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ABSTRACT

Does a Lack of Trust Boost Populist Political Parties in Europe? Causal Evidence from Three Methodologies

Existing research has identified several economic and cultural determinants of populist voting. We focus on a related explanation: whether populist leaders are able to capitalize on a sense of distrust between individuals. There is currently limited causal evidence on the relationship between interpersonal trust and support for populist parties, and the underlying mechanisms driving this relationship are not well understood. Using three distinct causal identification strategies, each grounded in different assumptions, we find consistent evidence that a deficit in trust significantly bolsters support for populist political parties throughout Europe. Notably, this influence extends beyond ideological boundaries, encompassing both far-right and far-left populist parties.

JEL Classification: D72, P00
Keywords: populism, trust, immigration

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1. **Introduction**

In many democratic countries around the world, charismatic leaders vilify political opponents, disparage institutions and claim the mantle of the people. This political style goes by the name of populism.[1] Several explanations for the rise of populism have already been put forward, including cultural backlash (Norris and Inglehart 2019), globalization (Rodrik 2021, Colantone and Stanig 2019), immigration (Dustmann et al. 2019; Levi et al. 2020; 2024) and economic insecurity (Guiso et al. 2017; Anelli et al. 2021).

In this paper, we focus on whether populist leaders can capitalize on societal distrust to expand their support. People with lower levels of interpersonal trust may be less likely to trust "elites", which is a core populist attitude (Mudde and Kaltwasser 2017).[2] While previous papers have examined the relationship between interpersonal trust and various outcomes (e.g., Alesina and La Ferrara 2002; Algan and Cahuc 2010; Tabellini 2010; Anayev and Guriev 2019) and between institutional trust and populist voting (e.g., Algan et al. 2017; Boeri et al. 2018; Belanger 2017; Geurkink et al. 2020), little is known about the causal relationship between interpersonal trust, political preferences and populist voting.[3] This is likely because of the difficulty in isolating exogenous variation in trust, which we argue below, we are able to do in this paper.

Why might interpersonal trust affect populism? There are several possible channels. First, lower trust can reduce society's capacity for collective action and the ability to hold politicians accountable for bad policies (Keefer et al. 2021; Kahan 2003; Lee 2022). Second, it can foster increased discontent towards democracy and feelings of underrepresentation among voters (Kaase 1999; Zmerli and Newton 2008). Third, it can fuel populism by fostering suspicion towards outgroup members, such as immigrants, resulting in increased voting for parties that endorse nativist narratives (Herreros and Criado 2009; Pellegrini et al. 2021; Korol and Bevelander 2023). Probably not by chance, the latter two indeed figure as prominent populist narratives.

Our paper examines the causal relationship between interpersonal trust and populist voting, as well as some of the potential underlying mechanisms mentioned above. We focus on Europe both because there has been an astonishing emergence of populist parties in the last 20 years and because there is

[1] Based on a minimal definition, populism is "an ideology that considers society to be ultimately separated into two homogeneous and antagonistic groups, 'the pure people' versus 'the corrupt elite', and which argues that politics should be an expression of the volonté générale (general will) of the people" (Mudde 2004, p. 543).

[2] We focus on interpersonal trust in this paper, defined as individuals' generalized expectation that other individuals are reliable (Rotter 1980). Trust in institutions is also likely related to populism and we examine this as a cofounder in our analyses below.

[3] Exceptions include Giuliano and Wacziarg (2020) who examine how social capital, which includes trust, impacted county-level voting for Trump in the 2016 US Presidential elections; Boeri et al. (2021) who explore the role of civic engagement in explaining populist voting in Europe; and Algan et al. (2018) who examine the role of trust in the 2017 French presidential elections.

a shared belief that these parties are anti-European. Because of the difficulty in isolating exogenous variation in trust, we use three distinct identification strategies, each with different underlying assumptions. While none of these methods is immune from criticism, we argue that the combination of the three and their consistent results allow to conclude that we are estimating a causal relationship.

First, we use an "epidemiological approach" to examine the *across-country* relationship between interpersonal trust and voting for populist political parties using data from the 2004 to 2019 European Social Survey (ESS) (Fernandez and Fogli 2009). We follow Algan and Cahuc (2010) and proxy the inherent trust of individuals in European countries with the average trust of individuals whose family emigrated from these countries to the US before 1975. This approach will produce causal evidence as long as subsequent shocks that are correlated with both trust and populist voting are uncorrelated between European source countries and the US. However, there may be country-level confounding factors that invalidate this approach and, because it is a cross-country identification strategy, it cannot easily be used to examine heterogeneity or mechanisms.

Second, we again use an epidemiological approach to now examine the *within-country* relationship between individual trust and populist voting using the same ESS sample. Here, we instrument individual trust with the predicted level of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey (WVS) for an individual belonging to one of 58 trust groups defined using a lasso regression which relates stable individual characteristics to trust. These regressions include country by year fixed effects, hence all identification is achieved by comparing individuals who are estimated as being in different trust groups in the same country and year. This approach will produce causal evidence as long as unobservables that are correlated with both trust and populist voting are uncorrelated between individuals that are in the same trust group in European countries now and non-Western countries 20 to 30 years ago. One downside to this method is that, while we use machine learning to define our trust groups, they are inherently arbitrary by nature.

Third, we use the German Socio-Economic Panel (SOEP) covering the period from 2003 to 2018, and the British Election Study (BES) for the years 2015 to 2019 to estimate individual fixed effects models. This allows us to examine the *within-individual* relationship between interpersonal trust and populist voting. Here, all identification comes from changes over time in interpersonal trust at the individual level. This approach will produce causal evidence as long as unobservables that are correlated with both trust and populist voting are time invariant for individuals. One shortcoming of this approach is that the results could potentially be affected by reverse causality. Another is that measurement error, which biases results towards zero, is exacerbated in fixed effects models.

With all three methods, we find that a 1 standard deviation decrease in the level of interpersonal trust leads to a 2-6% increase in populist voting. Interestingly, the magnitude of these results is similar for

both far-right as well as far-left populist parties. These results are robust to alternative ways of defining our trust groups and populist political parties. Examining individual heterogeneity, we find that the impact of trust is less pronounced for blue collar workers and the less educated. This suggests that the underlying mechanisms linking trust to populism are disconnected from other economic and cultural determinants of populism.

We next use our two within-estimators to examine potential mechanisms. We find that reduced trust leads to less civic engagement, more dissatisfaction with democracy, and more hostility towards migration. Reduced civic engagement may lead to higher support for populist parties through higher exposure to populist narratives, while dissatisfaction with democracy and hostility towards migration are two prominent populist narratives. We also examine across-region variation in our findings. The relationship between trust and populist voting is stronger in French-speaking, German-speaking, Anglo-Saxon and Scandinavian countries where the level of trust is on average higher and populist parties are in opposition. This suggests that a lack of trust acts as a type of trigger that helps promote populism under certain conditions. We also find that the 2008 financial crisis acted as a trigger that magnified the relationship between trust and populist voting.

Overall, our research provides some of the first causal evidence of the impact of interpersonal trust on the emergence of populism in Europe. Our paper contributes to the large emerging literature on the political economy of populism (see Guriev and Papaioannou 2022 for an exhaustive review). So far, this literature has provided mostly descriptive evidence on the link between trust and populism. Papers have shown that 'distrustful' societies tend to support political actors who focus on anti-elite and anti-establishment claims, in particular populist parties in Europe or Donald Trump in the US (Algan et al. 2018; Giuliano and Wacziarg 2020). It has also been shown that individuals more actively involved in civil society (i.e. belonging to associations), which is a measure that is usually seen as related to trust, are less likely to vote for populist parties (Boeri et al. 2021). Interestingly, psychologists have linked the strong correlation between a lack of interpersonal trust and populist attitudes (and conspiracy theories) to adverse personality traits (Thielmann and Hilbig, 2023).

This paper is organized as follows. The next section presents our empirical approach. Section 3 discusses the data. Section 4 shows our main results, while Section 5 digs deeper into the mechanisms underlying our main results. Section 6 concludes.

2. Empirical Approach

In an ideal scenario, assessing the causal relationship between trust and populism would involve a natural experiment introducing a random shock to interpersonal trust, enabling a comparison between a group exposed to the shock and a control group. Lacking such an experiment, we adopt three distinct

causal identification strategies, each based on different underlying assumptions. Two strategies align with the "epidemiological approach" pioneered by Fisman and Miguel (2007), Fernandez and Fogli (2009), and Algan and Cahuc (2010). This approach aims to "*uncover the influence of culture through variations in economic outcomes among individuals sharing the same economic and institutional environment but possessing potentially different social beliefs*" (Fernandez 2011, pp. 489). We develop both cross- and within-country variants of this approach, detailed below. Our third strategy utilizes longitudinal data with information on interpersonal trust and individual-level voting, allowing us to estimate individual fixed effects models.

2.1. Cross-Country Epidemiological Approach

Our first identification strategy follows a cross-country approach and is closely aligned with the empirical methodology used in Algan and Cahuc (2010). Following their approach, we proxy country-level trust in the 2000s in European countries by the average trust of individuals in the US General Social Survey whose family immigrated from 18 European countries (Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom) to the US before 1975.[4]

This proxy for trust has three important qualities. First, it assesses trust well before the rise of contemporary populist parties in Europe, mitigating concerns related to reverse causality. Second, it captures trust among second-, third-, and fourth-generation migrants, thereby reducing potential confounding influences stemming from economic and cultural factors linked to the country of origin. Third, the trust levels of the descendants of these immigrants exhibit a high correlation with trust in the country of origin, while remaining less susceptible to the influence of other variables impacting the outcome variable.[5]

We match these country-level levels of inherited trust ($InhTrust_c$) to individuals in these countries in the ESS spanning the years 2004 to 2019. We then estimate the following equation:

$$Y_{ict} = \alpha + \beta InhTrust_c + \gamma X_{ict} + \mu \quad (1)$$

where Y_{ict} is either voting for a populist party, voting for a far-left populist party or for a far-right populist party where voting is self-reported and pertains to the most recent general election. We

[4] We directly collected this data from the online Appendix of Algan and Cahuc (2010). They consider second-generation Americans born between 1910 and 1975; third-generation Americans born after 1935; and fourth-generation Americans born after 1960. By assuming a generational gap of 25 years, we can be confident that the ancestors of each of these groups emigrated before 1975 and some even before 1910.

[5] See Appendix Figure 1 for the actual values of interpersonal trust and the inherited ones at country level. While the correlation is high (58%) even when restricting to a smaller set of countries than in Algan and Cahuc (2010), there are some notable differences. For example, Bulgaria, Austria, Portugal, Finland, Serbia and Spain display quite large differences between the mean values of the actual and inherited trust. This suggests that reverse causality and confounding factors indeed play a role in biasing the OLS estimates and that this is stronger in those countries.

include as controls X_{ict} age (under 35 and over 65), gender, marital status (married and divorced), high education (more than 13 years of education), occupation (8 dummies), employment status (not in the labor force and unemployed), low income (below the median level), immigrant status and type of habitat, distinguishing between large cities, small cities and rural areas as coded by the ESS.

This identification strategy will produce unbiased estimates as long as subsequent shocks that are correlated with both trust and populist voting are uncorrelated between European source countries and the US. However, there may be country-level confounding factors that invalidate this approach, for example, deep cultural differences that remain even in 3rd and 4th generation migrants that are related to underlying differences in interpersonal trust as well as political attitudes.

2.2. Within-Country Epidemiological Approach

Our second identification strategy modifies the previous epidemiological approach to develop an individual level *within-country* estimator. To tackle endogeneity concerns related to the trust of individuals, we develop a novel instrument. We exploit the fact that trust is related to stable characteristics, such as gender, age, and happiness (Alesina and La Ferrara, 2002). Consequently, an individual who shares these same characteristics with a contemporary European but resides in a different part of the world during a previous time period should possess some of the same personal trust component. However, this individual would remain unaffected by the economic and cultural influences that currently shape trust levels in Europeans and could also impact populist voting.

In essence, we identify "doppelgängers" of our contemporary European individuals based on some of the characteristics that influence trust. Specifically, we assess the trust levels of non-Western individuals residing outside Europe, the US, Canada, Australia, and New Zealand during the 1980s and 1990s, drawing on data from the WVS. We also exclude South American countries from our analysis since Latin America was already experiencing a populist wave during those years.[6] We employ a lasso regression to identify the most predictive characteristics of trust, which ultimately allows us to categorize individuals from these countries into 58 possible combinations of characteristics, and then forecast the trust levels of Europeans sharing the same characteristics.

These 58 groups are defined by considering all possible double and triple interactions between two dummies for age (under age 35 or over age 65), gender, happiness measured on a 4-point Likert scale and a categorical dummy for place of residence (big cities, small cities and rural areas). All coefficients not equal to zero in the lasso regression are used to form the prediction for Europeans. We also test if our results are sensitive to the choice of the variables to be included in the lasso

[6] Our sample includes 19 countries for constructing the instruments: Azerbaijan, Bangladesh, Armenia, Belarus, China, Taiwan, Georgia, India, Japan, South Korea, Moldova, Montenegro, Nigeria, Pakistan, Philippines, Russia, South Africa, Turkey, and Ukraine.

regression. Our results are qualitatively similar if we excluded triple interactions or include variables such as health conditions and education. Our final choice of variables was mostly determined by considerations of exogeneity: we did not want variables that could potentially have a large direct impact on populist voting within our set.[7]

We then use the ESS data for all 28 available European countries, to estimate the following linear model using instrumental variables:

$$Y_{ict} = \alpha + \beta \hat{Trust}_{ict} + \gamma X_{ict} + Year_t x Country_c + \mu \quad (2)$$

The dependent variables Y_{ict} and the vector of control variables X_{ict} are the same as in the between-country analysis. As discussed in the previous paragraph, individual trust is instrumented by predicted trust, $\hat{Trust}_{ict}$, among non-Westerners in the 1980s and 1990s with the same set of characteristics. Standard errors are clustered at the group level since this is the level of variation for our instrument. Importantly, we also control for country by year fixed effects meaning the all identification comes from differences between individuals in the same country-year and hence macroeconomic and political factors are not able to explain our results.

This estimation strategy largely tackles issues related to the endogeneity of trust and to possible measurement error, however there may be time-invariant factors at the individual level that bias the estimation. For example, political beliefs that are correlated with both trust and support for populism could be specifically related to the combination of characteristics we considered for the instrument. This may ultimately lead to overestimating the influence of trust.

2.3. Within-Individual Fixed Effects Approach

Our third identification strategy estimates individual fixed effect regression models using two longitudinal panels. This approach examines the relationship between *changes* in trust and corresponding changes in voting preferences or attitudes at the individual level and hence mitigates the influence of time-invariant factors at the individual level that could introduce bias into our estimates. In other words, it controls for all time-invariant differences between individuals that may be linked to both trust and support for populism.

However, it is important to acknowledge the trade-off associated with this approach. It is more susceptible to measurement error bias, which may increase the likelihood of obtaining null results, and to reverse causality which could bias us towards finding a stronger relationship between voting

[7] We also consider ways of building the instrument that mimics Algan and Cahuc (2010), that is by considering a pre-defined set of characteristics (they use country of birth, we use the intersection of a set of social characteristics). We consider clusters defined by either 10 categories of health*education, 8 categories of happiness*education or 80 categories of happiness*health*education. These results are presented in Appendix Table 1 and are very similar to our main findings.

and trust. Furthermore, among European countries, only the United Kingdom and Germany have longitudinal samples that measure both trust and voting behavior, and both collect less data on political preferences than does the ESS.

More specifically, we use the 2013 – 2018 German Socio-Economic Panel (SOEP), and the 2015 – 2019 British Election Study (BES) to estimate the following linear model:

$$Y_{ict} = \alpha_i + \beta Trust_{ict} + \gamma X_{ict} + \mu \quad (3)$$

where Y_{ict} is voting for a populist party in the 2015, 2017 and 2019 UK or the 2014 and 2018 German general elections. $Trust_{ict}$ is again a measure of interpersonal trust and X is a vector of individual characteristics including year fixed effects, α_i are individual intercepts or fixed effects, while errors u are robust and clustered at the individual level.[8]

3. Data

3.1. European Social Survey

The ESS is a well-known survey fielded across 33 European and near-European countries. It asks questions about demographics, socio-economic conditions and a wide range of attitudes and opinions, including generalized trust and voting behavior at previous elections. While a new edition of the survey comes out every 2 years and has approximately 2,000 participants per country/wave, the interviews are fielded continuously. We include in the study all countries except Israel, Russia, Turkey and Ukraine as their status as European countries is disputed.[9] We use data from the first wave of the survey in 2004 to 2019, the last wave before COVID-19. Excluding missing values, we are left with 256,332 observations. In the ESS, interpersonal trust is measured on a 10-points Likert scale with the question, "Most people can be trusted, or you can't be too careful", and is asked in every wave. Individuals are also asked in every wave the party they voted for in the last general election in their country. When examining the impact of trust on voting, we only keep 102,676 observations where the most recent general election in a country was in the current or previous year.

3.2. British Electoral Survey

The British Election Study (BES) is one of the longest running election studies world-wide and is managed by a partnership between The University of Manchester and The University of Oxford.

[8] In both datasets, individual controls include age, gender (in baseline estimates without fixed effects only), marital status, employment status, education, occupation, low income, year of observation and location measured at the regional level in Germany (38) and at the Parliamentary constituency level in the UK (712). The control variable for occupation in the BES is the NRS Social Grade scale instead of ISCO. The other variables from both datasets are overlapping to the ESS ones both in terms of content and in terms of descriptive statistics.

[9] Our sample includes data from Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Island, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom

Apart from comprising basic demographic and socio-economic information, it investigates a wide range of political attitudes. We focus on an Internet Panel fielded between 2014 and still ongoing because it has a panel dimension that is often absent in political surveys. As with the ESS, we consider data up to 2019 before the outbreak of COVID-19. The full panel sample has 128,266 observations; however, most observations are missing data on voting intentions and/or trust which reduces our main analysis to 53,383 observations or 28,101 observations from 2015, 2017 and 2019 when British elections were held. We keep as many observations as possible for each analysis to maximum power in our fixed effects analyses.

Interpersonal trust in BES is a binary variable that comes from the question "Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?", which is almost indistinguishable from the ESS one. Note that the fact that the variable is binary – only two answers are allowed – makes our within-subject test especially demanding and any result that comes from it quite convincing, i.e. because respondents need to go from trusting to not trusting or vice versa with no shades of gray.

3.3. German Socio-Economic Panel

The German Socio-Economic Panel (SOEP) is a longitudinal survey of approximately 15,000 private households managed by the Deutsches Institut für Wirtschaftsforschung (DIW) on yearly basis. While the overall sample covering this period includes 96,193 observations, our main analysis uses 12,922 observations from 2014 and 2018 when German elections were held. Individuals are asked in each wave which party they voted for in the previous general election.

SOEP collects data on trust every five years from 2003 to 2018 with the question: "What is your opinion on the following statement? On the whole I trust people" with answer that ranges from 1 ("Totally agree") to 4 ("Totally disagree"). We match individual level of trust expressed in 2013 to the same individual's voting decisions in 2014 and trust expressed in 2018 to voting in that year.

3.4. Main Variables Definitions and Descriptive Statistics

We rescale each of the measures of trust between 0 and 1 and then standardized across the ESS, BES, and SOEP samples, so that all our results are directly comparable in magnitudes. We do this also for additional outcome variables discussed later in the paper. Inherited trust is also re-scaled and standardized with the same mean and standard deviation as interpersonal trust across the samples.

We use the PopuList classification to classify parties as populist (Rooduijn et al. 2019). We designate parties as far-left or far-right populist if they are simultaneously categorized as populist and fall within

the extreme left or right of the political spectrum.[10] Populist voting in the analysis using the BES is either voting for UKIP or for the Brexit Party, which are both political parties in which Nigel Farange, the British conservative populist leader, figured prominently. In the SOEP, populist voting is voting for the *Alternative für Deutschland - AfD*, a right-wing populist party in a German general election.

Table 1 shows descriptive statistics for the variables used in our analysis. As it can be seen, based on the PopuList, approximately 10% of voting across Europe was populist, with 5.9% being for a far-right and 1.3% for a far-left populist party. Populist voting is slightly lower in Germany and the UK with 3.9% of voters in the UK and 4.3% of voters in Germany casting a vote for a populist party in our samples. Trust is slightly above average across European countries, while only 43% of British individuals are trusting, while Germans have higher levels of trust than the average European. In general, the British and German samples are comparable to the ESS sample in terms of sociodemographic characteristics, the largest differences being that the BES internet panel skews older and more female than the other surveys.

Figure 1 shows the evolution over time of voting for populist parties across Europe as well as its decomposition by trust. Populist voting increased from less than 5% in 2005 to 10-15% from 2010 onwards, mostly driven by far-right parties. While populist voting by level of trust was similar in 2004-2005, low-trusting individuals become much more likely to vote for populist parties over time compared to high-trusting individuals.

Figure 2 shows the share of populist voting and trust by year and by country with each data point weighted by the size of the sample. We see a strong correlation between trust and populist voting. When we look at the simple correlation between trust and populist voting with a Spearman rank test, it is -0.04 and statistically significant. If one removes those countries and years in which no populist party was in the electoral race (0% populist voting), then the slope becomes much more pronounced, and the correlation increases to 7%.

4. Main Results

We now present the results from our main analyses of the relationship between interpersonal trust and populist voting. Table 2 summarizes the results of our cross-country analysis on the influence of trust on voting behavior for populist parties. For each outcome, we compare results where trust -

[10] The PopuList is an established list of populist parties that has been considered in hundreds of scientific publications because of its high quality. The full list of European populist parties of this classification can be found at https://popu-list.org/. We consider an alternative method for classifying parties as populist based on the Chapel Hill Expert survey (Jolly et al. 2022). This survey asks political science experts several questions on parties' policy positions and ideology. We consider the answers to the two questions in the Chapel Hill Expert Survey that are directly related to populism. Our results are qualitatively similar using this alternative definition (see Appendix Table 1).

always measured as a country-level average - is the contemporaneous level of trust from the ESS (Panel A) with results where it is the inherited trust from Algan and Cahuc (2010) (Panel B).

Trust exhibits a negative correlation with populist voting, with a 1 standard deviation (SD) greater trust correlated with a 17% lower likelihood of voting for populist parties. Our causal estimates in Panel B, suggest that the true effect is about one-third the size with 1 SD increase in trust reducing populist voting by 5.8%. The impact of trust at the country level differs for far-left and far-right populist parties. More trusting countries are more likely to vote for far-left populist parties, while the opposite holds true for far-right populist parties. These relationships appear causal for far-right parties, with a 1 SD increase in trust leading to a 1.9% decrease in voting for far-right populists.

Part of this results at least reflects the fact that far-left populist parties are generally popular in more trusting countries, such as Netherlands, Ireland and Germany, and far-right populist parties are particularly popular in very low trust countries, such as Hungary and Poland. This illustrates one of the shortcomings of a between-country analysis, as the results can reflect long-run idiosyncratic differences between countries.

We next turn to our other methodologies. Table 3 presents results from our within-country and within-individual analyses. We first show in Panel A the relationship between trust and populist voting estimated using OLS. There is a consistently negative correlation between trust and populist voting at the individual level. The relationship is particularly pronounced for specific parties like UKIP, the Brexit Party, and AfD, and weaker for far-left parties.

We next show, in Panel B, the IV results using the within-country epidemiological approach. Our first-stage (e.g. the relationship between trust in the WVS and the ESS for similar groups of individuals) is strong with a measured F-Statistics of 47.6. The above correlations appear to be causal, we estimate that a 1 SD increase in trust causes a 4.1% decrease in the likelihood of voting for populist parties, a 1.9% decrease for far-left populists, and a 2.7% decrease for far-right populists.

The effect sizes observed in our within-country analysis mirror those found in the between-country analysis for both populist voting and far-right populist voting. For far-left populist voting, we now also find a significant negative relationship between trust and support. This discrepancy suggests that the within-country epidemiological approach helps filter out the influence of invariant economic and cultural factors associated with trust, as well mitigating concerns related to reverse causality, and omitted variable bias and measurement error bias.

We then add a control for institutional trust, a potential factor influencing populist voting and correlated with interpersonal trust, to the regression model (Panel C).[11] Interestingly, our findings indicate that, within European countries, individual differences in institutional trust do not explain populist voting. However, controlling for institutional trust does partially mediate the relationship between interpersonal trust and voting. In this specification, the coefficients are approximately 20% smaller and lose statistical significance, suggesting some influence of institutional trust on the observed relationship.

Finally, in Panel D, we present the results from our individual fixed-effects analysis for the UK and Germany. These results reaffirm a negative association between trust and populist voting. In the UK, this relationship is not statistically significant at conventional levels, however it is still negative and of comparable magnitude as the corresponding estimate in Panel A. For Germany, a 1 standard deviation increase in trust results in a 10% statistically significant 2.2% decrease in the probability of voting for AfD. It's important to note that fixed-effects models, while helpful in addressing certain biases, tend to increase measurement error and for this reason may yield results that are smaller and less significant.

5. Heterogeneity and Mechanisms

5.1. Heterogeneity

To better understand what is driving the impact of trust on voting, we examine how the impact varies by the socio-economic characteristics of individuals, over time and across countries. We use the within-country epidemiological approach for all estimates here.

We start by consider heterogeneity across individual characteristics The results of our analysis are presented in Table 4, where each column corresponds to a distinct regression involving the interaction of a specific individual characteristic with trust, utilizing the within-country epidemiological approach. The dichotomous interaction variables include gender (female), age (under 35 and over 65), occupation (blue-collar), income (low), education (low), residence (rural area), and political orientation (right-wing). Each variable is also included as a direct control in the regression (labelled 'Main Effect' in the table), maintaining a consistent regression specification with col (1) of panel (B) in Table 3.

Beginning with gender, it is a well-established fact that women tend to vote less for populist parties due to gender politics and discrimination by populist leaders, a phenomenon supported by evidence

[11] This is measures as the principal component of trust in several institutions - political parties, the country's parliament, politicians, the European Parliament, the United Nations, the legal system and police and is also standardized for comparability to the interpersonal trust measure.

from the ESS (Mudde 2019). However, our analysis reveals no evidence that a lack of trust reinforces or weakens this effect, indicating that low-trusting females are not less prone to voting for populist parties. Turning to age, our results confirm that young people are less inclined to vote for populist parties. Importantly, the impact of trust on populist voting remains consistent across age groups. In each regression, the coefficient of trust remains strongly significant, underscoring its robust influence, independent of cultural aspects associated with demographics.

Moving on to interactions with socio-economic attributes, we first explore whether working in a blue-collar occupation influences the relationship between trust and populist voting. It is well-established that these individuals tend to vote more for populist parties due to heightened concerns about globalization (Rodrik 2021). Interestingly, we find that trust has a weaker impact on the voting behaviors of blue-collar workers. This implies that economic motivations for voting for a populist party may override the influence of trust for this demographic group.

This pattern is even more pronounced for individuals with low education levels. While these individuals are not more likely to vote for populist parties, trust has a diminished impact on their voting behaviors. Remarkably, the interaction term size aligns with the main effect, indicating that trust predominantly influences voting for educated individuals. This is contrary to Piketty's (2020) hypothesis that increased populism is solely driven by the education cleavages, as highly educated individuals with low levels of interpersonal trust are also susceptible to voting for populist parties.

Turning our attention to general economic distress and its impact on populist voting (Guiso et al. 2017), while individuals with low incomes exhibit a higher likelihood of voting for populist parties, but trust does not have a differential impact on their voting behaviors. The relationship between trust and populist voting is more influenced by some socio-economic characteristics - occupation and education - than income; perhaps because these characteristics are a stronger source of political identity, making them immune to the additional influence of trust.

Moving on to political orientation, our analysis aligns with expectations, revealing that right-wing individuals are more inclined to vote for populist parties. However, the impact of trust on populist voting remains consistent across different political orientations. Given that most European populist parties lean towards the right, we further investigated whether this pattern holds for voting exclusively for far-left populist parties. Our findings indicate that left-wing individuals are more likely to vote for far-left populist parties, yet no significant interaction between trust and political orientation is observed.

Exploring a cultural explanation for the rise of populism, specifically residing in rural areas (Norris and Inglehart 2019), our results show that the impact of trust on voting remains consistent for both

rural and urban voters. This suggests that, despite regional variations, trust plays a uniform role in influencing voting behaviors across diverse cultural and geographic contexts.

Having explored individual characteristics, we now turn our attention to temporal trends to elucidate the impact of trust on populist voting. We examined the evolution of the influence of trust over time on both populist voting and political attitudes (explored further in the following sub-section). In Figure 3, we plot interactions between wave dummy variables and trust added to the specification in col (1) of panel (B) in Table 3.

Trust always has a negative impact on satisfaction with democracy. The impact on populism increased after the 2008 financial crisis suggesting that this event acted as a type of trigger. Hence, even though we do not find heterogeneity by income at the individual level, the state of the business cycle does appear to influence the relationship between trust and populist voting. Interestingly, the time trends of coefficients associated to trust over populist voting closely follows that over satisfaction with democracy. These results are reassuring that no specific year is driving our results and that in our main estimates we are pinning down a consistent phenomenon.

Finally, we consider examine whether the impact of trust on populist voting varies across countries. We classify countries by groups depending on their geographical/cultural placement - Eastern Europe, Southern Europe, Benelux countries plus France, Central Europe, Anglo-Saxon countries and Scandinavian ones.[12] We then interacting country group fixed effects with trust. By comparing the influence of trust across countries, institutional or historical underpinnings of our result may be revealed, as each country has a specific political scenario deriving from different historical trajectories.

Figure 4 displays the coefficient on trust for each group of countries from the less trusting to the most trusting. Moreover, we also include in the figure the average level of trust in each group (standardized across the samples) so that one can more easily interpret the results. Eastern European countries where populism figures quite prominently and trust is on average low are the only ones where the influence of trust is positive and weakly significant. In Southern European countries, the relationship is negative but insignificant. In the other groups of countries, trust has a negative impact on populism. These countries, especially the Scandinavian ones, have on average the highest levels of trust.

These results are reassuring that no specific country is driving the relation between interpersonal trust and populist voting. Furthermore, they suggest that the relation is weaker or absent only in a specific

[12] Countries in group "Eastern" are Bulgaria, Czech Republic, Estonia, Croatia, Lithuania, Poland, Serbia and the Slovak Republic, countries in group "Southern" are Cyprus, Greece, Italy, Portugal and Spain, countries in group "Benelux + France" are Belgium, France, Luxembourg and the Netherlands, countries in group "Central" are Austria, Germany, Slovenia and Switzerland, countries in group "Anglo-Saxon" are the United Kingdom and Ireland, countries in group "Scandinavian" are Denmark, Finland, Norway and Sweden.

subset of countries: Eastern and Southern European ones. One explanation is that trust is more important in countries that have higher overall levels. Another explanation is that when populist political parties are in government (which already happened in Eastern and Southern European countries), the role of trust, populist narratives and civic participation may be undermined by other factors related to government policies. We cannot completely also discard a political explanation in terms of higher political conflict in Southern and Eastern Europe, where the political system is more unstable and is characterized by a higher number of parties.

5.2. Mechanisms

Using the same within-country epidemiological identification strategy, we examine further outcomes that are potentially causal mechanisms. First, we estimate specifications where Y_{ict} represents different forms of civic engagement, specifically if individuals have in the last 12 months a) worked in a political party or organization, b) worked in another organization or association, c) contacted a politician or government official.[13] Second, we examine the impact of trust on hostility towards migration and dissatisfaction with how democracy functions.[14]

Table 5 explores potential causal mechanisms by considering the impact of trust on different dimensions of civic engagement only using the within-country epidemiological approach as neither the BES nor SOEP ask these questions. In Panel A, we show the correlations. Higher levels of trust are associated with more participation to political parties, in other civic organizations and associations, and higher probability of having contacted a politician or government official. The results in Panel B suggest that these estimates are causal. In all cases, the coefficients are larger. The relationship between trust and working in a civic organization is strongly significant, with a 1 SD increase in trust leading to 9.2% increase in the probability of working in a civic organization.

Table 6 examines the relationship between trust and hostility toward migration and the quality of democracy, two prominent populist narratives. Here, we can use the within-country and within-individual analysis to estimate the causal impact of trust on these outcomes. Again, in Panel A, we

[13] These questions have yes/no answers. Civic engagement in Europe is overall low, with only 4.3% of individuals engaged in a party or action group and around 15% of individuals who were either active in another organization or contacted a politician. These questions unfortunately are not asked in the SOEP or BES.

[14] The ESS asks, "How satisfied are you with the way democracy works in your country" - with answers on a scale from 0 ("extremely dissatisfied") to 10 to ("extremely satisfied") that we code in reverse and "Allow many/few immigrants from poorer countries outside Europe" – with answers on a scale from 1 ("Allow many to come and live here") to 4 ("Allow none"). For both variables, the mean is more or less the median answer, with people being slightly more satisfied with democracy than dissatisfied and more against migration than in favor. Hostility toward migration is asked in the BES "Some people think that the UK should allow *many more* immigrants to come to the UK to live and others think that the UK should allow *many fewer* immigrants. Where would you place yourself" and bad quality of democracy is asked "On the whole, how satisfied or dissatisfied are you with the way that democracy works in the UK as a whole". Brits are both more dissatisfaction with democracy and hostile towards migrants than European, as the average dissatisfaction is 0.63 and the average hostility is 0.64. The SOEP does not ask about satisfaction with democracy, only "Are you worried about immigration to Germany" with answers ranging from 1 ("Very concerned") to 3 ("Not concerned at all").

show the correlation between interpersonal trust and each of these outcomes. Higher levels of trust are associated with less hostility towards immigrants in the ESS, UK and Germany, and with more satisfaction with democracy in the ESS and UK. Both the within-country epidemiological approach and the individual fixed effects estimates suggest these relationships are causal. A 1 SD increase in trust is found to reduce hostility towards immigration by 0.55 SDs in the ESS, 0.008 SDs in the UK and 0.049 SDs in Germany (recall that individual fixed effects estimates tend to be biased towards zero). Similarly, the same size increase in trust leads to a 1.3 SD increase in satisfaction with democracy in the ESS and a 0.02 SD increase in satisfaction with democracy in the UK.

6. Conclusions

We employ a comprehensive analysis to unravel the intricate relationship between trust and support for populist parties in Europe. Employing three causal identification strategies, our findings consistently show that a deficit in trust significantly amplifies backing for populist political parties. Crucially, our exploration extends beyond ideological boundaries, revealing the pervasive influence of trust on both far-right and far-left populist factions. It also reveals that lower trust also leads to less civic engagement, more hostility towards migrants and less satisfaction with democracy, all common explanations for why support for populism has increased over time.

Our heterogeneity analysis finds that the impact of trust is smaller for blue collar workers and less educated individuals. This suggests that reduced civic engagement may lead to higher support for populist parties through higher exposure to populist narratives and that this mechanism is disconnected with other economic and cultural determinants of populism.

In summary, our analysis not only establishes the causal nexus between trust and support for populist parties but also sheds light on mechanisms and the nuanced variations across demographics and geographic/cultural groups using different strategies. Capturing these intricate relationships is crucial for a deeper understanding of how and why trust influences the extent to which voters support populist and radical actors.

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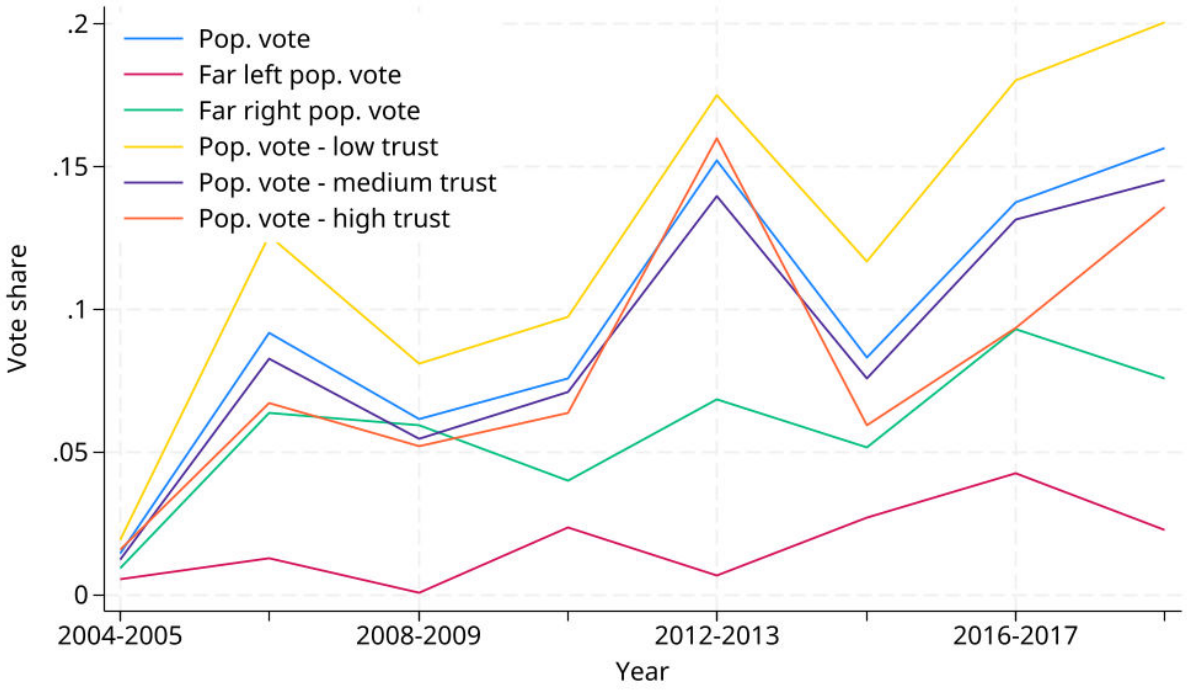
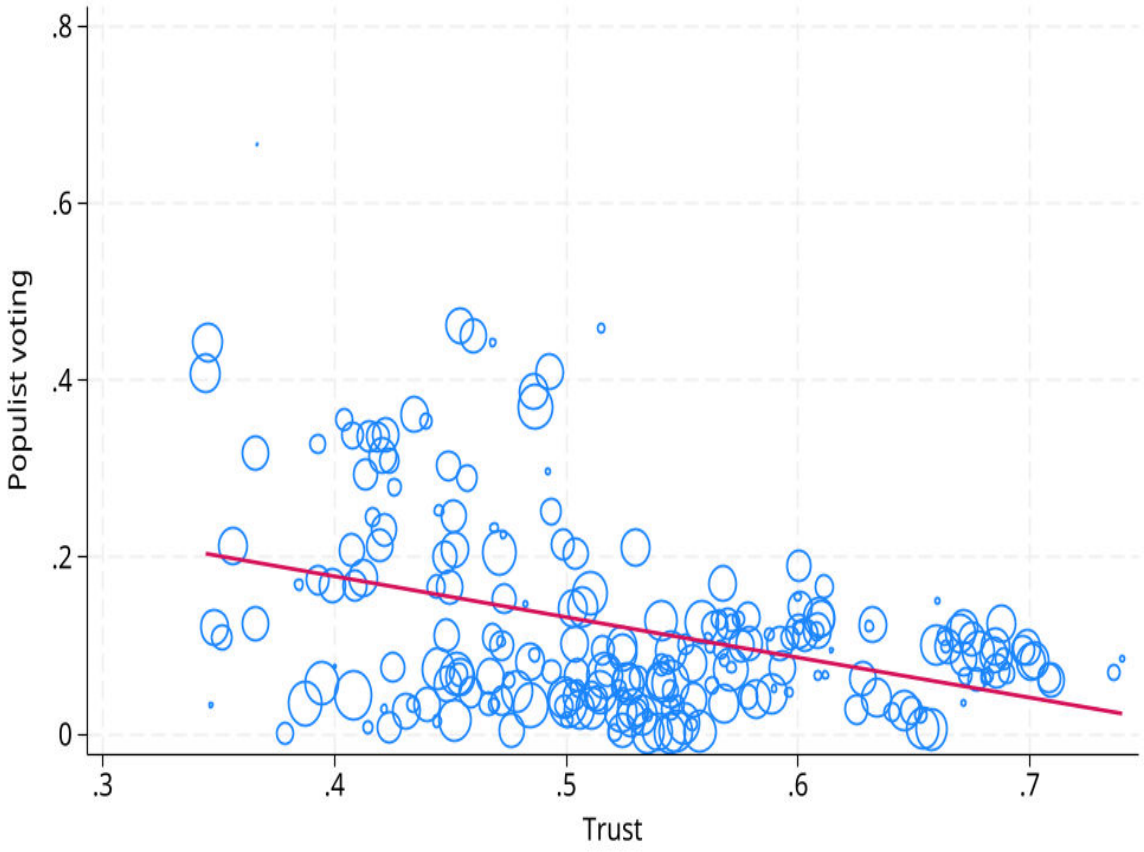
Figure 1: Vote Share for Populist Parties in Europe over Time



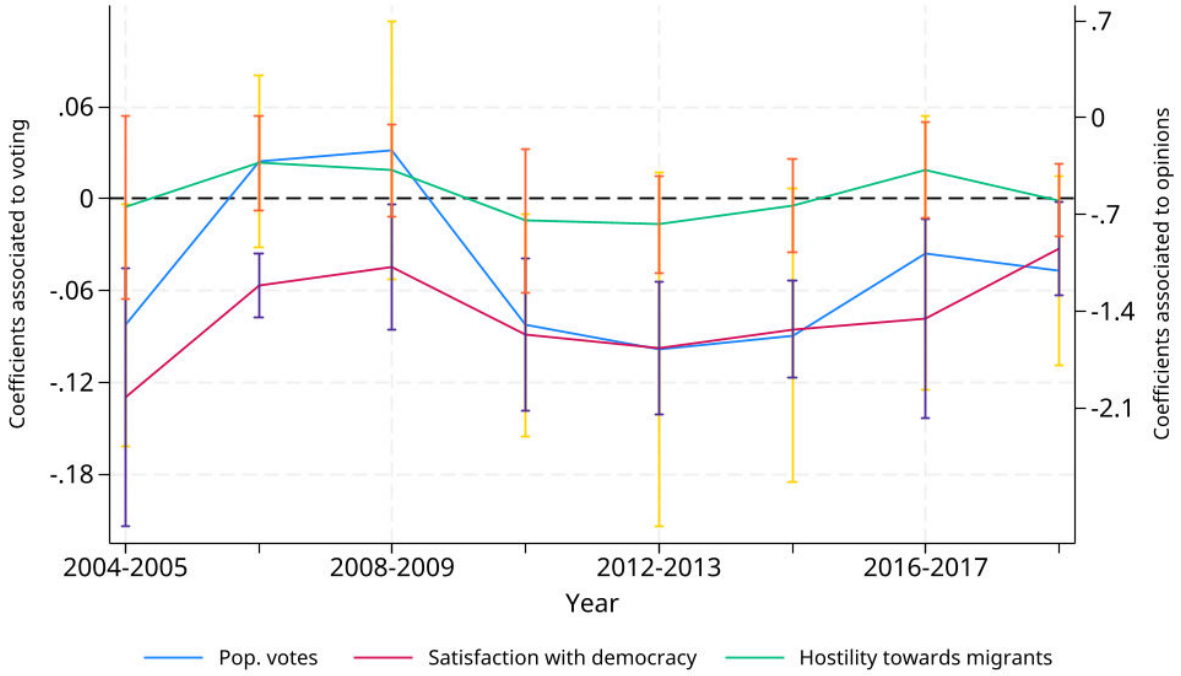
Note: Data comes from the ESS. Classification between (far right or far left) populist parties is based on the PopuList (see text for more details). Low trust is defined as below 4 (out of 10), high as above 6.

Figure 2: The Relationship between Populist Voting and Trust



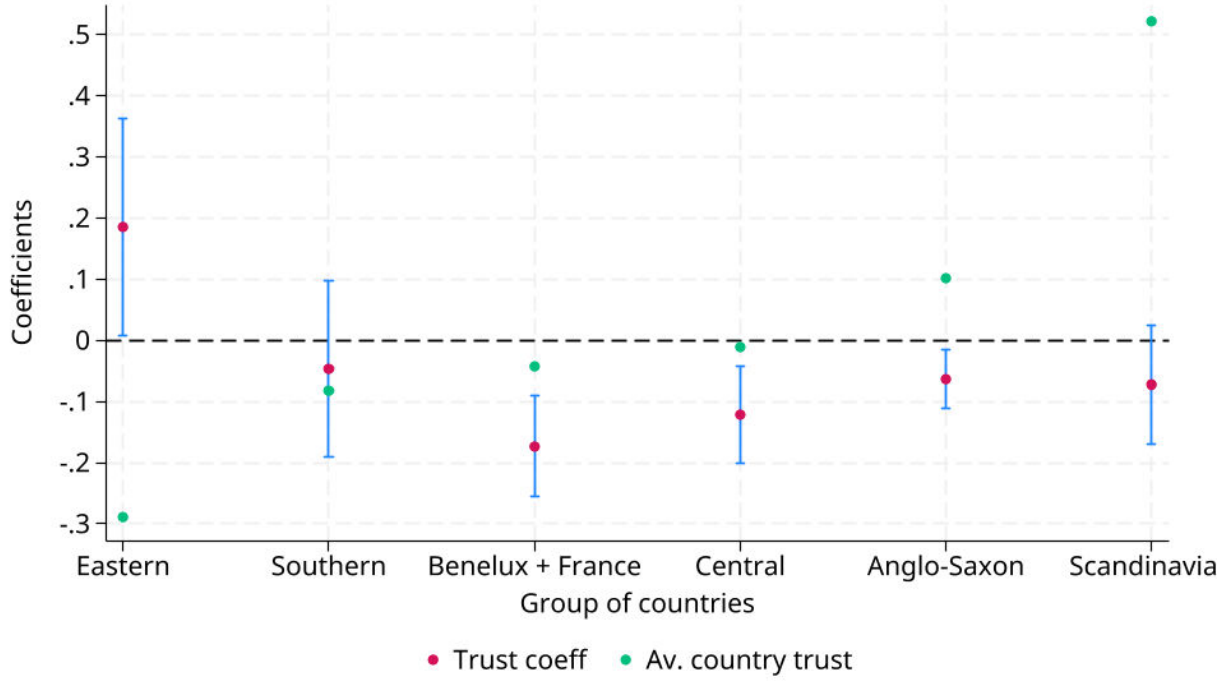
Note: data come from the ESS. Each data point identifies a country and a year and the size of the circle is proportional to the corresponding sample size. The red line represent the linear fit.

Figure 3: Impact of Trust Over Time



Note: *** p<0.01, ** p<0.05, * p<0.1. Trust, satisfaction with democracy and hostility towards migrants are standardized across the samples (ESS, BES,SOEP). The reported coefficients are those of interactions between trust and the ESS wave in the IV regression based on our preferred specification from Table 2. The standard errors are clustered based on 58 groups used for the instruments. Trust is instrumented with the predicted value of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey where a lasso regression is used to identify 58 groups based on individual characteristics (see text for more details). Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 groups for cross-country analysis, 6 groups for Britian and Germany), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities, only for cross-country analysis), country by year fixed effects are also included in the regression as control variables. Confidence intervals at 95% level.

Figure 4: Variation Across Countries



Note: *** p<0.01, ** p<0.05, * p<0.1. Trust is standardized across the samples (ESS, BES,SOEP). The reported coefficients are those of interactions between trust and a group of countries in the IV regression based on our preferred specification from Table 2. Countries in group "Eastern" are Bulgaria, Czech Republic, Estonia, Croatia, Lituania, Poland, Serbia and the Slovak Republic, countries in group "Southern" are Cyprus, Greece, Italy, Portugal and Spain, countries in group "Benelux + France" are Belgium, France, Luxembourg and the Netherlands, countries in group "Central" are Austria, Germany, Slovenia and Switzerland, countries in group "Anglo-Saxon" are the United Kingdom and Ireland, countries in group "Scandinavian" are Denmark, Findland, Norway and Sweden. The standard errors are clustered based on 58 groups used for the instruments. Trust is instrumented with the predicted value of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey where a lasso regression is used to identify 58 groups based on individual characteristics (see text for more details). Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 groups for cross-country analysis, 6 groups for Britian and Germany), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities, only for cross-country analysis), country by year fixed effects are also included in each regression as control variables. Confidence intervals at 95% level.

Table 1: Descriptive Statistics

	Cross-Country- ESS		The UK (BES)		Germany (SOEP)	
	Mean	SD	Mean	SD	Mean	SD
Vote for Populist Party	0.097	0.296	0.039	0.194	0.043	0.203
Vote for Far-Right Populist	0.059	0.235				
Vote for Far-Left Populist	0.013	0.113				
Worked in political party or action group	0.043	0.203				
Worked in another organisation or associatic	0.167	0.373				
Contacted politician or government official	0.154	0.361				
Dissatisfaction with democracy	0.481	0.240	0.627	0.294		
Hostility towards migrants	0.515	0.302	0.640	0.276	0.480	0.373
Trust - Rescaled / Unstandardized	0.516	0.238	0.434	0.474	0.559	0.225
Age==35 to 65	0.508	0.500	0.539	0.498	0.537	0.499
Age==under 35	0.283	0.451	0.150	0.357	0.262	0.440
Age==over 65	0.209	0.407	0.310	0.463	0.201	0.401
Female	0.512	0.500	0.547	0.498	0.529	0.499
Immigrant	0.082	0.275	0.020	0.141		
Marital Status==Single	0.295	0.456	0.382	0.486	0.240	0.427
Marital Status==Married	0.605	0.489	0.523	0.499	0.594	0.491
Marital Status==Divorced	0.100	0.300	0.095	0.293	0.165	0.371
Low Education	0.516	0.500	0.492	0.500	0.778	0.416
Employment Status==Working	0.522	0.500	0.509	0.500	0.588	0.492
Employment Status==NILF	0.439	0.496	0.463	0.499	0.404	0.491
Employment Status==Unemployed	0.039	0.194	0.028	0.166	0.008	0.088
Low Income	0.486	0.500	0.475	0.499	0.599	0.490
Big city	0.321	0.467				
Small city	0.309	0.462				
Rural	0.370	0.483				
N	256,332		53,383		96,193	

Note: Data comes from the ESS, BES, and SOEP. Low income is defined as below the median and low education as having below 13 years of education in ESS, not having a university education in BES and in SOEP. See main text for how the polititical attitudes are elicited and their scale in each survey.

Table 2: Between-Country Analysis of Trust on Voting for Populist Parties

	Any Populist Party	Far-Left Populist Party	Far-Right Populist Party
A) OLS Estimates Using Contemporaneous Country-Level Trust			
Trust at Country level	-0.170***	0.00818***	-0.158***
	(0.00569)	(0.00254)	(0.00453)
R-squared	0.076	0.039	0.058
B) Using Country-Level Inherited Trust to Proxy for Contemporaneous Trust			
Trust at Country level	-0.0576***	0.000626	-0.0189***
	(0.00429)	(0.00190)	(0.00342)
R-squared	0.068	0.039	0.044
Observations	76,672	76,672	76,672

Note: *** p<0.01, ** p<0.05, * p<0.1. Robust standard errors clustered at country level are in parentheses. Trust is standardized across the samples (ESS, BES,SOEP). In panel B, trust is proxied using the average trust of individuals who immigrated from the host country prior to 1910 following the procedure in Algan and Cahuc (2010). Parties are defined as populist based on the Popu-List. Individuals from 19 European countries are included in the regression. Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 categories), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities).

Table 3: Within-Country and Within-Individual Analysis of Trust on Voting

	(1)	(2)	(3)	(4)	(5)
		All Europe		UK	Germany
	Any Populist Party	Far-Left Populist Party	Far-Right Populist Party	UKIP or Brexit Party	AfD
		A) OLS Estimates			
Trust	-0.0103***	-0.000773	-0.00901***	-0.00554***	-0.059***
	(0.00124)	(0.000554)	(0.000963)	(0.000810)	(0.009)
R-Squared	0.136	0.057	0.144	0.107	0.052
		B) IV with 58 Groups Identified Using Lasso Regression			
Trust	-0.0414***	-0.0187***	-0.0268***		
	(0.0146)	(0.00592)	(0.00939)		
K-P F Stat	47.61	47.61	47.61		
		C) Controlling for Institutional Trust			
Trust	-0.0339	-0.0137	-0.0246*		
	(0.0218)	(0.00861)	(0.0141)		
Institutional Trust	-0.00579	-0.00385*	-0.00168		
	(0.00594)	(0.00219)	(0.00390)		
K-P F Stat	55.53	55.53	55.53		
		D) Individual Fixed Effect Estimate			
Trust				-0.00321	-0.022*
				(0.00230)	(0.012)
R-Squared				0.128	0.039
Observations	102,676	102,676	102,676	28,101	12,922

Note: *** p<0.01, ** p<0.05, * p<0.1. Trust is standardized across the samples (ESS, BES,SOEP). For OLS estimates, robust standard errors are in parentheses. For FE estimates, errors are clustered at the individual level. For the IV estimates, the standard errors are also clustered based on 58 groups used for the instruments. Trust is instrumented with the predicted value of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey where a lasso regression is used to identify 58 groups based on individual characteristics (see text for more details). Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 groups for cross-country analysis, 6 groups for Britian and Germany), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities, only for cross-country analysis). For the cross-country analysis, country by year fixed effects are also included in each regression as control variables. For the British and Germany analysis, additional control variables include year fixed effects and geographical ones, at the level of the 712 Parliamentary Constituencies in UK and at the level of 16 Regions in Germany. Institutional trust is the principal component of trust in several institutions - political parties, the country's parliament, politicians, the European

Table 4: Individual Heterogeneity in the Impact of Trust on Populist Voting (Within-Country Instrumental Variables)

Interaction	Female	Age < 35	Age > 65	Blue Collar	Low Education	Low Income	Right-Wing	Rural
Trust	-0.0298*	-0.0430***	-0.0430***	-0.0622***	-0.0960***	-0.0598***	-0.0426**	-0.0351*
	(0.0177)	(0.0151)	(0.0154)	(0.0177)	(0.0201)	(0.0197)	(0.0189)	(0.0187)
Interaction	-0.0281	0.0211	0.00449	0.0606**	0.0902***	0.0284	-0.0110	-0.0155
	(0.0269)	(0.0358)	(0.0279)	(0.0277)	(0.0293)	(0.0232)	(0.0321)	(0.0209)
Main Effect	-0.0139***	-0.0193***	-0.00658	0.00508	-0.00730	0.0165***	0.0419***	0.00420
	(0.00285)	(0.00326)	(0.00574)	(0.00658)	(0.00504)	(0.00332)	(0.00391)	(0.00292)
Observations	102,676	102,676	102,676	102,676	102,676	102,676	102,676	102,676

Note: *** p<0.01, ** p<0.05, * p<0.1. Trust is standardized across the samples (ESS,BES,SOEP). Robust standard errors are in parentheses that are also clustered based on 58 groups used for the instruments. Trust is instrumented with the predicted value of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey where a lasso regression is used to identify 58 groups based on individual characteristics (see text for more details). Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 groups), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities). Country by year fixed effects are also included in each regression as control variables.

Table 5: Impact of Trust on Civic Participation

	(1)	(2)	(3)
	All Europe		
	Worked in political party or action group	Worked in another organisation or association	Contacted politician or government official
	A) OLS Estimates		
Trust	0.00618***	0.0321***	0.00800***
	(0.000822)	(0.00153)	(0.00150)
R-Squared	0.021	0.105	0.048
	B) IV with 58 Groups Identified Using Lasso Regression		
Trust	0.0145	0.0919***	0.0167
	(0.0121)	(0.0143)	(0.0155)
K-P F Stat	48.41	46.83	47.28
Observation	102,499	98,486	102,482

Note: *** p<0.01, ** p<0.05, * p<0.1. Trust is standardized across the samples (ESS,BES,SOEP). For OLS estimates, robust standard errors are in parentheses. For FE estimates, errors are clustered at the individual level. For the IV estimates, the standard errors are also clustered based on 58 groups used for the instruments. Trust is instrumented with the predicted value of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey where a lasso regression is used to identify 58 groups based on individual characteristics (see text for more details). Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 groups for cross-country analysis, 6 groups for Britian and Germany), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities, only for cross-country analysis). For the cross-country analysis, country by year fixed effects are also included in each regression as control variables.

Table 6: Impact of Trust on Attitudes Towards Immigration and Democracy

	(1)	(2)	(3)	(4)	(5)
	All Europe		UK		Germany
	Allow Less Migration from Outside Europe	Unsatisfied with Democracy in Own Country	Allow Less Migration To UK	Unsatisfied With How Democracy Works in the UK	Concerned About Immigration To Germany
	A) OLS Estimates				
Trust	-0.186***	-0.255***	-0.102***	-0.0744***	-0.203***
	(0.00362)	(0.00355)	(0.00329)	(0.00418)	(0.008)
R-Squared	0.175	0.175	0.214	0.067	0.137
	B) Non-Western trust from 80s and 90s with 58 Groups Identified Using Lasso Regression				
Trust	-0.553***	-1.324***			
	(0.0712)	(0.0762)			
K-P F Stat	47.61	47.61			
	C) Individual Fixed Effect Estimate				
Trust			-0.00809**	-0.0200***	-0.049***
			(0.00335)	(0.00569)	(0.009)
R-Squared			0.070	0.075	0.054
Observation	102,676	102,676	41,268	48,972	25,855

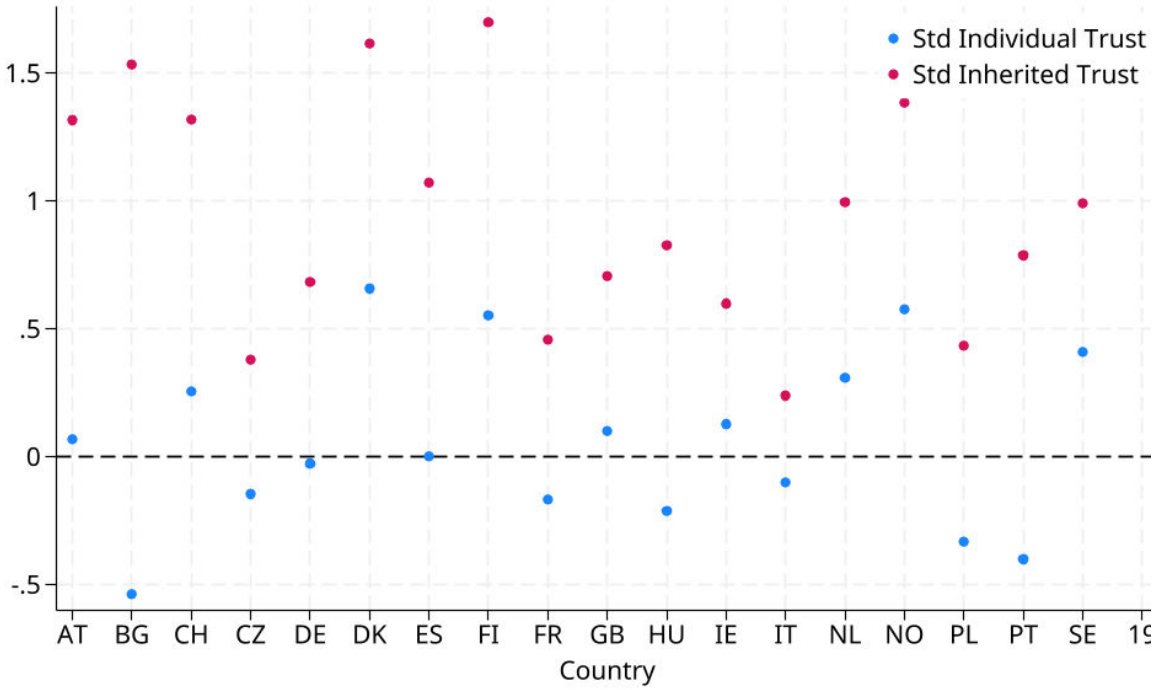
Note: *** p<0.01, ** p<0.05, * p<0.1. All dependent variables and trust are standardized across the samples (ESS,BES,SOEP). For OLS estimates, robust standard errors are in parentheses. For FE estimates, errors are clustered at the individual level. For the IV estimates, the standard errors are also clustered based on 58 groups used for the instruments. Trust is instrumented with the predicted value of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey where a lasso regression is used to identify 58 groups based on individual characteristics (see text for more details). Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 groups for cross-country analysis, 6 groups for Britian and Germany), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities, only for cross-country analysis). For the cross-country analysis, country by year fixed effects are also included in each regression as control variables. For the British and Germany analysis, additional control variables include year fixed effects and geographical ones, at the level of the 712 Parliamentary Constituencies in UK and at the level of 16 Regions in Germany.

Appendix Table 1: Impact of Trust on Populist Voting - Robustness Checks

	(1)	(2)	(3)	(4)	(5)
	OLS - Chapel Hill	IV - Lasso - Chapel Hill	IV – Happiness & Education- PopU	IV – Health & Education - PopU	IV – Both- PopU
Trust	-0.00632***	-0.0276**	-0.0466***	-0.0942***	-0.0606***
	(0.00111)	(0.0116)	(0.0175)	(0.0128)	(0.0122)
R-squared	0.108	0.105	0.127	0.109	0.123
F Stat		47.61	31.20	48.12	47.68
Num clusters		58	8	10	
Observations	102,676	102,676	102,676	102,676	102,676

Note: *** p<0.01, ** p<0.05, * p<0.1. Trust is standardized across the samples (ESS,BES,SOEP). Robust standard errors are in parentheses that are also clustered based on groups used for the instruments. Trust is instrumented with the predicted value of trust estimated using data from non-Western countries in the 1980s and 1990s in the World Value Survey where a lasso regression is used to idenitify 58 groups based on individual characteristics (see text for more details) or in columns (3)-(5) alternative clusters defined using individual characteristics are used. In columns (1)-(2), populist parties are identified using the Chapel Hill Expert Survey. Individual controls include age (under 35 and over 65), gender, marital status (married and divorced), immigrant status, high education, occupation (8 groups), employment status (not in the labor force and unemployed), low income and local geography (rural areas and small cities). Country by year fixed effects are also included in each regression as control variables.

Appendix Figure 1: Country-Level Values of Trust and Inherited Trust



Note: Inherited Trust is proxied with the country-level trust following the procedure in Algan and Cahuc (2010).