated with conventional forms of political participation, such as voting and membership in political parties. Norris and associates (1999a) showed that trusting citizens are more likely to vote, to be members of political parties and to participate in civic associations. The relationship between political trust and participation has been shown to be relatively weak, however. Feelings of political distrust are believed to make citizens be more willing to use unconventional means of political expression and participation, including protesting and acts of civil violence (Dalton, 2004; Nye, 1997). All in all, political trust is believed to strengthen the link between the citizens' power to influence collective decision making through the democratic processes of voting and civic engagement.

Hetherington (2005) draws attention to the effect of political trust on relations between different social groups in the context of the government's ability to carry out policy programmes aimed at socio-economic and racial equality. His book, *Why Trust Matters*, tells how growing distrust toward the federal government of the United States has undermined the government's ability to deal with poverty, protect minority rights, and extend social welfare (Hetherington, 2005). In the 1960s, when public trust in the federal government in Washington D.C. was at its highest level, progressive politicians were willing to lead public opinion on initiatives in social welfare and racial inclusion policy programmes. As public trust towards the federal government has continued to decline since the 1960s, so has Americans' willingness to support federal programmes aimed at income redistribution and advancement of minority groups. Hetherington (2005) argues that political trust plays an essential role when government programmes require sacrifices from or risks to certain social groups in the population for the benefit of other groups, such as in the case of redistributive spending. Progressive policy initiatives are now considered to carry too much risk for political leaders in Washington D.C. Politicians advocating such policies will find themselves in an uphill battle in convincing the American public that the very same federal government that they find untrustworthy is to be trusted to administer these policy programmes well and fairly.

Hetherington's (2005) thesis is that political trust plays a crucial role in realising policy outcomes aimed at achieving socio-economic and racial

equality through redistribution of income and opportunities. He goes on to discuss his findings in the context of political representation. Hetherington argues that, in a society comprised of majorities and minorities, government programmes aimed at social-economic and racial equality can play a fundamental role in representing the minority groups' interests. In a society characterised by public distrust towards the government, the majority is not willing to make the sacrifices required to support progressive government programmes that would ensure the representation of minority interests (Hetherington, 2005).

While there seems to be agreement in the literature that democracies need political trust to thrive, the literature also provides an alternative view that a certain kind of distrust can have a positive role in democratic governance. Rather than a blind faith, a healthy scepticism towards government on behalf of the citizenry is also believed to be necessary for the workings of democratic governance (Listhaug, 1995; Mishler & Rose, 1997; Nye et al., 1997). A critical attitude towards governing parties and incumbent politicians is considered to be an essential and positive element in democratic governance. It is considered to play a role in keeping those who govern on their toes, ensuring accountability through regular elections that allow citizens to replace politicians and political parties that have been demonstrated to be untrustworthy (Marien, 2011b).

As Nye (1997) points out, the United States, the oldest modern democracy in the world, "was founded with a mistrust in government" (p. 2). Here, Nye (1997) is referring to liberal distrust as presented in the writings of the early pioneers of political liberalism such as Hume, Locke and Smith (see also Hardin, 2002; Warren, 2017). The thinkers of early political liberalism recognised that governments were prone to abusing power and their agents inclined to arrange benefits for themselves through impositions on others. With this sceptical outlook and distrustful view of government, the founding fathers of the United States created a political system where government was not to overreach its authority or to undermine individual freedom. Hardin (2002) maintains that the principle of political liberalism of the eighteenth century still holds today. One should always distrust the use of political power. Warren (2017) talks about the paradox of trust and democracy; democratic governance is based on a system of institutions that enables people to engage in collective action of self-governing, which requires trust. Yet, the institutions essential for democracy were founded on distrust.

Another argument along this line suggests that a decline in political trust levels in established democracies is to be recognised, in the words of Catterberg and Moreno (2005), as "a reflection of an increasingly sophisticated citizenry, and a desirable democratic outcome" (p. 32). A new type of citizens is emerging

in many established democracies as education levels continue to rise. Consequently, people's cognitive competence and personal skills are also rising. This development is especially pronounced among the younger generations in advanced industrial democracies (Dalton, 2004, 2005). This new type of citizenry questions authority and evaluates political actors and institutions by more demanding standards than previously seen. Inglehart (1997a, 1999) refers to this intergenerational value change as postmaterialism, while Norris (1999d) and colleagues talk about the development of critical citizens.

While being more critical of the running of the political system, this new type of citizen simultaneously expresses a strong prodemocratic orientation and support for democracy as a form of government. Consequently, actors and institutions of the political system have to learn to work under a more intensive form of public scrutiny. As Nye (1997) points out, if lower confidence and trust levels reported in public opinion polls “reflect wariness rather than cynicism, the result may be healthy” (p. 3). Warren (2017) argues that distrust towards democratic institutions and the idea of democracy work when “vigilant citizens use these institutions to oversee and monitor those in positions of power” (p. 34). In the same vein, Levi (2003) maintains that citizens' trust in the political system should always be conditional; healthy scepticism may push political institutions to meet citizens' expected performance. Thus, it can be argued that a healthy distrust in the actors and institutions of the political system can lead to better governance. In the end, those in political authority have to earn the citizens' trust by demonstrating their reliability and effectiveness in governing.

To sum up, while there is an argument that scepticism towards political authority can be regarded as a reflection of a politically sophisticated and assertive citizenry, the overall literature has a normatively positive view of political trust. It is believed to be a resource for political legitimacy, to increase citizens' willingness to comply voluntarily with governments' demands, to enhance authorities' capacity to produce public goods, to stabilise political relations, and to strengthen citizen participation in the political process. Overall, political trust is considered to be important for the running of government, the democratic process and the relationship between political authorities and citizens.

3 Conceptualisation of political trust

Despite an ever-growing body of empirical research on the relevance of political trust for democratic governance, conceptual and methodological issues attached to the notion are still very much in debate. This chapter discusses the main conceptual issues of political trust and their implications on theory development and empirical research, closing the discussion by introducing the conceptual framework on political support to specify the meaning and function of political trust in the context of democratic rule.

3.1 Introduction

Newton (2008) notes that the concept of political trust “is a vague and slippery one, and theories and assumptions about it are tangled and complex” (p. 242). The vagueness and complexity around the concept arise from the conceptual ambiguity of the notion of trust and how it is used to assess citizens’ orientations toward the political system. As a result, there are numerous definitions of political trust in the scholarly literature. Levi (2003) maintains that the term trust is “a holding word for a variety of phenomena that enable individuals to take risks in dealing with others, solve collective action problems, or act in ways that seem contrary to standard definitions of self-interest” (p. 78). There has been a unifying tendency in social sciences to define trust as psychic quantity that manifests itself as an attitude, disposition, or belief (Maloy, 2009). But, because of the ambiguity inherent to the concept, scholars continue to question the application of the notion of trust in the context of impersonal institutions of the political system (Hardin, 1998; Levi, 2003; Newton, 1999; Offe, 1999; Uslaner, 2002). Before addressing the application of trust in the context of political systems, it is important to first discuss the notion of trust in the social science literature.

Trust has various meanings in our everyday use of the term. As Dekker (2012) points out, trust can mean calculability and predictability, supposed trustworthiness and honesty, or belief in the capacities and good intentions of another person, group or institution. The first one allows you to trust that the postman will come, and your car will most probably be stolen if you do not lock it. The second allows you trust that the neighbour will return a borrowed tool and that the local shopkeeper will not cheat you. The third meaning allows you to trust the doctor’s consultation and advice from a dear friend. The wide range of meanings of trust is also reflected in the social science literature (Blomqvist, 1997; Offe, 1999).

Luhmann (1979) provides us with a functional approach to understanding the role of trust in social systems. He argues that trust is, in its broadest sense, an attitude oriented towards the future. As such, it is tied to expectations; it helps us to determine the future and, in that way, helps us to comprehend and reduce the complexity in social relations. When we trust, we are able to reduce complexity in our everyday lives because trusting liberates us from taking every possibility into account. It allows us to assume that a range of harmful things will not happen to us, whether in interactions with other people or in our dealings with the complex institutions and structures of the modern world. Simmel (1978) also emphasizes the role of trust in creating and maintaining social relations, arguing that without trust, society itself would disintegrate as very few social relationships are based up on what we know about another person with certainty.

What makes the notion of trust so intriguing to many social scientists is that trust allows us to form social relationships with and depend on other people. Moreover, that dependency requires us to be willing to be vulnerable to others and to take risks. When we enter into a trust relationship, we expect that the others will pull through for us; they will respect certain obligations and traditions or our interests (Dekker, 2012; see also e.g. Luhmann, 1979; Offe 1999). As Luhmann (1979) points out, trust rests on illusion because we never have all the information needed to assure the success of our dealings with the world. The people we trust may not live up to our expectation; trust always implies a risk to the one who decides to trust. Only after trust has been given can it be known whether this will result in keeping or breaking of trust.

Because of the risks and expectations associated with trust relationships, the questions of when and under what circumstances trust is warranted are of particular importance. These questions are central to the theoretical literature on trust in social science. Another element of trust that has captured the interest of social scientists is that trust judgements are expected to inspire a course of action and cooperation. Extensions of trust between strangers embedded in social networks and/or institutions enable coordination of actions (Levi & Stoker, 2000; Warren, 1999). Thus, the notion of trust, or more precisely the benefits it provides, plays a key role in social capital theories. Social capital theories emphasises how trust and cooperative behaviour transform into a resource for social networks and communities to achieve ends that they would otherwise not be able do if people were acting independently (Coleman, 1988; Fukuyama, 1995; Putnam, 2000; Putnam, Leonardi, & Nanetti, 1993).

In the social science literature, political trust refers to vertical relations between citizens and the actors and institutions of the political system, while interpersonal trust refers to horizontal relations between citizens. Horizontal

trust relations are further classified into particularised trust and generalised trust, which is often referred to as social trust or moral trust. Particularised trust refers to trust between members of in-group and arising in relations between family members, friends and close associates. It is considered to be cognitive, based on one’s evaluative judgement of the trustworthiness of the person(s) in question (Hardin, 2001, 2002; Levi, 2003) Even though trust is based on self-interest and calculation, this rational notion of trust can become a resource for members of particular social networks, enabling them to achieve ends that they would otherwise not be able to do if acting independently (Coleman, 1988). The second type of horizontal trust is generalised across society. It is considered an affective feeling, a commitment to be trustworthy with the expectation that it will be reciprocated by other members of society. This type of trust can function as a resource for communities and societies in coordinating collective action (Fukuyama, 1995, 2002; Putnam, 2000; Putnam et al., 1993; Uslander, 2002).

3.2 Two accounts of trust

In the social science literature, the main schism in the conceptualisation of interpersonal trust is between structural and cultural accounts, corresponding to particularised and generalised nations of horizontal trust, respectively (Maloy, 2009). It is important to take note of this schism because it is also found in the theoretical literature on political trust, as discussed later in this chapter. Table 1 outlines the key elements of the conceptualisation of the two accounts of trust in horizontal relations.

Table 1. Two conceptualisations of interpersonal/horizontal trust

Structural account	Cultural account
- Particularised and grounded in expectations particular to you.	- Generalised and grounded in generalised expectations.
- Analytical/cognitive rational assessment that requires information and specific knowledge about others.	- Normative social/moral norm learned through socialisation. Social interaction leads to trust.
- Relational: A trusts B with respect to X.	- Dispositional: A feels trust.
- Judgement: identifying the conditions under which it is rationally justifiable to trust.	- Affective feeling: expectations that the others will act competently and dutifully.
- Can facilitate cooperation at interpersonal level and among in-group members of social networks.	- Facilitates cooperation at community and societal levels.

Note: The table is based on Maloy (2009) and Fisher, van Heerde, and Tucker (2010).

Trust as an evaluative orientation

The structural account of trust emphasises trust as relational. The elements that need to be in place to form a trust relation are the person who trusts, the one who is trusted and the relation between both actors. In more formal terms, it is stipulated that A (truster) trusts B (trustee) with regard to matter X. The truster's decision to trust is an outcome of a rational judgement process whether to place him- or herself in a position of potential vulnerability by granting the trustee power over his or her interests. The truster is always bounded by limited information about the trustee and has, therefore, to rely on the perceived particular qualities of the trustee when making his or her trust judgement (Fisher, van Heerde, & Tucker, 2010).

Working from a rational choice theory of human behaviour, Hardin (1992, 1998, 2001, 2002) argues that trust develops in relations between two individuals and is grounded in the personal interests of both parties and their knowledge of how their interests relate to each other. Hardin (2002) refers to this interplay of interests and commitment as “encapsulation of the interest” and explains that, “I trust you because I think it is your interest to take my interests in the relevant matter seriously in the following sense. You value the continuation of our relationship and you therefore have your own interest in taking my interests into account” (p. 1).

Simply having the same interests regarding some matter is not, in and of itself, sufficient to create a condition of trust. It is your wish to maintain the relationship with me that motivates you to attend to my interests and creates a commitment on your behalf to fulfil my trust. I trust you because I expect you to value the continuation of our relationship, and therefore, you will have interest in attending to my interests. For trust to develop, people have to have a specific knowledge about the likelihood of the trustworthy behaviour of others, and this kind of information can only be gathered in ongoing personal relations between individuals. Although relationships can be either direct or indirect, it is usually the ongoing relationships with frequent interactions that are the most trusting relationships in people's lives, such as between family members, friends and close associates.

Hardin (1996, 1998, 2002) is very sceptical of the term political trust. He points out that citizens usually do not have information about the trustworthiness of political actors or officials in government institutions. Therefore, they do not have the kind of information needed to establish trust in these objects of the political system. Thus, it is meaningless to talk about trust in political actors and institutions. Hardin (1998), however, acknowledges that governments may achieve attributes of trustworthiness on the grounds of reputational factors. Yet, he claims that this is not the same as trust grounded in

a cognitive assessment of encapsulated interests that can only be gathered in ongoing personal relations between individuals.

Before further extending the discussion of the rational notion of trust and its application in the context of citizens' orientations towards the political system, it is useful to clarify the distinction between trust and trustworthiness. Trust is an attitude that someone has towards the people who he or she hopes will be trustworthy. Trustworthiness is a property, not an attitude (McLeod, 2015). Even though they are analytically different terms, the two are, nevertheless, very much interconnected in our daily speech. This is because, that at least preferably, as explained by McLeod (2015): "those whom we trust will be trustworthy, and those who are trustworthy will be trusted". The term confidence is closely connected to trustworthiness, referring to a person's belief in the reliability or trustworthiness of a person or thing such as the impersonal institutions of the political system.

The literature on political trust acknowledges the fact that most people do not know their political representatives and officials. Therefore, they do not have the information necessary for a rational assessment of the trustworthiness of political actors. Scholars who deal with political trust and regard trust to be rationally based, emphasise people's cognitive-based judgements concerning the perceived qualities of the political system, or the citizens' evaluative assessments of perceived qualities of political institutions and their representatives in other words. In the same literature, most scholars define trust in terms of citizens' confident expectations towards the actors and institutions of the political system based on their perceived qualities to govern and deliver. Thus, the three terms of trust, trustworthiness and confidence are frequently used interchangeably.

Extending Hardin's (1998, 2002) rational notion trust and applying the term trustworthiness in the context of political trust, Levi (2003) maintains that trustworthy institutions and governments imply that the agents and officeholders of the institutions and government offices in question are credible and likely to act in the interest of the general public. Thus, when citizens say that they trust an institution, they are in fact expressing a belief that the agents or office holders of the institution will prove to be trustworthy. Newton (2008) provides a definition of political trust that embraces the notion of encapsulation of the interest, emphasising that trust can only develop where there is shared interests and the absence of malice. He defines political trust as "the belief that those in authority and with power will not deliberately or willingly do us harm, if they can avoid it, and will look after our interests, if this is possible" (Newton, 2008, 242). Accordingly, citizens will express political trust when they believe that political actors will look after their interests when making

political decisions and taking political actions. Newton's definition caters to a trust judgement based on encapsulate interests when political parties and those in political office attend to that citizen's interests in a particular policy matter (see also Fisher et. 2010, 164).

Other scholars working with the rational notion of political trust emphasise citizens' individual judgements on the performance of the political system, its performance in governing effectively and producing desirable social, economic and political outcomes (Citrin, 1974; Hetherington, 1998, 2005; Listhaug & Ringdal, 2008; Miller & Listhaug, 1999). Here, citizen trust is the consequence of performance. High political trust levels are to be found where political institutions have been demonstrated to be efficient and effective and where political actors deliver on their policy promises. Yet, people's judgements may be highly subjective and biased, as they are based on perceptions rather than actual, objective assessments of government performance. Hetherington and Husser (2012) define political trust as the ratio of people's evaluation of government performance to their normative expectations of how government ought to perform. Their definition caters both to trust judgements based on government performance in producing policy outputs and to trust judgements evaluating the procedural performance of the political system.

Trust as an affective orientation

However, as Dalton (2004) points out, "[p]olitical trust is a state of mind for individuals, but it is also a characteristic of a polity" (p. 162). Therefore, political trust cannot simply be conceptualised as the sum of citizens' individual evaluative judgements of how well the political system is performing. Political trust has also to be understood as a collective characteristic of the political system and an emergent property of the political relations between the citizens and those in power.

The ground breaking comparative study on civic culture by Almond and Verba from 1963, shows how social values and political attitudes shared by the populace create a civic culture that becomes a characteristic of a nation's political system (Almond & Verba, 1989). In their notion of civic culture, political attitudes such as political trust are enduring and stable traits of a society and become part of the national culture. They are affective feelings, learned and transmitted between generations through socialisation. As such, they function as an attitudinal base for the existing political institutions. While Almond and Verba's notion of civic culture provides us with the connecting link between the micro and macro levels of political trust, their descriptive account is not explicit in its conceptualisation of political trust. Thus, it is helpful to revisit the discussion of the two types of horizontal trust and review

the cultural account that conceptualises trust as an affective feeling and a social norm.

Most scholars arguing for the cultural account of trust hold the view that trust is a multifaceted concept. In addition to the rational notion discussed above, there is another variant of trust that is not based on rational assessments of interests in interpersonal relations. In this view, trust can also be an enduring norm that extends to people outside one's close circle of family, friends and associates and does not primarily depend one's personal experiences. Trust is considered to have deep social and cultural roots, learned through socialisation, and remains stable over time. Here, the analysis of the trust judgement process does not evolve around the characteristics of the trustee, the trustworthiness of the other. Rather, it focuses on whether the truster has been socialised to believe that most people can be trusted. To put this in the formal terms noted in Fisher et al. (2010), "A trusts B (as well as C, D, etc.) based on A's belief in the moral good of trusting others. Therefore, B is trustworthy simply because A's norm is to trust B regardless of B's interests" (p. 166).

The two accounts of trust should not necessarily be perceived as mutually exclusive. Offe (1999) maintains that, if the conceptualisation of trust is limited to the experiences of personal interactions, the scope of trust in social relations becomes too narrow. While acknowledging that the most basic condition to build trust is in continuous interactions based on the self-interests of both parties, Offe argues that the continuity of trust relationships can also be based on moral grounds. Where moral stigma is tied to acts of exploiting and betraying the trust of others, trust relationships are not only based on past experiences but also on a moral obligation to fulfil trust expectations. This interplay can put in motion moral force of a self-fulfilling expectation of trust. As Offe (1999) explains, "[t]he strength of the moral obligation emerging from being trusted can make a trust a self-fulfilling expectation" (p. 48). The moral force of a self-fulfilling expectation of trust can extend beyond close social relationships. It can become generalised trust extending to large and otherwise unspecified categories of people, including those who work in government institutions and/or are political representatives.

Several scholars emphasise the moral foundation of social trust and how a moral community is created and sustained through expectations of trust in other community members and obligations of fulfilling trust expectations. Fukuyama (1995), argues that trust develops when a community shares a set of moral values. As such, it has a moral foundation and "is the expectation that arises within a community of regular, honest, and cooperative behaviour, based on commonly shared norms, on the part of other members of that community" (p. 26). It is transmitted through the cultural mechanism of socialisation where

values and norms associated with trust, honesty and dependability are learned. Uslaner (2002) maintains that the presumption of other people's trustworthiness is not evidence based but is "based upon a fundamental ethical assumption: that other people share your fundamental values" (p. 2). He explains that people do not have to agree politically or religiously, and they may be of different ethnicities. But if they hold the fundamental belief that they have a shared fate with each other, a community sharing a set of moral values develops, creating expectations and obligations of trust between community members.

Robert Putnam conceptualises social trust less as a moral value and more as a social norm that develops in dense networks of social interactions and civic engagement (Putnam, 2000; Putnam et al., 1993). Putnam's notion of social trust is part of his theory of social capital where trust is first created in social structures, but then becomes an attitudinal phenomenon. Generated by the horizontal social interactions and co-operative characteristics of civic engagement, individuals who repetitively participate in civic ventures establish the norms of reciprocity and learn about the trustworthiness of other people. As such, dense networks of civic engagement and the norm of reciprocity generate social trust, and together these three elements create social capital.

While the literature recognises the interplay between social trust and political trust, it does not fully agree on the nature of the relationship (Liu & Stolle, 2017; Newton, 2001; Newton et al., 2018; Zmerli & Newton, 2017). Fukuyama (1995, 2002) focuses on the distinction between high-trust societies that have the potential for successful, long-term cooperative and communal partnerships through civil society and low-trust societies that are characterized by the absence of civil society and the prevalence of in-group relationships. The thesis of his argument is that societies with a high degree of social trust have more capacity to create the flexible and large-scale business organizations that are needed to succeed in the globalized economy. That includes more capacity for governments to implement policies supporting economic development and creating the environment for large-scale businesses to flourish.

While emphasising that social trust and political trust having different foundations, Uslaner (2002, 2011) recognises that social trust can operate in the political sphere. He argues that the relationship between the two types of trust is indirect and is mediated through income inequality and government corruption. Uslaner claims that income equality is the strongest predictor of social trust across nations and that high levels of trust are strongly related to low levels of corruption. The same is true for political trust; countries with high levels of income equality and low levels of corruption are also countries with the highest levels of political trust (Uslaner, 2011, 2017).

Putnam's social capital theory emphasises social trust as a resource that gives communities a way out of dilemmas with collective action, having positive consequences for governance. The main thesis of Putnam's et al. (1993) study of civic traditions in Italy was the role of civic engagement in generating social trust and creating social capital, resulting in more successful government institutions. Their comparative research on Italian regional governments showed that regions with higher levels of social capital and social trust also had more successful regional government institutions. The success was shown both in the institutions' efficiency in carrying out their mandates and in public satisfaction with the running of the regional government.

A counter argument to Putnam's reasoning of the role social trust in creating trustworthy government institutions has also been put forward, claiming that social trust is generated by people's direct contacts and experiences with public institutions. Rothstein and Stolle (2008b) present an institution-centred account of social capital theory, arguing that social capital in the form of social trust/generalised trust is "embedded in and linked to contemporary political, administrative, and legal institutions" (p. 274). The core of their argument is that governments, through their public institutions, have the capacity to generate trust between people if the citizens consider the state itself to be trustworthy. They refer to states that enable the establishment of reliable contracts between citizens, enforce rights and rules that sanction lawbreakers, protect minorities and actively support the integration and participation of citizens. Thus, the quality of government institutions becomes a source of trust in social relations. In support of their argument, they refer to studies showing that societies known for effective, impartial and fair administrative practices in government institutions, such as the Nordic countries, are those with the highest levels of social trust and social capital. By contrast, countries with widespread institutional corruption have the lowest levels of social trust (Rothstein & Stolle, 2008b).

Newton (2001) maintains that social trust and political trust should not be perceived as two sides of the same coin, though the empirical evidence showing a strong relationship between the two notions at the national level of analysis cannot be overlooked. Discussing the nature of the relationship in the context of social capital, Newton (2001) points out that survey data shows that the relationship is not always symmetrical. Social capital levels, comprised of social trust and civic engagement levels, and political trust levels can change independently of each other. His conclusion is that the relationship between social trust and political trust can be both a bottom-up process (as Putnam argues) and a top-down process (as Rothstein and Stolle argue). Cooperative social relations can support effective social and political organisations. Effective social and political organisations can support the creation of an effective and

legitimate government, which in return, creates favourable conditions for generating social capital and a vibrant civil society. The implication of this two-way process, according to Newton (2001), is that, low levels of social trust are likely to be associated with low levels of political trust. A country with little social capital will find it difficult to build up trust in its political institutions. By contrast, low levels of political trust do not necessarily undermine social capital. A country with strong social capital will find it easier to (re)create high levels of political trust (see also Newton, 2006; Newton et al. 2018).

Thus, the literature does not provide a unanimous conceptualisation of the notion of political trust. To grant trust to someone means we are willing to be vulnerable to others and to take risks. When citizens express political trust, they are expressing a belief that the institutions and procedures of the political system are trustworthy. They expect, though always with some uncertainty, political agents, office holders and institutions to respect certain obligations and citizens' interests. Scholars who conceptualise political trust as a rational notion focus on the perceived qualities of the trustee, on institutions and actors of the political system. Political trust is generated when citizens perceive the political system as attending to their interests, governing effectively and producing desirable outcomes. Scholars who conceptualise political trust as an affective feeling hold the view that trust can also be based on a norm of being trustworthy. The focus is on the truster, on the characteristics of the person expressing trust. Here, political trust is generated when citizens are socialised to express affective feelings toward the political system, creating and reinforcing a cumulative development of political culture that is supportive to democratic governance.

3.3 The objects of political trust

The twofold distinction of rational-based and affective-based trust is helpful in conceptualising political trust. Yet, there are still issues to be addressed. As with other psychological attitudes, the term political trust requires that we use it with a reference to objectives. As Citrin and Muste (1993) state, “[o]ne does not simply support or trust; one supports and trusts some politicians, political group, process, or institution” (p. 467). In order to operationalise the notion of political trust for empirical research, we need to specify what aspect, or aspects, of the political system we are referring to when asking people about their attitudes of trust towards the political system. The conceptual ambiguity regarding the notion of political trust in research is still to be fully addressed in the scholarly literature (Hooghe, 2011; Schneider, 2017). According to Hooghe (2011), “[m]ost scholars simply use the standard survey items on ‘trust in government’, without questioning their validity or even wondering what political trust

actually refers to, or what place the concept could have in democratic society” (p. 270).

In challenging the notion of political trust as a single theoretical concept, Fisher et al. (2010) argue that different forms of trust judgements, e.g. rational- or affective-based, can operate simultaneously depending upon the political institution under consideration. Using UK survey data, they showed that the underlying forms of trust employed by citizens when expressing trust for political parties and politicians differ significantly. While welcoming Fisher, van Heerde and Trucker’s contribution in advancing the theoretical literature on political trust, Hooghe (2011) criticises their reasoning in applying different forms of trust judgements into an empirical analysis. He suggests that, rather than thinking of different forms of trust judgements, we should think of them as different theoretical approaches to study trust, each focusing on specific attributes of the dyad that makes up a trust relation.

Furthermore, Hooghe (2011) also questions the approach of analysing citizens’ trust decisions for each and every institution of the political system when studying political trust. In an ideal world, citizens should be able to arrive at a different trust decision for different political institutions. In reality, most people do not perceive the political system in clearly defined categories. Therefore, people usually express a summarised evaluation of the political system and its prevailing (political) culture when asked about their trust in political institutions and actors. Hooghe (2011) says that this is because all the actors and institutions of the same political system share the norms of the same political culture. These norms guide the behaviour of politicians and government officials alike. Therefore, they will behave in the same way. If you have corrupt politicians, you will also have corrupt political parties and corrupt government institutions. In the same vein of reasoning, having trustworthy political actors means trustworthy political institutions. Thus, political trust should not be perceived as an expressed orientation towards an individual actor or an individual institution of a political system, but should be conceptualised as a comprehensive expression towards the political system as whole.

The view of political trust as a comprehensive expression is in line with Almond and Verba’s notion of civic culture, emphasising the role of norms in guiding the processes of governance. Hetherington (2005) also favours a comprehensive notion of political trust for empirical research, at least in constitutional settings like the one in the United States. His preference is not based on the notion of a civic culture and prevailing norms. Instead, it references the constitutional arrangements of the United States, where the government is, to a large extent, comprised of institutions that are operated by incumbents. As a result, most Americans do not easily make a distinction

between the incumbent national administration and the running of the core political institutions of the political system. Hetherington (2005) acknowledges, though, that a comprehensive measure of political trust may overly reflect public approval of the incumbent administration and may not adequately measure the institutional legitimacy of the system. Changes in the latter are believed to have more long-term consequences for the political system than fluctuations in the approval rates of the incumbent administration at any given time.

Political trust in the context of systems support

In an effort to recognize both citizens' orientations towards office holders and detect the underlying institutional legitimacy of political systems, scholars have looked to David Easton's analytical framework of systems support. In his analysis of overall public support for political systems, Easton (1965, 1975) makes an important distinction between two classes of political support: diffuse and specific. Diffuse support represents citizens' perceptions of whether or not the existence, principles, and functioning of the political system reflect their own values and norms. Specific support, in contrast, represents citizens' positive evaluations of the output performance of the political system and of the incumbent authorities.

The framework of systems support differentiates between public support at three levels of the political system, the political community, the regime and political authorities (Easton, 1965, 1975). These three levels are arranged in a hierarchy of increasing levels of inclusiveness. The regime includes political authorities but is more general, and the political community includes the regime and is the most general object of the three. Easton argues that support for the political authorities and for the regime is expressed in the two forms, citizens' trust in the two political objects and citizens' belief in the legitimacy of political system. Citizen support for the political community is, on the other hand, expressed in the form of citizens' sense of common consciousness and group identification.

Easton (1965, 1975) claims that citizens' orientations towards the system can include both positive and negative evaluations, and they can have different sentiments towards different objectives of the political system at the same time. One may hold negative views of the political authorities in office while still expressing confidence in the regime's institutions and support for the regime's principles. Support levels associated with diffuse support may change over time, but they tend to be stable and durable because of its long-term attributes. Diffuse support usually does not respond to policy performance in the short term. Yet, long-run, continuous performance failures of the political authorities

can gradually undermine citizens' confidence in other levels of the political system and erode diffuse support. The implication of the long-term properties of diffuse support is that it can be difficult to strengthen diffuse political support again once it has been weakened.

Easton's multidimensional approach to studying public support towards political systems has become the foundation for further research on political support and political trust. The critical citizens study of Norris et al. (1999d) on global support for democratic governance introduced the conceptual framework of political support, refining Easton's account of three levels of systems support into a model of five levels of political support (see also Norris, 2011, 2017).

3.4 Political trust and the conceptual framework of political support

The conceptual framework of political support classifies it in a hierarchy ranging from specific to general political support, with the five levels being: 1) political actors, 2) regime institutions, 3) regime performance, 4) regime principles, and 5) the political community (the discussion on the conceptual framework of political support in this sub-chapter is based on Norris, 1999c, 2011, 2017). In the context of this framework, political trust reflects the citizens' orientations towards regime institutions and political actors, and is the more specific form of political support as compared to the more diffuse support of regime principles and political community. As in Easton's framework of systems support, the conceptual framework of political support presumes that the citizens can have different sentiments towards different levels of the political system at the same time. Studies using the framework have shown that citizens make meaningful distinctions between various parts of the political system when asked about political trust and support (Dalton, 2004; Norris, 2011, 1999d). As Klingemann (1999) states, "[d]issatisfaction with the regime's effectiveness does not necessarily translate into the delegitimation of democracy" (p. 33). Figure 1 specifies political trust in the context of the conceptual framework of political support.

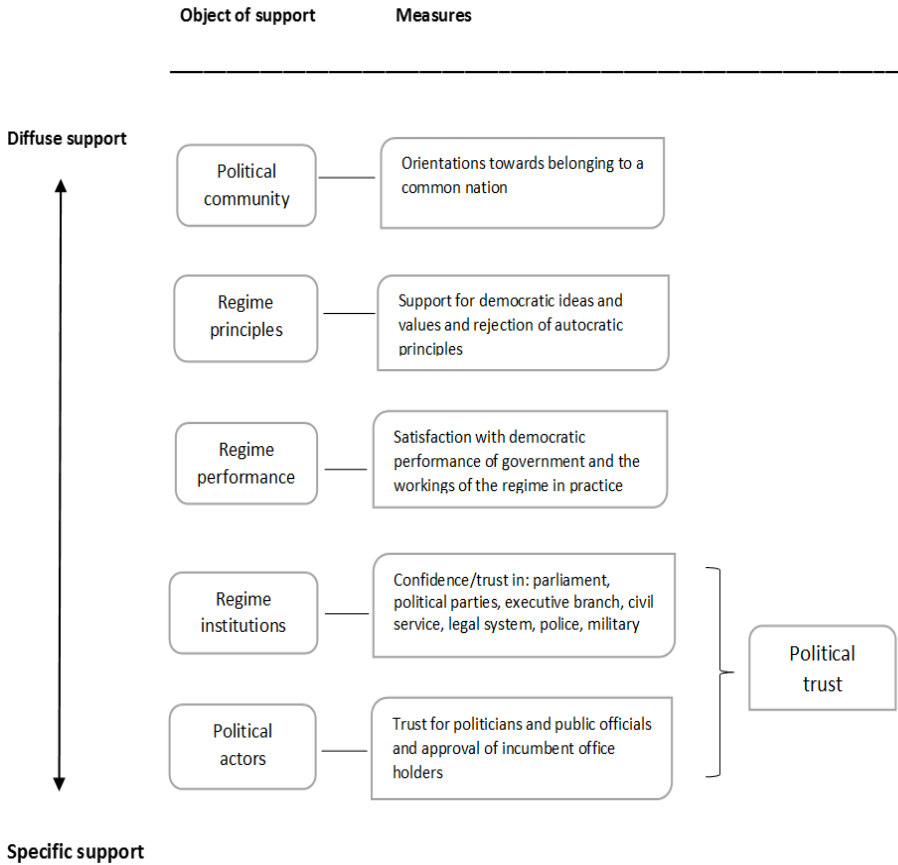


Figure 1. Political trust in the context of conceptual framework of political support

Note: Figure based on Norris (1999c, 2011, 2017).

In the context of political support, the divide between specific and diffuse support is perceived to be more of a continuum rather than a dichotomous distinction. Support for political authorities, where the focus is on individuals holding political office, is at the specific end of the continuum. This level of support refers to opinions on the political actors only, often measured as public trust for politicians in general and approval of the individuals who hold political positions. The second level concentrates on the public’s orientations towards regime institutions, often measured as confidence in regime institutions. The focus is on citizens’ favourability towards political offices and public institutions, rather than the office holders or officials in public institutions. Norris (1999c) acknowledges that the dividing line between the office and the office holder may often be fuzzy, and citizens may not always make a clear distinction between their approval of the two. For example, citizens may not

make a distinction between their approval for the power of the presidency as chief executive (the office) and their support for the president him- or herself (the office holder). Nevertheless, the core regime institutions are impersonal, large, broadly based, persistent, and regarded as basic pillars of society. They are meant to be stable and not easily affected by specific political leaders or political events in the short-term.

Citizens' evaluation of regime performance is placed in the middle of the continuum of political support. That level concentrates on how the regime functions in practice as opposed to an ideal, as with the notion of regime principles. Operational measures for regime performance examine citizens' satisfaction with the democratic performance of governments, intended to reflect positive evaluations of the decision-making processes and policies of the regime. The fourth level of political support focuses on public support for the principles upon which the democratic regime is based and on the rejection of values and norms associated with authoritarian rule. Support for the democratic idea is reflected in public approval of values such as freedom, participation and tolerance, as well as respect for the rule of law and human rights. Lastly, popular support for the political community is at the most diffuse end of the continuum, focusing on the notion of belonging to the political system of the nation-state and on the citizens' willingness to cooperate politically. While it may seem a scattered notion, strong popular support for the political community is believed to strengthen the legitimacy of the regime and allow its political institutions to exercise their authority.

Thus, in the context of conceptual framework of political support, political trust refers to public trust in political actors and regime institutions. The political actors in question can include politicians and officials in general, and incumbent office holders more specifically. The regime institutions in question can include the national parliament, government, cabinet, political parties, civil service, the legal and justice system, the police, and the military. Additionally, Rothstein and Stolle (2008b) have argued for further distinctions between regime institutions in political trust research. They suggest making a distinction between trust in institutions on the representational side of the political system, such as political parties, the parliament and cabinets and trust in institutions on the implementation side of the system, such as the civil service, the legal system, the police and social service institutions. Their reason for this split is the fundamental difference in the basis for trusting or distrusting these two sets of institutions. They maintain that the basis for trust in representational institutions is political partisanship while the basis for trust in implementation institutions is their even-handedness and/or impartiality.

3.5 Summary

In this study, political trust is conceptualised as a multidimensional notion. It can be grounded in citizens' evaluative assessments of and their affective orientations towards the different objectives of the political system. This distinction is important for understanding and developing theoretical models of political trust, as will be seen in the next chapter on the study's theoretical underpinnings. The distinction is, however, not considered to be crucial for empirical research. As will be discussed in Chapter 6, political trust is measured using survey questionnaire items asking respondents about their trust in political institutions and actors. The standard survey instruments in political trust research make no assumptions about the grounds for the respondents' trust or about the criteria respondents use when basing their trust judgements. Furthermore, the study follows the conceptual framework of political support in specifying the meaning and function of political trust in the context of democratic rule, recognising that there is an interdependence between political trust and the more diffuse levels of political support. Political trust is perceived to be an expression of public support at the more specific levels of political support, focusing on the citizens' orientations towards regime institutions and political actors. Political trust is, however, not the same as the general term of popular support. As discussed in the first section of this chapter, trust relations involve the willingness to put yourself in a vulnerable position towards others, and there is no assurance of the actions of the one being trusted. In the case of political trust, the citizens put themselves in a vulnerable position towards the state regime, as there is always a degree of uncertainty in the outcomes of government actions. It is in the context of this uncertainty that the citizens decide and grant or withhold trust in regime institutions and political actors. Van der Meer (2017b) provides a definition that combines both the trust and support elements of the notion of political trust, saying that "political trust can be understood as citizens' support for political institutions such as government and parliament in the face of uncertainty about or vulnerability to the actions of these institutions" (p. 1).

4 The origins of political trust

In this chapter, the main theoretical perspectives in the political science literature on the origins of political trust are reviewed, and their contributions and limitations are discussed. Five theoretical perspectives are presented, and their macro-level and micro-level propositions on the determinants of political trust are discussed. The macro-level propositions are expected to identify influencing factors explaining the longer-term development of political trust in Iceland, and, as such, provide a frame of reference the study's longitudinal descriptive analysis. Based on the micro-level propositions, theoretical expectations regarding individual-level factors influencing Icelanders' political trust judgements are developed to be tested in the study's multivariate analysis. The five theoretical perspectives are expected to identify different factors that may have affected the development of political trust in Iceland. While theoretically different, the five perspectives are not considered to be mutually exclusive.

4.1 Introduction

The theoretical debate on political trust is part of the ongoing scholarly debate on how to understand public attitudes toward government and democratic governance (Norris, 2011). Much of the theoretical literature has developed to explain why political trust levels increase or decrease, and the leading empirical research has concentrated on long-term developments, with a cross-national perspective. These studies focus on long-term demographic, social, and political trends as explanatory variables (Dalton, 2004; Inglehart, 1997a, 1997b; Norris, 2011, 1999d). Accordingly, there have been a variety of explanations suggested regarding the origins of political trust. However, Mishler and Rose (2001) maintain that most of the hypotheses on the determinants of political trust draw from cultural theories and institutional theories, two well established theoretical perspectives in political science. Norris (2011), on the other hand, frames her approach according to three categories with reference to the political system: demand-side, intermediary, and supply-side accounts. Demand-side theories focus on cultural and social factors in explaining variations in and long-term developments of political attitudes, while supply-side theories focus on how public attitudes respond to the processes, policy performance and institutional arrangements of the political system. Norris' demand-side and supply-side classification corresponds to Mishler and Rose's distinction between cultural and institutional theories, respectively. Norris' intermediary account focuses on the role of political communication in forming public attitudes and emphasises

the role of mass media in shaping public perceptions of government performance.

For some time, there has been growing scholarly interest in the role of political communication and media in shaping political attitudes and creating norms impacting relations in the political sphere (see Norris, 2011, chapter 9; Newton, 2017; van Aelst, 2017). Following Norris (2011), there are two main alternative arguments in the literature on the impact of political communication and the news media on political trust. Both of them argue that today's media and news reporting promote public distrust. The first perspective focuses on the type of media and is known as the video malaise claim. According to this argument, viewership of televised news and public affairs programming, which have become more focused on political conflicts, spin and party tactics rather than policymaking and issues, leads to an increased sense of malaise and cynicism. As a result, the public has become detached from the democratic process and has developed scepticism towards political institutions and actors.

The second perspective focuses on the tone of media coverage and is known as the negative news effects claim (Norris, 2011). This refers to the trend in news reporting to emphasise watchdog journalism and cover scandals and corruption in public life. This coverage fosters mistrust in political institutions and, consequently, undermines public support for the political system. The process of emphasising negativism becomes especially critical during election campaigns as it is believed to impact the way political parties and political candidates formulate their campaigns and communication strategies. The outcome here is similar to the video malaise claim; it generates political disaffection, cynicism and distrust among the public.

The empirical evidence supporting these claims remains however inconclusive (Dalton, 2004; Newton, 2017; Norris, 2000a, 2000b, 2011; van Aelst, 2017). In her comparative examination of news media in 29 post-industrial societies, Norris (2000a, 2000b) found that attention to news media leads to greater political trust, not less. Watching a lot of television news was associated with greater knowledge of, interest in and understanding of politics with corresponding positive effects on political trust. Norris (2011) acknowledges that the negative news claim is more complex than the video malaise claim, making it more difficult to analyse its effects on political attitudes. While noting that content analysis studies on news media in several Western countries show that journalism has becoming more critical of politicians and the democratic process, Norris (2011) maintains that the data needed to robustly test the negative news claim is still too limited. She recognises that reporting on political scandals and public corruption probably has a short-term impact on specific political trust, such as trust in the politicians

in questions and the incumbent government, and even national parliaments. Yet, without the data needed to examine the impact of such news reporting, it is difficult to establish empirical evidence for the negative news claim.

Additionally, the causal relationship between media and public opinion may not be as straight forward as has been suggested in the literature (Dalton, 2004; Newton, 2017). Rather than one-way relationship, the relationship could also be a two-way mechanism, fuelling reinforcement. Dalton (2004) points out that reporting of negative and sensational news could also be seen as the media's way to react to a changing public mood, and as such "media content may be both a cause and a consequence of the public's changing political orientations" (p. 73). Norris (2011), Dalton (2004) and Newton (2017) suggest that further research is needed to fully disentangle the relationship between media and public opinion in order to empirically establish the media's effects on political attitudes. They call therefore for caution in interpreting how negative news reporting and scandal coverage affect public opinion, including political trust.

In the context of the present study, the above discussion does not encourage a particular examination of the role of media and political communication in shaping the development of political trust in Iceland. Growing media negativity, as described above, has also been observed in the Icelandic media in recent decades, at least to some extent. And these trends became even more intense in the aftermath of the crash of 2008. However, the content analysis studies needed to examine the impact of negative news and political communication on political trust in Iceland are simply not available. Media research in Iceland has, to date, been very limited and studies systematically analysing the content of news coverage in the Icelandic media have not been carried out. While the theoretical arguments may be intriguing, the evidence that has been presented in empirical research is not robust enough to justify special data collection for the present study on the content, style or tone of news and public affairs programmes in the Icelandic media. This issue is therefore left for future research.

Mishler and Rose's twofold classification of cultural and institutional theories will, therefore, be useful in structuring the review of the leading literature on the sources of political trust. The cultural versus institutional distinction responds to the two conceptualisation accounts of interpersonal trust discussed in Chapter 3, the cultural and structural accounts of interpersonal trust, respectively (Table 1). In addition, Mishler and Rose's classification allows for drawing a further distinction between macro- and micro-level explanations; as such it, provides a dimensional framework of reference (Table 2).

Table 2. Theoretical foundations of political trust: dimensional framework

	Cultural theories	Institutional theories
Macro-level of analysis	Modernisation and value change: - <i>socio-economic development</i> - <i>postmaterialism</i> Civic culture and social capital	Objective performance indicators: - <i>human development index and economic growth</i> - <i>democratic development and good governance</i> Design of electoral systems: - <i>majoritarian or proportional representation</i>
Micro-level of analysis	Demographic and socio-economic background Post-materialistic values Social trust and civic participation	Subjective policy performance Subjective process performance Partisanship: - <i>attachment to the party system</i> - <i>winners' effect</i>

Note: The table is based on Mishler and Rose's (2001) classification of the theoretical foundations of political trust.

Although the two theoretical traditions focus on different causes for political trust, they should not necessary be seen to be in conflict (see also Rose & Mishler, 2011). Cultural and institutional explanations can be complementary. Trust, or distrust, can be learned through early life socialisation and then relearned later in life based on actual experiences dealing with political institutions. With advances in statistical analysis and the increasing popularity of using multilevel modelling combining individual and contextual characteristics, more research is based both on the micro and macro levels of analysis. For clarity and to keep the discussion focused, the different theories and levels of analysis will be addressed categorically according to the two-by-two dimensional framework. Additionally, it is important to note that while different theoretical propositions on the determinants of political trust are most of the time treated independently in the literature and empirical research, the drivers of political trust are very likely to be mutually dependent and reinforcing (see e.g. Newton, 2006; OECD, 2013; van der Meer, 2017b).

4.2 Cultural theories

Cultural theories emphasise the impact of culture on people's orientations toward the political system, conceptualising the notion trust as an affective feeling. In political trust research, cultural theories focus on sociological explanations and socialisation processes. Political values and beliefs are

learned, usually as the result of the citizens' early life experiences, and they are often associated with the citizen's position in society as reflected in gender, age, education and socio-economic status. Political attitudes are regarded to be enduring and stable traits of society, becoming part of the national culture. As such, they are the attitudinal basis of existing political institutions. The relationship here goes from culture to political trust to institutional performance, though the literature on cultural theories recognises that, over a longer time, this becomes a reinforcing and cumulative process. An alternative progression of this interaction would be cultural norms and socialisation processes emphasising distrust in other people resulting in scepticism and distrust in political institutions that eventually undermines government performance. Either way, citizen attitudes about political trust originate outside the political sphere and are regarded to be exogenous to the political system. Following Norris (2011), the discussion on cultural theories is organised according to two theoretical perspectives on the effects of social and cultural factors on public attitudes towards democratic governance: 1) modernisation and value change and 2) civic culture and social capital. The two perspectives allow for both micro- and macro-level propositions.

4.2.1 Modernisation and value change

Most Western, industrial countries have been developing, in the last 50 years, from an industrial to a post-industrial society where the majority of the workforce has moved from manufacturing into the service and technology sectors. With a sharp increase in education levels in these countries, we have seen the rise of a highly educated, well-skilled and specialised workforce. With higher education levels and higher cognitive skills, the public has a higher capability to process complex information and knowledge in all spheres of society, including the political sphere (Norris, 2011). The conventional view in social science research has been that better educated and higher social status individuals will be more supportive of the political process (Mayne & Hakhverdin, 2017; Schoon & Cheng, 2011). This is because higher education levels are believed to expand political and civic knowledge and capacity. As Norris (2011) says, "[m]ore educated citizens typically display far greater political interest, civic knowledge, internal efficacy, and activism in public affairs" (p. 130).

Dutch political scientists have introduced the term diploma democracy to refer to a growing education gap in political participation in Dutch society (Bovens & Wille, 2010; Turper & Aarts, 2017). The well-educated are increasingly overrepresented in the key political arenas, such as the cabinet, national parliament, political parties and single-issue advocacy groups. Furthermore, higher-educated individuals are perceived to benefit more from

the existing social and political systems, while less-educated people are often on the periphery of the economy, bearing the greater cost of globalised economic competition (Dalton, 2004, 2005). All in all, these developments have left less-educated citizens feeling more excluded from the democratic process and alienated from political life, causing growing distrust and cynicism among them. Newton, Stolle, and Zmerli (2018) link the growing gap in political trust levels between low and high income earners in the United Kingdom and the United States to a revolt against ‘politics as usual’ in these two countries. The economic recession and austerity measures following the financial crisis of 2008 are believed to have further widened the trust gap in these two countries and played an important role the Brexit referendum and Trump’s election to the presidency of the United States (Newton et al., 2018).

Empirical research on the relationship between education and political trust has, nonetheless, yielded mixed results (Mayne & Hakhverdin, 2017). In their review of publications addressing the effect of education on political trust, Mayne and Hakhverdin (2017) found that the relationship between the two variables is context specific. In countries with low levels of corruption, education has a positive impact on political trust. Whereas in countries with high levels of corruption, education undermines political trust. In explaining the interactive effect of education and corruption on political trust, Mayne and Hakhverdin argue that citizens with higher levels of education are more likely to be better in pointing out institutional dysfunction and to be normatively troubled by practices that undermine the functioning of political institutions.

In addition to education and income, the background variables age and gender can also be included when explaining within-country variations in political trust levels. In social science research, age is often positively correlated to income, political participation and social status. These relationships may be curvilinear because people in retirement age usually have less income, and they scale down their political and civic engagement. The literature is not explicit about the impact of gender on political trust levels and reviews of gender differences in political trust levels across established democracies has shown that the differences were small and varied between countries (Holmberg et al., 2017; Marien, 2008).

Demographic and socio-economic background variables are often regarded as mere control variables in political trust research, included to demonstrate more effectively the impact of other explanatory factors, such as institutional and contextual factors. Listhaug (1995), however, states that background variables can be explanatory when analysing short-term shifts in political trust levels among social groups. He suggests that short-term shifts among different social groups are usually to be explained by how specific government policies

or election outcomes affect particular social groups. On the other hand, a continuing difference in trust levels between social groups is most likely to reflect an accumulation of political inequalities that are alienating certain groups from the political process. Listhaug (1995) says that the prime example of this kind of process is the difference in political trust levels in the United States between African Americans and whites, where African Americans have historically been underprivileged and politically marginalised.

At the macro level of analysis, the focus is on the country's level of industrial development and social advancement to explain the variation of political trust between countries. Studies testing these effects have also shown mixed results. Listhaug and Ringdal (2008) concluded that advanced social and economic development explained the high levels of political trust in the Nordic countries. As such, high levels of political trust could be regarded as indicators of successful economic and social development, and social integration. The social and cultural characteristics of the Scandinavian countries, reflected in egalitarian social structures and a strong sense of community, have been identified as explanatory factors for high levels of political trust (Anderson & Singer, 2008; Torcal, 2017; Uslaner, 2011). Yet, van der Meer and Dekker's (2011) cross-national study linking together country-level and individual-level characteristics was not able to establish that a country's economic development is a significant determinate of public trust in parliament. Then again, the writings of Ronald Inglehart (1997a, 1999) allow us also to study political trust in the context of societal development, but focussing on intergenerational value change.

Inglehart (1997a) argues that the economic and technological changes associated with the rise of post-industrial societies in Western countries have brought about a culture shift as well. This transformation of the culture in advanced industrial societies, which began to emerge in Europe in the 1970s, has had a profound impact on public attitudes in the social and political spheres of society. Inglehart (1997a) talks about a societal evolution from materialist priorities towards postmaterialist values due to a generational change. Different from their parents' and grandparents' generations, younger people in advanced industrial democracies are better educated and less worried about economic security and safety. Instead, they are more concerned with values of self-expression and self-fulfilment, making them postmaterialists. The older generations, on the other hand, are regarded to be materialists as they are more concerned with issues of economic and physical security.

This fundamental difference in the outlook on life is believed to make postmaterialists follow different standards in evaluating political institutions than those expressing more materialistic values. While being sceptical of

hierarchical power structures, citizens expressing postmaterialistic values remain strong supporters of democratic ideas and principles. Using longitudinal World Values Survey data, Inglehart (1997a, 1999) demonstrates how this cultural shift in advanced, industrial democracies has manifested itself in falling public trust in order institutions, such as the armed forces, the legal system and the police, as well as in key institutions of a representative democracy. While the postmaterialists express scepticism toward political authority and hierarchical institutions, they also show greater tolerance for diversity and support for democratic principles emphasising inclusion and participation in political decision making.

To test the value change claim, the World Values Survey and European Values Study datasets include a standard, four-item materialism/postmaterialism index, which can be used for both macro and micro levels of analysis. Individuals scoring high on the index fall into the postmaterialism category, while those with a low score are classified as materialists. The value change argument emphasises generational forces in transforming public values, but it can also be tested by comparing political attitudes between younger and older birth cohorts, by hypothesising that the older generations express greater trust and respect toward political institutions than do younger generations.

In their cross-national comparative analysis of World Values Study data from the 1980s and 1990s, Norris (1999d) and associates observed a trend they referred to as the rise of critical citizens. They concluded that, with the societal changes associated with the values of postmaterialism and rising education levels, citizens were becoming more critical and demanding in their evaluations of political and public institutions, while still being very committed to democracy as a form of government. In his longitudinal research on political support in advanced industrial democracies, Dalton (2004, 2005) also observed the effect of changing values; the young, better educated and upper-status citizens were becoming more demanding in their evaluations of the political system.

Dalton and Welzel (2014) maintain that this trend towards a more critical public in established democracies reflects a shift from allegiant to assertive political cultures (p. 289-306). In an allegiant political culture, citizens are loyal to democratic institutions and their orders, as emphasised in Almond and Verba's ([1963] 1989) notion of civic culture. In an assertive political culture, citizens are more willing to assert their views and are more critical in their evaluations of democratic governance. This is further empirical evidence supporting Inglehart's (1997a, 1997b) thesis on how cultural shifts and value changes are shaping citizens' orientation towards the political system. It should,

however, be stressed that these arguments fit better when examining long-term developments requiring longitudinal data, than when studying short-term ebbs and flows in political trust levels.

To sum up, there are contradictory views regarding the impact of a country's stage of modernisation on political trust levels. The conventional view suggests that, with more advanced economic and social development and a population with higher levels of education, a country can be expected to have higher levels of political trust. Inglehart's thesis on a rise of postmaterialism in advanced industrialised nations predicts that citizens are becoming more sceptical in their trust orientation toward the political system. Accordingly, for an individual-level analysis the following theoretical expectations are put forward:

- 1a) Political trust is expected to be higher among citizens with higher levels of education.
- 1b) Political trust is expected to be higher among citizens with higher incomes.
- 1c) Political trust is expected to be higher among citizens in older age groups.
- 1d) Political trust is expected to be lower among citizens expressing the postmaterialistic values.

4.2.2 Civic culture and social capital

Cultural theories in the political science literature claim that political attitudes and values stem from long-standing beliefs which are passed on through socialisation. A macro-level analysis looks at a country's national culture to explain political attitudes, focusing on each nation's historical and collective experiences and examining if they are supportive of long-term development promoting civic and pro-democratic attitudes. The cross-national comparative study on civic culture by Almond and Verba from 1963 is a prime example of a macro cultural analysis of political attitudes (Almond & Verba, 1989). Almond and Verba concluded that a vivid (national) civic culture is necessary for democracy to work; the countries where citizens express the most pro-democratic attitudes are also the most stable and democratic ones. They claimed that, early in life, people learn political values and social norms from their families and community. These values and norms are then projected into the culture and institutions of the political system later in life, creating a civic culture which promotes popular confidence in political institutions and results in democratic governance.

Research on how civic values and social norms become the attitudinal basis for political institutions re-emerged in political science in the 1990s with Robert

Putnam's theory on social capital and its effects on good governance. Putnam et al. (1993) and Putnam (2000) argue that the source of social capital is found in people's daily social interactions and civic engagement; the experience of participating in civic organisations leads people to be better able to reconcile differences, to trust each other and to be more willing to work co-operatively together. The hypothesis on the relationship between social capital and good governance is grounded in the Tocquevillian notion of civic activism, emphasising the twofold effects of civic associations, the internal effects on individual members and the external effects on the political system (Putnam et al., 1993).

Putnam et al. (1993) argue that, by participating in associations, members adopt "habits of cooperation, solidarity and public-spiritedness" (pp. 89-90), and they gain skills that are important for a participatory democracy to function. Hence, civic associations can function like schools in democracy for the citizens. The external effects are in the institutional links that civic associations provide between their members and the political system, allowing for flow of information and articulation of interests. These twofold effects of participation are believed to produce more accountable and responsive public officials, as well as engaged citizens that have the capacity to influence the decision-making process and political outcomes. Thus, social capital is created in social structures, it evolves in societies through socialisation emphasising civic mindedness, cooperation and social trust.

Putnam et al. (1993) research on Italian regional governments revealed how the long tradition of civic engagement in the communities in northern Italy gave these communities more capacity to engage in collective action, resulting in more successful government institutions in the northern regions. The success was shown both in the institutions' efficiency in carrying out their mandates as well as in how the public perceived them. In his longitudinal study on social capital in the United States, Putnam (2000) observed declining levels of social and civic engagement due to societal and intergenerational changes. Putnam concluded that the erosion of social capital was having negative effects on various societal factors, including the running of the government and increased public distrust in the political system.

Although Putnam emphasises that social capital is a collective phenomenon, his theory allows for a more fine-grained analysis of the relationship between social capital and political trust, examining the relationship at an individual-level. To test the effects of social capital on political trust, most studies have used survey data on self-reported social trust and participation in civic and voluntary organisations. For a macro level analysis, such as a cross-national comparison, these social capital measures are aggregated.

Empirical studies have demonstrated the difficulties in establishing robust evidence for the relationship between participation and social trust (Nannestad, 2008; Stolle, 2002; Stolle & Hooghe 2003). The ambiguity regarding the interplay between participation and social trust had Stolle and Hooghe (2003) concluding that one should not dismiss the role of civic engagement for good governance and democracy but that, “the influence of social interactions seems more limited and more context-dependent” (p. 37) than maintained in Putnam’s line of research. There have been empirical studies confirming the positive relationship between social capital and the functioning and responsiveness of the political system (Andrews, 2012; Cusack, 1999; Knack & Keefer, 1997; Paxton, 2002; Stolle, 2004). Yet, the findings vary depending on whether the researchers follow Putnam’s innovation of using social capital indexes that blend social capital indicators into one index or if they measure social networks and social trust variables separately. With regard to government performance, the social trust variable shows a much stronger impact and more robust results than the civic participation variable (see Andrews, 2012; Knack, 2002; Nannestad, 2008).

While the literature has general agreement on social trust and political trust presenting two distinct dimensions, the exact nature of the relationship between the two remains debated (Liu & Stolle, 2017; Newton, 1999; Newton et al., 2018; Rothstein & Stolle, 2008b; Zmerli & Newton, 2011). Macro-level studies have confirmed the positive relationship between social trust and confidence in political institutions; the nations with the highest levels of social trust tend to be the same as those with the highest levels political trust (Listhaug & Ringdal, 2008; Newton, 2001; Newton & Norris, 1999). The evidence for an individual-level analysis is mixed (Brehm & Rahn, 1997; Newton & Norris, 1999; Zmerli & Newton, 2008, 2011). Zmerli and Newton (2008) claim that the relationship between the two trust variables is sensitive to measurement issues. Lui and Stolle’s (2017) extensive analysis of the literature and empirical research on social capital concludes that the relationship between social trust and political trust is mediated through government performance.

Furthermore, the evidence for the positive relationship between civic engagement and political trust has been less convincing (Liu & Stolle, 2017; Newton & Norris, 1999). The analysis of the relationship between civic engagement and political trust may, however, be sensitive to the time length of the analysis and require data from a substantial time span. Keele’s (2007) time-series analysis, spanning 30 years, on Americans’ trust in the government, supports the claim that civic engagement has a positive impact on political trust levels. Keele (2007) claims that social capital will not register an effect on political trust in the short term, but its effect is substantively important in understanding the long-term development of political trust levels.

Based on the above discussion, countries with higher levels of social capital, measured as levels of social trust and civic participation, tend to demonstrate higher levels of political trust. For an individual-level analysis, the following theoretical expectations are put forward:

- 2a) Political trust is expected to be higher among citizens expressing social trust.
- 2b) Political trust is expected to be higher among citizens who are engaged in civic and voluntary organisations.

4.3 Institutional theories

Institutional theories of political trust propose that the source of trust is to be found in the institutions of the political system. In other words, the performance of the institutions explains political trust. Accordingly, institutions that perform well generate political trust and institutions that perform poorly generate scepticism and distrust. Here, the attitude of trust is considered to be the consequence of institutional performance, not the cause of it as suggested in the cultural theories. The underlying premises of this school of thought is that political trust is cognitive and reflects citizens' evaluated assessments of the political system. Following Norris (2011), the discussion on institutional theories and political trust is organised accord to three theoretical perspectives explaining public attitudes toward democratic governance: 1) policy performance, 2) process performance, and 3) the role of electoral structures and partisanship. All three perspectives allow both micro-level and macro-level propositions.

4.3.1 Policy performance

The literature on institutional explanations of political trust has long focused on the performance of political institutions in producing policy outputs and desirable social, economic and political outcomes (Chanley, Rudolph, & Rahn, 2000; Citrin, 1974; Easton, 1965; Hetherington, 1998; Hibbing & Patterson, 1994; Kumlin, 2011; Kumlin & Haugsgjerd, 2017; Listhaug & Ringdal, 2008; Mcallister, 1999; Miller & Listhaug, 1999; van der Meer, 2017a; Weil, 1989). These outcomes can include: promoting economic growth and employment, providing social security and health care, and reducing crime rates. Where political institutions are uniform nationally, the assumption is that they stimulate a uniform response from citizens. In the literature, the terms institutional performance, government performance, policy performance and output performance are used interchangeably. One could argue that it is logical to focus on government performance when examining political trust and its impact on democratic government. Poor government performance generates

pressure for political change and is most often the key factor in electoral competitions. Through the democratic process of free and fair elections, citizens get the opportunity express their judgements of government performance and hold political actors and institutions to account.

Ever since the World War II, governments all over the world have been taking on responsibility for the performance of their economies by taking the credit when economic performance is strong and the blame when performance is weak. As Listhaug and Wiberg (1995) point out, with the expansion of governments' economic roles across public institutions, "it is likely that mass support for public institutions—parliament included—becomes increasingly sensitive to performance evaluations" (p. 301). In countries with an extensive public welfare system, public access to and satisfaction with health care services, education and social security can be considered as government performance indicators (Kumlin, 2011; Kumlin & Haugsgjerd, 2017). Research focusing on European Union member states showed that public dissatisfaction with health and education services hampers public trust in the European Parliament (Kumlin, 2009). Kestilä-Kekkonen and Söderlund's (2016) analysis, focusing on political trust in Finland, showed that people who express more favourable assessments of the state of the country's health care system and education system were also more positive in their political trust attitudes. Macroeconomic performance is, however, regarded to be the key variable when it comes to policy performance explanations of political trust (Lawrence, 1997; van der Meer, 2017a). The economic performance indicators can include a country's gross national income and economic growth, as well as the inflation and unemployment rates.

The empirical findings on the relationship between macroeconomic conditions and political trust have, however, shown mixed results (Bok, 1997; Dalton, 2004; Marien, 2011a; Miller & Listhaug, 1999; van der Meer & Dekker, 2011). The decline in political trust and support levels that has been reported in many advanced industrial countries does not always match the economic performance of these countries. As Dalton (2004) points out, "[t]here are certainly periods of economic decline, and growth, over the past several decades—but these do not clearly match the ebbs and flows of political support" (pp. 196-197). The inconsistency in results most likely reflects the fact that the relationship between government performance and political trust is more complicated than the argument indicates (Lawrence, 1997; Nye, 1997; van der Meer, 2017a).

Nye (1997) maintains that there is some ambiguity regarding the link between measures of performance and measures of public trust in government. Firstly, it can be difficult to distinguish between general outcomes from specific

outputs of government policy. It is quite likely that there is a certain vagueness between the two in the minds of the general public. Secondly, citizen dissatisfaction with government performance brings up the question of to what, exactly, is this performance being compared. Are the citizens comparing the performance to their own expectations, or to the government's past performance? Or are they comparing it to the performance of other nations? Van der Meer (2017a) points out that the inconsistency in the effect of actual macroeconomic performance on political trust may be due to the methodological structure of trust research. Research studies on political trust are often based on cross-national comparisons using survey data where cross-national differences in trust are explained by cross-national differences in government performance. This structure "assumes that people base their trust in politics on a direct or indirect comparison to the economic performance of other countries" (p. 279). Van der Meer (2017a) suggests that a longitudinal comparison rather than a cross-national one, would be more useful to test the effect of macroeconomic performance. This is because survey respondents are more likely to base their assessments of the current economic performance on a comparison to past experiences of their own country rather than to the performance of other countries.

In their cross-national study into a number of objective and subjective determinants of political trust, van der Meer and Dekker (2011) showed that subjective perception of economic performance was the strongest determinant of political trust while the contextual effect of economic development (actual economic performance) did not have a significant impact on the trust variable. The relationship between macroeconomic performance and political is mediated at the micro level through citizens' perceptions of the economic circumstances. Dalton (2004) states that, "[o]bjective economic circumstances do not generate clear feelings toward the polity—these conditions are mediated by psychological judgements" (p. 65).

Citizens' perceptions of government performance rely on self-reported survey data, and can include their subject assessments of economic conditions, the economic outlook or public service delivery. In the literature, there is a growing understanding about how popular satisfaction with government performance is mediated by expectations, and as such, the role of citizens' expectations has to be address in political trust research. Van der Meer (2017a) talks about the missing link and calls on scholars to advance methods by including citizens' expectations in their research on political trust. He points out that "[p]eople may not only differ in the importance they attach to various outcomes, they even tend to have different opinions on the direction in which policy should be taken" (p. 279). These differences in expectations can vary both within and between countries, as well as across time.

An alternative performance-related hypothesis is that citizens' personal circumstances, in terms of income, education and employment status, determine how they evaluate the performance of political and public institutions. However, Lawrence (1997) found in his study that the decline in political trust in the United States is found across all social groups. With growing economic inequality in the United States in recent decades, political trust is falling among economic winners and losers alike. A similar trend has been observed in Europe during the economic recession and the following austerity measures after the financial crisis of 2008. When comparing survey responses from pre-crisis 2004 and post-crisis 2010 for 19 European countries, Polavieja (2013) observed a parallel trend between decreasing levels of political trust and increasing average levels of dissatisfaction with the economic situation of the country. His findings suggest that it was not only citizens who had been directly hit by the deteriorating economic conditions that had become less trusting toward their government, but also those who were not experiencing the economic hardship directly.

Finally, in a cross-sectional analysis for 12 European countries, Dalton (2004) found that citizens' prospective perceptions of the family's economic situation and of the national economy over the coming year correlate with their reported political support as measured by trust in government, trust in parliament and reported satisfaction with democracy. The relationship between trust and prospective perceptions of the national economy was much stronger than between trust and personal family economic situations (see also Holmberg, 1999; van der Meer, 2017a). These findings suggest that citizens hold their government more accountable for the national economy than for their own personal finances.

To sum up, government performance in producing desirable macroeconomic outcomes, such as economic growth, or low rates of inflation and unemployment, is considered to be key in generating political trust. Social outcomes and provision of welfare services are also considered to be explanatory factors, especially in countries with an extensive welfare system. The relationship between macro performance factors and political trust is mediated at the micro- level through people's perceptions of the economic and social circumstances. Accordingly, for an individual-level analysis, the following theoretical expectations are put forward:

- 3a) Political trust is expected to be higher among citizens expressing a higher satisfaction with the state of the national economy.
- 3b) Political trust is expected to be higher among citizens expressing a favourable assessment of the state of the welfare system.

4.3.2 Process performance

The process performance thesis focuses on the quality and integrity of the processes of democratic governance. This school of thought argues that the overly strong focus on outcome performance of government and public institutions is missing an important element. What people desire from the political decision-making process is also important in understanding the relationship between citizens and the political system. As Hibbing and Theiss-Morse (2001) state, “[p]rocess matters” (p. 151). When the political decision-making process matches people’s ideas of how the process should work—when the citizens find the process to be fair and just—they are more likely to approve and trust government institutions.

Levi (2003) argues that, for citizens to express political trust, they have to experience their government as being both credible and fair. According to Levi, the state signifies its fairness to citizens in four ways. First, it ensures coercion of those who are not compliant with law and government regulations. Second, it follows universalistic policies in recruiting and promotion its officials and in regulating government institutions. Third, it establishes credible courts and other impartial state institutions. Finally, it involves citizens in the actual making of policy. It can be argued that all four items listed fall under what is called good governance or the quality of governance in political science literature.

The World Bank runs a long-standing research project monitoring the quality of governance in over 200 countries (Kaufmann, Kraay, & Mastruzzi, 2010). The research project computes worldwide governance indicators (WGI) for the world’s states. The WGI consists of six composite indicators that are considered to reflect states’ good governance: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption (“Worldwide Governance Indicators,” n.d.). These indicators are the most widely used governance measures in empirical research public orientations toward the political system (Norris, 2011; Rothstein & Teorell, 2008). Norris’ (2011) cross-national comparative study on democratic satisfaction supported the claim that macro-process performance indices like those of WGI, can be significant predictors of citizens’ orientations towards the political system.

Impartiality in the exercise of public authority is a key characteristic of good quality of government (Rothstein & Teorell, 2008). Rothstein and Teorell (2008) describe impartiality as follows: “When implementing laws and policies, government officials shall not take into consideration anything about the citizen/case that is not beforehand stipulated in the policy or the law” (p. 170). The opposite of impartiality in the implementation of public power is corruption

(Rothstein & Teorell, 2008). Corruption has been defined as “the misuse of power in the interest of illicit gain” (Andersson & Heywood, 2009, 748). All forms of political corruption, being abuses of public power or resources for personal gain, or relations based on clientelism, patronage, or bribery, are considered to have no place in a political system based on the impartiality principle.

Political corruption has received considerable attention in the political trust literature. Corruption is believed to undermine government performance and bureaucratic processes (Uslaner, 2017; van der Meer & Hakhverdian, 2017). Corruption makes the outcomes of policy and decision making unpredictable. As such, it makes it more difficult for citizens to hold political institutions and officials accountable. Political corruption also undermines the democratic process (van der Meer & Dekker, 2011; Warren, 2004). It distorts the political process as it breaks the link between the citizens’ power to influence collective decision making through the process of voting. All in all, a corrupt political system is an infertile ground for political trust as the relationship between distrust and corruption fuels on negative dynamics. Corruption creates a climate of distrust, which in turn feeds more corruption. Thus, low levels of political trust can be both the cause and consequence of corruption (Morris & Klesner, 2010). Considering the arguments above on the relationship between political trust and political corruption, the following claim by van der Meer and Hakhverdian (2017) seems to be well founded: “corruption functions as the prime antithesis to any trust relationship” (p. 85).

While there is a strong theoretical argument for the negative effect of corruption on political trust, measures of actual corruption have not been available for empirical research. As pointed out by Transparency International, corruption is generally comprised of actions and activities that the people and organisations responsible deliberately hide. It is only through scandals, investigations, or prosecutions that these activities come to light. Therefore, it is difficult to assess absolute levels of corruption in countries on the basis of empirical data (“Transparency International,” n.d.). Instead, academic research on corruption has relied on measures of perception of corruption, such as the Transparency International Corruption Perception Index (CPI) (Andersson & Heywood, 2009). The CPI is based on multiple expert surveys per country, asking business people and country experts about their perceptions of public sector corruption in the country of question (“Transparency International,” n.d.). While the CPI is based on individual experts’ perceptions of corruption, it has been used in political trust research as a macro-level variable. Empirical studies have confirmed the negative impact of corruption on political trust, measured as a country level variable based on the CPI (Dahlberg & Linde, 2018; Mishler &

Rose, 2001; Rose & Mishler, 2011; van der Meer & Dekker, 2011; van der Meer & Hakhverdian, 2017).

At the micro-level analysis of process performance, there is a growing body of research focusing on the relationship between political trust and perceived fairness and justice in political decision making (Grimes, 2005, 2017; Hibbing & Theiss-Morse, 2001; Levi, 2003; Tyler, 1998; Ulbig, 2002). This view is concerned with whether citizens perceive procedures to be fair and just, rather than with the objective quality of procedures and their products. In political trust research, this perspective has been termed procedural fairness and focuses on citizens' interactions with authorities and their assessments of decision-making processes.

The procedural elements that are believed to shape sentiments of political trust are fairness, neutrality and citizens' voice (Grimes, 2017). This school of thought has its foundation in social psychology and focuses on the procedural effects on fairness judgements. In studying legal disputes for the allocation of outcomes, Thibaut and Walker (1975) found that allowing disputants to have a voice in the process led to greater perceived fairness, resulting in more fair outcomes. The key implication of their research findings was that fair decision-making procedures, which allow for disputants to voice their views, can increase the satisfaction of all concerned without any increase in the external outcomes available for distribution under the procedures.

Building on Thibaut and Walker's line of research, Lind and Tyler (1988) and Tyler and Lind (1992) introduced the notion of procedural fairness focusing on the interaction between the individual and authorities. Grounded in the experimental methods of social psychology, research on procedural fairness has focused on relations between citizens and authorities of the United States criminal justice system. Here, fairness in interactions with authorities is achieved when an individual feels that he or she is treated with dignity and respect and is given a voice in the procedure of the decision making. The argument is that people will consent to authority and its decisions if they think the procedure by which the authority has arrived at its decision has been fair. Social psychology studies have supported this claim. They show that, when people perceive the process leading to decision making to be fair, they are much more willing to consent to the authority in question, consequently fostering cooperation, trust in the authorities and legitimacy (De Cremer & Tyler, 2007; van der Toorn et al., 2011).

Grimes (2005, 2017) has extended the theory of procedural fairness into political theory, focusing on process elements of citizens' influence and authority responsiveness. She used this approach in her study on political decision-making processes in seven municipalities relating to the construction

of a new railway line along Sweden's west coast (Grimes, 2005). Her study showed that residents who perceived their municipal authorities as emphasising citizens' voice in the decision-making process reported higher levels of trust in their municipalities. Hence, municipalities that emphasise an open dialogue with residents and are responsive in the decision-making process were considered to be more trustworthy. Consequently, these municipalities were more able to foster the residents' consent to the final decision.

More recent studies focusing on the related notion of political support have provided further evidence for the procedural fairness thesis (Dahlberg, Linde & Holmberg, 2015; Erlingsson et al. 2016; Erlingsson, Linde & Öhrvall, 2014; Linde & Dahlberg, 2016; Linde & Peters, 2018). In these studies, political support is measured as public satisfaction with the way democracy works in practice. Their findings demonstrate that the key components of the procedural fairness theory have an important explanatory value in explaining public orientation toward the political system, namely: perception of corruption (Erlingsson et al. 2016; Linde & Erlingsson, 2011), perceived impartiality of public administration procedures (Erlingsson et al. 2014), and perceived government's responsiveness to citizens' voice in decision making (Linde & Peters, 2018). Furthermore, research has shown that the impact of procedural fairness on political support is stronger in established democracies than in more recent ones (Dahlberg et al., 2015). Also, a study focusing exclusively on the Nordic countries found a strong and positive relationship between perception of fairness in public administration and popular satisfaction with the way democracy works. Moreover, the effect of procedural fairness on political support in the Nordic countries was the strongest in the case of Iceland (Erlingsson et al., 2014).

To sum up, process performance, reflected in the quality and integrity of the processes of democratic governance, is believed to affect political trust. In cross-national analyses, quality of government indicators, such as impartiality in the exercise of public authority and perceptions of public sector corruption, are believed to predict countries' levels of political trust. At the micro-level, the focus is on perceived procedural fairness, as the literature argues that that procedural elements emphasising fairness, impartiality, and citizens' voice generate political trust. Accordingly, for an individual-level analysis, the following theoretical expectations are put forward:

- 4a) Political trust is expected to be higher among citizens perceiving the bureaucratic processes to be impartial.
- 4b) Political trust is expected to be higher among citizens perceiving the political decision-making process to be responsive to citizens' voice.

4.3.3 Electoral outcomes and partisanship

In representative democracies, political parties create a democratic linkage between citizens and political decision making institutions (Dalton, Farrell, & McAllister, 2011). Political parties recruit candidates and activate citizens during elections, as well as they represent political preference and provide citizens with policy choices. As such, political parties play an important role in integrating citizens into the political system and in providing a support base for political decision-making. Political trust levels are believed to reflect the quality of this democratic link (Marien, 2011a).

Political parties are put into and out of power in elections. Some citizens win while others lose depending on how well the political party, or the political candidate, they voted for did in the elections. The experience of this very democratic process is expected to affect citizens' orientations toward the political system, including political trust (Anderson & Guillory, 1997; Anderson & Tverdova, 2001; Dalhberg & Linde, 2016; Holmberg et al., 2017; Norris, 2011). The effect is considered to be especially significant when it comes to public trust in actors and institutions of political representation: politicians, political parties and political decision-making institutions.

In explaining cross-national variations in political trust levels, at the macro-level of analysis, the focus is on a country's electoral design, specifically on the divide between power-concentrating regimes and power-sharing regimes. A majoritarian system creates winner-takes-all outcomes, which often cause a divide between winners and losers in the political process. By contrast, a proportional system translates citizens' preferences into parliamentary seats more evenly, making parliament more representative of the general population, including minority views. As van der Meer (2010) points out, it can be argued that both electoral systems can stimulate trust in national parliaments, although in different ways. It is easier to hold politicians accountable in a majoritarian electoral system than in a proportional system. The responsibility rests fully with the winning party leading the government and citizens can hold the winners to account either by punishing them by voting them out of office in the next elections or rewarding them with re-election. On the other hand, in a proportional system, citizens are better represented, allowing for different interests and views to be included in decision making. Thus, the inclusiveness of the proportional system can be expected to make citizens more trusting toward parliament. The empirical evidence for the two arguments has, however been mixed (Norris, 1999b; van der Meer & Dekker, 2011). Marien's (2011a) European comparative study showed that trust in national parliament was highest in countries with very proportional election outcomes as well as in countries with very disproportional outcomes. These findings suggest there is a

curvilinear relationship between the degree of proportionality of election outcomes and political trust.

When analysing differences in trust levels between groups of individuals, the focus is on the ties between citizens and political parties and how these ties generate trust orientations between the citizens and government. There are two main questions put forward when analysing the effect of party attachment on political trust. The first is whether citizens identify with the political parties that are competing for power in parliament and, as such, integrating the citizens into the political system. The second is whether citizens identify with a party that is forming the government (the winners) or with a party outside government (the losers).

The literature provides two alternative perspectives in conceptualising party attachment (Bengtsson, Hansen, Harðarson, Narud, & Oscarsson, 2014; Holmberg, 2007). The original one is grounded in social psychology and theorises arguing that party attachment is based on voters' affective orientations towards a particular political party. It is a partisan self-identity often developed at an early age that remains stable and is reinforced throughout life. This notion of party attachment was introduced by American political scientists in the 1950s as *party identification*, developed to explain voter choice (Holmberg, 2007). Their model has been criticised for regarding the relationship between voters and political parties to be too fixed and not much affected by government performance or political and economic changes. Empirical research has also shown that the party-voter relationship is more volatile than the original model predicts (Holmberg, 2007). Revisionist scholars have put forward a counter-theory arguing that party identification can also be seen as a political variable, based on voters' cognitive judgements in regards to political processes and outputs (Bengtsson et al., 2014; Holmberg, 2007). According to this perspective, party identification can be influenced by short- and long-term factors such as ideological inclinations, issue positions, and delivery of policy promises, as well as economic fluctuations (Holmberg, 2007).

Holmberg (2007) suggests using the term *partisanship*, conceptualising the relationship between voters and parties as based on evaluative orientations, leaving the term *party identification* to the notion of party attachment based on affective orientations. The present study adheres to the conceptualisation of party attachment based on the citizens' cognitive orientations toward political parties. As such, it allows for short-term changes, as citizens can shift their identification with political parties, based on their assessment of how a particular party represents their interests and views in the political arena and how it delivers on its policy promises. Following Holmberg's suggestion, the

term partisanship is used in the present study when referring to citizens' identification with political parties.

Partisanship and political trust

Representative democracy is about choosing between candidates to represent your interests in political decision making. Political parties are voted to parliament and into government to represent the views and interests of their supporters, meaning that the structures of democratic elections are designed to produce winners and losers on election day. In parliamentary democracies, it is the party or the parties making up the majority in the national parliament that choose and sustain the government in power. Consequently, the legislatures in parliamentary democracies are very partisan in their function, and “many parliaments in reality function as the support base of governments” (Holmberg et al. 2017, 2).

Listhaug and Ringdal (2008) argue that it is quite normal for citizens who voted for the parties in government to be more trusting towards the political system than the citizens who voted for the losing parties. But they also emphasise that the gap in trust levels between winners and losers of democratic elections “should be kept within a reasonable margin” (p. 134). This effect of electoral outcomes on political trust has been termed the winners' effect or the home-team hypothesis in the political trust literature (Holmberg, 1999; Holmberg et al., 2017). In the present study, the term winners' effect will be used.

Anderson and Tverdova's (2001) comparative study of 12 democracies supports the winners' effect claim, or at least partially. Their study showed that citizens in the winning camp usually have more positive attitudes toward government. Yet, the effect did not have a uniform impact across all the countries, nor did it affect all attitudes toward government equally. The comparative study by Holmberg et al. (2017), focusing on public trust in national parliaments in 42 new and established democracies, demonstrated a strong support for the impact of winners' effect. Their analysis showed that survey participants who were the winners by the account of last election reported significantly higher levels of trust in parliament than other participants. A closer look at trust levels for parliaments in established democracies revealed that the difference in trust levels between winners and losers was greater in parliamentary democracies like Sweden and Spain than in presidential systems such as Finland and the United States (Holmberg et al., 2017).

There is an alternative thesis on the relationship between partisanship and political trust, emphasising the role of political parties in integrating citizens into the political system. Compared to the winners' effect that focuses

specifically on affiliation with a party in government, this thesis takes a broader view on the role of party attachment in generating political trust. Miller and Listhaug (1990) argue that simply identifying with a political party, being it a party in government or a party outside of government, is important for political trust to develop. When citizens feel attached to a political party that they believe represents their interests and views, they become integrated into the political system and are more likely to express political trust. Alternatively, citizens feeling that their views are not being represented by any of the political parties leads to discontent with the party system, which promotes political distrust. Miller and Listhaug (1990) emphasise the role of “political parties as the vehicle for expressing and alleviating political discontent” (p. 365). They argue that the party system has to be flexible and to allow for the formation of protest parties that can channel dissatisfaction back into the electoral arena. If the people become discontented with all the established parties and do not find alternative parties to represent their preferences, it leads to political alienation and growing distrust towards the political system.

Another way to study the relationship between citizens’ identification with political parties and political trust is through the lens of policy preferences, also referred to as political distance. Miller (1974) introduced this notion when explaining the growing distrust among the American public toward their government in the 1960s and the early 1970s. His empirically based argument was that political distrust and cynicism develop among citizens who prefer policy positions that are different from those being implemented by the government. This can be a range of policy issues, and the larger the gap between one’s own policy preferences and the government policies being implemented, the less trustful one becomes. Later studies, which have included data on European democracies, have supported Miller’s claim about the relationship between policy dissatisfaction and political distrust (Dalton, 2004; Listhaug & Ringdal, 2008; Miller & Listhaug, 1998).

There are two important implications of Miller’s thesis on policy preferences in the context of a long-term development of political trust. As pointed out by Miller (1974), when the public becomes polarised in its political views, it increases the distribution of policy preferences and widens the policy gap, making it difficult for political leaders to accommodate government policies that meet the interest of the general public. Thus, a more polarised public stimulates distrust among the citizens. Increased polarisation over time decreases political trust levels.

The other implication of Miller’s thesis fits when the political agenda expands and becomes fragmented, making it very difficult, if not impossible, for governments to maximise voter satisfaction. Dalton (2004) claims that this

development has been taking place in advanced industrial democracies over the past several decades. We have been seeing the emergence of policy interests across multiple dimensions with new issues like environmental quality, gender and minority rights, and cultural issues. Governments are asked to do more things than before and do them differently, creating policy fragmentation. Dalton (2004) calls it multidimensional policy space, which has led to a situation where “government can satisfy most people some of the time, or some people most of the time, but not most of the people most of the time” (p. 146). Dalton’s conclusion is that the expansion of policy goals and the complexity of the policy space have created new volatility in electoral politics and caused more public dissatisfaction with the political process. The outcome of this development is a gradual erosion of political support and trust in many advanced industrial democracies.

To sum up, electoral outcomes and how citizens identify with political parties are believed to affect the development of political trust. Countries’ electoral design, specifically the divide between majoritarian and proportional systems, has been a focal point to explain cross-national variations in political trust levels. Yet the empirical evidence on which system generates higher levels of political trust has been mixed, some even suggesting a curvilinear relationship between the degree of proportionality of election outcomes and political trust. When explaining differences in trust levels between groups of individuals, the literature suggests that party attachment has a positive impact on political trust, and that citizens identifying with a party in government are more trusting than citizens identifying with parties outside government. Accordingly, for an individual-level analysis the following theoretical expectations are put forward:

- 5a) Political trust is expected to be higher among citizens identifying with a particular political party than among non-partisan citizens (party attachment).
- 5b) Political trust is expected to be higher among citizens identifying with a political party in government than among citizens identifying with parties outside government and non-partisan citizens (winners’ effect).

4.4 Summary

In reviewing the key theoretical arguments on the sources of political trust in the political science literature, five theoretical perspectives were presented. Two of them are grounded in the school of cultural theories, focusing on the role of modernisation, value change, and civic culture in generating political trust. The other three perspectives are grounded in the school of institutional theories, focusing on policy performance, process performance, and electoral outcomes

and party attachment (referred to as partisanship in this study). The wide scope of these theoretical perspectives suggest that multiple factors can influence people's political trust judgements and how a country's political trust levels develop over time. While theoretically distinct, the present study does not consider these five perspectives to be mutually exclusive. In fact, economic, social, and political determinants of political trust are likely to be interlinked and mutually reinforcing.

Both micro-level and macro-level propositions were presented for the five theoretical perspectives on sources of political trust. A number of macro-level factors are believed to affect the development of countries' political trust levels over time. These are factors such as societal development and social capital. The design of a country's electoral system and the flexibility of its party system in representing the citizens' interests and views are also believed to have an impact. Government performance indicators are considered, including economic growth, prosperity, and the level of welfare services, as well as systems indicators like good governance and processes promoting egalitarianism and social well-being. The macro-level propositions provide a framework of reference when analysing the long-term development of political trust levels in Iceland and when examining the country's trust levels in a European perspective (Chapter 7). The micro-level propositions were formulated as theoretical expectations, which will be tested using a multivariate analysis to evaluate the effects of different determinants of political trust across three time points (Chapter 8). The theoretical expectations predicting individual-level determinants of political trust will be reiterated in Chapter 6.1.1.

5 The context for political trust in Iceland

Before presenting the trends in the descriptive evidence and analysing the determinants of political trust with individual-level data, the context in which political trust has developed in Iceland will be discussed. The country's economy, society and governance will be reviewed, its political development noted, and important political and economic events discussed focussing on the crash of 2008. This will help to clarify the foundation of the nation's political trust and to interpret significant changes and trends in political trust levels for the time period of the study of 1983 to 2018.

Iceland is a small, North European state with a population of just about 350,000 people ("Statistics Iceland," n.d.). It is one of the Nordic countries, the others being Denmark, Finland, Norway and Sweden, and Iceland's cultural make-up and social structure bear a close resemblance to its Nordic neighbours (Jonsson, 2001). Historically, Iceland was part of Norway, and then later Denmark, but became an independent republic in 1944. For most of the twentieth century, Iceland's economy relied mainly on fisheries and the country lagged behind its Nordic neighbours in terms of economic output and social advancement. Towards the end of the twentieth century, the economy had developed and gone through rapid expansion, placing Iceland in the group of the wealthiest countries in the world.

Iceland's modernisation happened under the influence of the economic and social policies that the other Nordic countries had emphasised in their development (Jonsson, 2001). This path of socio-economic development is often referred to as the Nordic model, or the Scandinavian Model. Being based on the economic foundations of free market capitalism, the Nordic model includes a comprehensive welfare state, progressive and inclusive social policies, a unionised workforce and collective bargaining at the national level (Hansen, Ringen, Uusitalo, & Erikson, 2015). The outcome of these policy priorities is that the Nordic societies are characterised as being highly inclusive and egalitarian, while providing their citizens with generally good living conditions. Scholars debate how well Iceland has kept up with the other Nordic countries in the provision of welfare services, first by lagging behind in the formative period of the welfare state and then later with less government spending (Jonsson, 2001; Ólafsson, 2015). Nevertheless, in an international comparison, Iceland has many of the characteristics associated with the success of the Nordic model, as well as having attributes that are considered to be desirable societal outcomes.

Iceland is regarded as a highly inclusive and egalitarian society with a strong sense of community (OECD, 2017a). When compared to other OECD states, Iceland has the lowest level of income inequality and the lowest poverty rate after taxes and transfers. It also has high employment rates and high levels of life satisfaction and personal earnings (OECD, 2017a). In 2018, Iceland had topped the World Economic Forum's Global Gender Gap Index for 10 years in a row, making Iceland the most successful country in the world in closing gender-based disparities (*The Global Gender Gap Report 2018*, 2018). Since 1990, the United Nations Development Programme (UNDP) has calculated a Human Development Index that ranks states according to their overall levels of health, education and standards of living (UNDP). Iceland has ranked in one of the top 10 spots, with the exception of 1993-1994 and 2010-2015, when the country was ranked in eleventh to seventeenth place. Another parameter related to the relationship between political trust and desirable societal outcomes is that Iceland has been repeatedly ranked on the top of Global Peace Index, ever since the Institute for Economics and Peace launched the index in 2008 (*Global Peace Index 2018: Measuring Peace in a Complex World*, 2018). The Global Peace Index ranks the world countries according to their levels of peacefulness, using indicators focusing on the level of societal safety and security, the extent of ongoing domestic and international conflict and the degree of militarization.

In terms of political development, Iceland also bears a close resemblance to the other Nordic countries. It is a representative democracy characterised by respect for the rule of law and orderly political practice, based on a multi-party system and applying proportional representation in parliamentary elections (Jónsson, 2014; Kristinsson, 2006). Different from the Scandinavian tradition of consensus politics and corporatism regarding the labour market and macroeconomic policies, the Icelandic tradition is "better described as more adversarial than consensual in style and practice" (Jónsson, 2014, 510). Jónsson (2014) maintains that the legislative process in Iceland, and public debate in general, tend to be adversarial rather than work towards consensus building. The same can be said about labour market relations in Iceland, and labour market conflicts have been more frequent in Iceland than in the other Nordic countries.

In Iceland, the head of state is the president, while the prime minister serves as the head of government. The usual arrangement in Iceland has been, with very few exceptions, that governments are formed as coalition governments with two or more political parties (Kristinsson, 2006). For most of the second half of the twentieth century and up to the crash of 2008, the Icelandic party system, with four major parties dominating the political stage, remained relatively stable (Kristinsson, 2006; Önnudóttir & Harðarson, 2018). The political culture in Iceland is party orientated, as in the other Nordic countries.

In an international comparison, Iceland and the other Nordic countries rank in mid-range regarding the level of voters' identification with political parties (Bengtsson et al., 2014). Party attachment among Icelandic citizens has been declining in the recent decades, a trend that has also been observed in the other Nordic countries. In 1983, some 50% of Icelanders said that they considered themselves to be supporters of a particular political party. In 2003, the number was down to 39%. By 2016, only 29.5% reported that they supported a party (Önnudóttir & Harðarson, 2018). Although there has also been a decline in election turnout in recent years, voter participation in Iceland has always been high in international comparisons (Eyþórsson & Önnudóttir, 2017; Kristinsson, 2006).

Public administration in Iceland is modelled on the Danish public administration, which was built on the European bureaucratic tradition (Kristinsson & Matthíasson, 2014). Throughout most of the twentieth century, the Icelandic state had a history of clientelism and patronage, and the public administration was relatively weak as compared to the legislative power of Althingi (Kristinsson, 1996). In the late 1980s, a series of public administration reforms started to take place in Iceland aimed at creating a stronger regulatory framework and enhancing efficiency in the public sector (Kristinsson, 2012). The first reform was the introduction of an ombudsman in 1987, then a public administration act in 1993, and a transparency act in 1996, to mention but a few. The outcome was a comprehensive reform of the public administration. This reform movement is considered to have been successful to a significant extent (Kristinsson, 2012; Kristinsson & Matthíasson, 2014).

At the turn of the twenty-first century, in the years leading up the financial crisis of 2008, Transparency International ranked Iceland among the least corrupt countries in the world ("Corruption Perceptions Index," n.d. ; Erlingsson et al., 2016). The Group of States against Corruption (GRECO), a secretariat established within the Council of Europe to monitor compliance with the organisation's anti-corruption standards, conducted its first evaluation on Iceland in 2001.¹ In its report, the GRECO evaluation team shared the overall assessment that Iceland was one of the least corrupt countries in Europe (GRECO, 2001). Furthermore, Iceland's scores on the World Bank's Good Governance Indicators were, at this time, comparable to those of the other Nordic countries, including for indicators such as government effectiveness,

¹ GRECO's objective is to improve the capacity of its members to fight corruption by monitoring their compliance with Council of Europe anti-corruption standards through a dynamic process of mutual evaluation and peer pressure. This helps to identify deficiencies in national anti-corruption policies, prompting the necessary legislative, institutional and practical reforms (www.coe.int/en/web/greco).

voice and accountability, and control of corruption (“Worldwide Governance Indicators,” n.d.).

In the years leading up to the financial crisis of 2008, Iceland was listed as one of the most prosperous countries in the world in terms of human development and national wealth. The country ranked as the least corrupt country in the world and scored high on indicators of good governance. At that time, the Icelandic economy had become engaged in international investment banking and financial services. These sectors had grown rapidly following the privatisation of the country’s banking sector, around the turn of the millennium. The Icelandic banks were borrowing large sums in foreign capital markets to finance their expansions and the expansion of Icelandic investment companies. By 2007, the size of the Icelandic banking sector was nine-fold Iceland’s annual GNP (Carey, 2009).

Iceland was the first country in the world to experience the full force of the global financial crisis that followed the collapse of Lehman Brothers in September 2008. Within a few days in the beginning of October 2008, some 85% of the Icelandic banking sector collapsed (Matthiasson, 2008). The three biggest banks were too big for the Icelandic state to bail them out and it was the government’s decision to partition the failed banks into new banks, operating the domestic branches while the old banks were liquidated (Carey, 2009). Capital controls were introduced and Iceland sought the assistance of the International Monetary Fund (IMF), making it the first Western country in 30 years to be bailed out by the IMF (Baldursson & Portes, 2018; Carey, 2009). The financial and economic downturn Iceland went through in the last months of 2008 was referred to by economists as the collapse of a country, describing the deepest and most rapid financial crisis for a country, recorded in peacetime (Danielsson & Zoega, 2009). While Iceland was the first country to be hit by the financial meltdown of 2008, other countries followed, such as Ireland, the Baltic states, Portugal, Spain and Greece. The financial crisis turned into a global recession, often referred to as the Great Recession (Keeley & Love, 2010).

The global financial crisis of 2008 was the result of a failure in the governance of finance. Yet, its effects have been felt far beyond the world of finance (Walby, 2015). Walby (2015) maintains that the financial crisis of 2008 set off a trend that was becoming a democratic crisis by the mid-2010s. As she states, “[t]he crisis cascaded from finance to the real economy to government budgets to the political and democratic institutions. The crisis, as it cascaded, caused significant damage to each of the systems” (p. 163). In the case of the Iceland, the crisis was a result of a failure of international and national finance governance. The financial crisis, —the crash—sent Iceland into a severe economic recession, leading to a sudden decline in per capita GDP, government

budget cuts, and a steep rise in inflation and unemployment (Carey, 2009). Right after the fall of the over-sized Icelandic banks in October, popular anti-government protests started in the square in front of the building where Althingi meets. The political impact of the failure in financial governance was set in motion.

Bernburg (2016) describes how the crash “shattered Icelanders’ shared reality” (p. 4). In a matter of a week, Iceland went from being one of the most prosperous countries in the world to being on the brink of state bankruptcy. The Icelandic banks had accumulated enormous debt in the years and months before, and now, international banks and foreign states were making demands that were threatening the Icelandic welfare state and the economic well-being of the nation (Bernburg, 2016). How the authorities were dealing with the situation in the first days after the fall of the banks was not always reassuring and the country’s image abroad was damaged. Icelandic people were, in the words of Bernburg (2016), “anxious, confused, disappointed, and pessimistic” (p. 4). With these feelings, Icelandic citizens started to gather in front of the parliament building every Saturday with their demands. The protesters main demands were that the government was to resign, an early election was to be held, and the board of the Central Bank, together with the CEO and board of directors of the Icelandic Financial Supervisory Authority, were to resign. There were also demands for democratic reforms, especially with regards to revising the Icelandic constitution (Önnudóttir, 2016).

These Saturday public meetings continued from October 2008 into January 2009, when they grew in intensity and number of participants. The protest meetings turned into a mass protest and started to take the form of civil unrest with clashes with the police. This kind of popular protest was unprecedented in Icelandic history, and it attracted widespread participation and support. Protesters started to claim that there was a revolution taking place, a pots and pans revolution more precisely, referring to their banging on pots and pans to make noise and increase the intensity of the protests (Bernburg, 2016). The government finally gave in to protesters and stepped down. By February, a temporary government with a new cabinet was formed, and following an early election in April, a left-wing government was voted in. The boards of directors and senior management of the Central Bank and Icelandic Financial Supervisory Authority were replaced. Protesters’ demand for the revision of the Icelandic constitution, however, remained unresolved (Bernburg, 2016; Önnudóttir, 2016).

While popular protests in front of the parliament building in downtown Reykjavik became the new norm in the post-crash years, research showed that there were no signs of the nation’s social fabric being torn (Growiec,

Vilhelmsdóttir, & Cairns, 2012). Growiec et al.'s (2012) study on social capital levels in Iceland shows that Icelanders had become more sociable, civically engaged and socially trusting despite the economic trauma of the crash. Their analysis of European Values Study (EVS) data reveals that, following the crash, or in 2009 to 2010, more Icelanders agreed with the statement that “most people can be trusted” than in previous surveys, from 41% in 1999 to 51% in 2009/10. Rather than viewing the increase in social capital levels solely in the context of the crash, Growiec et al. (2012) interpret the trend more as a gradual societal change that had been taking place in Icelandic society since the 1980s. More recent EVS results show that social trust continues to be important in Iceland in the post-2008 era, with 64% of respondents expressing social trust in 2017/18 and reported political and civic engagement remaining high (EVS, 2018). Despite the economic trauma of the crash, civic participation has remained high and Icelanders have become more socially trusting.

Through a combination of government efforts and favourable external conditions, the Icelandic economic system not only survived the crash, but its recovery became a success story. The Icelandic authorities assumed ownership of the IMF-sponsored economic programme and managed to turn around the country's macroeconomic development (Zoega, 2018). The economy started to show signs of recovery by 2011, followed by strong economic growth. By 2017, the country's GNP had reached pre-crash levels (OECD, 2017a).

There were always talks of whether the cost of the crash was being unevenly distributed between social groups and how the huge increase in mortgage debt had become a heavy burden for households. The left-wing government in power from 2009 to 2013 pledged to be a Nordic welfare government and to protect low- and middle-income groups from the worst consequences of the crisis. Statistics show that income inequality levels in Iceland went down in the post-2008 years and becoming the lowest ones in Europe (“Statistics Iceland,” n.d.). The left-wing government and then the centre-right government that came to power in 2013 addressed the issue of household debt by introducing mortgage relief schemes (Indriðason, Önnudóttir, Þórisdóttir, & Harðarson, 2017).

In the end, foreign creditors had to take on the direct cost of the fallen banks' outstanding debts rather than Icelandic tax payers (Zoega, 2018). All in all, Iceland's recovery and economic development since the crash have been regarded as successful. As the OECD (2017a) reported in 2017, “Iceland is currently the OECD's fastest growing economy. It has made a remarkable turnaround from the crisis, helped with staggering growth of tourism, prudent economic policies and favourable external environment” (p. 16).

While efforts for the economic recovery are considered successful and the nation's social fabric remained strong after the crash, there have been strains on the relationship between citizens and the government in the post-2008 era in Iceland. The Icesave dispute with the governments of the UK and the Netherlands from 2009 to 2013 caused fierce political and public debate. Failed political projects, such as Iceland's membership application to the European Union that was halted in 2013 and withdrawn in 2015, and plans for constitutional reforms that were never realised, continue to be issues contested in public and political debate (see Zoega, 2018). Lastly, there has been the persistent issue of corruption in the political system, perceptions of corruption more precisely, and a manifestation of increasing party fragmentation and electoral volatility.

As discussed earlier, international indicators on corruption and good governance suggested a happy state of affairs in Iceland before the crash. In the wake of the crash, a public perception emerged that the intermingling of private interests with the management of public affairs had contributed to the collapse of the country's financial system and the economic crisis. Erlingsson et al. (2016) addressed this issue in their study on political support and perceptions of corruption in Iceland. Their analysis is based on data from the Icelandic National Election Study (ICENES) from 2003 and 2009, using 'satisfaction with the way democracy works in Iceland' as a measure for political support. Erlingsson et al. (2016) findings show that Icelanders' perception of corruption was a much stronger determinant for political support after the crash than before it. With the fall of the banks, Icelanders had come to think that the extensive personal and professional relationship networks in and between the country's public and private sectors could undermine the integrity of governing institutions. Rather than thinking of corruption in terms of bribery and criminal acts, the concept of corruption was to be understood in the Icelandic context as nepotism and clientelism leading to abuse of power in decision making and the running of government institutions.

Within months of the crash, Althingi established two accountability mechanisms in order to restore confidence in Icelandic governance and institutions (Johnsen & Sigurgeirsdóttir, 2018b; Zoega, 2018). Firstly, Althingi appointed the Special Investigation Commission (SIC) in December 2008 to investigate the events leading to and the causes of the downfall of the Icelandic banks in October 2008. The SIC conducted a comprehensive investigation into the conduct of the bankers, financiers and public officials in the years and months leading up to the crash. The output of SIC work was a report consisting of nine volumes titled *Antecedents and Causes of the Collapse of the Icelandic Banks in 2008 and Related Events* (Hreinsson, Benediktsson, & Gunnarsson, 2010). Secondly, the Office of a Special Prosecutor (SP) was established in the

beginning of 2009 to investigate suspected criminal conduct leading up to the collapse of the Icelandic banks in 2008. In the years since the crash, the special prosecutor has taken dozens of individuals, mainly in the top and middle management of the fallen banks, to court. By 2018, some 35 people had been sentenced to a total of 90 years in prison (Zoega, 2018, 16).

The two accountability mechanisms were well received and held in high regard among the Icelandic public. However, Johnsen and Sigurgeirsdóttir (2018b) maintain that the mechanisms did not restore public trust as anticipated. The revelations on the misconduct of the bankers and public officials that the SIC's and SP's investigations disclosed only fuelled the climate of political distrust in the post-crash years. Thus, the accountability mechanisms became counterproductive in restoring political trust. As Johnsen and Sigurgeirsdóttir (2018b) state, "[t]he two major accountability mechanisms set in motion simultaneously by the Icelandic Parliament brought out this element of mistrust, which combined with the collapse of trust in October 2008 to become a more widespread distrust" (p. 165).

Kristinsson and Vilhelmsdóttir (2015) refer to the evidence brought to light through the investigations of the SIC and SP as a source for growing public perceptions of corruption following the crash. They claim that the changes in Icelanders' perception of corruption are also likely related to a broader shock that receded as the experience of the crash grew more distant. In that regard, results from the National Election Study show that 30% of respondents thought corruption among Icelandic politicians was rather or very widespread in 2003, as compared to 77% in 2009 and 59% in 2013 (Kristinsson & Vilhelmsdóttir, 2015, 4). However, results from the National Election Study following the parliamentary election of 2016 showed that 67% of respondents thought corruption among Icelandic politicians was rather or very widespread (ICENES, 2016). This increase in the perception of corruption can be seen against the political scandal that shocked the Icelandic nation in the spring of 2016.

The political scandal of 2016 involved Sigmundur Davíð Gunnlaussón, the country's prime minister at that time. It was prompted by the so-called Panama Papers revealing that the prime minister's wife kept large sums of money in offshore bank accounts and owned offshore holdings linked to the fallen Icelandic banks. The revelations resulted in a public outcry and the resignation of the prime minister, leading to an early parliamentary election in the autumn of 2016 (see Önnurdóttir & Harðarson, 2018). In the autumn of 2017, there was a new political scandal involving the prime minister, Bjarni Benediktsson. The scandal in 2017 revolved around revelations that the father of the prime minister had provided a recommendation letter that a convicted paedophile be granted restored honour, which is a legal procedure in Iceland whereby someone who

has been convicted of a crime can have his or her civil standing restored. When revealed that the prime minister had known of his father's recommendation letter for some time without informing his coalition partners, one of the coalition parties left the government on the grounds of a breach of trust (see Önnurdóttir & Harðarson, 2018). The result was an early election six weeks later and a new coalition government with a new prime minister and cabinet before the end of the year.

Historically, resignations of cabinet ministers have been rare in Iceland (Kristinsson, 2006). The political scandals of 2016 and 2017 and their consequences, in addition to the resignation of the minister of interior in 2014 because of a media leak from the ministry, are significant events in the political history of Iceland. They are both significant in general terms and in the context of political development in post-crash years. These events indicate that Icelanders had become, in the post-2008 era, much less tolerant to integrity-related controversies than they were before. This change can also be seen in international evaluations and reports on the state of corruption in Iceland in the post-2008 years.

GRECO's fifth evaluation report (2018) says: "The Icelandic society has become over the years increasingly aware and intolerant to the various forms and manifestations of corruption, especially after the financial crisis of 2008" (p. 4). GRECO's monitoring evaluations of countries' compliance with Council of Europe anti-corruption standards are "carried out on the basis of written replies to a questionnaire and information gathered in meetings with public officials and representatives of civil society during an on-site visit to the country" (GRECO). Thus, GRECO's evaluations of corruption in member states are based on, at least to a great extent, the assessments of the nationals of the country in question, that is, on the nationals' perceptions of corruption in their own countries.

Transparency International follows a similar approach in conducting its analysis on a country's state of corruption, as discussed in Chapter 4.3.2. Transparency International's corruption perception index (CPI) is based on expert surveys within countries, which include asking key informants about their perceptions of public sector corruption in their home countries. In accordance with Icelanders becoming much more aware and intolerant of various manifestations of corruption, Iceland does not receive as favourable assessments in the CPI as it did before the crash of 2008. In the early and mid-2000s, Iceland's score on the CPI was above 90 (100 being a full score), placing the country in the top places as one of the least corrupt countries in the world. In 2018, Iceland's score on the CPI was 76, ranking number 14 out of 180

countries, and Iceland has not been in the top 10 places since 2009 (“Corruption Perceptions Index,”).

In the post-crash years, GRECO’s evaluation reports on Iceland’s compliance with the organisation’s anti-corruption standards have become more critical in their assessments than they were before the crash. It should be noted that in its latest evaluation report, GRECO (2018) states: “Overall, Iceland has a good track record in implementing GRECO recommendations” (p. 4). In accordance with the themes of the last two rounds of evaluation, GRECO recommendations to Icelandic authorities for improvement focused on strengthening the integrity frameworks in place in Iceland to prevent corruption amongst ministers, senior government officials and members of law enforcement agencies, as well as amongst members of parliament (GRECO, 2013, 2018). Suggested actions for improvements include developing a code of conduct and registration system pertaining to declarations of financial interest, developing a strategy to improve integrity and the management of conflicts of interest, developing clear rules on whistle blower protection, and introducing rules on how persons entrusted with top executive functions engage in contacts with lobbyists. The working group the prime minister appointed in 2018 formulated much of GRECO’s recommendations into their proposal for action to increase public trust in Icelandic politics and public administration (*Efling trausts á stjórnmalum og stjórnsýslu. Skýrsla starfshóps forsætisráðherra* 2018).

In addition to the political instability triggered by the political scandals discussed earlier, increasing party fragmentation and weaker coalition governments have also been characteristics of the post-crash years in Iceland (see also Vilhelmsdóttir & Kristinsson, 2018). From the 1930s and until the crash, the Icelandic party system was dominated by four political parties, joined in parliament at times by short-lived fifth or sixth parties (Helgason, 2018). But, following the crash there has been an unprecedented emergence of new parties on the political stage in Iceland. In the 2009 parliamentary election one new party was elected to Althingi, replacing another short-lived one in parliament. The parliamentary election in 2013 saw a record number of 15 parties running, although only two reached the 5% threshold, becoming the fifth and sixth parties in Althingi. The 2016 election saw 12 parties running and the number of parties in Althingi going up to seven. Then in 2017, 11 parties ran, and two new parties were elected, becoming the seventh and eighth parties in Althingi. In the four elections from 2009 to 2017, there were huge swings in the voter share of the established parties, and a record number of voters switched parties in the parliamentary election of 2016 (Önnudóttir & Harðarson, 2018).

The left-wing coalition government that came to power in 2009 following the crash and protest activity struggled to maintain its support base inside and outside parliament. Towards the end of its term, it had become in de facto a minority government (Vilhjálmsdóttir & Kristinsson, 2018). While the majority of voters said that they thought the left-wing government had handled the crisis well, the two coalition partners suffered the greatest electoral defeat in Icelandic political history in the parliamentary election in 2013 (Indriðason et al., 2017; Vilhjelmsdóttir & Kristinsson, 2018). As discussed earlier, the next two coalition governments did not survive a full four-year term because of political scandals (Önnudóttir & Harðarson, 2018). Following the early election of 2017, a broad coalition government was formed under the premiership of Katrín Jakobsdóttir, the leader of the Left-Green Movement. The new coalition government spanned the whole ideological spectrum in Icelandic politics, led by the party furthest to the left, and including the Progressive Party at the centre and the right-wing Independence Party. The new coalition met with favourable response as many politicians, as well as the general public, saw the formation of a broad coalition as a way out of politics of polarisation and weak coalitions. There was the sense that a broad coalition government could bring back political stability. As Hardarson and Kristinsson (2018) say, “[t]he coalition represents an attempt to return to stability, containing three of the four parties that have formed the mainstay of the Icelandic party system since the 1930s” (p. 135).

Lastly, ever since the Icelandic economy bounced back from the economic crisis, there has been the view that not all households and social groups have been enjoying the benefits of the economic growth. Low income groups argued that they were left behind while higher income groups were seeing a substantial growth in their disposable income. Tension gradually built up in Icelandic society, and it became pronounced in the country’s labour market relations. By 2018, the representatives of the labour movement were putting forwards demands for a substantial wage increase for low-wage jobs and for tax reform aimed at reducing taxation on people with low income. The ongoing housing crisis in the capital area, in the form of a shortage of affordable housing, had also contributed to the tension. These developments draw attention to the role of people’s socio-economic background in explaining trends in political trust levels over time.

6 Research design and methodology

This chapter gives an overview of the research design and methodology adopted for this study. It starts with an overview of the study's research question and key elements of research design. The theoretical expectations developed in Chapter 4 are then reiterated in the context of Iceland, with reference to the study's before and after the crash comparative frame. Next, the selection of the study's methodology is discussed, as well as methodological considerations in political trust research, followed by reiterating the study's analytical framework. Then, the key components of the research plan are described, including the data, analysis methods, and the operationalisation and measurements of variables.

6.1 Introduction

In establishing the determinants of political trust in Iceland, political trust levels over time will be examined, and the effects of different explanatory factors predicting political trust will be tested across the time points. The focus of the inquiry is on public trust in institutions of political representation, more specifically on Icelanders' trust in their national parliament, Althingi. The study's empirical section makes use of repeated opinion survey data to conduct two analyses: a longitudinal descriptive analysis, and a multivariate analysis. The longitudinal descriptive analysis charts the development of political trust in Iceland, from 1983 to 2018, and puts the trends in comparative perspectives. The multivariate analysis evaluates the effects of five models on the sources of political trust across three time points, of 2004, 2012, and 2016. The five models are constructed on the basis of the five theoretical perspectives on the sources of political trust guiding the study. The crash of 2008 provides the study's empirical analysis with a before and after comparison framework.

6.1.1 Review of the theoretical expectations in the context of Iceland

Chapter 4 discussed the main theoretical accounts on the origins of political trust, and theoretical expectations regarding determinants of political trust were developed. Much of the existing literature and leading empirical research on political trust has focused on long-term demographic, social, and political trends in explaining the sources of political trust (Dalton, 2004; Inglehart, 1997a, 1997b; Norris, 2011, 1999d). Kaase, Newton, and Scarbrough (1997) emphasise the importance of long-term observations and warn against reading too much into short-term changes in trust levels, noting that “[p]ublic opinion tends to

fluctuate rapidly but superficially in the short run” (p. 135). Even so, a sudden change in trust levels can suggest interesting research questions, especially in cases where levels have otherwise been stable for an extended period of time (Bovens & Wille, 2008; Norris, 2011).

Chapter 5 discussed how the financial meltdown in October 2008 had direct and decisive effects on Iceland’s economic, social, and political life in the months and years that followed. As mentioned in the introduction, countries that have experienced a major change in a short period of time provide an interesting setup for a before and after comparison examination on public attitudes toward the political system (Norris, 2011). The precise timing of the crash and the wide impact it had on Icelandic society provide the present study with its ‘before and after’ comparative setting and, as such, allow for an intriguing examination to further our understanding of the mechanisms behind political trust. But, as Bovens and Wille (2008) point out, the established explanatory variables in political trust research focusing on long-term democratic, social, and political trends may not be sufficient to explain sudden drops in political trust levels in particular countries. The cases with sudden drops in political trust levels require a different set of explanatory variables that focus on economic or political contingencies, such as economic decline and political crises (Bovens & Wille, 2008).

Thus, in the context of the present study, the crash of 2008 is not expected to have an impact on the relationship between cultural explanations and political trust, at least not in the short- or medium-term. Other explanatory factors are more likely to be affected by the crash, such as those focusing on political representation and how public attitudes respond to institutional performance and processes. Accordingly, the theoretical expectations developed in Chapter 4 are now reiterated in the context of Iceland, with a reference to the crash of 2008.

1) Social development and value change

To examine the effects of societal evolution and value change on the development of political trust in Iceland at an individual-level, survey data is used to compare social differences in political trust levels over time. The gender, education, income, age, and postmaterialist values variables are examined separately. The following theoretical expectations were put forward earlier:

- 1a) *Political trust is expected to be higher among citizens with higher levels of education.*
- 1b) *Political trust is expected to be higher among citizens with higher incomes.*
- 1c) *Political trust is expected to be higher among citizens in older age groups.*

1d) *Political trust is expected to be lower among citizens expressing post-materialistic values.*

Societal development and the associated value change are long-term processes, and, therefore, the crash is not expected to have had much impact on these sources of political trust, at least not in the short- or medium-term. However, the crash undermined the government's capacity to meet and represent its citizens' socio-economic needs and interests. Therefore, the socio-economic background variables will also be used as proxies to examine how different social groups were affected by the crash and how they are experiencing the economic recovery.

2) *Social capital*

To examine the effect of social capital on the development of political trust in Iceland at the individual-level of analysis, survey data is used to compare political trust levels over time between citizens reporting high levels of social trust and civic participation and those reporting lower levels of trust and participation. The civic participation and social trust variables are examined separately. The following theoretical expectations were put forward earlier:

2a) *Political trust is expected to be higher among citizens expressing social trust.*

2b) *Political trust is expected to be higher among citizens who are engaged in civic and voluntary organisations.*

Civic culture and social capital are long-term processes, and, therefore, the crash of 2008 is not expected to have a significant impact on these sources of political trust at individual level of analysis, at least not in the short- and medium-term.

3) *Policy performance*

To examine the impact of policy performance on the development of political trust in Iceland at the individual-level of analysis, survey data is used to test the effect of subjective government performance on citizens' reported political trust over time. The following theoretical expectations were put forward earlier:

3a) *Political trust is expected to be higher among citizens expressing a higher satisfaction with the state of the national economy.*

3b) *Political trust is expected to be higher among citizens expressing a favourable assessment of the state of the welfare system.*

The crash of 2008 allows for a before and after comparison to test the impact of the crisis on the relationship between political trust and citizens' evaluations of economic conditions and provision of welfare services.

4) *Process performance*

To examine the impact of process performance on the development of political trust in Iceland at the individual-level of analysis, survey data is used. The effects of perceived government responsiveness to citizens' voice and the perceived impartiality of the bureaucracy on citizens' reported political trust are tested over time. The following theoretical expectations were put forward earlier:

- 4a) *Political trust is expected to be higher among citizens perceiving the bureaucratic processes to be impartial.*
- 4b) *Political trust is expected to be higher among citizens perceiving the political decision-making process to be responsive to citizens' voice.*

The crash of 2008 allows for a before and after comparison to test the impact of the crisis on the relationship between political trust and the citizens' perceptions of the quality of bureaucratic processes and fairness of political decision-making process.

5) *Electoral outcomes and partisanship*

To examine the effects of partisanship and electoral outcomes (the winners' effect) and on the development of political trust in Iceland, individual-level survey data is used to compare political trust levels between citizens over time, based on self-reported partisanship. The following theoretical expectations were put forward earlier:

- 5a) *Political trust is expected to be higher among citizens identifying with a particular political party than among non-partisan citizens.*
- 5b) *Political trust is expected to be higher among citizens identifying with a political party in government than among citizens identifying with political parties in opposition in parliament and among non-partisan citizens.*

The crash of 2008 allows for a before and after comparison to test the impact of the crisis on the relationship between political trust and partisanship in general, and the winners' effect more specifically.

All the above theoretical expectations suggest a direction of causality: the different explanatory factors have causal effects on the dependent variable; that is on political trust. It is, however, important to note that the statistical material available and the study's cross-sectional design do not allow for establishing causal inference; they can only confirm there is a relationship between the suggested explanatory factors and political trust. Since all of the theoretical expectations are derived from established theories in the political trust literature,

confirmed relationships in the study's empirical analysis will be interpreted as effects of the explanatory factors on the political trust variable.

6.2 Methodology selected

In social science research, the quantitative research approach emphasises quantification in the data collection and analysis, and its mode of inquiry is deductive reasoning (David & Sutton, 2011). Quantification can make research observations more explicit, making it easier to aggregate, summarize and compare data. In quantitative social research, the focus is on gathering numerical data and using statistical analysis techniques with the aim of establishing generalisations about groups of people or to explain a particular phenomenon (Babbie, 2001). Quantitative data collection methods include questionnaires, surveys, and pre-existing statistical data. These methods can be applied for different types of research design used in quantitative social research, such as cross-sectional, longitudinal, and comparative designs, as well as for experiments and case studies (David & Sutton, 2011).

Empirical research on political trust has always relied extensively on survey data and statistical analysis, enabling researchers to examine the generalisability of trends and theories (Citrin & Muste, 1993; Marien, 2011b, 2017). The present study follows this tradition of quantitative research design in political trust research as it relies exclusively on secondary repeated opinion survey data and uses statistical analysis methods. While the empirical domain of the study is mainly restricted to Iceland, the survey data employed allows for examining political trust levels in Iceland in a cross-national perspective. With this research design, generalisations about the factors explaining why Icelanders decide to grant or withhold trust in the country's political institutions can be established, and they can be examined both longitudinally and comparatively.

The standard survey instruments in political trust research measure political trust in an attitudinal form, assuming that trusting respondents will express confidence in political institutions and actors. Yet, despite over 50 years of scholarly attention and an ever-growing body of survey-based research on political trust, scholars are still debating if there is an ideal way to measure a complex concept like political trust (Dalton, 2004; Hooghe, 2011; Marien, 2011b, 2017; Norris, 2011; Schneider, 2017; Seyd, 2016; Turper & Aarts, 2017; van der Meer & Zmerli, 2017). In the following chapter subsection, some of the key methodological issues attached to the use of survey measures and political trust as a research construct will be reviewed and discussed.

6.2.1 Methodological considerations in political trust research

There have been doubts about the validity and reliability of survey measures for such a complex notion as public trust in different objects of the political system. However, survey results for democracies in Europe show a certain consistency regarding trust measures, supporting the assumption that responses on trust questions in surveys do not show random fluctuations (Marien, 2017). Dalton and Shin's (2014) review of the World Values Survey responses showed that only 5% of the respondents in the developed countries answered with "I don't know" to questions on confidence in parliament and in government (p. 98). This suggests that most participants in established democracies do not find it difficult to answer survey questions on their trust and confidence in political institutions. Moreover, cross-national survey measures on confidence in parliament correlate significantly with Freedom House scores for democracy, supporting the understanding that trust attitudes gauged in public opinion surveys correspond closely with objective measures (Newton, 2009).

Furthermore, the standard political trust survey instruments ask participants about their trust in different institutions, i.e. about the presence of trust. The survey responses allow for distinguishing between trusting and non-trusting respondents. But, the survey responses do not tell us if the non-trusting respondents are sceptical towards the political system or if they are actively distrustful (van der Meer & Zmerli, 2017). Referring to the earlier discussion in Chapter 2, there is a very important difference between political scepticism and political distrust. Public scepticism towards political authority can be regarded as a reflection of a vigilant citizenry and, as such, to be benign for democracy. By contrast, distrustful citizens are likely to develop a cynical view of political processes. Distrustful citizens are more likely to hold the view that institutions and actors are inherently corrupt, incompetent and self-serving, a view which undermines the political system.

International opinion time-series surveys, like the EVS and ESS used in the present study, ask respondents about their trust attitudes towards the following objects: politicians, political parties, the parliament, the government, civil service, the legal system, the police, and the military. Yet, these survey instruments make no assumptions about the criteria on which respondents base their trust judgements, and as such leave the notion of trust undefined (Marien, 2017). Additionally, the trust questions in these survey programmes are designed to measure more generalised forms of political trust and to reach beyond citizens' short-term evaluation of politicians and public officials currently in office. But as Marien (2011b) points out, it cannot be ruled out that respondents are thinking about the people running these institutions (the office

holders) when answering survey questions on their trust in political and public institutions.

Use of indicators

The World Values Study, EVS and ESS survey measures provide a number of indicators frequently used in empirical research on political trust grounded in Easton's (1965, 1975) analytical framework of systems support and Norris' (2011, 2017, 1999d) conceptual framework of political support. But these studies vary in their selection of indicators. Some use a single indicator measuring public trust in the national parliament (e.g. van der Meer & Dekker, 2011), while others combine indicators focusing on the representative side into one political trust index, such as trust in parliament, the national government, politicians and political parties (e.g. Erkel & van der Meer, 2016; Marien 2011a; Turper & Aarts, 2017). There are studies that combine trust measures for both representational and implementing institutions (e.g. Norris, 1999b). Still others combine indicators of political trust with indicators for the more diffuse forms of political support when examining political support and popular support for democracy (e.g. Armingeon & Guthmann, 2014; Dalton, 2004; Norris, 2011).

There are, however, scholars that question whether political trust is as object-specific as stipulated in the operationalisation above (Hooghe, 2011; Marien, 2011b, 2017; Seyd, 2016; Turper & Aarts, 2017). They maintain that the survey responses to political trust questions reflect a common underlying attitude towards the institutions and actors of the political system rather than discrete attitudes. Constructing political trust scales or indices, adding or averaging trust scores reported by respondents for a set of political institutions, can be used as a measure to capture an underlying trust attitude. As Turper and Aarts (2017) point out, these kinds of composite score scales made by adding or averaging trust scores are based on the assumption that all the indicators contribute equally to the latent concept. They maintain that it is unrealistic to assume that the responses to trust questions in different political institutions, as commonly measured in survey research, weigh equally in the concept of political trust.

Marien (2011b, 2017) has tested the measurement equivalence of political trust scales across different national contexts, using a factor loading analysis. She focused on European democracies in testing for cross-cultural equivalence in public trust in five political institutions: national parliament; political parties; politicians; the legal system, and; the police. Overall, her analyses showed that the five measures are inter-correlated, and as such they are influenced by the same underlying construct—that is political trust. Her conclusion was that a

political trust scale consisting of the five indicators is configurable equivalent and well suited to measure citizens' general political trust attitude, at least when it comes to European democracies. Yet, there are two points in her findings to be noted.

Firstly, there is an interesting variation between the European countries in the factor loading of the five measures. Trust in the legal system and in the police was shown to have a stronger connection to the political trust latent concept in the new democracies of Europe than in the more established ones. Marien (2011b) says this shows that there is a greater difference in citizens' expectations towards implementing and representational institutions in the established democracies of Europe (see also Norris, 2011, 87). As mentioned earlier, implementing institutions of the political system, such as the legal system and the police, are meant to be impartial while parliament and political parties on the representational side are expected to be partisan (see Rothstein and Stolle, 2008b for further reading). Marien (2011b) suggests that the stronger connection between the five trust measures may indicate "that citizens in the newer democracies do not perceive implementing institutions as impartial but rather as political, and even corrupt, as their representing institutions" (p. 24).

Secondly, and more importantly in the context of the present study on political trust in Iceland, the five-item political trust scale was shown to be not well fitted for a statistical analysis on political trust in the case of Iceland (Marien, 2017). In her analysis using European Social Survey data from the 2012 round, a factor loading analysis showed that the five measures made up a good index for measuring political trust for all the countries, except for Iceland (pp. 97-98). The factor loading for trust in the police for the Iceland was too weak, suggesting that measure for public trust in the police did not capture well the political trust latent concept in the case of Iceland. Moreover, the factor loading for trust in the legal system for Iceland showed a significant fit, but the score was lower than for the other countries in the sample, with the exception of Ireland. The Icelandic scores for the factor loading of trust in parliament, political parties and politicians were on the other hand very high, suggesting a strong correlation between the three variables. These results suggest that Icelandic citizens, when forming their trust judgements, distinguish between the institutions on the representation side and on the implementation side of the political system.

6.3 Analytical framework

The present study follows the conceptual framework of political support in placing political trust in the context of a democratic rule (Chapter 3.3). The conceptual framework of political support limits the notion of political trust to a

specific set of political objects at the more specific levels of systems support, namely political actors and regime institutions. While recognising that there is an interdependence between political trust and the more diffuse levels of political support, the framework assumes that citizens make a meaningful distinction between different parts of the political system in their orientations (Dalton, 2004; Norris, 2011, 1999d). Accordingly, political trust is considered to be object-specific rather than a comprehensive expression towards the political system.

In this study, political trust is understood as citizens' supportive attitude for political and regime institutions in the face of uncertainty about or vulnerability to the actions of these same institutions (van der Meer, 2017b). It is measured by using survey questions that estimate people's trust in regime institutions and political actors. The study follows the conceptual framework of political support in operationalising political trust, and thus there are seven potential indicators for a survey-based study on the development of political trust in Iceland (see also Figure 1). Taking note of the twofold distinction between institutions on the representational side and on the implementation side of the political system (Rothstein & Stolle, 2008b), four of these indicators belong to the representative side of the political system. These four indicators measure public trust in the national parliament, national government/cabinet, political parties, and politicians. Three of the indicators belong to the implementation side and measure public trust in the civil service, in the justice/legal system, and in the police.

The specific focus in the present study is on Icelanders' trust in the national parliament of Althingi, the key institution of political representation. Measures on Icelanders' trust in other regime institutions and political actors are, however, included for a comparative purpose. The study takes note of Marien's (2017) analysis on the measurement equivalence of political trust scales (discussed in the above sub-chapter). The results of her analysis do not support constructing a comprehensive political trust scale, combining trust measures for representational and implementation institutions, in the case of Iceland. Thus, the present study reviews trust levels for different regime institutions separately, rather than using a composite scale.

6.4 Data

The study's empirical analysis was mainly built on data from two European survey programmes, the European Values Study (EVS) and the European Social Survey (ESS). The reason for choosing these data sets for this study is threefold. Firstly, these two survey programmes have been widely used in political trust research, but they have not been used in research specifically addressing the

development of political trust in Iceland. Secondly, the EVS dataset provides richer data on political trust measures than the Icelandic National Election Study (ICENES), which has been conducted since 1983, and it provides a longer time span than Gallup Iceland's annual public trust survey, which was first conducted in 1993. Thirdly, of the four longitudinal data programmes available to analyse political trust in Iceland, the ESS surveys have the broadest range of data needed to test the study's five sets of explanatory factors on the determinants of political trust in Iceland.

The five waves of EVS data allow us to trace the development in political trust in Iceland over a period of 34 years, from 1984 to 2017/18, via five time points. The Icelandic data for the first wave was collected in 1984, the second in 1990 and the third in 1999. The Icelandic data collection for the fourth wave of 2008 to 2010 was conducted from July 2009 to March 2010, some nine to 18 months after the crash of October 2008. Thus, the fourth EVS wave provides insights into attitudes of Icelanders towards the political system early in the post-crash period. The Icelandic data collection for the fifth wave was conducted from June 2017 to March 2018. When presenting data results on Iceland only, each survey wave will be listed according to the year of data collection: 1984, 1990, 1999, 2009/10 and 2017/18.

The ESS surveys have been conducted three times in Iceland, during the second round in 2004, the sixth round in 2012 and the eighth round in 2016. Data collection in Iceland for the second round took place from May to December of 2005, from October 2012 to March 2013 for the sixth round, and from November 2016 to June 2017 for the eighth round. When presenting ESS data, each time point will be listed as 2004, 2012 and 2016. The ESS data provides a much shorter timespan than does the EVS data. Yet, the timing of the three ESS rounds allows for a sharper focus on the impact of the crash, its difficult aftermath and on the impact of the country's economic recovery on political trust levels.

Additionally, ICENES' measure on public trust in Icelandic politicians was used to complement the EVS and ESS data in the study's descriptive analysis. ICENES has included this measure in its survey questionnaire since the first study was conducted in 1983, and the ICENES survey has been conducted following every parliamentary election in Iceland since then up to the most recent in 2017.

Detailed information on the three survey programmes, including sample size and data collection procedures, is presented in Appendix A.

6.5 The longitudinal descriptive analysis

The descriptive analysis charts movements and trends over time in political trust measures for Iceland. As pointed out by Listhaug and Wiberg (1995), to make political trust measures meaningful, some kind of comparison is needed. The comparison can be a time-series analysis or a comparison of trust levels between different political institutions, between countries, or between social groups. All these sets of comparisons were used in the descriptive analysis focusing on the time period from 1983 to 2018. The choice of the time period is restricted by availability of Icelandic survey data measuring political trust. While the main focus of the present study is on Icelanders' trust in the national parliament of Althing, measures on Icelanders' trust in other regime institutions were included in the descriptive analysis for a comparative purpose. This setup allowed for comparing trust levels between institutions of political representation and those on the implementation side of the political system. The results of the longitudinal descriptive analysis tell how political trust levels in Iceland developed over time, where the crash of 2008 provides a before and after comparison set up.

The first set of comparison in the descriptive analysis compared public trust levels for the national parliament to public trust in other regime institutions of the Icelandic state. The EVS survey, from 1984 to 2017/18, across five time points, provides measures for a longitudinal analysis on public confidence in four regime institutions, namely the national parliament, civil service, justice system, and police. The time points of the EVS data are six to ten years apart. To complement the EVS measures with more frequent measures, a political trust measure from the ICENES was added. The ICENES measure is a question on Icelanders' trust in the country's politicians, covering the time period from 1983 to 2017, across eleven time points.

The second set of comparisons in the descriptive analysis reviewed political trust levels for Iceland in a European perspective, covering the time period from 1981/84 to 2016. The European comparison is in two parts. The first part was based on data from the first four waves of EVS, from 1981-1984 to 2008-2010, as data collection for the fifth wave (2017-2019) was still ongoing in many of the participating countries at the time of the present study. Again, the focus was on comparing trust levels for the national parliament to three other regime institutions: the civil service, the justice system, and the police. The second part was based on data from the ESS surveys from 2004, 2012, and 2016, and, as such, extended the EVS comparative analysis and allowed for sharpening the focus on the impact of the financial crisis of 2008. Three political trust measures from the three ESS rounds focused on public trust in the national parliament,

legal system, and police (the ESS surveys do not include a question on trust in the civil service).

The third set of comparisons in the longitudinal descriptive analysis focused on Iceland and compared trust levels for parliament among different social groups. The comparisons concentrated on factors that were identified in the literature review as determinants of political trust: socio-economic background, materialistic and postmaterialistic values, social trust and associational membership, as well as partisanship. A chi-square test of independence was performed for all the comparative analyses to examine if the observed difference in confidence levels between the categories of each social group was statistically significant (David & Sutton, 2011). Appendix B contains information on the sample size for the groups included in the comparison between social groups.

Lastly, SPSS software was used to run descriptive statistics, such as frequency and percentages, and the results of the descriptive analysis are presented in the form of tables and line and bar charts.

6.6 The multivariate analysis

The multivariate analysis is applied to evaluate the effects of five models predicting different determinants of Icelanders' political trust across three time points of 2004, 2012, and 2016. The models are constructed on the basis of the five theoretical perspectives on the determinants of political trust guiding the study. They are all expected to identify different drivers of political trust, while the magnitude of their impact on people's political trust judgements may differ, as well as their relative magnitude between time points.

With the ESS data for Iceland, an individual-level analysis can be conducted covering a 12-year time period, across three time points. The timing of the three time points makes it possible to test the magnitude of explanatory factors on the determinants of political trust before and after the crash of 2008. The first time point is 2004, which was during a time of economic prosperity and political stability. The second time point is 2012, a few years after the crash, during a time when the socio-economic and political impact of the crash could still be felt in Icelandic society. The third time point is 2016, during a time when the country was experiencing a successful economic recovery, and Icelanders were enjoying economic conditions that were better than in the pre-crash years, at least in terms of gross domestic product per capita.

To evaluate the effects of modernisation at an individual-level of analysis, the focus will be on demographic and socio-economic characteristics to test whether gender, age, education and income have an effect on the development of political trust in Iceland. The 12-year time period is too short for an analysis

of an intergenerational change. Inglehart's theory on the rise of postmaterialist values maintains that the younger and better educated are more likely to adhere to postmaterialist values than are individuals belonging to older age cohorts and with lower levels of education (Inglehart, 1997b, 1999). Thus, the results on the effects of age and education may provide an indication of intergenerational value change on the development of political trust in Iceland.

Furthermore, to test the effect of civic culture in terms of social capital at an individual-level of analysis, the focus is on people's self-reported levels of social trust and civic participation. To test the effect of policy performance at an individual-level of analysis, the focus is on people's subjective perception of government performance in producing desirable social and economic outcomes. To test the effect of process performance at an individual-level of analysis, the focus is on people's perceptions of the impartiality of institutions that exercise government authority, as well as on people's perceptions of whether decision-making processes are responsive to citizens' voice. Finally, to test the effects of electoral outcomes and partisanship at an individual-level of analysis, the focus is on if, and how, people identify with political parties engaged in the national political arena.

6.6.1 Methods

The effects of different explanatory factors on political trust in Iceland were evaluated across three time points using an OLS regression method. The OLS regression method allows for examining the impact of different explanatory factors (independent variables) on the dependent variable (Spicer, 2005). By observing the effect size of each independent variable, the relative magnitude of the explanatory factors on the dependent variable can be evaluated (Goodwin, 2003). In present study's multivariate analysis, five regression models were run for each round of the surveys to examine the impact of the explanatory factors (independent variables) on political trust (dependent variable). The relative importance of each explanatory factor across the three time points was assessed by comparing the confidence intervals for the coefficients of each explanatory factor between the three ESS rounds. Furthermore, a correlation analysis was employed to explore the relationships between the models' variables. Lastly, the data was analysed with the help of SPSS software.

6.6.2 Operationalisation and measurement of the dependent variable

The main focus in the present study is on public trust in the key institution of political representation. In the context of Iceland, the key institution of political representation is the national parliament of Althingi. There are, however, three

measures in the ESS data on public trust in the institutions and actors belonging to the representational side of the political system. These measures are 1) trust in the country's parliament, 2) trust in political parties, and 3) trust in politicians. An analysis of the three survey questions showed a high correlation among the three measures where the Cronbach's alpha values for the three items were 0.901, 0.911 and 0.916 for ESS 2004, ESS 2012 and ESS 2016, respectively, indicating a highly reliable scale (Spicer, 2005). In order to improve the robustness of the analysis, a political trust index was created as an additive summary of the means for the three trust variables, allowing for a range from 0 to 10. Table 4 presents a description of each of the three trust variables separately and of the constructed political trust index in every ESS round.

Table 3. Description of the dependent variable

	N	Min	Max	Mean	SD
ESS 2004:					
Trust in parliament	560	0	10	5.91	(2.24)
Trust in politicians	555	0	9	4.96	(2.09)
Trust in political parties	549	0	10	4.90	(2.14)
<i>Political trust index</i>	545	0	9.33	5.26	(1.97)
ESS 2012:					
Trust in parliament	734	0	10	4.17	(2.36)
Trust in politicians	740	0	10	3.85	(2.18)
Trust in political parties	732	0	10	3.54	(2.21)
<i>Political trust index</i>	725	0	9	3.83	(2.07)
ESS 2016:					
Trust in parliament	875	0	10	5.03	(2.21)
Trust in politicians	875	0	10	4.35	(2.14)
Trust in political parties	868	0	10	4.13	(2.20)
<i>Political trust index</i>	865	0	9.33	4.50	(2.02)

Note: Post-stratification weight applied. Source: The second, sixth and eighth rounds of ESS.

The mean of the political trust index for ESS 2004 was 5.26, with a standard deviation of 1.97. The distribution approximated the shape of a normal distribution, although with a negative skew whereby the left tail is longer. The mean of the political trust index for ESS 2012 was 3.83, with a standard deviation of 2.07. The distribution of the political trust index variable in ESS 2012 was bimodal; there were two peaks in the data. The first peak was for the value 0, which are the responses of “no trust at all” when asked about trust in

parliament, political parties and politicians. The distribution of the data values 2 to 10 approximated the shape of a normal distribution. A further examination of the data, including outlier and residual analyses, showed that the bimodal distribution was not undermining the robustness of the OLS regression models for the 2012 time point analysis. The mean of the political trust index for ESS 2016 was 4.50, with a standard deviation of 2.02. The distribution approximated the shape of a normal distribution with a negative skew. The values for skewness and kurtosis for the distribution of the political trust index variable for all three rounds were within an acceptable range (the value of skewness [+/-1] and kurtosis [+/-3]) (Tabachnick & Fidell, 2001; “University of Cambridge: MRC Cognition and Brain Science Unit,” n.d.). Additionally, Tables 1 to 3 in Appendix C show the political trust index’s mean scores for categorical variables for each ESS round.

6.6.3 Operationalisation and measurements of independent variables

The three ESS rounds do not have all the same questions as there are variations between the rounds depending on the focus theme of each round. Also, new questions and response scales have been introduced or replaced over the years. These variations limited options for choosing proxy variables and caused some challenges in comparing the models across the three time points. Descriptive statistics for all the independent variables for every round of ESS are presented in Tables 4 to 6 in Appendix C.

Demographic and socio-economic background

In this study, the demographic and socio-economic variables are not regarded as mere control variables included to be able to demonstrate the effects of other independent variables in the study’s models. The aim is to examine how much each background variable contributes to political trust at any given point in time and to assess if their relative impact changes over time, especially with reference to the comparison before and after the crash.

The conventional proposition in political science research has been that the well-educated and upper social status citizens are more supportive of the political process than are other social groups. Individuals belonging to this group are seen to benefit more from the existing social and political systems and to display greater activism in public affairs and key political arenas than do less educated and lower income groups (Norris, 2011; Turper & Aarts, 2017). Age is often positively correlated with income and political participation, although the relationship may be curvilinear, since people’s income tends to decrease when they retire, and they scale down on civic and political activity. The literature is

not explicit about the effect of gender on political trust (Marien, 2008). Thus, the present analysis does not have strong expectations regarding the effect of gender on political trust. Lastly, as Listhaug (1995) points out, short-term shifts in political trust levels among different social groups may be explained by how specific government policies or election outcomes affect particular social groups. Thus, in the context of this study, demographic and socio-economic variables are also used as proxies for how different social groups were affected by the crash and how they are experiencing the economic recovery.

For the gender variable, a dummy variable was created where women received the code of 1 and men received the code of 0. The age variable took a range of numerical values corresponding to the respondents' ages. To examine if there was a curvilinear relationship between age and political trust, an age-squared variable was added. To test the effect of education, a dummy variable was created where participants who had completed a university degree received a code of 1 and those who had not obtained a university education were coded as 0. To test the effect of income on the development of political trust, household income deciles were used. The survey question used for household income is phrased as follows: "Using this card, please tell me which letter describes your household's total income, after tax and compulsory deductions, from all sources? If you don't know the exact figure, please give an estimate." In the ESS 2004 survey, the participants could choose between 12 letters. In ESS 2012 and ESS 2016 there were 10 possible choices. The response letters made up 12 household income groups in case of ESS 2004 and 10 household income deciles in the cases of ESS 2012 and ESS 2016. The household income deciles were recorded in ascending order, creating an ordinal variable.

Social capital

In accordance with Robert Putnam's social capital theory, social capital has been operationalized as social trust and civic participation (Putnam, 2000; Putnam et al., 1993). The effect on social trust on political trust has been established in empirical research using a survey question on participants' generalised trust in other people (Zmerli & Newton, 2008). There has, however, been more variation in how the participation component of social capital has been measured in trust research. It ranges from being an active member in civic and voluntary organisations to a passive, associational member to more generalised activity in social networks. It has often proved to be difficult to establish a link between participation and political trust at an individual level of analysis as the relationship may be indirect and more sensitive to the length of time of the analysis (Keele, 2007; Liu & Stolle, 2017).

Putnam insists that involvement in almost any type of civic organisation supports the creation of social capital, but he emphasises that people have to be actively involved. The face-to-face interactions among members generate trust and cooperation, not passive membership. In this study, civic participation was operationalized as an active membership using two questions from the ESS surveys. The first question asked “[d]uring the last 12 months have you worked in a political party or action group?” (Yes/no), while the second asked “during the last 12 months have you worked in another organisation or association?” (Yes/no). The two variables were computed into one variable and recoded as a dummy variable where those who had, in the last 12 months worked in a political party, action group and/or another organisation or association, received the code of 1. Those who had not taken part received a code of 0. A correlation analysis, using the Kendall’s tau test, on the relationship between the civic participation variable and political trust index variable showed a very weak relationship between the two variables. The civic participation variable did not show a significant effect on the dependent variable in a preliminary test of the study’s five models across the three time points. Consequently, it was decided to not include civic participation in the multivariate analysis and only test the effect of social trust.

The social trust measure in this study was based on the survey question: “Generally speaking, would you say that most people can be trusted, or that you can’t be too careful in dealing with people? Please tell me on a score of 0 to 10, where 0 means ‘you can’t be too careful’ and 10 means ‘that most people can be trusted’” (11-point scale).

Partisanship

The literature emphasises the effect of identifying with the party/parties in government on political trust, often referred to as the winners’ effect (Anderson & Tverdova, 2001; Holmberg, 1999; Holmberg et al., 2017). It also emphasises the importance of citizens’ attachment to the party system for the development of political trust; when citizens identify with a particular political party, regardless if that party is in government or not (Miller & Listhaug, 1990). Dalton (2004) talks about the emergence of a multidimensional policy space. With the political agenda becoming more complex and fragmented in advanced industrial democracies, it is very difficult for government to maximise voter satisfaction, which has resulted in public dissatisfaction with the political process.

Vilhelmsdóttir and Kristinsson’s (2018) study of the effect of party closeness on political trust in Iceland, using the same data sets as the present study, showed that identifying with parties in government was an important

predictor of political trust prior to the crash of 2008 but not in the years following the crash. Vilhelmsdóttir and Kristinsson's study compared trust levels of people identifying with the parties in government to of people identifying with the parties in the minority in parliament and smaller parties outside parliament. Their study did not, however, examine if there was a difference in the trust orientation between those not identifying with any party and those reporting party closeness.

The present study extends Vilhelmsdóttir and Kristinsson's (2018) work by examining party closeness in two ways. First, it tests the winners' effect by comparing those identifying with a party in government to all others, not only to those feeling closer to the parties in the minority in parliament as in Vilhelmsdóttir and Kristinsson's study. Secondly, it tests the effect of partisanship as an attachment to the party system by comparing those identifying with one of the political parties to those who do not report party closeness. The measure on partisanship is also seen as a proxy for how citizens related to the political system. As such, it connects with Dalton's (2004) notion of increasing policy fragmentation and public dissatisfaction with the political process.

In this study, partisanship was measured based on nested survey questions. The question was phrased as "[i]s there a particular political party you feel closer to than all the other parties?" The respondents could answer yes or no to this question; those who replied affirmatively were then asked to name the political party to which they felt closer. Based on the answers, two new variables were created and recoded as two dummy variables allowing for twofold comparison. The first one focused on attachment to the party system by comparing respondents who reported to feeling closer to a particular party either in government or outside the government at the time of the data collection (receiving the code of 1) to respondents who reported not feeling closer to a particular party (receiving the code of 0). The second one focused on the winners' effect by comparing respondents who reported feeling closer to the parties forming the coalition government at the time of the data collection (receiving code of 1) to respondents who reported feeling closer to the parties outside the government or who reported not to feeling closer to a particular political party (receiving code of 0).

Policy performance

A government's performance in producing desirable outcomes, or people's evaluation of what they get from the government, is well established in the literature and empirical research as a key source of political trust. A government's success in producing desirable economic outcomes has long been

studied in political trust research (Lawrence, 1997; van der Meer, 2017a). Studies have demonstrated the strong impact of people's subjective perceptions of economic performance on political trust (Polavieja, 2013; van der Meer & Dekker, 2011). Kumlin and Haugsgjerd (2017) call for including public welfare system performance in political trust research, especially in countries with an extensive public welfare system.

In this study, the measure of policy performance was divided into subjective economic performance and subjective welfare services performance. The ESS data contains two questions that can be used to measure welfare services performance, respondent's evaluation of the state of the country's health care services and of the state of education in the country. The provision of education in Iceland is a shared responsibility between the local governments at the pre-primary and primary levels, and the national government at the upper secondary and higher education levels. The national government and parliament are assumed to be responsible for the country's economy and for securing funding for the national health services, which is funded through taxation. Whereas the focus of the present study is on trust in the national parliament, the measures of economic performance and the state of health care services were used in the statistical analysis.

Subjective economic performance was measured in this study based on respondents' reported satisfaction with the state of the country's economy, using the following survey question: "On the whole how satisfied are you with the present state of the economy in Iceland? 0 means 'extremely dissatisfied' and 10 means 'extremely satisfied'" (11-point scale). Subjective welfare performance was measured in this study based on respondents' evaluation of the state of the country's health services using the following survey question. "Please say what you think overall about the state of health services in Iceland nowadays? 0 means 'extremely bad' and 10 means 'extremely good'" (11-point scale).

Process performance

The literature theorises about the effect of the quality and integrity of the processes of democratic governance on political trust. Citizens are more likely to express political trust when they find the processes of decision making to be fair and the state institutions to be impartial in their exercise of public authority (Hibbing & Theiss-Morse, 2001; Levi, 2003; Ulbig, 2002). The relationship between public sector corruption and political trust is believed to be reciprocal and fuelled by negative dynamics; low levels of political trust can both be the cause and consequence of corruption (Morris & Klesner, 2010). At the individual level of analysis of the effect of process performance, the focus has

been on procedural elements in decision making that are believed to shape sentiments of political trust, such as fairness, neutrality and citizens' voice (De Cremer & Tyler, 2007; Grimes, 2005, 2017; Levi, 2003; Tyler, 1998). Process performance becomes a source of political trust when the public perceives the political decision-making processes to be fair and the authorities to be responsive to citizens' voice in political decision making.

The operationalisation of process performance is not as established in political trust research as the operationalisation of policy performance. There are no survey questions specifically measuring citizen perception of political corruption available in the ESS data. There are, however, a number of questions in the three rounds of ESS that can be used as proxies to capture other elements central to subjective process performance. Yet, these questions are not included in all three rounds. Despite the shortcomings of having to use different proxies in every round, these proxies are considered acceptable when examining the effects of perceived process performance on political trust. The comparison of the impact of perceived process performance across the three time points, however, has to be done cautiously.

In this study, perceived process performance was measured using four proxies. Two of these measure people's perceptions of how honest public officials are and how impartial state institutions are in their dealings with citizens. These proxies are meant to capture people's sense that state institutions are impartial in their exercise of public authority, an element that is considered to be the very essence of quality of government. Both of these measures have been used as proxies to assess public perception of procedural fairness in studies on political support, a concept closely related to political trust as both are part of Norris' conceptual framework of political support (Erlingsson et al., 2014; Linde & Dahlberg, 2016). The other two proxies measure people's perceptions that they can influence government decision-making, and, as such, they are meant to capture people's sense that the government is responsive to citizens' voice in political decision making. The first proxy, used for the 2012-time point, has been used in empirical research to evaluate the impact of perceived government responsiveness on political support (Linde & Peters, 2018).

In the ESS 2004 round, one survey question was used as a proxy for the perceived impartiality of state institutions in exercising public authority: "How much would you trust public officials to deal honestly with people like you?" The response options were distrust a lot, distrust, neither trust nor distrust, trust, and trust a lot (5-point scale).

In ESS 2012, there were two proxies, one for perceived impartiality and another for the government's responsiveness to citizens' voice. Perceived impartiality of state institutions in ESS 2012 was measured using the following

survey question: “Please tell me to what extent you think the courts in Iceland treat everyone the same? 0 means ‘does not apply at all’ and 10 means ‘applies completely’” (11-point scale). The perceived government’s responsiveness to citizens’ voice in ESS 2012 was measured using the following question: “Please tell me how often you think the government in Iceland today changes its planned policies in response to what most people think? 0 means ‘never’ and 10 means ‘always’” (11-point scale).

In ESS 2016, there is one question used as a proxy for government responsiveness to citizens’ voice: “How much would you say the political system in Iceland allows people like you to have a say in what the government does?” The options for responses were not at all, very little, some, a lot, and a great deal (5-point scale).

Additionally, bivariate correlation analyses were conducted for all the three ESS rounds to assess the strength of relationships between the independent variables, and between the independent variables and the dependent variable. The results of the correlation analyses are presented in Table 7 in Appendix C.

6.6.4 The models

The study’s models are based on the theoretical perspectives guiding the study. Five regression models were constructed to allow for detecting the impact of each theoretical perspective as a source of political trust. The hierarchical regression method was used, building five models by adding a set of explanatory variables to a previous model at each step. The hierarchical regression method allows for determining whether newly added variables show a significant increase in explained variance in dependent variables (Spicer, 2005). By using hierarchical regression, the effect of each of the five sets of predictors on political trust variable can be compared.

Explanatory variables were entered into the equation in five sets in accordance with the five theoretical perspectives. Model 1 estimates the effect of socio-economic characteristics on political trust with a set of four predictors: gender, age, education and household income. Model 2 adds the effect of social trust to the equation. Model 3 adds the effect of partisanship with a set of two predictors: reported party closeness (party attachment) and reported closeness to a party in government (winners’ effect). Model 4 adds the effect of subjective policy performance to the equation with a set of two predictors: subjective economic performance and subjective welfare performance. Model 5 adds the effect of subjective process performance to the equation with a set of two predictors: perceived impartiality of state institutions and perceived government’s responsiveness to citizens’ voice.

In closing, this chapter discussed the study's research methodology and described the research design as well as the key elements of the research plan. Chapter 7 covers the longitudinal descriptive analysis, and Chapter 8 covers the multivariate analysis.

7 Mapping the trends

The first step in understanding the key elements in the development of political trust in Iceland is to establish a picture of trends in the descriptive evidence. In this chapter, descriptive statistics are used to chart the movements of political trust levels from 1983 to 2018 to see if significant changes or trends can be identified. The focus is on public trust in the national parliament, Althingi, but trust measures for other regime institutions and political actors are also reviewed. The longitudinal descriptive analysis consists of three sets of comparisons. The first compares public confidence levels for four core institutions of the Icelandic state: the national parliament, civil service, justice system, and police. The second compares the development of political trust levels in Iceland to other European countries. The third compares social groups' reported trust in the national parliament, Althingi.² The results of the descriptive analysis are discussed in this chapter, then reviewed in Chapter 9, when the study's overall results and findings are discussed.

7.1 Comparison between regime institutions

Table 4 shows responses across the five time points for EVS survey questions on public confidence in four core institutions of democratic rule: the national parliament, civil service, justice system and police. It shows both the trends in trust levels in these institutions of the Icelandic state from 1984 to 2017/18 and variations between the four response options for each institution and time point.

² When reviewing the descriptive evidence on political trust, we should keep in mind that the survey responses allow for distinguishing between trusting and non-trusting respondents. As discussed in Chapter 6.2, they do not tell us if the non-trusting respondents are sceptical towards the political system or if they are actively distrustful. There is an important difference between the two.

Table 4. Public confidence in four core regime institutions 1984-2017/8

	A great deal	Quite a lot	Not very much	Not at all	N	A great deal or quite a lot	Confidence interval
<i>Parliament</i>							
1984	8%	50%	37%	5%	914	58%	±3.2%
1990	10%	44%	38%	8%	692	54%	±3.7%
1999	15%	57%	25%	3%	957	72%	±2.8%
2009/10	5%	34%	49%	12%	808	39%	±3.4%
2017/18	5%	39%	48%	8%	901	44%	±3.2%
<i>Civil service</i>							
1984	3%	45%	46%	6%	917	48%	±3.2%
1990	6%	40%	46%	8%	684	46%	±3.7%
1999	5%	51%	41%	3%	944	56%	±3.2%
2009/10	4%	56%	37%	2%	783	60%	±3.4%
2017/18	4%	64%	30%	2%	882	68%	±3.1%
<i>Justice system</i>							
1984	12%	58%	28%	2%	916	70%	±3.0%
1990	13%	54%	29%	4%	692	67%	±3.5%
1999	18%	55%	23%	4%	944	73%	±2.8%
2009/10	16%	51%	28%	5%	789	67%	±3.3%
2017/18	12%	53%	32%	3%	885	65%	±3.1%
<i>Police</i>							
1984	13%	63%	22%	3%	917	76%	±2.8%
1990	20%	65%	14%	1%	698	85%	±2.7%
1999	21%	62%	15%	2%	961	83%	±2.4%
2009/10	37%	55%	7%	1%	804	92%	±1.9%
2017/18	39%	54%	6%	1%	914	93%	±1.7%

Notes: Questions; “How much confidence do you have in parliament/civil service/justice system/police? Is it ‘a great deal’, ‘quite a lot’, ‘not very much’ or ‘none at all’? A 95% confidence interval. Source: Five waves of EVS, 1984-2017/18 - Icelandic data. Weight applied for 1984-2009/10 (not available for 2017/18).

The first stage of the analysis looks at trends in trust levels for the four institutions in question. In 1984, some 58% of Icelandic citizens reported having a great deal or quite a lot of confidence in the country’s parliament, the Althingi. This number dropped to 54% in 1990, yet the change between the time points was within margin of error. Icelanders’ confidence in Althingi rose steeply between 1990 and 1999 to 72%, but then it took a sharp downturn in 2009/10 when only 39% of respondents expressed confidence in parliament. Eight years later, in 2017/8, reported confidence in parliament was up to 44%. While an important indication that Icelanders’ confidence in their parliament is

rebounding, some nine years removed from the crash, the change in confidence levels for parliament between 2009/10 to 2017/18 is still within the conventional margin of error.

The measures for the police and the civil service show, on the other hand, an overall increase in public confidence in these two institutions during the time studied. In 2017/18, some 93% of the respondents reported confidence in the police, up from 76% in 1984. In 2017/18, 68% of the respondents expressed a great deal or quite a lot of confidence in the civil service, up from 46% in 1990. By contrast, confidence levels for the justice system show more fluctuations over time, starting at 70% in 1984, down to 67% in 1990, peaking in 1999 at 73%, going down in 2009 to 67% and then dropping to 65% in 2017/18. But, the changes between 1984 and 1990 and again between 2009/10 and 2017/18 are within margin of error.

The next stage of the analysis is to focus on the variation in the four response options for each institution across the five time points. In the political science literature, the conventional way to present trust levels using EVS data is to combine scores for a great deal and quite a lot of confidence. Yet, observing the results for respondents reporting a great deal of confidence and no confidence at all needs attention as well, at least in the case of Iceland. There are two observations to be noted. Firstly, only for confidence in the police is there a substantial percentage of respondents expressing a great deal of confidence, 37% in 2009/10 and 39% in 2017/18. While confidence in the civil service has been on the rise, very few respondents express a great deal of confidence in that part of the political system, or between only 3% and 6% for all the five time points. The number of respondents reporting a great deal of confidence in the justice system has fluctuated over the period studied, from 12% in 1984, peaking at 18% in 1999 and then dropping back to 12% in 2018/17. The sharp downturn in confidence in the national parliament in 2009/10 is reflected in the number of respondents expressing a great deal of confidence dropping to 5% from 15% in 1999. Although the confidence level for the parliament increased from 39% to 44% between 2009/10 and 2017/18, the percentage of respondents expressing a great deal of confidence in parliament remained 5%.

Secondly, the not at all column in Table 4 shows that very few respondents report having no confidence at all in the core institutions of the Icelandic state. For the civil service and the police, the number ranges between 1% and 3% in the most recent waves, while the not at all score for the justice system has fluctuated between 3% and 5% for all the five time points. The results shown in Table 4 demonstrate that how much Icelanders trust may vary between these three institutions and over a period of time, but very few respondents state that

they have no confidence at all. The case of the national parliament shows a different trend. For Althingi, 12% of respondents reported having no confidence at all in 2009/10, going up from 3% in 1999. In 2017/18, some 8% of respondents reported having no confidence at all in the national parliament, the same percentage of respondents as in 1990.

To sharpen the focus on the trends in trust levels in Iceland from 1984 to 2017/18, Figure 2 shows trust levels presented as the percentage of respondents answering that they had quite a lot or a great deal of confidence in the four core institutions.

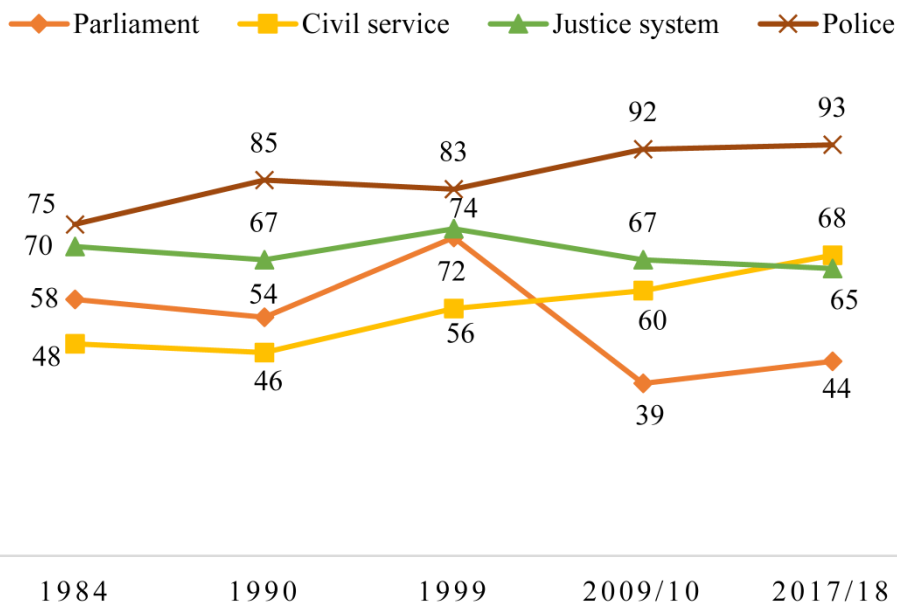


Figure 2. Confidence levels (%) for four core regime institutions 1984-2017/8

Notes: Questions; “How much confidence do you have in parliament/civil service/ justice system/police? Is it ‘a great deal’, ‘quite a lot’, ‘not very much’ or ‘none at all?’” Figure entries are the percentage of “a great deal” or “quite a lot.” Source: Five waves of EVS, 1984-2017 - Icelandic data. Weight applied for 1984-2009/10 (not available for 2017/18).

The time series of confidence levels in Figure 2 demonstrate an interesting development, and it is important to note four features there. Firstly, there are the trends in trust levels for the institutions on the implementation side of the political system: the civil service, justice system and police. From 1984 to 1999,

Icelanders were more trusting toward their national parliament than their civil service. In 2009/10, this changes as public confidence in parliament drops sharply while confidence in the civil service continues to increase. The gap between the confidence levels in the two institutions continued to increase in 2017/18. The increasing confidence in the civil service in Iceland can be seen as resulting from a series of reforms in the country's administrative system as discussed in Chapter 5. These reforms started the 1980s and were aimed at clarifying procedures and eliminating favouritism and patronage in the administration (Kristinsson, 2012). There is no sign that the financial crash has undermined the reforms.

The fluctuations over time in public confidence in the Icelandic justice system are in accordance with Kristinsson's (2011) findings in his study on the district courts in Iceland. Using Gallup Iceland's annual public trust measures from 1999 to 2010, Kristinsson's analysis revealed that Icelanders' trust in the justice system tended to fluctuate. He suggested that this fluctuation in trust levels could be seen to result from controversial appointments of judges to supreme and district courts in the in the first decade of the century. These appointments caused considerable controversy at the time as they were perceived to be politically driven.

The context for Icelanders' trust in the police is that Iceland is listed as the most peaceful country in the world, and it has one of the lowest global crime rates. The Icelandic police operates in a law enforcement context that can be described as non-confrontational. The increase in confidence levels for the police in 2009/10, and the continuously high confidence levels for the police in the post-2008 era should be interpreted via the soft approach that police took during the mass protests in the months following the crash (see Bernburg, 2016). The police's approach to the protests was to de-escalate intensive situations and use minimal violence in response. This soft approach has been cited as a key factor in preventing the protests during the winter of 2008 to 2009 from escalating into direct conflict between the protesters and the police and possibly becoming a threat to public order (Bernburg, 2016). Political protests have been frequent in the post-2008 era in Iceland, although they have not been on the same scale as those in the winter of 2008 to 2009. The Icelandic police authorities continue to follow the same soft approach at protest sites, making the police among the most trusted public institutions in Iceland.

The second issue to be discussed regarding the results in Figure 2 is the growing gap in confidence levels between the four institutions since the first EVS survey in 1984. In 1984, there was a 28 percentage point gap between the police, with highest level of confidence, and the civil service, with the lowest. In 2017/18, the gap between the highest and the lowest is up to 49 percentage

points. Again, the police had the highest level of confidence, or 93%, while the parliament had the lowest at 44%. The widening gap in confidence levels between the different institutions of the political system in Iceland can already be seen in the EVS 2009/10 survey, indicating that it the crash of 2008 was a significant factor in this development. Bjarnason (2014) observed this growing gap in trust levels between institutions in his study on trust in crisis, using Gallup data from 2012, focusing on public trust in the national parliament, the police, the president and politicians in the aftermath of the crash.

Thirdly, the different trends in the development of confidence levels for four institutions demonstrate that the notion of political trust should be understood as a multidimensional notion and measured as such in empirical research. As discussed earlier, there is an ongoing debate in the literature about whether political trust is as object-specific as is often assumed in, for example, studies following the conceptual framework of political support. The alternative view claims that citizens do not perceive the political system in clearly defined categories when expressing their political trust attitudes. Hooghe (2011) stressed that political trust should be perceived as a comprehensive expression towards the political system as whole. This is because all institutions and actors of the same political system share the norms of the same political culture, so they will behave in the same way. Hence, trustworthy political institutions will also mean trustworthy politicians. Marien (2011b, 2017), on the other hand, refers to statistical analysis showing high inter-correlation between political trust measures and argues for using a political trust scale consisting of measures in different institutions in political trust research.

Last, but not least, the results in Figure 2 demonstrate clearly that the crash did not affect all the core institutions equally. As discussed earlier and established in research (see also Vilhelmsdóttir & Kristinsson, 2018), the negative impact of the crash on political trust in Iceland was concentrated on the institution of democratic representation rather than on the institutions on the implementation side of the political system. The sharp fall in confidence in parliament in the fourth wave in 2009/10 is clear to see in Figure 2. Similar findings have been reported on the development of political trust levels in Ireland, Spain and Portugal following the financial crisis of 2008, all countries that were greatly affected by the economic and fiscal crises like Iceland (O'Sullivan et al., 2014; Torcal, 2014). In these crisis-hit countries, the fall in public trust levels was more confined to the institutions on the representational side of the political system, such as political parties and parliament.

Additionally, the time points of the EVS data are six to ten years apart. It is therefore useful to complement the EVS measures with another data series with more frequent measures. With data from the Icelandic National Election Survey

(ICENES), Icelanders' trust in the country's politicians can be traced from 1983 to 2017 and the measurement points are more frequent than in the EVS data (Figure 3).

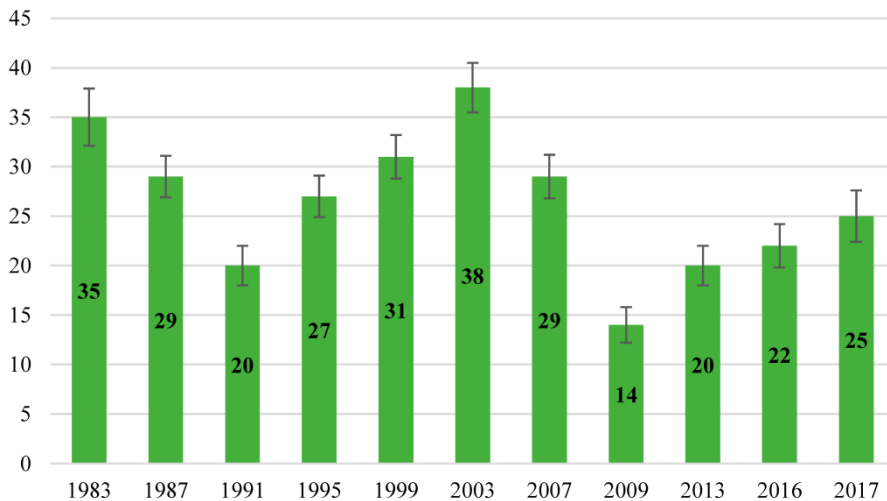


Figure 3. Public trust (%) in Icelandic politicians from 1983 to 2017

Notes: Question; “Do you think that politicians are in general trustworthy, that many of them are trustworthy, some are trustworthy, few or none?” Figure entries are the percentage of “in general trustworthy” and “many of them are trustworthy.” A 95% confidence interval. Source: ICENES, 1983-2017.

Figure 3 reveals fluctuations in Icelanders' trust in their politicians. Yet, it also shows a similar trend as in the EVS data for Icelanders' confidence in the national parliament. There is a fall in trust levels around 1990, followed by increasing trust throughout the 1990s, and a sharp fall in trust following the crash with a rebound during economic recovery. In 1983, some 35% of respondents said that Icelandic politicians were general trustworthy, or at least many of them were. This number dropped to 20% in 1991, then started to rise and peaked in 2003 at 38%. It then fell again, sharply from 2007 to 2009, when only 14% of respondents expressed trust in politicians. By 2013, trust was on the rise again, and in 2017, some 25% of respondents expressed trust in politicians. The trend in Figure 3 indicates that trust for politicians is sensitive to the economic situation (see also Vilhelmsdóttir & Kristinsson, 2018). Public trust in politicians remained fairly high during the relatively prosperous 1980s

but suffered in the early 1990s when the country was hit by economic recession. With a growing economy, trust recovered during the 1990s and early 2000s. The trust measure for 2007 shows an early sign of what would happen in 2009 as Icelanders' trust in politicians began to take a downturn. The turbulence in international financial markets in 2006 exposed the vulnerability of the highly leveraged Icelandic economy and put pressure on the Icelandic krona, resulting in rising inflation in 2006 and 2007. In 2009, some six months after the crash and as the Icelandic economy was undergoing its steepest recession, public trust in politicians was at its lowest point. With the Icelandic economy recovering since 2011, public trust in politicians increased between 2009 and 2013, from 14% to 20%. Figure 3 shows that Icelanders' trust in their politicians continued to increase in 2016 and again in 2017. Yet, the increase between 2013 and 2016, and again between 2016 and 2017 is within margin of error.

7.2 European comparison

How does the development of political trust in Iceland compare to developments in other Nordic countries and other established democracies in Europe? Are the trends there similar to what was observed in the Icelandic data? Time-series studies for political trust in Europe have shown stable, long-term development overall (Marien, 2011b; Norris, 2011; Torcal, 2017; van de Walle, van Roosbroek, & Bouckaert, 2008). The results of the Beliefs in Government Project, a comparative study focusing on political attitudes in Western Europe in the 1970s and 1980s, did not show widespread or severe declines in political trust levels (Klingemann & Fuchs, 1995). The general conclusion of the Beliefs in Government Project was that political actors, institutions and procedures in Western European democracies proved to be more flexible, adaptive and responsive to social and political changes than political theories had assumed (Kaase et al., 1997). There have been fluctuations in trust levels in individual countries, e.g., Sweden in the 1990s and the Netherlands in the 2000s (Bovens & Wille, 2008; Holmberg, 1999). In general, there is no evidence of long-term decline in political trust in Europe (Catterberg & Moreno, 2005; Klingemann & Fuchs, 1995; Listhaug & Ringdal, 2008; van der Meer & Dekker, 2011).

There have, however, always been regional variations in trust levels for Europe. As mentioned earlier, the Scandinavian countries have continually reported the highest levels of political trust (Catterberg & Moreno, 2005; Klingemann & Fuchs, 1995; Torcal, 2017; van der Meer & Dekker, 2011). Citizens of the countries in the southern part of the continent and in the former communist countries of Eastern Europe are much less trusting. Trust levels in Western Continental Europe and the British Isles fall in between. These regional differences in trust levels are believed to reflect cultural differences between the

regions, including differences in political and civic cultures, as well as variations in institutional features and performance (Torcal, 2017). High levels of human development, strong egalitarianism, inclusive welfare policies and low levels of corruption are among the factors that have been cited as explanatory factors for the high political trust levels in Northern Europe (Anderson & Singer, 2008; Listhaug & Ringdal, 2008). Also, country rankings for trust levels have remained steady for Europe. Neither the social and political changes of the last three decades nor the economic and fiscal crises following the financial crisis of 2008 seem to have altered the overall country rankings (Torcal, 2017).

More recent studies showed a decline in levels of political trust in many European countries following the financial crisis of 2008 (O'Sullivan et al., 2014; Polavieja, 2013; Roth et al., 2011; Torcal, 2014, 2017). An analysis of trust in national parliaments for EU member states from the spring of 2008 to the autumn of 2010 detected this trend. It showed a much greater loss of citizens' trust in the four European economies hardest hit by the financial crisis of 2008, Ireland, Spain, Portugal and Greece, as compared to other EU member countries (Roth et al., 2011). The economic and fiscal crises in Europe affected more public trust in the institutions of political representation than those of law and order. Torcal (2017) talks about how the crises functioned a stress test for representative democracies in the countries most exposed to the crisis. Moreover, the harsh impact of the crises on political trust levels in these countries seemed to have altered the relative importance of factors influencing people's political trust judgements, making economic evaluations more salient (Torcal, 2017).

Icelandic political trust levels can be reviewed in a European perspective by using data from the first four waves of EVS from 1981-1984 to 2008-2010. The comparison spans only for the first four EVS waves as data collection for the fifth wave is still ongoing in many of the participating countries at the time of this study. Using the EVS data for a time series comparison presents, however, some challenges. The number of participating countries increases in each successive wave. Subsequently, there is also an increase in variation in terms of geographic locations, type of democracy and the political history of the participating countries.³

³ The dataset for the first EVS wave includes only 15 countries and one region (Northern Ireland). All of them fall under the category of well-established democracies of Western Europe and North America (United States and Canada). In the second wave (1990-1993), many of the transition countries of Central and Eastern Europe came in, and the third wave (1999-2001) saw further expansions east and to the Balkan states. In the fourth wave, (2008-2010), 47 countries and one region (Northern Ireland) took part

Nineteen countries were chosen in addition to Iceland for the comparative analysis, with emphasis on the established democracies of Western Europe. These countries are the other four Nordic countries, Great Britain and Ireland, the three Benelux countries, Germany, Austria, Switzerland, France and the southern European countries of Spain, Portugal, Malta and Italy. Additionally, there are two former communist countries from Eastern Europe, the Czech Republic and Estonia. Some of these countries do not have data for all the four time points. Consequently, there are results for 13 countries in the first wave, 18 in the next two waves and 20 in the fourth wave (Table 6 to Table 9).

The precise timing of the data collection in the participating countries for the fourth wave is also of note. The fourth wave took place from 2008 to 2010, and in some participating countries, the data collection was finished by the time the impact of the financial crisis of 2008 started to be felt. This is, for example, the case with the crisis-hit countries of Ireland, Spain, and Portugal.⁴ In order to sharpen the focus of the European comparative analysis on the impact of the financial crisis on political trust levels, ESS data is used later.

Furthermore, van der Meer (2017b) maintains that information on longitudinal developments and cross-national rankings are more meaningful than the absolute percentage of political trust levels in a single country. Accordingly, the following comparative analysis focusses on cross-national rankings, rather than on differences in absolute percentages of political trust levels between Iceland and the other European countries.

Table 5 through Table 8 show the percentage of respondents per country who reported having a lot or a great deal of confidence in four core institutions by EVS survey wave. The four institutions are the national parliament, civil service, justice system and police.

from all parts of Europe, as well as three countries from the Caucasus region (www.europeanvaluesstudy.eu).

⁴ Information data collection for the fourth wave of EVS 2008-2010: <http://www.europeanvaluesstudy.eu/page/participating-countries-and-country-information-survey-2008.html>

Table 5. Confidence (%) in national parliament in a European perspective: EVS 1981-2010

Country / EVS wave	1981-84	1990-93	1999-2001	2008-10
Austria	NA	41	41	31
Belgium	38	43	36	43
Czech Republic	NA	38	12	17
Denmark	37	42	49	70
Estonia	NA	NA	27	28
Finland	NA	34	44	44
France	56	48	41	51
Germany	54	49	36	37
Great Britain	41	46	36	23
Iceland	58	54	72	39
Ireland	53	50	31	49
Italy	30	32	34	34
Luxembourg	NA	NA	63	68
Malta	46	42	52	54
Netherlands	45	54	55	49
Norway	78	59	NA	64
Portugal	NA	34	49	41
Spain	49	43	46	48
Sweden	47	47	51	60
Switzerland	NA	NA	NA	64

Notes: Question; “How much confidence do you have in the national parliament? Is it ‘a great deal’, ‘quite a lot’, ‘not very much’ or ‘none at all?’” Table entries show the proportion answering with a great deal or quite a lot of confidence. NA = not available. The top five percentage scores in each wave are in italics. Weight applied. Source: European Values Study, four waves 1981-1984 to 2008-2010.

The results in Table 5 show that public trust in national parliaments tends to fluctuate, as has been pointed out in the political trust literature (Norris, 2011; Torcal, 2017). In the early 1980s, Icelanders’ confidence in parliament ranked second after Norway, followed by France and Germany (then West Germany). In the early 1990s, the confidence level for Iceland ranked second after Norway, along with the Netherlands and followed by Ireland. In the third wave from 1999 to 2001, public confidence in the national parliament in Iceland was 72%, the highest of all the 18 countries listed, followed by Luxembourg and the Netherlands.

The comparison in the fourth wave, from 2008 to 2010, shows a very different picture. There, Icelanders' confidence in the national parliament ranked number 14 out of the 20 countries listed. While noting that the data for many of the participating countries in the fourth wave was collected before the impact of financial crisis of 2008, the fall of public trust in the Icelandic parliament between the third and fourth waves is remarkable.

Table 6. Confidence (%) in civil service in a European perspective: EVS 1981-2010

Country / EVS wave	1981-84	1990-93	1999-2001	2008-10
Austria	NA	41	42	41
Belgium	45	42	46	56
Czech Republic	NA	33	22	34
Denmark	47	<i>51</i>	55	67
Estonia	NA	NA	40	60
Finland	NA	33	41	46
France	53	<i>49</i>	46	62
Germany	36	35	39	39
Great Britain	50	44	46	43
Iceland	48	46	56	60
Ireland	55	<i>59</i>	<i>61</i>	62
Italy	28	27	33	37
Luxembourg	NA	NA	60	70
Malta	57	39	49	55
Netherlands	45	<i>46</i>	37	42
Norway	58	44	NA	57
Portugal	NA	32	<i>54</i>	47
Spain	40	37	41	44
Sweden	46	44	49	49
Switzerland	NA	NA	NA	73

Notes: Questions; "How much confidence do you have in civil service? Is it 'a great deal', 'quite a lot', 'not very much' or 'none at all'?" Table entries show the proportion answering with a great deal or quite a lot of confidence. NA = not available. The top five percentage scores in each wave are in italics. Weight applied. Source: European Values Study, four waves 1981-1984 to 2008-2010.

The results in Table 6 show that, in the early 1980s, confidence in the civil service in Iceland ranked number six after Norway, Malta, Ireland, France and Great Britain. In the early 1990s, the confidence level for the Icelandic civil service was 46%, ranking fourth along with the Netherlands, after Ireland,

Denmark and France. In the third wave from 1999 to 2001, public trust in the civil service in Iceland was up to 56%, ranking third following Ireland and Luxembourg. For the fourth time point of 2008 to 2010, Icelanders' confidence in their civil service had increased up to 60%, yet it ranked six out of the 20 countries listed.

Table 7. Confidence (%) in justice system in a European comparative perspective: EVS 1981-2010

Country / EVS wave	1981-84	1990-93	1999-2001	2008-10
Austria	NA	59	<i>69</i>	65
Belgium	58	45	34	50
Czech Republic	NA	44	23	35
Denmark	<i>80</i>	<i>79</i>	<i>79</i>	<i>87</i>
Estonia	NA	33	32	55
Finland	NA	<i>66</i>	<i>66</i>	<i>73</i>
France	56	58	46	56
Germany	<i>67</i>	61	62	58
Great Britain	<i>67</i>	54	50	51
Iceland	<i>70</i>	<i>67</i>	<i>74</i>	<i>67</i>
Ireland	58	47	55	51
Italy	43	32	32	36
Luxembourg	NA	NA	59	68
Malta	48	39	45	47
Netherlands	65	<i>63</i>	49	56
Norway	<i>84</i>	<i>75</i>	NA	78
Portugal	NA	41	41	48
Spain	50	45	42	42
Sweden	<i>73</i>	56	<i>61</i>	<i>69</i>
Switzerland	NA	NA	NA	75

Notes: Questions; "How much confidence do you have in the justice system? Is it 'a great deal', 'quite a lot', 'not very much' or 'none at all'?" Table entries show the proportion answering with a great deal or quite a lot of confidence. NA = not available. The top five percentage scores in each wave are in italics. Weight applied. Source: European Values Study, four waves 1981-1984 to 2008-2010.

The results in Table 7 show that in the early 1980s, confidence in the justice system in Iceland ranked number four after Norway, Denmark and Sweden. In the early 1990s, the confidence level for the Icelandic justice system was 67%, ranking third after Denmark and Norway. In the third wave from 1999 to 2001, public trust in the justice system in Iceland was 73%, ranking second only to

Denmark, followed by Austria and Finland. For the fourth time point, 2008-2010, Icelanders' confidence in their justice system had fallen to 67%, ranking seventh after Denmark, Norway, Switzerland, Finland, Sweden and Luxembourg.

Table 8. Confidence (%) in police in Iceland in a European comparative perspective: EVS 1981-2010

Country / EVS wave	1981-84	1990-93	1999-2001	2008-10
Austria	NA	67	76	69
Belgium	64	51	56	71
Czech Republic	NA	39	33	42
Denmark	86	89	91	91
Estonia	NA	19	34	68
Finland	NA	76	90	93
France	66	67	66	75
Germany	71	64	74	74
Great Britain	85	77	70	69
Iceland	76	85	83	92
Ireland	87	86	83	71
Italy	68	67	67	77
Luxembourg	NA	NA	72	75
Malta	55	52	67	81
Netherlands	73	73	64	69
Norway	89	88	NA	85
Portugal	NA	44	67	77
Spain	64	58	55	68
Sweden	80	75	76	74
Switzerland	NA	NA	NA	82

Notes: Questions; "How much confidence do you have in the police? Is it 'a great deal', 'quite a lot', 'not very much' or 'none at all'?" Table entries show the proportion answering with a great deal or quite a lot of confidence. NA = not available. The top five percentage scores in each wave are in italics. Weight applied. Source: European Values Study, four waves 1981-1984 to 2008-2010.

The results in Table 8 show that, in the early 1980s, public confidence in the Icelandic police ranked number six after the three Nordic countries, Ireland and Great Britain. In the early 1990s, the confidence level for the Icelandic police was up 11 points to 85%, ranking fourth behind Denmark, Norway and Ireland. In the third wave, from 1999 to 2001, public trust in the police in Iceland went down two percentage points, but remained at number four. For the fourth time

point of 2008 to 2010, Icelanders' confidence in the police had increased to 92%, making the Icelandic public the second most trusting towards the police, with Finland on the top of the list with a confidence level of 93%.

The comparative review of EVS longitudinal data demonstrates that Icelanders have been among the most trusting citizens of Europe as expressed in their high confidence in the four core institutions of democratic governance. With the exception of the reported confidence in the national parliament in the fourth wave from 2008 to 2010, confidence levels show that Iceland can surely be classified as one of the high trusting Nordic countries. The sharp and deep fall in Icelanders' confidence in parliament in 2009/10 is a deviation from the high trust trend, while the Icelandic confidence levels for the other three institutions continued to rank relatively high in a European perspective

The data from the ESS programme can be used to extend the EVS comparative analysis and to focus on the impact of the financial crisis of 2008. Iceland participated in the second round of the ESS in 2004, the sixth round in 2012 and eighth round in 2016. The timing of the three rounds allows for tracing the trends in Icelanders' trust before the crash, at the time when its aftermath had been felt and then at the time of economy recovery some eight to nine years after the crash. Yet, using the ESS data for a comparative analysis poses some challenges.

Firstly, the number of participating countries varies between the rounds. To ensure consistency, the same countries were selected for the ESS comparative analysis as were in the earlier EVS analysis. As with the EVS data, some of the countries do not have data for all the three ESS time points. Since Malta has never taken part in the ESS surveys, it is omitted from the list. That means that there are the 17 established democracies of Western Europe listed in addition to two former communist countries of Eastern Europe, the Czech Republic and Estonia. Secondly, there are only measures on public trust for parliament, the legal system and the police in the ESS survey, but not for trust in the civil service. Thirdly, there is a difference in the wording of the trust questions and response scales between the EVS and ESS programmes. The EVS survey asks participants about their confidence in institutions while ESS asks about trust in institutions. Political trust is measured on an 11-point scale in the ESS surveys, different from the four-point scale used in EVS. However, empirically, the EVS four-point confidence measures and ESS 11-point trust measures have shown a strong correlation and high trend similarities (van der Meer & Zmerli, 2017).

Table 9 shows the mean scores for the countries listed for every survey round for national parliament, the legal system and the police.

Table 9. Trust in parliament, legal system and police in a European comparative perspective: Three rounds of ESS in 2004, 2012 and 2016

Country / ESS round	Parliament			Legal system			Police		
	2004	2012	2016	2004	2012	2016	2004	2012	2016
Austria	4.8	NA	5.0	5.8	NA	6.3	6.2	NA	7.1
Belgium	4.7	5.0	4.8	4.8	4.9	5.3	5.8	6.1	6.4
Czech Republic	3.2	3.2	4.3	3.7	4.1	5.2	4.2	5.1	5.8
Denmark	<i>6.3</i>	<i>6.1</i>	NA	7.2	7.7	NA	7.9	8.0	NA
Estonia	4.2	3.9	4.5	4.9	4.9	5.8	5.7	5.9	6.8
Finland	<i>6.0</i>	5.9	5.8	6.9	<i>7.0</i>	7.2	<i>8.0</i>	<i>8.1</i>	8.2
France	4.3	4.1	4.1	4.8	5.0	5.0	5.7	5.9	6.4
Germany	4.2	4.9	5.4	5.5	6.0	6.2	6.5	6.9	7.1
Great Britain	4.3	4.3	4.7	5.1	5.6	5.9	6.1	6.6	6.7
Iceland	5.9	4.2	5.1	6.0	5.8	6.0	7.3	7.8	7.8
Ireland	4.7	3.6	4.5	5.2	5.2	5.5	6.6	6.6	6.2
Italy	NA	3.2	3.2	NA	4.5	4.6	NA	6.1	6.1
Luxembourg	5.8	NA	NA	6.1	NA	NA	6.5	NA	NA
Netherlands	4.7	5.3	5.6	5.5	6.1	6.2	6.0	6.4	6.7
Norway	5.4	6.3	6.8	6.4	7.2	7.4	7.1	7.2	7.4
Portugal	3.7	2.5	3.9	3.9	3.5	4.0	5.1	5.3	6.1
Spain	5.1	3.4	3.9	4.7	3.7	3.9	5.9	5.9	6.6
Sweden	5.4	5.9	6.0	5.8	6.3	6.2	6.5	6.7	6.7
Switzerland	5.5	6.1	6.3	6.1	6.5	6.6	6.9	7.2	7.2

Notes: Questions; “How much do you personally trust parliament/legal system/police? 0 means no trust at all and 10 means complete trust.” Table entries are mean scores. The top five mean scores for each institution in each round are in italics. Designed weight applied. Source: European Social Survey, the second, sixth, and eighth rounds.

The results in Table 9 show that, in 2004, Icelandic citizens were highly trusting towards their national parliament, ranking third after Danish and Finnish citizens, with an average score of 5.9 ($SD=2.2$). In 2012, the trust score for Iceland fell to 4.2 ($SD=2.4$). At that time, the aftermath of the crash of 2008 could still be felt, and the Icelandic trust score did not rank among the high trusting Nordic countries any longer. Instead, it was in the middle, below Great Britain and above Estonia. In 2016, Icelanders’ trust in parliament was up to a mean score of 5.1 ($SD=2.2$). The trust level for parliament shows some signs of bouncing back in the times of strong economic recovery from the crash, but it has not recovered to the pre-crash levels by ESS 2004. The Icelandic score was moving up the list, but was not in the top tier with the other Nordic countries.

The Icelandic results in Table 9 also show similar trends for trust in the legal system and in the police as were observed in the EVS analysis earlier. The Icelandic mean scores for public trust in the police were among the highest in Europe, ranking third in 2004 and 2012 and second in 2016 with mean scores of 7.3 ($SD=1.9$), 7.8 ($SD=1.8$) and 7.8 ($SD=1.8$). The trust for the legal system shows fluctuation, as could be seen in the EVS analysis earlier, with mean scores of 6.0 ($SD=2.4$) in 2004, 5.8 ($SD=2.3$) in 2012 and 6.0 ($SD=2.2$) in 2016. These trust levels landed Iceland in sixth to eighth place for the three time points, very similar rankings as in the fourth wave of EVS when asked about public confidence in the justice system.

Furthermore, the European comparison in Table 9 shows that the global financial crisis of 2008 and its aftermath did not seem to affect public trust in the national parliaments in the other four Nordic countries like it did in Iceland. There was an indication of this trend in the earlier EVS analysis. But, the ESS data allows for comparing levels before and after the financial crisis of 2008. Figure 4 compares public trust in national parliaments in 2004 and again in 2012 for Iceland, the other four Nordic countries, and the three crisis-hit EU countries of Portugal, Spain and Ireland, which all had to undergo painful economic adjustment programmes like Iceland (comparative ESS data for Greece was not available). The trust scores in Figure 4 show a striking trend. While trust in parliament between 2004 and 2012 rose in Norway and Sweden or marginally decreased in Denmark and Finland, public trust in parliament plummeted in all the crisis-hit countries of Iceland, Ireland, Spain and Portugal.

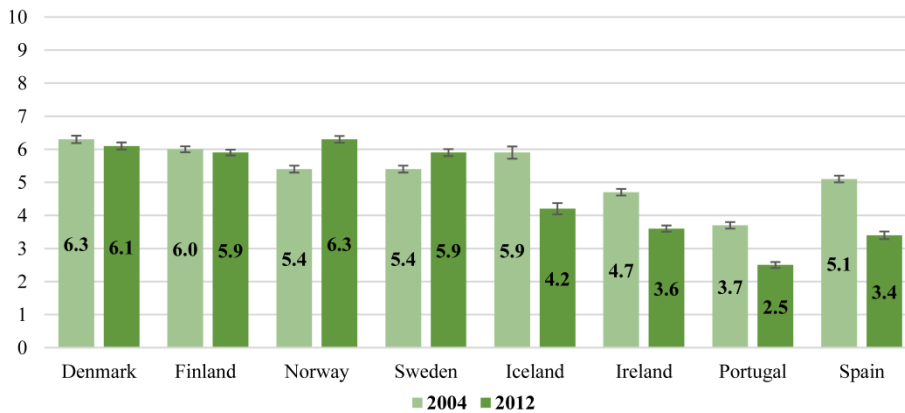


Figure 4. Trust in parliament before and after the financial crisis of 2008 – Nordic vs. crisis-hit countries

Notes: Question; “How much do you personally trust parliament? 0 means no trust at all and 10 means complete trust.” Figure entries are mean scores. A 95% confidence interval. Sources: European Social Survey, second and sixth rounds.

The comparison in Figure 4 demonstrates well how Icelanders’ trust for parliament in 2012 departed from the Nordic trend and followed the same trend as in other crisis-hit countries of Europe. It also demonstrates well how the financial crisis of 2008 and its difficult aftermath undermined public trust in the key institution of political representation. Yet, all of the four crisis-hit countries in the analysis have experienced economic recoveries in recent years. Iceland and Ireland have been touted as models of successes in overcoming the financial crisis of 2008, while the economic recovery for Spain and Portugal was slower (OECD, 2015, 2017a). Nevertheless, GNP in all of the four countries reached pre-crisis levels by 2017 (OECD, 2015, 2017a, 2017b, 2019). The economic success in the countries prompts a question of whether public trust in the national parliament bounced back to the same extent. Figure 5 compares public trust in parliament in these four countries across the three time points of 2004, 2012 and 2016.

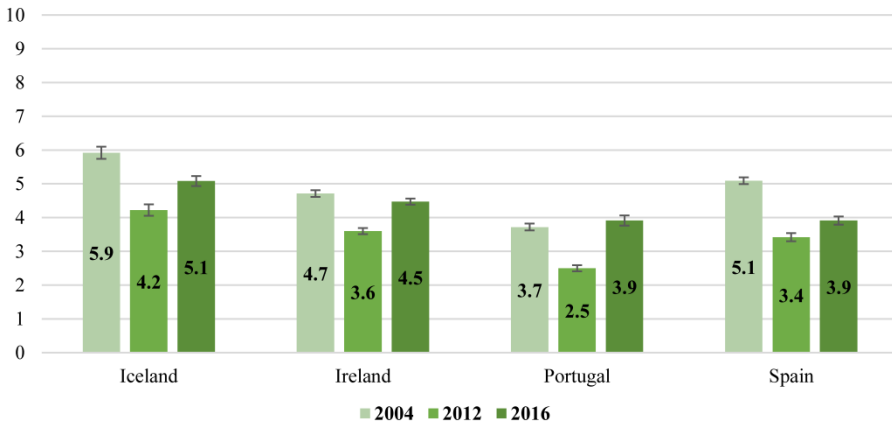


Figure 5. Trust in parliament in Iceland, Ireland, Portugal and Spain – 2004, 2012 and 2016

Notes: Question; “How much do you personally trust parliament? 0 means no trust at all and 10 means complete trust.” Figure entries are mean scores. A 95% confidence interval. Sources: European Social Survey, second, sixth, and eighth rounds.

The comparison in Figure 5 shows that Icelanders have been more trusting toward their national parliament than are the citizens of the other three countries, which is true for all the three time points. The comparison also illustrates two things. Firstly, the fall in public trust in parliament between 2004 and 2012 was proportionally greatest in Spain and Portugal, then in Iceland but smallest in Ireland. Secondly, by the end of 2016 and into 2017, when data collection took place for ESS 2016 and some eight years after the financial meltdown of 2008, the recovery of public trust for the four countries has not been uniform. The citizens of Portugal were more trusting in their attitude towards parliament in 2016 than they were in 2004, after the downturn reported in 2012. In 2016, Irish citizens were very close to reaching their pre-crisis levels of trust in parliament, the difference in the trust levels for 2004 and 2016 is within margin of error. By contrast, public trust in parliament in Iceland and Spain did not show the same recovery. This suggests that even if poor economic performance brought on lower levels of trust in parliament, the post-crisis economic recovery has so far not been sufficient to restore public trust to its former levels in Iceland and Spain.

7.3 Comparisons between social groups

The third, and last part, of the trends in the descriptive evidence focuses on comparing political trust levels between different social groups in Iceland. The

analysis concentrates on factors that were identified in the existing literature as determinants of political trust: socio-economic background, materialistic and postmaterialistic values, social trust and associational membership. Additionally, descriptive evidence for the effect of partisanship on the development of political trust in Iceland are explored (Table 1 in Appendix B has information on the sample size for the groups included in the comparative analysis). In accordance with the study's focus on public trust in the national parliament, the comparative analysis makes use of EVS survey data from 1984 to 2017/18, measuring public confidence in Althingi. A chi-square test of independence was performed for all the comparative analyses to examine if the observed difference in confidence levels between the categories of each social group was statistically significant. A chi-square test was also performed for the comparison of confidence levels based on partisanship.

Table 10 focuses on a comparison of socio-economic characteristics, exploring the empirical evidence on the effect of characteristics such as gender, age, education and income on the development of political trust in Iceland. The entries in Table 10 show the percentage of respondents per EVS survey wave who reported having a lot or a great deal of confidence in Althingi as opposed to those who reported have not very much or no confidence.

The culturalist understanding of political trust argues that people's place in social structures influences their orientations toward the political system. Age, education and income are all believed to have a positive relationship with political attitudes, including political trust. The literature is less explicit about the impact of gender on political trust levels. As seen in Table 10, the difference in expressed trust between men and women has been relatively modest in size over time and not statistically significant except in 2009/10, when it reached seven percentage points. Also, the results indicate that, as from 1999, women have become slightly more trusting than men.

The descriptive evidence in Table 10 shows mixed results for the effect of age on political trust. From 1984 to 2009/10, there is a positive relationship where the respondents in the oldest age group were more trusting than those in the two younger ones. The youngest age group reported the lowest level of trust for all time points but 1990, where the difference in trust levels between the youngest and middle-aged group is marginal. The results for 2017/18 wave show a very different picture. There, the youngest and the oldest age groups were more trusting in the orientation towards parliament than the age group in the middle. Yet, the difference in trust levels between all the three age groups is marginal and not statistically significant.

Table 10. Confidence in parliament (%) 1984 to 2017/18: Socio-economic background

EVS wave	1984 (N)	1990 (N)	1999 (N)	2009/10 (N)	2017/18 (N)
<i>Gender</i>					
Male	58% (470)	55% (351)	71% (479)	36% (408)	42% (453)
Female	58% (444)	52% (341)	73% (478)	43% (388)	46% (448)
Sign.	ns	ns	ns	*	ns
<i>Age groups</i>					
15-29 yrs.	48% (278)	52% (215)	65% (255)	33% (169)	46% (145)
30-49 yrs.	59% (384)	51% (305)	73% (402)	39% (322)	42% (325)
50+ yrs.	67% (251)	60% (171)	76% (300)	43% (306)	45% (431)
Sign.	***	ns	*	ns	ns
<i>Education level</i>					
Low	NA	NA	70% (391)	34% (206)	38% (166)
Middle	NA	NA	71% (369)	40% (319)	41% (385)
High	NA	NA	76% (187)	45% (256)	50% (345)
Sign.			ns	ns	**
<i>Income household</i>					
Low	59% (337)	58% (172)	72% (264)	37% (252)	36% (221)
Middle	55% (412)	54% (216)	70% (343)	38% (290)	45% (400)
High	70% (95)	42% (150)	73% (288)	43% (160)	52% (189)
Sign.	*	*	ns	ns	**

*** p<0.001 /** p<0.01 /* p< 0.05/ ns = not significant.

Notes: Question; “How much confidence do you have in parliament? Is it ‘a great deal’, ‘quite a lot’, ‘not very much’ or ‘none at all?’” Table entries are the percentage of respondents who answered with a great deal or quite a lot. (N) refers to the total number of respondents in that category. Source: Five waves of EVS, 1984-2017/8 - Icelandic data. Weight applied for 1984-2009/10 (not available for 2017/18).

The EVS data allows for the comparison of reported confidence in parliament by education levels only for the last three waves of 1999, 2009/10 and 2017/18. The results in Table 10 suggest that education has a positive impact on political trust in Iceland. The trend over time shows that the gap in trust levels between citizens with the highest level and those with the lowest level was increasing, although it was only statistically significant for the 2017/18 results, where the difference was 12 percentage points.

The development of confidence in parliament between income groups from 1984 to 2017/18 shows mixed results. In 1984, 2009/10 and 2017/18, citizens belonging to high-income households were more trusting towards parliament than citizens in middle- and low-income households. In 1990, it was the other way around; high-income citizens were most sceptical in their trust attitudes,

while respondents in the low-income groups reported the greatest confidence in parliament. The difference in confidence levels between the three income groups in 1999 was minimal. The difference in confidence levels between household income groups was only statistically significant for 1984, 1990 and 2017/18. Yet, the measures for these three time points show conflicting results. In 1984, the middle-income households were the most sceptical toward parliament, in 1990, it was the high-income group, and in 2017/18, it was the low-income group.

To explore the empirical evidence for the effect of intergenerational value change on political trust in Iceland, Table 11 shows public confidence in parliament with respect to self-expressed materialistic or postmaterialistic values according to Inglehart's postmaterialist four-item index. The entries in Table 11 show the percentage of respondents per survey wave who reported having a lot or a great deal of confidence in Althingi as opposed to those who reported having not very much or no confidence.

Table 11. Confidence in parliament (%) 1984 to 2017/18: Intergenerational value change

EVS wave	1984 (N)	1990 (N)	1999 (N)	2009/10 (N)	2017/18 (N)
<i>Value change</i>					
Materialist	64% (232)	56% (178)	73% (202)	39% (141)	50% (148)
Mixed	59% (499)	53% (423)	72% (641)	40% (497)	43% (554)
Postmaterialist	46% (154)	53% (74)	64% (98)	36% (134)	42% (181)
Sign.	**	ns	ns	ns	ns

*** p<0.001 /** p<0.01 /* p<0.05/ ns = not significant.

Notes: Question; "How much confidence do you have in parliament? Is it 'a great deal', 'quite a lot', 'not very much' or 'none at all'?" Table entries are the percentage of respondents who answered with a great deal or quite a lot. (N) refers to the total number of respondents in that category. Source: Five waves of EVS, 1984-2017/18 - Icelandic data. Weight applied for 1984-2009/10 (not available for 2017/18).

The results in Table 11 are in accordance with Inglehart's (1997a, 1997b) claim to the extent that citizens holding postmaterialistic values were more sceptical when comes to political authority than the materialists, who express more traditional social and cultural views. Yet, the disparity in confidence levels between the materialist, mixed and postmaterialist categories was only statistically significant for the 1984 results.

To explore the empirical evidence for the effect of social capital on the development of political trust in Iceland, Table 13 describes public confidence in parliament by social trust and by associational membership. The entries in

Table 12 show the percentage of respondents per survey wave who reported having a lot or a great deal of confidence in Althingi as opposed to those who reported having not much or no confidence.

Table 12. Confidence in parliament (%) 1984 to 2017/18: Social trust and associational membership

EVS wave	1984 (N)	1990 (N)	1999 (N)	2009/10 (N)	2017/18 (N)
<i>Social trust</i>					
Socially trusting	62% (370)	55% (228)	77% (378)	45% (389)	46% (564)
Not trusting	55% (525)	52% (376)	70% (536)	33% (378)	39% (313)
Sign.	*	ns	*	**	*
<i>Membership</i>					
A member	63% (504)	55% (457)	74% (652)	41% (576)	46% (641)
Not a member	52% (409)	52% (235)	67% (305)	38% (222)	39% (246)
Sign.	**	ns	*	ns	*

*** p<0.001 /** p<0.01 / * p< 0.05/ ns = not significant.

Notes: Question; “How much confidence do you have in parliament? Is it ‘a great deal’, ‘quite a lot’, ‘not very much’ or ‘none at all?’” Table entries are the percentage of a great deal or quite a lot by respondents reporting that people can be trusted/cannot be too careful and by respondents reporting to be a member of an association(s)/not being a member of an association. Trade unions and religious organisations are excluded. (N) refers to the total number of respondents in that category. Source: Five waves of EVS, 1984-2017 - Icelandic data. Weight applied for 1984-2009/10 (not available for 2017/18).

The results in Table 12 suggest that social capital has had a significant effect on political trust in Iceland. Socially trusting citizens expressed more confidence in parliament than those holding the view that one can never be too careful in dealings with other people. The trend holds through the period of the observation and the difference in confidence levels was statistically significant for all time points, except for 1990. The same is true of associational membership; citizens reporting to be members of voluntary organisations expressed more confidence in Althingi than those who were not members of organisations. The difference in confidence levels was statistically significant for the 1984, 1999 and the 2017/18 waves, but not for the 1990 and 2009/10 waves. The difference in confidence levels in the comparisons for social trust and associational memberships is very similar, except 2009/10, but the trend was the same for both variables throughout the time period studied.

Lastly, the empirical evidence for the effect of partisanship on the development of political trust in Iceland was explored (see also Vilhelmsdóttir and Kristinsson, 2018). The EVS data does not include a measure on

partisanship where survey respondents are asked if they think of themselves as close to a particular party. The survey question on closeness to a particular political party is well established in research on voters' attachment to the party system (see Bengtsson et al., 2014). Yet, the EVS data has a measure where respondents are asked what party they would vote for if there was a parliamentary election the following day. That measure fits well to explore the role of the winner's effect in the descriptive evidence, focusing on citizens' identification with the party or parties in government.

Table 13 presents data from the first four EVS waves comparing trust levels between respondents reporting that they would vote for a party that is in the coalition government and those reporting they would vote for a party that is in the minority in parliament at the given time. The results from the fifth wave are not presented because the data collection for the wave had just started when the three-party coalition government collapsed in the middle of September 2017. Consequently, an early parliamentary election was held in October and a new coalition government with different parties and a different prime minister than in the preceding coalition government was formed on the last day of November. Thus, the data collection for the fifth wave took place over a period when Iceland had two different coalition governments and a snap election. The entries in Table 13 show the percentage of respondents per survey wave who reported having a lot or a great deal of confidence in Althingi as opposed to those who reported having not much or no confidence.

Table 13. Confidence in parliament (%) 1984-2009/10: Supporters of parties in government and supporters of parties in minority in parliament

EVS wave	1984 (N)	1990 (N)	1999 (N)	2009/10 (N)
<i>Party support</i>				
Party in government	69% (280)	66% (184)	79% (452)	48% (245)
Party not in government	52% (121)	51% (227)	68% (239)	34% (288)
Sign.	**	**	**	**

*** p<0.001 / ** p<0.01 / * p< 0.05/ ns = not significant.

Notes: Question 1: "How much confidence do you have in parliament? Is it 'a great deal', 'quite a lot', 'not very much' or 'none at all'?" Table entries are the percentage of a great deal' or quite a lot. Question 2: "If there was a general election tomorrow, which party would you vote for?" Variable recoded to a "party in the coalition government" and a "party not in the coalition government" at the time of the data collection. (N) refers to the total number of respondents in that category. Source: Four waves of EVS, 1984-2010 – Icelandic data. Weight applied for 1984-2009/2010 (not available for 2017/18).

The results in Table 13 show that Icelandic citizens supporting the political parties forming the coalition government generally expressed more confidence in parliament than those supporting the parties in minority in parliament. In the 1984, the difference was 17 percentage points. It went down to an 11-point difference in 1999, and up again to a 14-point difference in 2009/10. The difference in confidence levels between the two groups was statically significant for all four of waves analysed. These results support the thesis that supporters of parties in the parliamentary majority and government (the winners) tend to hold more trusting attitudes towards the political system than the supporters of the parties in the minority in parliament (the losers).

7.4 Summary

The comparison of confidence levels for the four key institutions of the Icelandic state from 1984 to 2018/17 did not reveal a singular trend. Icelanders' confidence in the civil service and the police increased during this time period, while the confidence levels for the justice system fluctuated. Very few Icelanders report having no confidence at all in these three institutions. By contrast, the trend in Icelanders' confidence in Althingi showed significant ups and downs during the same time period. Icelanders' confidence in Althingi peaked at 72% in 1999, only to plummet to an all-time low of 39% in 2009/10, then picking up a mere five points to 44% in 2017/18. The descriptive evidence presented above demonstrates clearly that the impact of the crash on political trust in Iceland was concentrated on the institution of political representation rather than on the institutions of public administration and law and order. The Icelandic economy started to show signs of recovery in 2011, and by 2017, Icelanders were enjoying economic conditions that were better than pre-crisis levels. Despite this strong economic performance, public trust in parliament has only shown a moderate rebound, suggesting that the post-crisis economic boom is not sufficient to restore Icelanders' trust in Althingi to its former levels.

The comparative analysis showed that Icelandic citizens were among the most trusting Europeans until the financial crisis of 2008. Pre-2008, Iceland was one of the high trusting Nordic countries. With the drastic fall in public confidence in Althingi following the crash of 2008, Icelandic trust levels for the national parliament departed from the Nordic trend and followed the same trend observed in the other crisis-hit countries of Ireland, Spain and Portugal. Confidence levels for Iceland for the other core institutions of the state remained relatively high in comparison with other European countries, especially Icelanders' confidence in the police. A similar trend has been observed in the other crisis-hit countries of Ireland, Spain and Portugal, where the fall in political trust levels was more confined to institutions and actors of

political representation than to institutions of law and order. Furthermore, the recovery of public trust levels for parliament has been more successful in Portugal and Ireland than in Spain and Iceland.

The comparative analysis of the difference in political trust levels between social groups in Iceland from 1984 to 2017/18 showed mixed results. The descriptive evidence suggests that social capital has had a positive impact on the development of public confidence in Althingi. The same goes for the impact of the winners' effect on political trust as individuals supporting the political parties in government reported higher trust than those supporting the minority parties in parliament. The descriptive evidence on the difference in confidence levels between postmaterialists and materialists is not robust enough to conclude anything about the impact of value changes on the development of political trust in Iceland. Finally, the descriptive evidence on the difference in confidence levels between individuals based on their gender, age, education and income showed indecisive results.

8 Evaluating the determinants of political trust

In this chapter, a multivariate regression analysis is applied to evaluate the effects of different explanatory factors on the sources of political trust in Iceland. It is based on an individual-level unit of analysis and seeks to establish the effects of different determinants of political trust and assess whether the relative importance of each explanatory factor has changed across three time points: 2004, 2012, and 2016. In accordance with the theoretical expectations developed earlier, the explanatory factors examined are: 1) demographic and socio-economic background, 2) social capital in the form of social trust, 3) subjective policy performance, 4) subjective process performance, and 5) partisanship in the forms of party attachment and winners' effect. Five regression models were constructed based on the study's five theoretical perspectives (Chapter 6.6.4), and they are now tested to assess the impact of the theoretical expectations as predictors of Icelanders' political trust attitude. All the models are expected to contribute as determinants of political trust, although the magnitude of their impact on people's political trust judgements may differ.

The reporting of the results of the multivariate analysis is organised as follows: first the results for the five OLS regression models in every ESS round are presented, followed by a comparison of results between the three rounds. The focus is on standardised beta coefficients (β) to allow for comparisons of the strength of the effect of the independent variables on the political trust index variable within each model and between models belonging to the same time point. Also, the explained variance of the models is compared in each round. Then, in analysing the impact of different predictors for political trust between the three time points, the confidence intervals for the coefficients (unstandardized coefficients) of each explanatory factor are compared between the three ESS rounds. Lastly, the results of the multivariate analysis are discussed in Chapter 9.

8.1 Predicting political trust in Iceland by ESS 2004

Table 14 shows the estimates from the five OLS regression models for the ESS 2004 round. The results in model 1 show that demographic and socio-economic background factors were of negligible importance in explaining political trust at that time, with an explained variance of 1.4% (adjusted $R^2=.014$). While age and household income are significant predictors, the model itself is not robust enough to register as statically significant. The relationship between age and political trust is curvilinear, meaning that the youngest and oldest age cohorts are more trusting than are the middle age groups. The relationship between

household income and political trust showed to be positive, meaning that individuals in higher income household are more trusting than those in lower income household. In model 2, social trust has been included as a proxy to test the effect of social capital on political trust. The results show that social trust was a significant predictor for political trust, increasing the amount of explained variance to 8.2%. The background variables age and household income showed also to be significant predictors, but not gender and education.

Model 3 extended model 2 by adding two measures for partisanship, increasing the amount of explained variance to 16.9%. The results show that feeling closer to a party in government had a significant and positive impact on the political trust variable. This means that respondents who feel closer to the political parties forming the coalition government at that time reported higher levels of political trust as compared to those reporting feeling closer to the political parties in minority in parliament or reporting no party closeness at all. By contrast, the effect of party closeness from comparing those who reported feeling closer a government party or party outside government to those who did not report any party closeness was minimal. In model 3, social trust showed a significant impact on the political trust variable as well, as did all the socio-economic background variables except for education.

Model 4 added two measures of subjective government performance to test policy performance. Both the performance measures showed to be significant predictors for political trust. They are the respondents' satisfaction with the state of the Icelandic economy at the time and their assessments of the state of the health care services at the time. The significant effects of social trust and feeling closer to a government party held, while the effect of reporting to feel closer to a particular political party was again minimal. In model 4 gender was a significant predictor, revealing that women are more likely to express political trust than men. The effect of age, showing a curvilinear relationship with political trust, was also a significant predictor, while income and education were not. The standardised beta coefficients in model 4 show that, besides the curvilinear effect of age, subjective economic performance had the strongest effect on the political trust variable ($\beta=.24$), followed by identifying with a government party, subjective evaluation of the state of the health care services, social trust and, finally, gender. The amount of the explained variance of model 4 was 27%.

Table 14. Predicting political trust in Iceland by ESS 2004

ESS 2004 Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	Est.	SE	β	Est.	SE	β	Est.	SE	β	Est.	SE	β	Est.	SE	β
Constant	5.34***	(.68)		4.30***	(.68)		4.48***	(.65)		2.25***	(.66)		.28	(.63)	
<i>Demogr. & socio-economic background</i>															
Women	.15	(.20)	.04	.25	(.19)	.06	.40*	(.18)	.10	.62***	(.17)	.16	.43**	(.16)	.11
Age (years)	-.06*	(.03)	-.53	-.08**	(.03)	-.67	-.08***	(.03)	-.07	-.07***	(.02)	-.65	-.07***	(.02)	-.66
Age (years) squared	.00*	(.00)	.52	.00*	(.00)	.65	.00**	(.00)	.65	.00**	(.00)	.58	.00**	(.00)	.57
University degree	-.01	(.25)	-.00	-.14	(.24)	-.03	-.21	(.23)	-.04	-.25	(.22)	-.05	-.14	(.20)	-.03
Household income	.13**	(.05)	.14	.12*	(.05)	.12	.09*	(.04)	.10	.04	(.04)	.04	.05	(.04)	.06
<i>Social capital</i>															
Social trust				.24***	(.04)	.27	.22***	(.04)	.25	.15***	(.04)	.17	.11**	(.03)	.12
<i>Partisanship</i>															
Feeling closer to a particular party															
Feeling closer to a party in government							-.12	(.22)	-.03	-.03	(.21)	-.01	-.11	(.18)	-.03
<i>Policy performance</i>															
Satisfaction with the state of economy															
State of the health care system							1.52***	(.25)	.32	1.00***	(.25)	.21	.82***	(.22)	.18
<i>Process performance</i>															
Impartiality: trust public officials to deal honestly with people like you															
Responsiveness															
Observations/N	437			437			437			437			437		
Adjusted R ²	.014 ^v			.082***			.169***			.270***			.410***		

* p<.05, ** p<.01, *** p<.001. ^v = not significant

Lastly, perceived process performance was added in model 5, focusing on perceived impartiality of state institutions. The impartiality variable, as measured by the respondents' reported trust that public officials would deal honestly with them, displays a strong positive effect on the trust variable ($\beta=.40$) and that is considerably stronger than the other variables in the model. Accordingly, the amount of explained variance in model 5 showed a substantial increase from model 4, or an explained variance of 41%. Subjective economic performance, feeling closer to a government party, subjective health care system performance, social trust, and gender all remained significant predictors in model 5, with the size of their effect the same as they are listed. In addition, age had a significant impact in model 5, revealing a curvilinear relationship between age and political trust. This means that the youngest and oldest participants held more favourable attitudes regarding political trust than those belonging to the middle-aged groups. As in the preceding model, education, household income and reporting to feel closer to a particular party were not significant predictors for political trust.

To sum up, demographic and socio-economic background variables, such as gender, age, education and income, had a negligible impact when tested alone in model 1. Gender and age, however, predicted greater trust levels when partisanship and performance factors were controlled for. The social trust variable displayed a positive and significant impact across the models. Feeling closer to a government party predicted greater political trust, while reporting to feel closer to a particular party inside or outside of the government did not. All three performance variables showed positive and significant impacts on political trust. Besides the curvilinear effect of age in model 5, the perceived impartiality of state institutions, subjective economic performance and feeling closer to a party in government were strongest predictors of political trust in 2004.

8.2 Predicting political trust in Iceland by ESS 2012

Table 15 shows the estimates from the five OLS regression models for the ESS 2012 round. The results in model 1 show that demographic and socio-economic background factors alone explained 7.8% of the variance of the political trust variable (adjusted $R^2=.078$), with gender, age, education, and household income variables showing significant effects. The effect of gender and the curvilinear effect of age held across all the five models in ESS 2012. This means that Icelandic women are more trusting than Icelandic men, and the youngest and oldest participants hold more favourable attitudes regarding political trust than those belonging to the middle-aged groups. The effects of education and household income, on the other hand, gradually decreased and eventually vanished in the following models. When testing for the effect of social capital in

the form of social trust in model 2, the amount of explained variance increased to 18.8% as social trust was a significant predictor, having a positive impact on political trust. The significant effect of social trust held through the following three models.

In model 3, the analysis was extended by adding the effect of partisanship, which in turn increased the amount of explained variance to 20.5%. The results in model 3 show that feeling closer to a party in government as compared to feeling closer to parties outside the government or to not feeling closer to a particular party at all did not predict greater political trust levels. By contrast, party attachment; individuals who reported feeling closer to a particular party were significantly more trusting than those reporting no partisanship at all. The same results for partisanship were observed in the two remaining models.

Moving on to model 4, testing for subjective policy performance was added. Subjective economic performance displayed a strong positive effect on the political trust variable ($\beta=.33$), while individuals' assessments of the state of the health care services also showed a significant effect, but the size of the effect was smaller ($\beta=.24$). Accordingly, the amount of explained variance in model 4 shows a substantial increase from the preceding model, or an explained variance of 39.5%.

Lastly, subjective process performance was added in model 5 to evaluate the effect of the perceived impartiality of state institutions as measured by the perceived impartiality of courts and the effect of the government's responsiveness to citizens' voice in political decision making as perceived by respondents. Both process performance variables showed a positive and significant impact on political trust, with model 5 explaining 43.2% of the variance of the trust variable. Beside the curvilinear effect of age, subjective economic performance was the strongest predictor for political trust in the ESS 2012 analysis, followed by the effect of the subjective view of the state of health care services and then the perceived impartiality of the Icelandic court system. The effect of gender, social trust and perceived government responsiveness to citizens' voice were also significant predictors, but the size of their effect was smaller. Finally, individuals who reported feeling closer to a particular political party were more trusting than those who reported no party closeness at all. Reporting closeness to a party in government was, however, not a significant predictor for political trust in ESS 2012.

Table 15. Predicting political trust in Iceland by ESS 2012

ESS 2012 Variables	Model 1		Model 2		Model 3		Model 4		Model 5	
	Est.	SE	Est.	SE	Est.	SE	Est.	SE	Est.	SE
Constant	5.79***	(.05)	3.97***	(.51)	3.93***	(.50)	1.16*	(.49)	.37	(.49)
<i>Demogr. & socio-economic background</i>										
Women	.51**	(.16)	.53***	(.15)	.60***	(.15)	.15	.63***	.16	.65***
Age (years)	-.12***	(.02)	-.12***	(.02)	-.12***	(.02)	-1.03	-.07***	-.59	-.06**
Age (years) squared	.00***	(.00)	.00***	(.00)	.00***	(.00)	.86	.00**	.51	.00**
University degree	.73***	(.20)	.44*	(.19)	.35	(.19)	.07	.20	.04	.19
Household income	.06*	(.03)	.06	(.03)	.05	(.03)	.07	.03	.04	.02
<i>Social capital</i>										
Social trust			.33***	(.04)	.31***	(.02)	.32	.18***	.18	.14***
<i>Partisanship</i>										
Feeling closer to a particular party					.48**	(.18)	.11	.50**	.12	.44**
Feeling closer to a party in government					.31	(.25)	.05	-.10	-.02	.05
<i>Policy performance</i>										
Satisfaction with the state of economy					.31***	(.03)	.33	.27***	.33	.27***
State of the health care services					.23***	(.03)	.24	.20***	.24	.20***
<i>Process performance</i>										
Impartiality: courts in Iceland treat everyone the same									.12***	(.02)
Responsiveness: government in Iceland changes planned policies in response to what most people think									.13***	(.04)
Observations/N	628		628		628		628		628	
Adjusted R ²	.078***		.188***		.205**		.395***		.432***	

* p<.05, ** p<.01, *** p<.001. √ = not significant.

To sum up, demographic and socio-economic background variables of gender, age, education and income were all significant predictors when tested alone in model 1. Yet, only gender and the curvilinear effect of age were significant predictors for political trust when partisanship and performance factors were controlled for. The social trust variable displayed a positive and significant impact across all the models. Feeling closer to a particular party inside of or outside the government predicted greater political trust, while reporting feeling closer to a government party did not. All four performance variables showed a positive and significant impact on political trust. Besides the curvilinear effect of age in model 5, the two subjective policy performance factors were the strongest predictors of political trust in 2012.

8.3 Predicting political trust in Iceland by ESS 2016

Table 16 shows the estimates from the five OLS regression models for ESS 2016. The results in model 1 show that demographic and socio-economic background factors alone explained 9.5% of the variance in political trust variable (adjusted $R^2=.095$), with age, education and household income variables showing a significant effect. The impact of gender was minimal. The results for the age variables displayed a curvilinear relationship between age and political trust, indicating that the youngest and oldest participants hold more favourable attitudes of political trust than those belonging to the middle-aged cohorts. The results also showed a positive relationship between education and trust and household income and trust. Individuals holding a university degree are more likely to express political trust than those with lower levels of education, and people belonging to higher household income groups are more favourable in their trust orientation than those belonging to lower household income groups. When controlled for other factors in models 2 to 4, the results showed that the effects of age, education and household income held across all the four models.

When testing for the effect of social capital in the form of social trust in model 2, the explained variance increased to 17.1%. The social trust variable displayed a significant positive impact on political trust. The positive effect of social trust was a statistically significant predictor for political trust in models 3 to 5. In model 3, testing for the effect of partisanship was added and the model could account for 22.4% of the variance in the political trust variable. The results for model 3 show that feeling closer to a party in government had a significant and positive impact, meaning that respondents who reported feeling closer a government party were more trusting as compared to those reporting feeling closer to political parties in the minority in parliament or reporting no party closeness at all. The effect of feeling closer to a government party was

also statistically significant in the two remaining models. By contrast, the effect of party closeness when comparing those who reported feeling closer to a government party or party outside government to those not reporting party closeness was not a significant predictor for political trust. Additionally, all the background variables displayed significant effects in model 3, including gender, meaning that women are more likely than men to express political trust. The effect of gender was also significant in the two remaining models.

In model 4, the effect of subjective policy performance was added to the analysis, consequently increasing the explained variance of the dependent variable substantially, or to 38.5%. The results show that subjective economic performance had a strong positive effect on the political trust variable ($\beta=.38$), and respondents' assessments of the state of the health care system showed also a significant impact, but the size of the effect was much smaller ($\beta=.16$). In model 4, all the coefficients were statistically significant, including the effect of party closeness when comparing those who reported feeling closer to a particular party to those reporting no party closeness at all.

The last model is model 5. Here testing of subjective process performance was added, focusing on how respondents perceived the government's responsiveness to citizens' voice. The proxy variable for the perceived government's responsiveness to citizens' voice showed a positive and statistically significant effect on the political trust. Model 5 also explains 42.8% of the variation in the political trust variable. In model 5, all the coefficients were statistically significant except two: education and party attachment (feeling closer to a particular party). Beside the curvilinear effect of age, subjective economic performance was by far the strongest predictor for political trust in ESS 2016, followed by perceived government responsiveness to citizens' voice, gender, social trust, the state of health care services and reporting feeling closer to the parties forming the coalition government at the time.

Table 16. Predicting political trust in Iceland by ESS 2016

ESS 2016 Variables	Model 1			Model 2			Model 3			Model 4			Model 5		
	Est.	SE	β	Est.	SE	β	Est.	SE	β	Est.	SE	β	Est.	SE	β
Constant	4.97***	(.46)		3.52***	(.47)		3.17***	(.46)		1.71***	(.43)		.55	(.44)	
<i>Demogr. & socio-economic background</i>															
Women	.17	(.14)	.04	.25	(.13)	.06	.35**	(.13)	.09	.61***	(.12)	.15	.55***	(.11)	.14
Age	-.09***	(.02)	-.74	-.09***	(.02)	-.77	-.08***	(.02)	-.67	-.07***	(.02)	-.06	-.06**	(.02)	-.48
Age squared	.00***	(.00)	.70	.00***	(.00)	.70	.00**	(.00)	.59	.00***	(.00)	.53	.00**	(.00)	.42
University degree	.70***	(.16)	.16	.48**	(.16)	.11	.47**	(.15)	.10	.38**	(.14)	.10	.23	(.13)	.05
Household income	.20***	(.03)	.24	.18***	(.03)	.22	.15***	(.03)	.18	.06*	(.03)	.08	.05*	(.02)	.06
<i>Social capital</i>															
Social trust				.27***	(.03)	.28	.27***	(.03)	.28	.14***	(.03)	.14	.13***	(.03)	.13
<i>Partisanship</i>															
Feeling closer to a particular party							.20	(.15)	.05	.31*	(.14)	.08	.17	(.13)	.04
Feeling closer to a party in government							.99***	(.18)	.21	.40*	(.16)	.09	.37*	(.16)	.08
<i>Policy performance</i>															
Satisfaction with the state of economy										.35***	(.03)	.38	.31***	(.03)	.34
State of the health care services										.15***	(.03)	.16	.12***	(.03)	.13
<i>Process performance</i>															
Impartiality															
Responsiveness:the political system in Iceland allows people like you to have a say in what the government does															
Observations/N	798			798			798			798			798		
Adjusted R ²	.095***			.171***			.224***			.385***			.428***		

* p<.05, ** p<.01, *** p<.001.

To sum up, demographic and socio-economic background variables were all significant predictors, except for gender, when tested alone in model 1. When controlling for other explanatory factors, the impact of education gradually decreased and vanished, while the impact of gender increased. The curvilinear effect of age and the positive effect of income were significant predictors across the five models. The social trust variable displayed a positive and significant impact across the models. Feeling closer to a party in government predicted greater political trust, while testing party attachment showed mixed results. All three performance variables showed a positive and significant impact on political trust. Besides the curvilinear effect of age in model 5, subjective economic performance and perceived government responsiveness to citizens' voice were the strongest predictors of political trust in 2016.

8.4 Comparison of predictors of political trust across three time points

The results of the five OLS regression models for every ESS round showed the relative magnitude of the explanatory factors in predicting political trust levels at each time point. Focusing on the results for model 5 for all the three ESS rounds (Tables 14 to 16), the following explanatory factors showed to be strong predictors of political trust for the all three time points: social trust, satisfaction with the state of the economy, positive assessment of the state of the health care services, the proxies for perceived impartiality of state institutions, and the proxies for perceived government responsiveness to citizens' voice. For all the three time points, age had a significant curvilinear relationship with political trust, and women were more trusting than men. Feeling closer to a party in government (winners' effect) was a significant predictor for political trust in 2004 and 2016, but not in 2012. Feeling closer to a particular party (party attachment) was a significant predictor in 2012, but not in 2004 and 2016. Household income was only significant in 2016 and the impact of education was never statistically significant in model 5 for the three time points.

The number of observations in the OLS models varies considerable between the three time points with 437 in ESS 2004, 628 in ESS 2012 and 798 in ESS 2016. When comparing results between the three ESS rounds, it is important to keep in mind that the magnitude of a coefficient's effect in an OLS regression can be very sensitive to the sample size. Thus, in order to assess if the impact of the predictors had changed over time, the (unstandardized) coefficients' confidence intervals for each explanatory variable were compared between the three ESS rounds. As the proxy variables for perceived impartiality of state institutions and for responsiveness to citizens' voice in model 5 are different for each ESS round, model 5 is not fitting for a longitudinal comparison. The

comparison between the three time points, therefore, focused on model 4, where all the explanatory variables are the same for the three ESS rounds. First, the coefficients' confidence intervals for ESS 2004 were compared to the ones from ESS 2012 and ESS 2016 for each explanatory variable, and then between ESS 2012 and ESS 2016. Table 1 in Appendix D shows the OLS regression estimates of model 4 for each ESS round.

The comparison of the coefficients' confidence intervals revealed that only one explanatory variable showed a significant change over time in predicting political trust: the magnitude of feeling closer to a party government between the ESS 2004 and ESS 2012. Reporting feeling closer to a government party was a strong predictor for political trust in 2004 but not in 2012. While the value of the estimate for feeling closer to a government party increased between ESS 2012 and ESS 2016, the increase is not enough to be statistically significant. Figure 6 shows the confidence interval for the slope estimate of “feeling closer to a party in government” for model 4 in each ESS round.

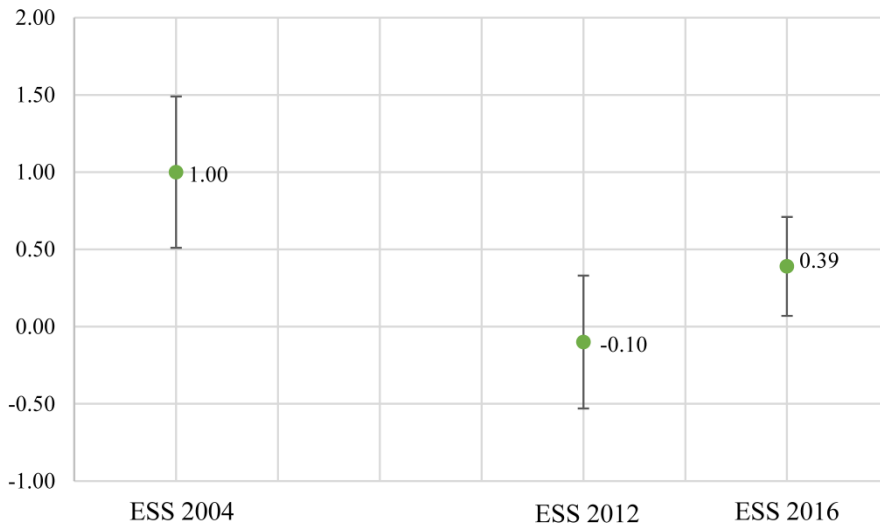


Figure 6. Confidence interval for the slope estimate of “feeling closer to a party in government” for model 4 in each ESS round

The comparison of confidence intervals for all the other model variables revealed that there was not a significant change in the estimates' magnitudes between the three time points (See Figures 1 to 8 in Appendix D). The magnitude of each explanatory variable in predicting political trust may be different between the three time points, being a statistically significant predictor in one of the time points and then not in the next one (see e.g. education,

household income and party attachment). But, the change in these estimates' magnitudes between the three time points were within the margin of error.

These results show that socio-economic background, social trust, feeling closer to a particular party (party attachment) and subjective policy performance remained stable predictors for political trust in Iceland across the three time points. They were sources of political trust in 2004, during a time of political stability and the economic boom, as well as in 2012, during a time when the direct impact of the crash could still be felt in the Icelandic society. And these factors were important sources of political trust again in 2016 when the country had been through a successful economic recovery from the crash. The impact of the winners' effect in predicting political trust during the time period of observation has, on the other hand, changed significantly. Reporting feeling closer to a government party was a powerful predictor for political trust in 2004, but not in 2012. In 2016, the impact of the winners' effect is again an important predictor for political trust. Yet, the increase between 2012 and 2016 does not register as statistically significant as it is within the margin of error.

9 Discussion

Popular trust in political and public institutions has been a recurring topic in Iceland since the country was exposed to the global financial crisis in 2008. Not only did Icelanders' trust in the country's financial system fall along with the three biggest banks in the beginning of October 2008, but also their trust in the key institution of political representation: the national parliament Althingi. The following economic recession, public protests, public inquiries on the causes of the crash and increasing political instability only seemed to fuel Icelanders' sense of distrust toward the key institutions and actors of the country's political system. Iceland's economic system survived the crash and entered a phase of rapid expansion with high levels of economic growth. Yet, Icelanders' trust in their national parliament did not follow suit.

Lower levels of political trust in Iceland after the crash have stimulated public debate and been addressed in academic research. The public debate has focused more often on distrust, rather than on lower levels of trust. Moreover, the debate has very often been conducted with reference to political corruption. Some of the references made can be classified as political corruption, but more often public perceptions of corruption have driven the debate. Political trust was formally put on the political agenda in Iceland when the current coalition government came to power in November 2017, with 'cultivating trust in politics and public administration' listed as one of its political objectives. Building political trust became a subject for public policy in 2018, when the working group on the promotion of public trust in politics and public administration submitted its recommendations for action to the prime minister. The suggestions for action to increase Icelanders trust in politics and in the country's public administration focused on strengthening existing integrity frameworks to prevent corruption amongst ministers, senior government officials and members of law enforcement agencies, as well as amongst members of parliament.

In all of this, there was never a systematic analysis conducted to establish the sources of political trust in Iceland and the factors explaining the development of the country's political trust levels over time. Therefore, the factors at play in the fall in Icelanders' trust in political institutions following the crash and the factors preventing public trust to return to its pre-crash levels were never been fully explored. Political trust is a multidimensional notion and people's political trust judgements stem from a number of political objects and experiences. There exist many different theoretical arguments for the origins of political trust, suggesting that a number of explanatory factors may be at play, including political, economic and social factors. Studies addressing lower levels

of political trust in Iceland in the post-crash era have provided partial answers. Vilhelmsdóttir and Kristinsson's (2018) study focused on partisanship and economic performance, claiming that failures in the party system and increasing fractionalisation of political alternatives are important in explaining why political trust levels in Iceland have not recovered. Johnsen and Sigurgeirsdóttir (2018b) pointed to the failure of two major accountability mechanisms established by Althingi within months of the crash to restore public confidence in Icelandic policy makers and institutions.

The present study set out to provide a systematic theoretical and empirical account of the sources of political trust in Iceland and of how the country's political trust levels have developed over time, focusing on public trust in the national parliament. While the important and positive impact of political trust on democracy, governance and countries' socio-economic development is well established in the literature, political trust remains a challenging research topic. As has been discussed earlier, the conceptual and methodological issues attached to the notion continue to be contested in the literature, and theories and assumptions about political trust are said to be tangled and complex. Scholars continue to debate the robustness of the instruments most commonly used in political trust research.

9.1 Objects and dimensions of political trust

In political trust research, the conceptual framework of political support has become the prevailing analytical framework used to specify the meaning and function of political trust in the context of democratic rule. The framework conceptualises popular support for political systems on a continuum from specific to diffuse political support. At the most diffuse end of the continuum, the focus is on citizens' more abstract feelings towards and attachment to the nation-state. Popular support for regime principles such as democratic values and processes is placed on the side towards diffuse support end, while the citizens' evaluation of regime performance is in the middle of the continuum. Public trust in regime institutions is placed towards the specific support end of the continuum, while the most specific support focuses on public approval and support for individuals in political office.

While emphasising that there is an interdependence between political trust and the more diffuse levels of political support, the framework also recognises that citizens make a meaningful distinction between different aspects of the political system in their assessments. Citizens can also have different sentiments towards different aspects of the political system at the same time. One may hold negative views towards the political figures in office while still expressing trust in regime institutions and support for the government's principles. Moreover,

dissatisfaction with office holders and/or a more temporary fall in public trust in regime institutions should not necessarily be perceived as a crisis of legitimacy if the citizens still express support for regime's principles and maintain a strong attachment to the nation-state.

For a study on political trust in Iceland, it is useful to make a distinction between the citizens' orientations towards different aspects of the political system (see also Vilhelmsdóttir & Kristinsson, 2018). The decline in political trust levels in Iceland following the crash of 2008 is not to be viewed as a crisis of legitimacy. This is because Icelanders continued to express strong diffuse support for the political system and confidence in regime institutions other than the national parliament. Survey results show that Icelanders' dissatisfaction was directed at the government's ineffectiveness in preventing the crash and in dealing with its impact. Meanwhile, Icelanders still reported high support for the regime's principles and expressed a strong sense of attachment to the Icelandic nation-state. Thus, the fall in political trust levels in Iceland following the crash should be viewed as a fall in specific political support rather than a legitimacy crisis (see also Kristinsson and Vilhelmsdóttir, 2015).

The present study's findings are consistent with the findings of Johnsen and Sigurgeirsdóttir (2018a), Bjarnason (2014), and Vilhelmsdóttir and Kristinsson (2018). The fall in popular trust in political institutions in Iceland following the crash was more concentrated on the institutions of political representation than in the institutions of public administration and of law and order. Similar findings have been reported for Ireland, Spain and Portugal, all countries also greatly affected by the global financial meltdown in 2008. As the public in these countries became frustrated with the lack of political responsiveness in dealing with the economic and fiscal crises, their distrust in the institutions of political representation grew. Meanwhile, the Spaniards, Portuguese and Irish continued to express trust towards their institutions of law and order, the police and the legal system (O'Sullivan et al., 2014; Torcal, 2014).

In empirical research on political trust, the conceptual framework of political support is widely used for operationalising main concepts (see e.g. Norris, 2017). The framework's operationalisation of political trust is object-specific, measuring public trust in different regime institutions and in political actors in general. The institutions are, for example, the national parliament, cabinet, political parties, civil service, legal system, police, and the military. As discussed earlier, there is an ongoing debate in the literature over whether political trust is as object-specific as the conceptual framework of political support stipulates. The alternative view that was presented maintains that the citizens do not perceive the political system in clearly defined categories and

that their survey responses to political trust questions reflect a summarised trust attitude rather than discrete attitudes (e.g., Hooghe, 2011; Marien, 2011b).

This study's analysis of the long-term development of public trust levels in four core institutions of the Icelandic state provides further validation of conceptualising and operationalising the notion of political trust as objective specific rather than a summarised attitude. As discussed in detail in Chapter 7, the results show very different trends for the four institutions studied, the national parliament, civil service, justice system and the police. There was a substantial increase in public trust in the police and in the civil service from 1984 to 2018, from 74% to 93% for the police and from 48% to 68% for the civil service. Icelanders' trust levels for in the justice system showed fluctuations, and often the changes in confidence levels between time points were within margin of error. The public confidence level for the justice system started at 70% in 1984, going down to 67% in 1990, peaking at 73% in 1999, down again to 67% in 2009/10 and then further down to 65% in 2017/18. The results for Icelanders' confidence in Althingi showed, on the other hand, a very distinctive trend. In 1984, some 58% of respondents expressed trust in Althingi. The number went down to 54% in 1990, peaked at 72% in 1999, took a sharp downturn to 39% in 2009/10, and then rebounded to 44% in 2017/18. While the increase in confidence levels for the parliament from 2009/10 to 2017/18 is still within a conventional margin of error, it nevertheless shows a trend of recovering trust levels, a trend that was also observed in the ESS data, ICENES study results, and Gallup annual trust surveys.

While acknowledging Marien's (2011b, 2017) findings that political trust measures are highly inter-correlated, the present results suggest that the main determinants of Icelanders' trust in the four regime institutions differ or at least that the relative impact of the determinants differs depending on the institution in question. Earlier, a number of contextual factors were identified as likely to explain the different trends in trust levels for these four institutions. To fully understand the sources of Icelanders' trust in the civil service, the justice system and the police requires further research.

The main conclusion to be drawn regarding different trends and sources of trust for the four core institutions of the Icelandic state, is that one has to be aware of these differences when using the general notion of political trust, at least in the context of Iceland. Rothstein and Stolle's (2008b) suggestion of making a twofold distinction when using the term could be beneficial for research and public debate on political trust in Iceland. They make a distinction between trust in institutions on the representational side of the political system (political parties, parliament, and cabinet) and trust in institutions on the implementation side of the system (public administration, legal system, the

police, etc.). This distinction is considered to be important because the basis for trust in representational institutions is influenced by political partisanship while the base for trust in implementation institutions is mainly influenced by the institutions' impartiality.

9.2 Country-level factors

The results of the European comparative analysis from 1984 to 2016, revealed that Icelandic citizens were among the most trusting Europeans until the financial crisis of 2008, ranking Iceland as a high-trust country along with the other Nordic countries. The abrupt fall in popular trust in Althingi following the crash changed the overall trend for Iceland. Yet, public trust levels for the other three core institutions of the Icelandic state, the civil service, the justice system and the police, remained relatively high, especially Icelanders' confidence in the police.

Moreover, a closer look at the Icelandic responses to the political trust questions in the EVS survey between 1984 to 2017/18, showed that few Icelanders reported "no confidence at all" in the core regime institutions. In the more recent waves, 1-3% of the respondents had no confidence in the civil service and the police, and 3-5% in the justice system. The "no confidence at all" response was more frequent when asked about confidence in the national parliament. Some 13% of respondents reported having no confidence in Althingi in 2009/10, up from 3% in 1999. In 2017/18, some 8% of respondents said they had no confidence at all in parliament. The standard survey instruments on political trust, as used in the EVS surveys, do not indicate whether the respondents with no trust are expressing scepticism towards the institution in question or distrust.

The overall high levels of political trust in Iceland should not come as a surprise. The country's cultural composition and socio-economic development have many of the attributes that research associates with high levels of political trust. All these attributes are also characteristics of the other Nordic countries and have been identified as explanatory variables for the high levels of trust found in Northern Europe. These are socio-cultural factors such as a vivid civic culture, high levels of social capital and a highly inclusive and egalitarian society. There are no indications that the crash had a negative impact on these factors. Growice et al. (2012) found that the crash did not undermine levels of social capital in Iceland. In the years following the crash, income inequality levels went down, becoming among the lowest in Europe, and the country kept the top position on the World Economic Forum's Global Gender Gap Index.

Literature grounded in institutional theories emphasises the relationship between government performance in producing desirable societal outcomes and

high levels political trust. Macroeconomic performance focusing on a country's gross national income, economic growth and unemployment rates, among other things, has been considered to be a key explanation of policy performance in political trust. The positive impact of macro performance indicators associated with the Nordic model on political trust levels has been established in empirical research. These indicators include high levels of human development, low levels of income inequality, general good living conditions, and an extensive public welfare system. Additionally, the literature emphasises the process performance argument, which maintains that macro-level indicators, such as low levels of corruption, good governance and the impartiality of state institutions, contribute to high levels of political trust.

Iceland has many of the characteristics associated with the success of the Nordic model, as well as characteristics that are regarded as desirable societal outcomes and parameters of good governance. The results of the descriptive analysis suggest that Icelanders' trust in parliament and politicians is sensitive to the economic situation of the time, showing downturns in trust levels when the country has been through economic recessions. For most of the time period the present study focuses on, the Icelandic economy has fared well overall, going through a rapid expansion towards the end of the twentieth century, making Iceland one of the wealthiest countries in the world at the turn of the century. Until the crash, international indices reported Iceland to be a country with very high levels of human development, low levels of corruption and high scores for good governance.

It can be concluded that the country's social-cultural characteristics and government performance in terms of the country's socio-economic development explain the high levels of political trust in Iceland to a great extent. Accordingly, failure in government performance contributed to the decline in the country's political trust levels following the crash of 2008. As the country's economy has recovered from the crash, Iceland is again scoring high on economic performance and human development indicators. By 2017, Icelanders' were enjoying economic conditions, in terms of the country's GNP, that were better than pre-crash levels. Yet, Icelanders' trust in their national parliament has yet to follow suit. While failure in economic performance may have brought about the fall in political trust levels in Iceland, post-crash economic performance has not been sufficient to bring trust levels back to pre-crash levels. This suggests that there are other factors that likely explain the development of political trust in the post-crash period.

The results of the descriptive analysis focusing on public trust in the national parliament in a European perspective showed clearly how trust levels in Iceland departed from the Nordic trend with the crash and followed the same

downturn observed in other crisis-hit countries, such as Ireland, Spain and Portugal. As in Iceland, the GNP in Ireland, Spain and Portugal reached pre-crisis levels by 2017. At that time, the recovery of public trust levels for the national parliament had been more successful in Portugal and Ireland than in Spain and Iceland.

In his 2014 analysis, Torcal (2014) identified the negative perception of political responsiveness, aggravated by an increasing perception of political corruption, as the main source of growing political distrust in Portugal and Spain following the financial crisis of 2008. During the economic crisis, the public in the Iberian states felt that their governments were being more responsive to the demands of the European Union and the International Monetary Fund (IMF) about implementing austerity measures than to the needs and concerns of their own citizens. This lack of political responsiveness was then further fuelled by an increasing perception of political corruption and elite misbehaviour at a time of social and economic crisis. Torcal (2014) stressed that economic recovery alone would not restore levels of political trust. Institutional reforms and measures addressing political corruption would be needed to rebuild political trust in the two countries.

Iceland sought the assistance of the IMF following the collapse the country's financial system in October 2008 and underwent an IMF programme from 2008 to 2011. The IMF programme is thought to have played a vital role in turning around the country's macroeconomic development, and it is generally perceived to have been successful. The austerity measures that Icelandic government had to implement following the crash and as part of the IMF programme caused great strain on the country's welfare system. Even so, negative sentiments towards the IMF or perceptions that the Icelandic government was more responsive to IMF demands than to the needs of its citizens were not prominent in the political and public debate in Iceland at the time. Thus, a lack of political responsiveness because of imposed austerity measures by supranational or international organisations is not likely to be a significant factor in explaining the development of political trust levels in Iceland in the post-2008 years.

Like the public in the Iberian states, Icelanders' perception of political corruption has increased in the post-2008 years. Right after the crash, the perception emerged among the Icelandic public that intermingling private interests with the management of public affairs had contributed to the downfall of the country's financial system. The revelations from the two accountability mechanisms—Special Investigation Commission and a Special Prosecutor—seemed to intensify Icelanders' feelings that nepotism and clientelism were influencing the running of government institutions and political decision

making. As the experience of the crash grew more distant, Icelanders' perception of corruption in their political system did not return to pre-crash levels. This trend is reflected in how the country's ranking in international corruption evaluations such as the Transparency International's Corruption Perception Index. Before the crash, Iceland was ranked as one of the least corrupt countries in the world. Since 2010, Iceland has been ranked from 11th to 14th place out of 180 countries, and there are no signs that the country is moving closer to its pre-crash rank soon. Furthermore, public and political debate in Iceland following the crash has very often focused more on the political aspects of what went wrong leading to the crash than on the economic aspects. This political focus and the growing public perception of political corruption suggest that the political aftermath of the crash is of no less importance in understanding the impact of crisis on political trust levels in Iceland than are the economic performance factors.

The financial and economic crisis in Iceland put in motion a political crisis as well. The post-crash years in Iceland have been characterised by political instability: electoral volatility, weaker coalition governments, party fragmentation, and weaker voter identification with political parties. The literature emphasises the important role that the party system and elections play in the development of political trust. Political parties and elections create a link between citizens and the political elite. Political trust levels are believed to develop based on the quality of this link. Until the crash of 2008, the Icelandic political party system had been stable for a long time, and relatively high levels of party attachment among Icelandic voters provided an important link between citizens and political decision makers in Althingi. The results of the study's longitudinal descriptive analysis suggested that partisanship was a strong predictor of public trust in national parliament up to the crash.

Since the crash, the Icelandic party system has undergone major changes, including increasing fractionalisation and multidimensionality of political alternatives (see also Vilhelmsdóttir & Kristinsson, 2018). In the four parliamentary elections between 2009 and 2017, new political parties have emerged before every election, with an unprecedented number of 15 parties running in the 2013 election. Some of the new parties have gained considerable support, increasing the number of parties in parliament from five in 2009 to eight in 2017. The established political parties have also faced internal challenges in the post-crash years; they have been internally divided at times, and some of them have been exposed to scandals. This has meant that the coalition governments in the post-crash years have experienced difficulty in maintaining parliamentary support or have been short lived. The drastic changes in the party system and political instability have been associated with unprecedented shifts in party support and weaker voters' party attachment,

although there has been a growth in party attachment since the 2013 election. The growing fragmentation in the party system and shifts in voter-party ties are very likely to have played a significant role in the development of political trust levels in the post-2008 era. However, the impact of the economic crisis on voters' party attachment and party fragmentation is not confined to Iceland. New parties have also received considerable support in elections in Spain in the post-2008 era. In Portugal and Ireland, the impact has manifested itself more in shifts in support for established parties rather than in the emergence of new parties (Önnudóttir, Schmitt, & Harðarson, 2017).

A range of macro-level drivers of political trust have been identified in explaining how political trust levels in Iceland have developed over time. The country's cultural and social characteristics have been noted, the country-level performance indicators have been reviewed along with the links between citizens and political decision makers through the party system. The study's individual-level analysis then allowed for testing the relative importance of the different explanatory factors identified in the literature and reviewed in the macro-level analysis.

9.3 Individual-level factors

The study's multivariate analysis focused on Icelanders' trust in institutions and actors of political representation. Five sets of models predicting different individual-level determinants of political trust were tested by applying regression analysis. In the analysis, political trust was measured as an additive summary of three trust measures: trust in Althingi, in political parties, and in politicians. The results of the analysis are in agreement with the five theoretical perspectives on the sources of political trust guiding the study. Yet, it is to be noted, that the effect of civic participation on political trust was not included in the multivariate analysis focusing on individual-level determinants of political trust. One of the theoretical models predicted that social capital in the form of social trust and civic participation has a positive impact on political trust, but, empirical research on the impact of civic participation on political trust had shown mixed results. A preliminary test of the present study's five models across the three time points showed a very weak relationship between the participation variable and the political trust variable. Consequently, it was decided not to include civic participation as one of explanatory variables in the multivariate analysis and only test for the effect of social capital in the form of social trust.

Socio-economic characteristics, social trust, partisanship and subjective policy and process performance are all important individual-level determinants of political trust in Iceland. Together, they accounted for 41% of the variance in

the political trust variable in the analysis for the 2004 time point, and for 43% in the analyses for 2012 and 2016. Yet, the relative magnitude of each factor as a determinant of Icelanders' political trust attitude differs. Moreover, all the explanatory factors were stable predictors for political trust across the three time points, with the exception of the winners' effect. Reporting feeling closer to a party in government was the only explanatory variable in the analysis that changed significantly in magnitude between two time points. It was a strong predictor for political trust in 2004 but not in 2012.

Socio-economic characteristics

The study's individual analysis revealed that socio-economic background variables alone have a limited explanatory value when analysing the trust relationship between Icelandic citizens and the country's institutions and actors of political representation. In 2004, socio-economic characteristics explained only 1.4% of the variation of the political trust variable, but accounted for 7.8% in 2012 and 9.5% in 2016. While this increase in explained variance suggests that people's socio-economic characteristics have become more important in predicting Icelanders' trust in political institutions in the post-crash years, the change in magnitude for each socio-economic background variable between the three time points was within the margin of error.

The results for the socio-economic background variables showed that gender and age are stronger predictors of political trust in Iceland than are education and income. This difference holds when controlling for the impact of social capital, partisanship and subjective institutional performance. For the time period of observation, Icelandic women have held more favourable attitudes of political trust than Icelandic men. The literature is not explicit about the relationship between gender and political trust, and the impact of gender on political trust levels is under researched. Therefore, it is difficult to provide an explanation for the difference in trust levels between women and men in Iceland, especially considering the influence of gender when the effects of education, income and age are integrated in the analysis. Thus, the relationship between gender and political trust is a subject for further research.

The study's results show that age has a significant curvilinear effect on political trust, and the effect holds across the three time points of observation. The youngest and the oldest respondents are more trusting than are people in those age groups in the middle. The crash of 2008 did not change the relative impact of age on political trust. The effect holds when controlling for other background variables, as well as for the impact of social capital, partisanship and subjective institutional performance. The theoretical expectations predicted a positive relationship between age and political trust with the youngest being

the most negative and with positive attitudes increasing with age. This prediction is based on the reasoning that age is often positively correlated to other socio-economic characteristics, such as income, political participation and social status, believed to have a positive impact on political attitudes.

An alternative view in the literature is that the younger generations are more sceptical of political authority than are older individuals because of an intergenerational value change associated with the rise of postmaterialism. The study's results do not provide a support to the postmaterialism thesis, though the timespan for the analysis is likely too short to fully detect intergenerational changes. The literature remains largely silent concerning the curvilinear effect of age on political trust when the youngest and the oldest age groups are the most trusting of all age groups. Very similar results have though been reported in research on political trust in Finland. Possible reasons for the curvilinear effect of age were not addressed as age, along with other background variables, was treated as a control variable in the research (Kestilä-Kekkonen & Söderlund, 2016). Thus, the role of age in explaining Icelanders' trust in their key institutions and actors of political representation is a subject for further research.

Furthermore, the theoretical expectations predicted that education and income would be positively related to political trust based on the view that better educated and upper social status individuals are usually more supportive of the existing political processes. The study's results show that Icelanders' education and household income have a positive, but modest, impact on their political trust judgements. Listhaug (1995) pointed out that short-term shifts in trust levels among different social groups can be explained by how specific government policies or election outcomes affect particular social groups. Newton et al. (2018) pointed out that the growing gap in political trust levels between low and high income earners in the United Kingdom and the United States can be linked to a revolt against politics as usual in these two countries, manifested in the Brexit referendum and the election of Trump to the presidency of the United States.

The present study's results showed that the impact of education and income became stronger after the crash, but the increase in magnitude between the time points was within a margin of error. When other explanatory factors are controlled for, there is nothing in the results suggesting that the gap in trust levels between different education and income groups is becoming more important in the development of political trust in Iceland. This stability in the impact of education and income across the three time points means that the results are not useful for explaining how groups with different social statuses

reacted to the crash, or how these groups have been experiencing the economy recovery.

Additionally, the literature provided an alternative view on the relationship between education and political trust. It argues that, due to intergenerational differences associated with the rise of postmaterialism, the better educated have become more assertive in their evaluations and more sceptical towards political authority. The study's results do not provide a support to the claim that individuals with higher levels of education are becoming more sceptical towards the political authority than are individuals with lower levels of education. As discussed earlier, the time span of the analysis is likely too short to fully detect intergenerational changes in trust attitudes.

Social capital

The study's results support findings about the positive relationship between social trust and political trust from studies focusing on a single country and the impact of social trust on political trust across time points (Kestilä-Kekkonen & Söderlund, 2016; Torcal, 2014). The results showed that expressed social trust is an important and stable factor in predicting public trust in Althingi, both before and after the crash. As discussed earlier, research and survey results have shown that social capital levels have been gradually increasing in Iceland over the last 30 years. Moreover, the crash of 2008 did not erode the nation's social capital; the fall in political trust levels did mirror a fall in levels of social trust and civic engagement. Similar findings have been reported for the interaction between social capital and political trust levels in Sweden, Finland and New Zealand (Newton, 2006; Newton et al., 2018). These three countries experienced a sharp fall in political trust levels in the 1980s and 1990s, associated with poor economic and political performance. Meanwhile, measures for social trust and civic participation remained stable in these countries and even increased in some. When the political and economic problems were addressed and resolved, political trust levels in these countries bounced back almost to their previous levels (Newton, 2006).

All in all, these results are important in the context of the falling political trust levels in Iceland following the crash. While scholars continue to debate the exact nature of the relationship between the two notions of trust, low levels of political trust do not necessarily undermine social capital levels. And as emphasised by Newton (2001) and Newton et al. (2018), a country with strong social capital will find it easier to rebuild high levels of political trust. Thus, the high levels of social capital in Iceland and the important effect of social trust on Icelanders' political trust judgements can be identified as instrumental factors in restoring the country's political trust to pre-crash levels.

Partisanship

The results revealed that partisanship has an important effect on Icelanders' political trust judgements. The impact of partisanship as a source of political trust in Iceland is twofold. Firstly, identifying with a particular political party, regardless of whether or not that party is in the government, is believed to enhance political trust as party attachment integrates citizens into the political system, making them more likely to express political trust. The results show that Icelanders who reported feeling closer to a political party are more likely to express trust than those who do not report party attachment. Partisanship was a significant predictor of political trust in the 2012 and 2016 analyses, though not in the 2004 analysis. However, the changes in its relative magnitude between time points is within the margin of error (keeping in mind that the magnitude of a coefficient's effect in an OLS regression is sensitive to the sample size, and the sample size for the 2004 analysis is considerably smaller than for the other two). Thus, it can be concluded that the impact of the more general form of partisanship was stable across the three time points of observation. These findings are in accordance with Torcal's (2017) cross-national study focusing on western and southern European countries, as well as with Kestilä-Kekkonen and Söderlund's (2016) longitudinal study on political trust in Finland.

The second impact of partisanship on political trust is more specific to citizens' identification with the political parties forming the majority in parliament and running the cabinet—the so-called winners' effect. The results showed that the winners' effect has played a very crucial role in the development of trust in Iceland. Feeling closer to a party in the coalition government was one of the most powerful predictors of political trust in the 2004 analysis, but in the 2012 analysis it was not a relevant source of trust. The changes in its relative magnitude between the two time points is statistically significant. The results for the 2016 analysis show that the winners' effect is again a significant predictor of political trust, but its relative magnitude is considerably weaker than in the 2004 analysis. These results demonstrate how the political impact of the crash has affected political trust levels in Iceland. Weaker majority support inside and outside parliament and the breaking up of established voters' ties with parties were characteristic for the first years after the crash. This political disruption weakened the link between the citizens and the government to the extent that it was not a significant source of political trust anymore. Research shows that voters' party attachment has increased from the 2013 parliamentary election, although voter shifts between elections has continued (see Önnudóttir and Harðarson, 2018). While having an important impact on Icelanders' political trust judgement in 2016, the winners' effect had

not re-established itself as one of the most powerful predictors of political trust in 2004.

Subjective policy performance

The results revealed a strong impact of subjective policy performance on Icelanders' political trust judgements through evaluations of the state of the country's economy and of the state of the country's health care services. People's perception of economic performance was overall the most powerful predictor of political trust for the time period of observation. These findings on the strong impact of economic performance are in accordance with Vilhelmsdóttir and Kristinsson's (2018) study on political trust in Iceland, Kestilä-Kekkonen and Söderlund's (2016) longitudinal study on political trust in Finland, and Meer and Dekker's (2011) cross-national study. The findings also support the claim that macroeconomic performance is a key source of political trust (Lawrence, 1997; van der Meer, 2017a).

Furthermore, the results showed that welfare system performance is also an important factor in explaining the development of political trust in Iceland. People's perceptions of the state of the country's health care services was a significant predictor of political trust for all the three time points, although its relative impact was smaller than that of economic performance. These findings support Kumlin and Haugsgjerd's (2017) claim that welfare performance evaluations should not be ignored in political trust research, especially not in countries with an extensive public welfare system.

Additionally, Torcal's (2017) cross-national study showed that the relative impact of economic evaluations on political trust had increased in the European countries most affected by the Great Recession. Iceland was included in his analysis, but the present study shows different results. The present study shows that the relative impact of economic performance on Icelanders' political trust attitudes remained stable across the three time points of the observation. This means that the crash of 2008 and the economic trauma that followed did not increase the relative importance of economic evaluations in Icelanders' political trust judgements. The same is true for the impact of welfare performance on Icelanders' political trust attitudes. Its relative impact remained stable across the three time points. Hence, the significant reduction in government spending following the crash, which caused great strain on public welfare services, seems not to have changed the relative importance of welfare performance in Icelanders' political trust judgements.

Subjective process performance

The study's results meet the theoretical expectations predicting that subjective process performance has a positive impact on political trust. Both the perceived impartiality of bureaucratic processes and the government's perceived responsiveness to citizens' voice in decision making were strong predictors of political trust for all the three time points. The impact of the perceived impartiality of state institutions in the 2004 analysis is notable. Measured via respondents' trust that public officials would deal honestly with people like them, the perceived impartiality of state institutions was by far the most powerful predictor of Icelanders' political trust judgments in the 2004 analysis. The impact of the government's perceived responsiveness to citizens' voice in the 2016 analysis is also to be mentioned. Measured via respondents' evaluations of how the political system in Iceland allows people like them to have a say in what the government does, perceived responsiveness was the second most powerful predictor of Icelanders' political trust judgements in the 2016 analysis.

Because of data limitations, the proxies used to measure subjective process performance for each time point are different. Thus, the results cannot be used to assess if the relative impact of perceived process performance on Icelanders' political trust judgements has changed over time. This calls for caution when interpreting the impact of process performance on Icelanders' political trust judgments over time. Nevertheless, the results provide a strong indication that the subjective process performance of the government and state institutions have influenced Icelanders' political trust judgements over time, both before and after the crash.

The results on the positive impact of subjective performance on political trust are compatible with the literature on trust (Grimes, 2017; Levi, 2003; Ulbig, 2002). Grimes (2017) points out that much of empirical research on the impact of procedural fairness on political trust has focused on decision making in front-line bureaucracy, calling on scholars to extend research into other arenas. As discussed earlier, the operationalisation of subjective process performance in political trust research is not as established as the operationalisation of subjective policy performance. As such, the present study should be seen as a step in expanding the arena of procedural fairness research. Nevertheless, the results are very much in accordance with findings from studies examining the effect of perceived procedural fairness on political support (Dahlberg et al., 2015; Erlingsson et al. 2016; Erlingsson, et al., 2014; Linde & Dahlberg, 2016; Linde & Peters, 2018). Some of these studies use the same indicators for perceived procedural fairness as the present study (see Erlingsson, et al., 2014; Linde & Dahlberg, 2016; Linde & Peters, 2018).

Thus, the results from the multivariate analysis, testing different individual-level propositions on the determinants of political trust across three time points, demonstrated that Icelanders' political trust judgements are based on multiple factors. Subjective economic performance is overall the most powerful predictor of political trust in Iceland; it has a great effect in boosting trust levels in times when the economy is expanding and lowering them during economic downturns. Partisanship is also an important source of political trust in Iceland. The impact of partisanship, more precisely the relative impact of feeling closer to the parties in the coalition government, is the only predictor of trust that changed significantly between two of the time points of observation. Identifying with the coalition government parties was a strong predictor of political trust in 2004, but that source of trust had dried up in 2012. This significant change is a reflection of the political disruption and the fragmentation of the party system from the crash and leading up to the parliamentary election of 2013. As voters' identification with the political parties started to show signs of recovering and the party system became more comprehensive with new political parties, the effects of partisanship on political trust in Iceland have been increasing but have yet to reach pre-crash levels.

Furthermore, subjective welfare system performance, perceived process performance and social trust are all important and stable determinants of political trust in Iceland. Socio-economic background variables are also important predictors of political trust and have been stable over time. When other factors are controlled for, Icelandic women are more trusting than men and the youngest and oldest age groups express more trust than do people in the middle age groups, but the difference in trust levels between education and income groups is minimal. Overall, the results of the multivariate analysis suggest that the determinants of Icelanders' political trust judgements have been stable over time. The only determinant of trust that changed relative importance in the first years after the crash was winners' effect—citizens' identification with the parties in the coalition government. The winners' effect was no longer the source of political trust that it had been. Yet, the crash did not permanently alter the sources of Icelanders' trust towards their political institutions. The results for the 2016 analysis showed that identifying with government parties had again become a source of political trust, although its impact was considerably less than it was before the crash.

9.4 Limitations of the research

As is often the case with quantitative social science research addressing longitudinal developments, the present study is subject to limitations due to the availability of data. The study is based on data from two survey programmes,

the European Values Study (EVS) and European Social Survey (ESS). The EVS has been conducted five times in Iceland over a period of 34 years, in 1984, 1990, 1999, 2009/10 and in 2017/18. Ideally, a longitudinal analysis mapping trends in the development of political trust levels would span more than 34 years, and preferable including more than five time points. The first round of the ESS was conducted in 2002 and has been repeated every two years since then, or eight times between 2002 and 2016. Iceland has participated in the ESS in 2004, 2012 and 2016. Ideally, a longitudinal analysis testing different propositions on the determinants of political trust across time should span more than 12 years and include more than three time points.

Yet, the rationale for the present study provides the justification for compromising on the data. Firstly, a systematic longitudinal analysis of how political trust levels have developed over time in Iceland has not been done before. The EVS dataset provides richer data on political trust measures than the Icelandic National Election Study (ICENES), which has been conducted since 1983, and it provides a longer time span than the Gallup Iceland's annual public trust survey, which was first conducted in 1993. Secondly, the crash was an unprecedented event in the history of Iceland, and it had decisive effects on the country's economic, social and political life in the years that followed. Moreover, the crash had a direct impact on the country's political trust levels. Fully understanding the impact of the crash on political trust in Iceland requires comparing the sources of political trust before and after the crash. Of the four longitudinal data programmes available to analyse political trust in Iceland, the ESS has the broad range of variables required to test the study's five sets of explanatory factors on the determinants of political trust in Iceland. Thus, the ESS data was chosen for the before and after comparison.

Another limitation of the study has to do with on the conceptual and methodological ambiguity that is an integral part of all political trust research based on standard survey measures (Chapters 3 and 6). Firstly, established theories in the trust literature predict causal relationships and effects, but the cross-sectional research design data most commonly used in political trust research does not allow for establishing the direction of causality. This shortcoming in cross-sectional research can be considered acceptable when research hypotheses are based on solid theoretical reasoning. But in political trust research this problem is still to be noted as key explanatory variables and the dependent variable are very likely to be mutually dependent in many ways and their relationship reinforcing to some extent. However, to be able to fully disentangle the cause and effect relationships between different explanatory factors, and between them and Icelanders' political trust judgements would require very different data and research design than used in the present study.

Secondly, identifying suitable indicators to test hypotheses on political trust is complicated and always involves compromise. All the indicators used in the present study to test the individual-level propositions are well established in political trust research, but to a lesser extent for the indicators for subjective process performance. Nonetheless, the indicators for subjective process performance selected in the present study have been used in research on political support, a concept closely related to the notion of political trust. Due to data limitations, it was not possible to control for the impact of perceptions of corruption in the study's multivariate analysis, and different proxies had to be used for each of the three time points. Hence, the results reported on the impact of process performance on Icelanders' trust in institutions and actors of political representation over time should be interpreted more cautiously than the results for the other explanatory factors in the study's multivariate analysis.

Finally, the empirical component of the study is mostly confined to the case of Iceland. This limited scope is part of the research design as the study's aim was to chart and explain the development of political trust in Iceland. The outcome of the study is something that has never been established in research before: a systematic theoretical and empirical account of the sources of political trust in Iceland and how the country's political trust levels have developed over time focusing on public trust in Althingi. This narrow focus, however, limits the application of the study's findings to a wider context. This does not mean that no broader lessons can be drawn and applied. The study's findings on the impact of the financial crisis of 2008 and the economic recovery on political trust in Iceland could be of interest for scholars studying political trust in other countries that were exposed to the crisis, or to other crises. Moreover, the present study's findings could contribute to comparative research on the impact of the crisis and its recovery on the development of political trust.

9.5 Further research

Even though the present study is extensive in scope, addressing the origins of political trust and longitudinal developments of political trust levels in Iceland, future research should continue to explore public trust in political institutions in Iceland. There are also opportunities to build on the study's findings for comparative research focusing on political trust levels in the countries most exposed to the global financial crisis of 2008 and the ensuing economic crisis. Thus, a number of suggestions for further research are put forward.

The present study would have benefitted from testing the effect of perceptions of corruption on public trust in Althingi against alternative propositions. Thus, future research should consider the potential effects of the perceptions of corruption on political trust in Iceland more carefully. This could

be done by conducting a survey using the same survey questions used in the present study along with questions measuring perceptions of corruption.

One useful follow-up study would be to replicate the research design of the present study focussing on Icelanders' trust in the institutions on the implementation side of the political system, such as the civil service, the legal system or the police. The results of the present study showed different trends for the four core institutions of the Icelandic state: the national parliament, civil service, justice system and police. The greatest disparity was seen in perceptions of the parliament and for the other three institutions of the implementation side of the political system. These findings suggest that the main determinants for Icelanders' trust in the institutions on the implementation side of the political system may differ from the determinants for Icelanders' trust in institutions of political representation.

Another interesting follow-up study would be to examine more closely the role of people's socio-economic status, including gender, age, education, and immigration status in the development of political trust levels in Iceland. Here, the topic of intergenerational differences in Icelanders' trust in political institutions, with the focus on the interaction between age and education, could be fruitful. With more EVS and ESS rounds to be carried out in the coming years, the more extended data needed for this kind of research will become available.

In the present study, public trust levels for parliament were compared among Iceland, Ireland, Spain and Portugal. All these countries were greatly affected by the financial crisis of 2008 and the ensuing economic crisis, resulting in a fall in public trust in the national parliament in these four countries. While all the countries have been through an economic recovery, the recovery of political trust levels for the four countries has not been uniform. A comparative study on the development of political trust in these four countries post 2008 could further our understanding of the mechanisms at play in restoring public trust after a major economic trauma.

Political trust research in general would benefit greatly if extended to address non-trust responses in political trust surveys. The focus should be on developing survey instruments to probe whether the non-trusting respondents are sceptical towards the political system or if they are actively distrustful. As discussed earlier, there is a very important difference between political scepticism and political distrust. Public scepticism towards political authority can be regarded as a reflection of a vigilant citizenry and benign for democracy, while distrustful citizens are likely to develop a cynical view of political institutions and processes. This can undermine the political system. This

important difference has implications for how to interpret non-trust responses in political trust research.

Finally, further work is certainly required in addressing the ambiguity between the conceptualisation of political trust and the survey instruments used in political trust research. Although methodologically challenging, the focus of this work should be on developing survey measures aimed at providing information on the criteria respondents use when making their political trust judgements.

10 Conclusion

In this study, the development of political trust in Iceland has been charted and analysed, focusing on Icelanders' trust in the key institution of political representation, the national parliament Althingi. The study's research question was: what are the determinants of political trust in Iceland? The question was addressed and answered by reviewing the key political trust literature and introducing five theoretical perspectives on the determinants of political trust. Descriptive evidence was presented to map the trends in the development of political trust in Iceland from 1983 to 2018. The mapping focused on comparing public trust in different political institutions, trust levels between social groups, as well as trust levels for Iceland with trust levels in other established European democracies. Five OLS regression models predicting determinants of political trust were tested using individual-level data across three time points of 2004, 2012 and 2016. The crash of 2008 provided a before and after comparison for the analysis. The outcome of the study is a systematic theoretical and empirical account of the sources of political trust in Iceland and of how the country's political trust levels have developed over time.

The findings emerging from this study demonstrate that political trust is a multidimensional phenomenon. It is based on people's judgements about a number of political objects and experiences, and the development of political trust levels over time is built on various factors. To fully explain the trust relationship between Icelanders and their political institutions, one has to look across different spheres of society: the political, social and economic spheres. The country's cultural and social characteristics have to be noted, the country's performance indicators looked at, and the link between the citizens and the political decision-makers has to be examined. While different propositions regarding the sources of political trust are usually treated independently in the literature and empirical research, the literature also acknowledges that the different determinants of political trust are very likely to be interlinked and reinforcing to the extent it is difficult to fully disentangle them.

The long-term development of trust levels for the core institutions of the Icelandic state shows asymmetrical trends, supporting the claim that a distinction should be made between two types of regime institutions when using the term political trust. That is, a distinction between public trust in institutions on the representational side of the political system, such as the national parliament and political parties, and public trust in institutions on the implementation side of the system, such as the civil service, legal system, and police. Searching for a simple formula to explain the ups and downs of political

trust levels in Iceland is not likely to be fruitful. Nevertheless, the findings from this study suggest that the variables affecting political trust in Iceland are to a great extent the same in stable and good times as they are in turbulent and difficult times.

The literature on political trust talks about how popular trust in regime institutions can be considered to be an indicator of the underlying feelings of the general public about its polity. The development of political trust levels in Iceland from 1983 to 2018 suggests that Icelanders have overall been positive in their orientation toward their polity, although with an important exception. Public confidence in the civil service and in the police has increased substantially, while trust levels for the justice system have fluctuated. The long-term development of trust levels for the Icelandic parliament has, however, showed significant shifts. Trust peaked in 1999, when 72% of respondents expressed trust in Althingi and fell to 39% in 2009 to 2010, only to show a moderate rebound of five percentage points by 2018. The abrupt and rapid decline in public trust in the national parliament was the result of the crash of 2008, the country's financial meltdown in October 2008 and its economic and political aftermath. The crash did, however, not undermine public confidence in the other three core institutions of the Icelandic state: the civil service, justice system and police.

Furthermore, the study's analysis of the European Values Study data showed that *how much* confidence Icelanders have in their regime institutions may change over the years from 'not much', to 'quite a lot' to 'a great deal', but few respondents have stated that they have no confidence at all. In the case of Althingi, there was, however, an increase following the crash when 13% of respondents reported having no confidence at all in parliament. The number was down to 8% of respondents in 2017/18, the same as in the beginning of the 1990s. Additionally, the gap in trust levels between the four core institutions of the Icelandic state has increased since the 1980s, when Icelanders expressed the most trust in the police but the least in the civil service. The gap in trust levels increased drastically following the crash as the Icelandic public became ever-more favourable in its trust attitudes towards the police while losing confidence in the national parliament. This trend has continued in the post-crash years. In 2018, some 93% of Icelanders expressed trust in the police while only 44% expressed trust in Althingi.

The literature on political trust provided both macro- and micro-level proportions on the determinants of public trust in the institutions and actors of a country's political system. Iceland has many of the cultural and social attributes that the literature and empirical research have associated with high levels of political trust, such as, a vivid civic culture, high levels of social capital and

egalitarian social structures. Institutional theories claim that government performance in producing desirable societal outcomes and good governance are the main sources of political trust. Accordingly, government and institutional performance failures undermine political trust.

For the period covered in the present study, Iceland has scored high overall on the social, economic and good governance indicators that empirical research has linked to high levels of political trust. These indicators include: high levels of human development, high levels of economic development and growth, low levels of income inequality, extensive public welfare services and low levels of corruption. Iceland's scores on many of these performance indicators went down following the crash and the ensuing economic crisis. Yet, as the country's economy has recovered from the crash, Iceland is again performing well on indicators measuring economic growth, social advancement and human development. Performance indicators measuring the perception of corruption have, however, not returned to their favourable pre-crash scores. Additionally, the literature maintains that the party system and electoral outcomes are instrumental in the development of political trust as they provide a link between the citizens and the political decision makers. Prior to the crash of 2008, the Icelandic party system was stable, and together with relatively high levels of citizens' identification with political parties, it was an important source of political trust. Yet, growing fragmentation in the party system, weaker coalition governments and shifts in voter-party identification have characterised the post-crash years.

The study's individual-level analysis focused on trust in institutions and actors of political representation, measuring political trust as an index based on three trust measures: in the national parliament, in political parties and in politicians. The analysis confirmed that the five explanatory factors of socio-economic background, social trust, partisanship, subjective policy performance and subjective process performance are all important determinants of political trust in Iceland. Together these factors explained 41% of variance of the political trust variable in the analysis for 2004 and 43% of variance in the 2012 and 2016 analyses. Yet, the relative importance of these determinants differs, although their impact remains stable over time with the exception of partisanship in the form of winners' effect, measured as feeling closer to a party in government.

The results of the individual-level analysis demonstrated the strong impact of evaluations of policy performance and process performance on political trust. Overall, satisfaction with the state of the economy was the strongest determinant of political trust in Iceland. Subjective welfare services performance was also an important source of trust, but to a lesser degree than

economic performance. Both policy performance factors were stable predictors of trust over time, and the crash of 2008 did not change their relative impact on Icelanders' political trust judgements. Subjective process performance, measured as the perceived impartiality of bureaucratic process, and the perceived government's responsiveness to citizens' voice in decision making were significant predictors of political trust for all the three time points. Due to data limitations, however, changes in the relative impact of subjective process performance on political trust over time could not be assessed.

Partisanship is also an important source of political trust in Iceland in terms of people's identification with a particular party and, more specifically, identification with the parties in the coalition government. Partisanship in general remained a stable source of political trust across the study's three time points. But, the relative impact of feeling closer to the parties in the coalition government changed significantly between two time points. Feeling closer to a party in government was a strong predictor of political trust in 2004, but this source of trust dried up in 2012. The change reflects the political aftermath of the crash that was characterised by weaker government support, a shift in voter-party identification and party fragmentation. With party attachment increasing from 2012 and the party system becoming more comprehensive with new political parties on the stage, the effect of partisanship on political trust has increased, but not to pre-crash levels.

Finally, social trust and people's demographic characteristics and social statuses are determinants of political trust in Iceland; all of them have been stable sources of trust over the time. Gender and age showed to be stronger determinants of political trust than education and income. In Iceland, women are more favourable in their political trust attitudes than men, and age has a curvilinear effect on public trust, meaning that the youngest and oldest age groups are more trusting than age groups in the middle. The effects of education and income levels on Icelanders' trust judgements was fairly small. Once other explanatory factors were controlled for, there was no evidence suggesting that socio-economic status had become a more influential determinant of political trust following the crash or in the years of economic recovery.

When compared to other established European democracies, Icelanders are and have been among the most trusting citizens in Europe, making Iceland one of the high trusting Nordic countries. The high rates of trust in the Nordic countries have been linked to high levels of human development and social capital, strong egalitarianism, the public welfare system and good governance, to mention a few. For most of the period under study, political trust levels in Iceland followed the Nordic trend. With the financial meltdown of 2008 and the ensuing economic crisis, political trust levels in Iceland followed the same path

as was observed in other countries greatly affected by the crisis, such as Ireland, Spain and Portugal. In these countries, as in Iceland, public trust in the institutions and actors of political representation, parliament, political parties and politicians, plummeted, though the crisis had a limited impact on popular trust in regime institutions such as the legal system and the police. By 2017, the gross national production in Iceland, Ireland, Spain and Portugal had reached pre-crisis levels. However, the recovery of public trust in the national parliament in these countries had been more successful in Portugal and Ireland than in Spain and Iceland. While poor economic performance brought on lower levels of trust in parliament, the post-crisis economic recovery had not been sufficient to restore public trust its former levels in Spain and Iceland by 2017. In these two countries, the political aftermath of the crisis seems to be having a greater and more prolonged impact on public trust in the key institutions of political representation.

The literature maintains that measurement of political trust can function as a thermometer to assess the well-being of democracies. Based on that view, the development of political trust levels until the crash of 2008 signalled a happy state of affairs in the relationship between citizens and regime institutions in Iceland. The financial meltdown and economic crisis of 2008 put the democratic institutions in Iceland under pressure. The sharp fall in public trust in the institutions and actors of political representation signified malaise in the democratic system, while high levels of trust in the police, civil service and justice system suggested the health of other aspects of the Icelandic state. Through a combination of government efforts and favourable external conditions, the Icelandic economic system not only survived the crash but also became a recovery success story. Nevertheless, the levels of public trust in the national parliament are, in 2018, still far from the pre-crash levels. This tells us, referring to the thermometer metaphor, that there is still malaise in relations between the Icelandic citizens and the country's key political decision-making institution. The political system in Iceland is yet to achieve its pre-crash level of health ten years removed from the events of October 2008 that put the country's financial, economic and political crises in motion.

In Iceland, the financial and economic crises are now in the past, but it still remains to be seen if the political crisis will be fully resolved. The economic crisis brought on a fall in political trust levels in Iceland, but the political crisis escalated the downfall and hindered the recovery of trust. The political disruption weakened the role of the party system as a source of political trust in the first years after the crash. Party fragmentation, weaker coalition governments and weaker voters' identification with political parties in general, and with the government parties in particular, had the effect of reducing public trust in the national parliament, political parties and politicians. While public

perceptions of corruption were not tested against other explanatory factors in this study because of data limitations, it is likely that the growing perception of political corruption in the post-crash era has aggravated the political impact of the crash on political trust levels in Iceland.

There are signs that the party system is becoming a substantial source of political trust again. Party attachment among Icelandic voters has increased again, and with an unprecedented number of eight political parties in Althingi, the party supply is now more diverse than before. A more comprehensive party supply increases the likelihood that more Icelanders will feel attached to a political party that they believe represents their interests and views, thus integrating them into the political system and making them more likely to express political trust. It remains to be seen if the broad coalition government that came into power in November 2017 will bring back stability in Icelandic politics. Consisting of three political parties spanning the ideological spectrum of Icelandic politics, the coalition government certainly has the broad support base both inside and outside parliament needed to make identification with the government parties a reliable source of political trust.

Torcal (2017) talks about how the global financial meltdown of 2008 and the ensuing economic and fiscal crises acted as a stress test for representative democracies in Europe, especially in the countries most exposed to the crisis. The crisis increased the citizens' awareness about politics and made them more assertive in their evaluations of political decision-making processes and outcomes. The findings emerging from this study on political trust in Iceland suggest that the institutions and actors of political representation in Iceland, Althingi, political parties and politicians, are still to pass that test. Political trust is conditional; those in political authority have to earn the citizens' trust by demonstrating their reliability, effectiveness and integrity in governing.

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Appendix A

Appendix A provides detailed information on the data used in the study: European Values Study (EVS), European Social Study (ESS) and the Icelandic National Election Study (ICENES).

European Values Study

The European Values Study (EVS) is a large-scale, cross-national, and longitudinal survey research programme giving insights into ideas, beliefs, preferences, attitudes, values and options of European citizens (“European Values Study, n.d.). Five waves of EVS have been conducted; in 1981-84; 1990-91; 1999-2000; 2008-2010; 2017-2019. Iceland has been part of all the five waves. The Icelandic data was collected by the Social Science Research Institute (SSRI) of the University of Iceland, in 1984, 1990, 1999, and from July 2009 to March 2010, and from June 2017 to March 2018 (“European Values Study Website,” n.d.). In accordance with EVS guidelines, the EVS data collection followed a random probability sampling where the sampling frame is the national register of Iceland; adult population of 18 years and older and Iceland as a one region. The questionnaire interviews have been both conducted in face-to-face interviews and by phone. A summary of sample size, response rate and the main demographic information on respondents for the five waves of EVS in Iceland is present in table A1.

Table A1. Sample information for EVS – the Icelandic data

Sample items/waves	1984	1990	1999	2009/10	2017/18
Sample size	1,500	1,500	1,500	1,500	2,321
Response rate (%)	61.8	46.8	64.5	53.8	39.5
Number of participants	927	702	968	808	915
Male/female (%)	51/49	51/49	50/50	49/51	50/50
Male/female (%) – <i>weighted</i>	51/49	51/49	50/50	51/49	NA
Age range: years	18-84	18-79	18-80	18-99	19-98
Mean age: years	37.8	39.9	42.1	45.0	49.2
<i>Mean age: years – weighted</i>	40.6	39.9	42.1	45.7	NA

As advised by the EVS survey programme, weights were used in the study’s data analysis to reduce the sampling error and potential non-response bias in the datasets (“European Values Study Website,” n.d.). The weigh variable for the Icelandic dataset in the fifth wave (2017/18) was not available at the time the present study.

European Social Survey

European Social Survey (ESS) is a cross-national survey conducted every two years across Europe since 2002. Iceland has taken part in ESS three times: first in the second round in 2004-2005 (ESS 2004), the sixth around 2012-2013 (ESS2012) and eight round 2016-2017 (ESS2016). The ESS surveys seek to register stability and change in social structure and conditions in Europe, as well as to monitor changes in social, political and moral attitudes among Europeans. Every ESS round is dedicated to a specific theme, which is sometimes repeated in later rounds (“European Social Survey Website,” n.d.). The Icelandic data of the ESS was collected by the Social Science Research Institute (SSRI) of the University of Iceland. The ESS 2004 data was collected May to December 2005; the ESS 2012 data was collected from October 2012 to March 2013; and ESS 2016 data was collected from November 2016 to June 2017 (“European Social Survey Website,” n.d.). In accordance with ESS guidelines on the administration and execution of ESS data collection, a random probability sampling was employed, and the sampling frame was the national register, including all residents in Iceland except islands population and very remote rural population. Participants were approached via phone and followed by one hour-long face-to-face interview meeting. A summary of sample size, response rate and the main demographic information on respondents for the three rounds of ESS in Iceland is present in table A2.

Table A2. Sample information for ESS – the Icelandic data

Sample items/rounds	2004	2012	2016
Response rate (%)	51.3	54.7	45.8
Number of participants	579	752	880
Male/female (%)	48/52	50/50	50/50
Male/female (%) – <i>weighted</i>	50/50	50/50	51/49
Age range: years	15-90	15-90	15-94
Mean age: years	44.5	44.1	48.2
Mean age: years – <i>weighted</i>	43.2	43.7	44.3

As advised by the ESS survey programme, post-stratification weights were used in the study’s data analysis to reduce the sampling error and potential non-response bias in the datasets (“European Social Survey Website,” n.d.).

Icelandic National Election Study

The Icelandic National Election Study (ICENES) has been conducted after every general election in Iceland since 1983: in 1983;1987;1991;1995;1999; 2003; 2007; 2009; 2013; 2016 and 2017. The ICENES data is used in this study

to supplement the EVS and ESS data used in the study’s longitudinal descriptive analysis. ICENES is an extensive study of the electoral and political behaviour of Icelandic voters, including topics such as: voting behaviour, attitudes towards political parties and democracy, the most important political tasks, participation in primaries and other issues on the political agenda. For the ICENES data collection, a random probability sampling is employed and the sampling frame is the national register of Iceland: adult population of 18 to 80 years old (“Icelandic National Election Study - ICENES,” n.d.). A summary with information about the sample size, response rate and main demographic characteristics of respondents for each ICENES survey from 1983 to 2017 is present in table A3.

Table A3. Sample information for ICENES 1983-2017

Sample items/rounds	1983	1987	1991	1995
Sample size	1,400	2,428	2,000	2,400
Response rate (%)	71.6	71.9	75	71.7
Male/female (%)	53/47	53/47	48/52	51/49
Age range: years	20-82	18-81	18-80	18-80
Mean age: years	42.4	NA	42.1	42.7
Sample items/rounds	1999	2003	2007	2009
Sample size	2,300	2,300	2,600	2,600
Response rate (%)	70.9	62.9	61.3	53.3
Male/female (%)	51/49	49/51	50/50	52/48
Age range: years	18-80	18-81	18-80	18-80
Mean age: years	NA	47.3	44.6	44.6
Sample items/rounds	2013	2016	2017	
Sample size	2,600	2,600	4,000	
Response rate (%)	57.0	49.8	50.9	
Male/female (%)	51/49	49/51	50/50	
Age range: years	18-80	18-95	18-96	
Mean age: years	46.1	49.3	48.3	

Appendix B

Information in Appendix B refers to the discussion in Chapter 6.5. Table B1 shows sample sizes of the social groups used in the longitudinal descriptive analysis (EVS Icelandic data).

Table B1. European Values Study Icelandic data: sample size of social groups

<i>Gender</i>	1984	1990	1999	2009/10	2017/18
Male (%)	51.0	50.6	49.9	51.0	49.6
Female (%)	49.0	49.4	50.1	49.0	50.4
N	927	702	968	808	915
<i>Education levels</i>	1984	1990	1999	2009/10	2017/18
Lower (%)	NA	NA	41.5	26.2	18.7
Middle (%)	NA	NA	38.8	40.2	43.1
Higher (%)	NA	NA	19.7	33.6	38.2
N	NA	NA	955	791	910
<i>Age groups</i>	1984	1990	1999	2009/10	2017/18
15-29 yrs. (%)	30.2	31.1	26.8	21.5	16.5
30-49 yrs. (%)	42.0	43.7	42.0	40.1	35.8
50+ yrs. (%)	27.8	25.2	31.2	38.4	47.7
N	927	702	968	808	915
<i>Household income</i>	1984	1990	1999	2009/10	2017/18
Low (%)	40.2	32.1	29.8	35.4	27.3
Medium (%)	48.6	40.0	38.1	41.3	49.4
High (%)	11.2	27.9	32.1	23.3	23.3
N	850	542	903	715	810
<i>Social trust</i>	1984	1990	1999	2009/10	2017/18
Socially trusting (%)	41.2	43.6	41.1	50.5	64.1
Not trusting (%)	60.2	56.4	58.9	49.5	35.9
N	909	672	925	780	894
<i>Membership</i>	1984	1990	1999	2009/10	2017/18
A member (%)	55.0	65.7	67.9	71.7	71.7
Not a member (%)	45.0	34.3	32.1	28.3	28.3
N	927	702	968	808	901
<i>Value change</i>	1984	1990	1999	2009/10	2017/18
Materialist (%)	26.0	26.3	21.5	18.4	16.7
Mixed (%)	56.6	62.8	68.0	64.4	62.7
Post-materialist (%)	17.4	10.9	10.5	17.4	20.6
N	891	681	947	778	897

Note: Weight applied for 1984-2009/10 (weight not available for 2017/18).

Appendix C

Information in Appendix C refers to the discussion in Chapter 6.6. Tables C1 to C3 show the mean scores of the political trust index (the dependent variable) for categorical variables in multivariate analysis for ESS 2004, ESS 2012 and ESS 2016. Tables C4 to C6 show descriptive statistics for the independent variables in the multivariate analysis for ESS 2004, ESS 2012 and ESS 2016. Table C7 shows the results of correlation analyses for variables used in the multivariate analysis for ESS 2004, ESS 2012 and ESS 2012.

Table C1. Political trust index – mean score for categorical variables ESS 2004

Categorical variables	Mean	SD	N
Gender			
Male	5.22	(1.91)	277
Female	5.30	(2.02)	261
Age groups			
15 – 29 yrs.	5.51	(1.81)	147
30 – 49 yrs.	5.15	(1.88)	203
50+ yrs.	5.17	(2.14)	192
Education level			
Lower secondary education	5.24	(1.99)	191
Upper secondary education	5.23	(1.98)	197
Tertiary education	5.29	(1.94)	92
Party attachment			
Feeling closer to a particular party	5.47	(1.99)	274
Not feeling closer to a particular party	5.02	(1.92)	266
Winners' effect			
Feeling closer to a party in government	6.20	(1.67)	126
Not feeling closer to a party in government	4.97	(1.94)	405

Note: Post-stratification weights applied. Source: the second round of ESS

Table C2. Political trust index – mean score for categorical variables ESS 2012

Categorical variables	Mean	SD	N
Gender			
Male	3.59	(2.08)	368
Female	4.07	(2.03)	357
Age groups			
15 – 29 yrs.	4.49	(1.98)	193
30 – 49 yrs.	3.55	(1.97)	248
50 + yrs.	3.62	(2.12)	284
Education level			
Lower secondary education	3.80	(2.26)	267
Upper secondary education	3.62	(1.99)	300
Tertiary education	4.28	(1.83)	156
Party attachment			
Feeling closer to a particular party	4.17	(2.00)	290
Not feeling closer to a particular party	3.61	(2.09)	423
Winners' effect			
Feeling closer to a party in government	4.59	(1.85)	91
Not feeling closer to a party in government	3.72	(2.08)	613

Note: Post-stratification weights applied. Source: the sixth round of ESS

Table C3. Political trust index – mean score for categorical variables ESS 2016

Categorical variables	Mean	SD	N
Gender			
Male	4.35	(2.07)	442
Female	4.66	(1.95)	419
Age groups			
15 – 29 yrs.	4.85	(1.89)	216
30 – 49 yrs.	4.36	(2.01)	318
50 + yrs.	4.40	(2.09)	332
Education level			
Lower secondary education	3.92	(2.15)	252
Upper secondary education	4.50	(2.03)	363
Tertiary education	5.07	(1.66)	242
Party attachment			
Feeling closer to a particular party	4.91	(1.88)	420
Not feeling closer to a particular party	4.09	(2.07)	410
Winners' effect			
Feeling closer to a party in government	5.45	(1.70)	191
Not feeling closer to a party in government	4.22	(2.02)	639

Note: Post-stratification weights applied. Source: the eighth round of ESS

Table C4. Description of independent variables ESS 2004

Variables	N	Min	Max	Mean	SD
<i>Demographic and social characteristics</i>					
Gender - women	570	0	1	.50	(.50)
Age (years)	570	15	90	43.2	(18.1)
Age (years) squared	570	225	8,100	2,190	(1,734)
University education	506	0	1	.19	(.39)
Household income groups	570	1	12	8.41	(2.02)
<i>Social capital</i>					
Social trust	570	0	10	6.29	(2.29)
<i>Partisanship</i>					
Feeling closer to a particular party	565	0	1	.51	(.50)
Feeling closer to a party in government	557	0	1	.24	(.43)
<i>Policy performance</i>					
Satisfaction with economy	554	0	10	6.25	(2.18)
State of the health care services	560	0	10	6.56	(2.10)
<i>Process performance</i>					
Impartiality: Trust public officials to deal honestly with you	554	1	5	3.25	(.77)
Responsiveness	NA	NA	NA	NA	NA

Note: Post-stratification weights applied. Source: the second round of ESS.

Table C5. Description of independent variables ESS 2012

Variables	N	Min	Max	Mean	SD
<i>Demographic and social characteristics</i>					
Gender - women	752	0	1	.50	(.50)
Age (years)	752	15	90	43.8	(18.7)
Age (years) squared	752	225	8,100	2,264	(1,771)
Education - university degree	750	0	1	.21	(.41)
Household income deciles	751	1	10	4.30	(2.75)
<i>Social capital</i>					
Social trust	747	0	10	5.94	(2.16)
<i>Partisanship</i>					
Feeling closer to a particular party	736	0	1	.40	(.49)
Feeling closer to a party in government	728	0	1	.13	(.34)
<i>Policy performance</i>					
Satisfaction with economy	738	0	10	3.83	(2.20)
State of health care services	745	0	10	5.57	(2.14)
<i>Process performance</i>					
Impartiality: In Iceland courts treat everyone the same	720	0	10	6.59	(2.93)
Responsiveness: In Iceland government changes policies in response to what most people think	698	0	10	4.25	(1.94)

Note: Post-stratification weights applied. Source: the sixth round of ESS.

Table C6. Description of independent variables ESS 2016

Variables	N	Min	Max	Mean	SD
<i>Demographic and social characteristics</i>					
Gender - women	875	0	1	.49	(.50)
Age (years)	880	15	94	44.3	(18.04)
Age (years) squared	880	225	8,836	2,289	(1,750)
Education - university degree	875	0	1	.28	(.45)
Household income deciles	880	1	10	5.65	(2.45)
<i>Social capital</i>					
Social trust	879	0	10	6.26	(2.14)
<i>Partisanship</i>					
Feeling closer to a particular party	843	0	1	.51	(.05)
Feeling closer to a party in government	843	0	1	.23	(.42)
<i>Policy performance</i>					
Satisfaction with economy	866	0	10	5.72	(2.20)
State of the health care services	876	0	10	4.54	(2.15)
<i>Process performance</i>					
Impartiality	NA	NA	NA	NA	NA
Responsiveness: Political system allows people to have a say in what government does	870	1	5	2.55	(.88)

Note: Post-stratification weights applied. Source: the eighth round of ESS.

Table C7. Correlation between variables in the regression models for the ESS 2004, ESS 2012 and ESS 2016 rounds

Variables	1	2	3	4	5	6	7	8	9	10	11
1. Political trust index	-										
2. Gender - women	.03	-									
3. Age	-.05	.02	-								
4. Education - university degree	.01	.27**	-.23**	-							
5. Household income	.10*	-.10*	-.19**	.10*	-						
6. Social trust	.26**	-.04	.05	.07	.06	-					
7. Closer to a particular party	.10**	.01	.15**	.10*	.03	.09*	-				
8. Closer to a party in government	.22**	-.10*	.11**	.02	.08*	.08*	.57**	-			
9. Satisfac w./state of economy	.36**	-.17**	-.11*	.03	.19**	.08*	.01	.27**	-		
10. State of health care services	.35**	-.10**	.12**	-.10*	.11*	.08	.08*	.17**	.31**	-	
11. Trust public officials to deal honestly	.50**	-.04	.06	-.03	.04	.17**	.13**	.17**	.23**	.19**	-

Variables	1	2	3	4	5	6	7	8	9	10	11
1. Political trust index	-										
2. Gender - women	.11**	-									
3. Age	-.14**	.00	-								
4. Education - university degree	.10**	.10**	.04	-							
5. Household income	.11**	-.06*	-.16**	.20**	-						
6. Social trust	.34**	.04	.09*	.14**	.03	-					
7. Closer to a particular party	.11**	-.13**	.16**	.14**	.06**	.09**	-				
8. Closer to a party in government	.12**	.01	.13**	.14**	.07*	.15**	.51**	-			
9. Satisfac w./state of economy	.49**	.00	-.20**	.10*	.08**	.27**	.03	.15**	-		
10. State of health care services	.43**	-.05	.05	.00	.05	.24**	.02	.12**	.40**	-	
11. Courts treat everyone the same ....	.32**	-.08*	.09*	.02	.04	.25**	.05	-.03	.19**	.24**	-
12. Government changes policies in response to ...	.33**	.08*	-.16**	.05	.09*	.15**	-.01	.11**	.28**	.17**	.14**

Variables	1	2	3	4	5	6	7	8	9	10	11
1. Political trust index	-										
2. Gender - women	.06*	-									
3. Age	-.09*	-.03	-								
4. Education - university degree	.14**	.11**	.05	-							
5. Household income	.18**	-.00	-.15**	.19**	-						
6. Social trust	.32**	-.02	.10**	.15**	.11**	-					
7. Closer to a particular party	.16**	-.04	.07*	.06	.11**	.04	-				
8. Closer to a party in government	.21**	-.10**	-.03	.00	.12**	.03	.53**	-			
9. Satisf. w. state of economy	.38**	-.14**	.01	.12**	.30**	.28**	.11**	.24**	-		
10. State of health care services	.28**	-.12**	.07*	.03	.06	.26**	.05	.14**	.38**	-	
11. Political system allows people to have a say ...	.46**	.04	-.12**	.18**	.22**	.12**	.20**	.18**	.30*	.21**	-

Notes: * p<0.05, ** p<0.01 (two tailed). Nonparametric correlations (Kendall's tau b) between nominal variables, and between nominal and ordinal variables/interval variables. Pearson correlations between ordinal variables taking values 0-10 and between interval variables, and between ordinal variables taking values 0-10 and interval variables.

Appendix D

Information in Appendix D refers to the discussion in Chapter 8. Table D1 shows the OLS regression estimates of model 4 for every ESS round. Figure D1 to D8 show confidence intervals for slope estimates in model 4 for the following predictor variables: gender; age; education; household income; social trust; party attachment; satisfaction with the economy; and assessment of the state of the health services.

Table D1. Predicting political trust in Iceland with model 4: comparison between three time points

Variables	ESS rounds			2004			2012			2016		
	Est.	SE	β	Est.	SE	β	Est.	SE	β	Est.	SE	β
Constant	2.25***	(.66)		1.16*	(.49)		1.71***	(.43)				
<i>Demogr. & socio-econ. backgr.</i>												
Women	.62***	(.17)	.16	.63***	(.13)	.16	.61***	(.12)	.15			
Age (years)	-.07**	(.02)	-.65	-.07***	(.02)	-.59	-.07***	(.02)	-.63			
Age (years) squared	.00**	(.00)	.58	.00**	(.00)	.51	.00***	(.00)	.53			
University degree	-.25	(.22)	-.05	.20	(.17)	.04	.38**	(.14)	.08			
Household income	.04	(.04)	.04	.03	(.02)	.04	.06*	(.03)	.08			
<i>Social capital</i>												
Social trust	.15***	(.04)	.17	.18***	(.03)	.18	.14***	(.03)	.14			
<i>Partisanship</i>												
Feeling closer to a particular party	-.03	(.21)	-.01	.50**	(.16)	.12	.31*	(.14)	.08			
Feeling closer to a party in government	1.00***	(.25)	.21	-.10 ‡	(.22)	-.02	.40*	(.16)	.09			
<i>Policy performance</i>												
Satisf. with the state of economy	.23***	(.04)	.24	.31***	(.03)	.33	.35***	(.03)	.38			
State of the health care services	.19***	(.04)	.20	.23***	(.03)	.24	.15***	(.03)	.16			
Observations/N	437			628			798					
Adjusted R ²	.270***			.395***			.385***					

Notes: For parameter estimates in the OLS regression models; * p<0.05, ** p<0.01, *** p<0.001. A significant change in magnitude compared to the previous time point; ‡.

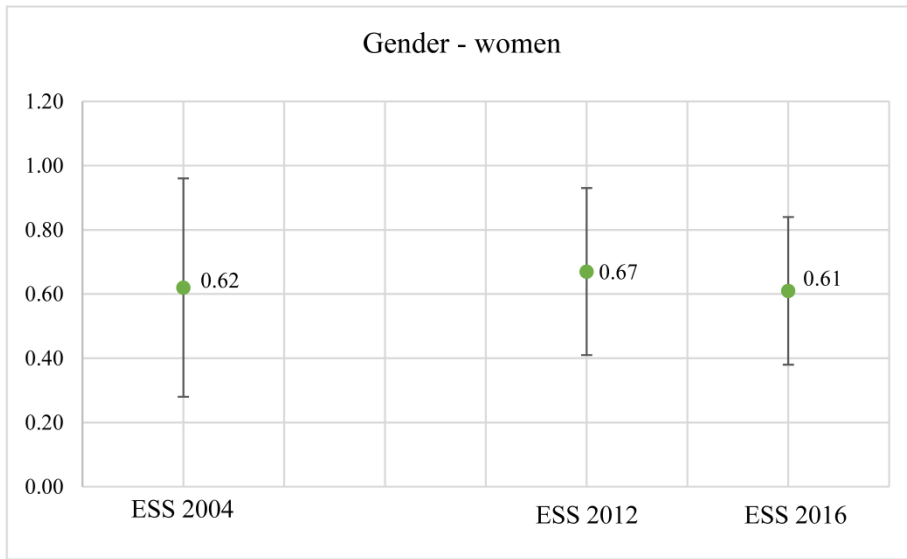


Figure D1. Confidence interval for the slope estimate of “gender- women” for model 4 in each ESS round

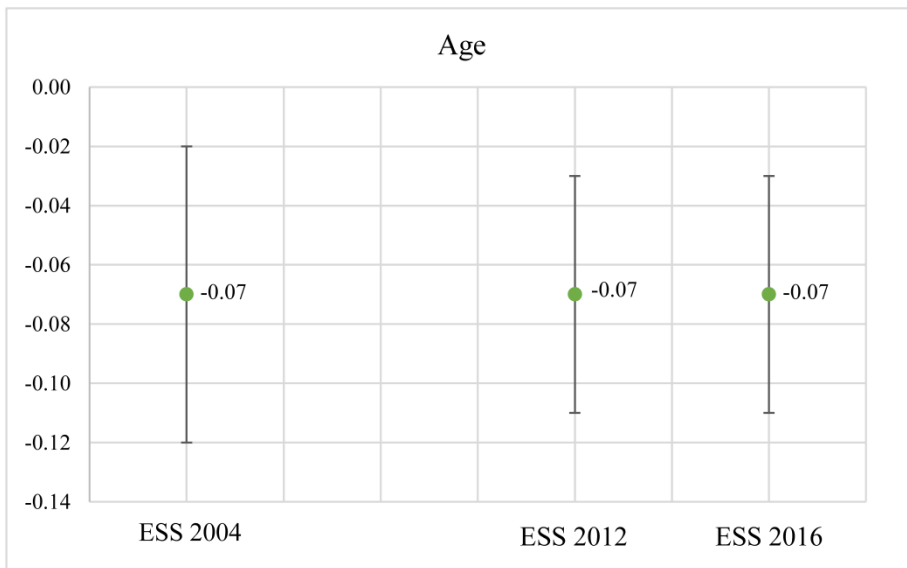


Figure D2. Confidence interval for the slope estimate of “age” for model 4 in each ESS round

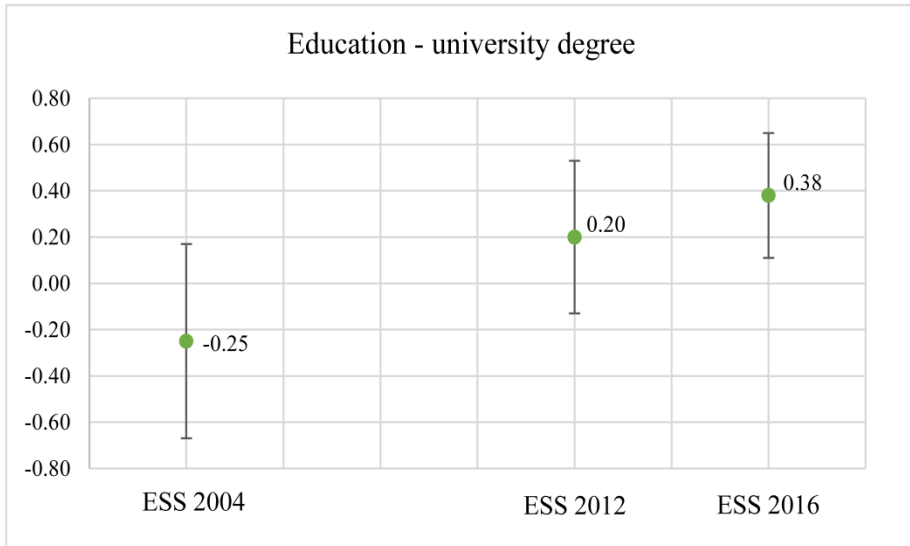


Figure D3. Confidence interval for the slope estimate of “education-university degree” for model 4 in each ESS round

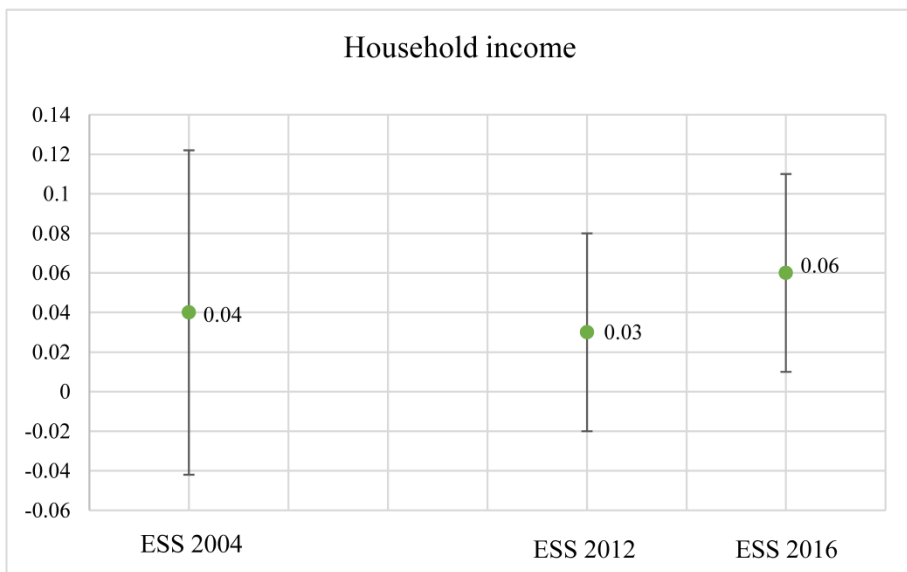


Figure D4. Confidence interval for the slope estimate of “household income” for model 4 in each ESS round

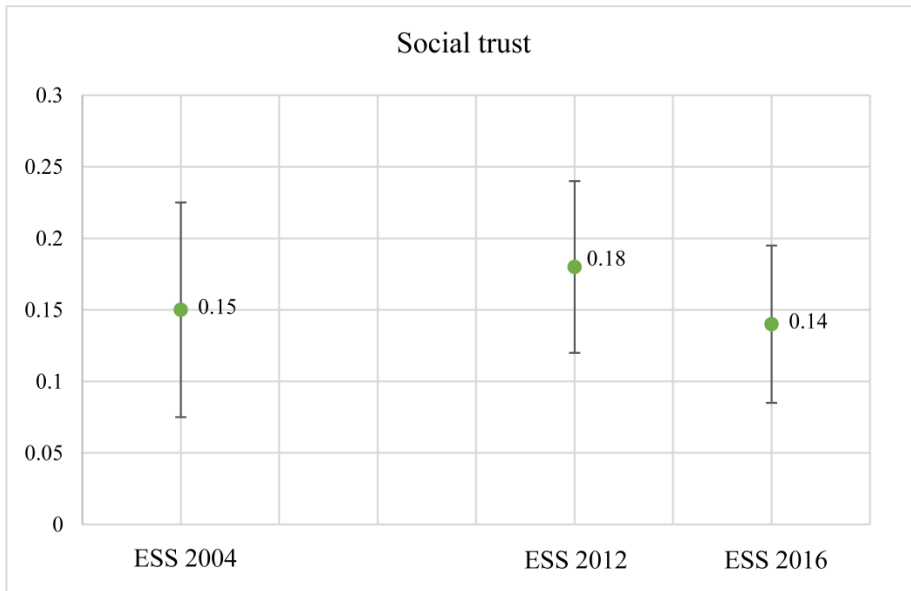


Figure D5. Confidence interval for the slope estimate of “social trust” for model 4 in each ESS round

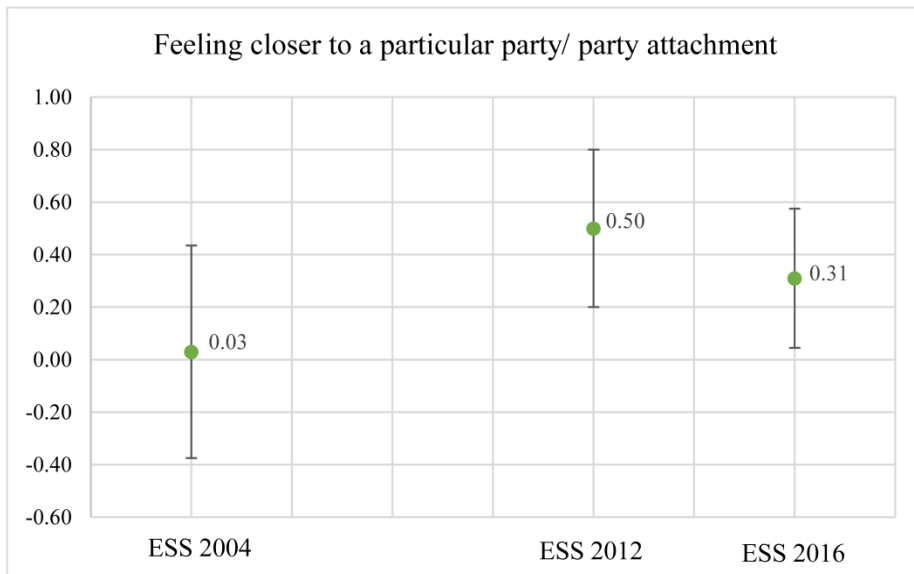


Figure D6. Confidence interval for the slope estimate of “feeling closer to a particular party” for model 4 in each ESS round

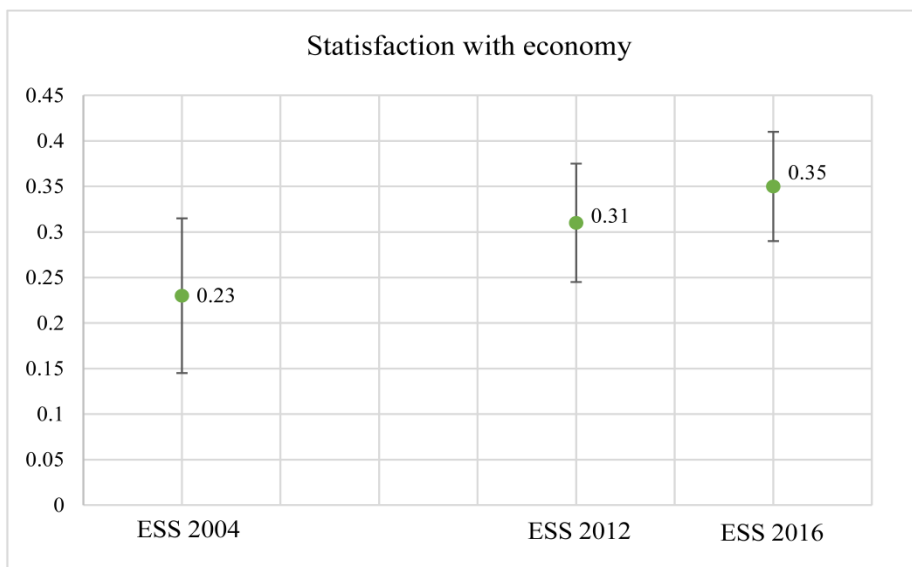


Figure D7. Confidence interval for the slope estimate of “satisfaction with the state of the economy” for model 4 in each ESS round

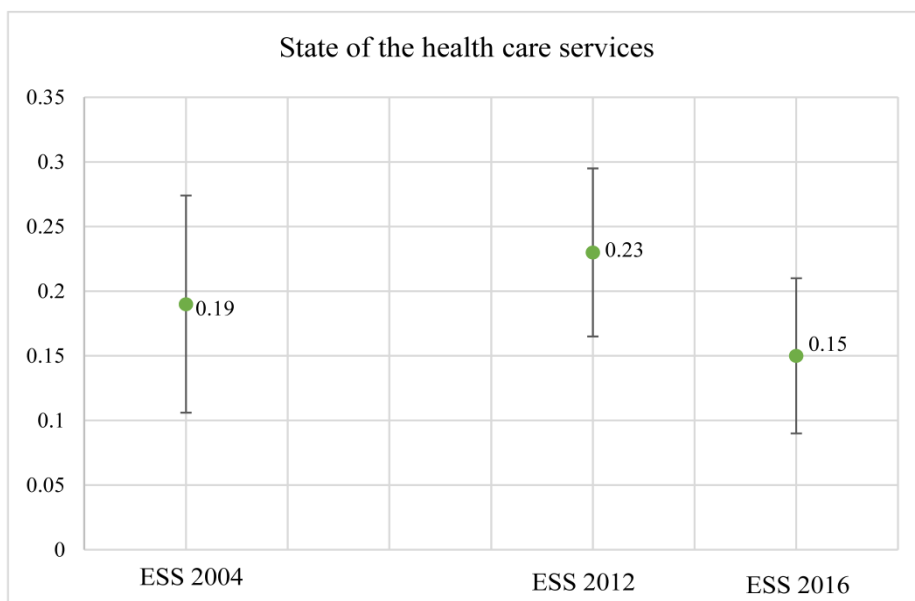


Figure D8. Confidence interval for the slope estimate of “the state of health care services” for model 4 in each ESS round