

Congruence, National Context and Trust in European Institutions

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How can we explain the recent decline of trust in representative institutions of the EU in many of its Member States? This article presents evidence supporting the congruence hypothesis, according to which citizens have been extrapolating their increasing distrust in national institutions to the EU institutions. However, in this study we find that these effects, although very strong, are combined with citizens' evaluations of national and EU governments, counterbalancing the contagion effect. Finally, we argue that these spillover effects from the national to the EU level tend to be stronger in situations of economic recession and political crisis. We test these arguments based on a twofold panel analyses of the Spanish case, a country suffering a remarkable deterioration of political trust in a context of profound economic crisis and various political corruption scandals. We provide evidence in favor of the general arguments by analyzing data from a micro-level panel study and from 28 pooled surveys from the Eurobarometer between 1999 and 2015.

Keywords: European Union – institutional trust – financial crisis – corruption – panel analysis – Spain

1. Introduction

Since 2008 there has been a considerable decrease in the level of trust in the representative institutions of the European Union (EU) in many of its Member States (Armingeon and Ceka 2013; Roth 2015). This negative evolution of trust in the EU has been predominantly explained with the effects of citizens' evaluations of EU performance. Firstly, as Hobolt and Tilley (2014: 134) have indicated, citizens who hold the EU responsible for domestic policy output, respond to poor economic performance with diminished trust in the EU institutions (see also Gomez 2015; Serricchio et al. 2013). Other authors have instead attributed the decline in trust in the EU to worsening citizen evaluations of the functioning of the European institutions themselves (Dotti Sani and Magistro 2016).

Both arguments, however compelling, adopt a vision which fails to take into full consideration the complex relationships between different levels of government that characterize the countries of the EU. As has repeatedly been shown, people tend to use national political cues as fundamental elements when forming opinions regarding the higher government arena (Sander et al. 2012). Although not new, this *multilevel argument* for how citizens form opinions on the EU (Anderson 1998; Sánchez Cuenca 2000; Hooghe and Marks 2001;; Hix 2007) has not been fully explored to explain the current decline in *trust* in the EU institutions. The few contributions adopting it have mostly focused on the effect of citizen evaluations of their national government's performance (Hobolt 2012; Ares et al. 2016; Muñoz 2017), putting aside the effect of the increasing mistrust in national representative political institutions as an important explanation for this decline. Is trust in national institutions still the most important factor in explaining trust in EU institutions? If

so, is the predictive power of this relationship constant over time, even in the context of economic and political crisis?

We argue here that to derive a more complete understanding of trust in the EU Parliament and EU Commission it is still important to take into account the evolution of trust in national institutions, which through a logic of ‘extrapolation’ is responsible for unlocking a ‘general syndrome of mistrust’ in all representative political institutions (Harteveld et al. 2013: 20). In fact, our analysis will lead us to support the ‘*congruence hypothesis*’ (Anderson, 1998) as the main explanation of trust in EU institutions despite the effects of the economic crisis. However, increasing distrust in the institutions of the EU cannot only be attributed to the spread of this *general syndrome of distrust*. We will also show that citizens’ discontent with their national government’s performance might also be spilling over into the EU level, although this effect is much weaker.

Additionally, previous contributions have implicitly *assumed* that the effect of extrapolation from national politics is constant over time without questioning whether the size of the effect might change as a consequence of changing national contexts. This is an important omission when it comes to explaining the effect of economic and political crises on EU institutional distrust (for an exception, see Obydenkova and Arpino (2017)). Therefore, we also argue here that the effect of the extrapolation is not always uniform and constant over time; extrapolation might be conditional on the national economic and political conditions, for example on the occurrence of national corruption scandals. Based on an analysis of the case of Spain, we will show that in times of economic and political crisis the extrapolation effect increases substantially, while direct evaluations of EU institutions and their performance play a less prominent role in comparison.

We hope that this study contributes to the general debate by focusing on dynamic relationships over time – both at the aggregate and the individual level. For this, we perform a longitudinal analysis based on two different panel datasets from Spain. The first of these consists of 28 pooled surveys by Eurobarometer collected between 1999 and 2015 and allows estimation of context-level effects over time. The second dataset is an individual-level panel survey collected over two successive years in 2014 and 2015 with information from 3,916 Spanish citizens. Studying the extrapolation dynamics using the Spanish case is interesting for two reasons: First, there has been an enormous decline in trust in the EU over the last ten years, moving Spain from one of the most pro-European countries to one of the most Eurosceptic in Europe (Torcal, 2013). At the same time, this case contains significant aspects from the last few years that might have been responsible for this decline: a severe economic and social crisis, the occurrence of various significant political corruption scandals, and finally, an important decline in political trust in Spanish national institutions.

Theoretical Model

The existence of national differences in the degree of trust in EU institutions since 2008 has been well documented. However, explanations of it still differ. On the one hand, there are scholars who have focused on the direct effects of the economic crisis and its social consequences. Either using pure socio-tropic economic explanations or individual-instrumental explanations (focusing on the individuals and sectors of society that have been most affected by the crisis), the central argument is that trust in the EU declines when citizens blame the EU for the economic downturn (Gomez 2015; Serricchio et al. 2013). On the other hand, and unlike these economic/instrumental explanations, there are also scholars who

argue that declining EU support and trust might be due to a negative assessment of the political process in the EU itself (Hobolt 2012;; Roth 2015; Dotti Sani and Magistro 2016).

Nevertheless, this debate suffers from an overly limited view that does not take into consideration the multi-level nature of government in EU Member States and its effect on people's opinions and attitudes regarding the EU. As has been argued, citizens tend to use national political cues as fundamental elements when forming opinions regarding the European political arena (Sander et al. 2012). As Anderson (1998: 576-7) argues, this hypothesis is supported by two basic mechanisms. First, a high level of dissatisfaction with the functioning of democracy and its results at the national level tends to produce unfavourable opinions about integration and EU institutions, since political trust is a general attitude that extends to all areas of democratic government, regardless of the level. The other mechanism relates to the institutional architecture of the EU, in which national governments are the main and most visible political actors in the decision-making process. This is known by the general public and it underlies the role of national actors and institutions in overall evaluations of the EU institutions and their decisions (Kritzinger 2003: 225).

However, the direction in which this relationship works is debated. There is one group of scholars who argue in favour of a 'compensation hypothesis' or 'different assessments model' (Sánchez-Cuenca 2000), according to which dissatisfaction with and lack of trust in national institutions can promote positive attitudes towards the EU, with the latter being seen as costing less and having more efficient institutions. Therefore, in countries where citizens perceive their national institutions to be more efficient, they might in turn be more critical of the more distant supranational ones, believing that they are impinging on their national sovereignty. However, 'congruence or contamination hypothesis' has become

the most accepted hypothesis (Harteveld et al. 2013) specially for countries where the national institutions are perceived as inefficient, corrupt and very costly (Muñoz et al. 2011). Accordingly, we formulate a *longitudinal* hypothesis at the individual level:

H1: A decline in trust in national institutions is associated with a decrease in trust in EU institutions among respondents over time.

The debate regarding extrapolation from the national to the EU level is not limited to the direction of the effect of distrust in national representative institutions. It can also be based on a different national cue: citizens' evaluations of national government performances. Thus, and following the compensation hypothesis, a good evaluation of the EU institutions could also be a consequence of a dissatisfaction syndrome with national governments and their performance (Ares et al. 2016: 1096). However, some citizens might see the EU as a scapegoat for the bad performance of the national government, producing a short-lived compensating effect (Kritzing 2003). Thus, we formulate a second *longitudinal* hypothesis at the individual level, consistent with the congruence hypothesis based on national government performance:

H2: Worsening evaluations of national government performance are associated with a decline in trust in EU institutions among respondents over time.

However, the national context might also vary over time, raising the following question: What is the effect of changes in the objective national economic and political situation on trust in the EU institutions? We have good reason to believe that the economic crisis might have had a direct negative impact on evaluations of the EU institutions (Gabel and Palmer 1995; Anderson and Reichert 1996; Karp et al. 2003; Hooghe and Marks 2005; Ares et al. 2016), especially when citizens identify the EU as responsible for the poor economic performances (Gomez 2015; Serricchio et al. 2013). This might also be the case for high levels of corruption (Obydenkova and Arpino 2017). Therefore, we can formulate two distinct *longitudinal* context-level hypotheses:

H3a: Decreasing economic performance leads to decreasing levels of trust in EU institutions over time.

H3b: An increasing salience of political corruption leads to decreasing levels of trust in EU institutions over time.

However, what are the conditional effects of these changing national economic and political contexts on the process of extrapolation from national to EU institutions? In other words, can we really assume that the extrapolation effect is constant at all times, regardless of the evolution of the national situation? The extrapolation of national attitudes and opinions to the EU might also be conditional on the evolution of the economic and political context in which these processes take place (Ares et al. 2016). Following this logic, the extrapolation effect might be substantially more significant in more negative national contexts

characterised by economic crisis or high levels of political corruption. To test this argument, we formulate the two following cross-level interaction hypotheses:

H4a: The extrapolation effect from trust in national institutions to trust in the EU institutions tends to be larger during periods of national economic crisis.

H4b: The extrapolation effect from trust in national institutions to trust in EU institutions tends to be larger during periods of high levels of national political corruption.

2. Data

To test our longitudinal hypotheses, we use two different types of dataset. The first one consists of 28 pooled surveys from the Eurobarometer, which allows us to study change over time at the national level; the second one is an individual-level panel dataset collected in Spain between 2014 and 2015, which allows the analysis of variation within respondents.

a. Pooled Eurobarometer Dataset

For this first part of the analysis, we pool all the suitable Eurobarometer surveys from 1999 to 2015 with about 20,000 respondents (see Table A in Appendix). This dataset allows us to test which context-level factors are related to changes in trust in the EU institutions over time and, more importantly, whether the assumed extrapolation effect from national to international institutions is constant over time or varies during times of crisis.

Since trust in EU institutions is often covered two or three times a year in the Eurobarometer programme and to increase the statistical power of our models, we decide to

use country-months as the context level. Thus, our unit of analysis is the survey respondent (level 1), who is nested in surveys = months (level 2). Since we are also able to measure our two main context-level explanatory variables (economic and political performance) on a monthly basis, the maximum potential lag between cause and effect therefore decreases to less than one month.

b. Individual-Level Panel Dataset

In order to test our individual-level longitudinal hypothesis, we rely on a electoral panel: the CIUPANEL (Torcal et al., 2016). This panel consists of an online sample of the Spanish population followed over six different waves between 2014 and 2016. Quotas were applied for gender, age, education, size of city/village of residence and autonomous regions. A recent study comparing this online panel with the probabilistic sample of the European Social Survey in Spain has shown that the quality of estimations in terms of reliability and validity for political trust measures is very similar (Revilla et al. 2015). In this study, we use data from the second and third waves to study trust at the two levels of government: national and European.¹

3. Measurement

a. Dependent Variables

In this study, we use two variables to capture trust in representative institutions in the EU: *trust in the European Parliament (trust in the EP)* and *trust in the European Commission*

¹ This is because, trust in the EU institutions and in national institutions were only collected together in the second and third waves.

(*trust in the EC*). We focus on these two EU institutions because a) we can examine a long-term trend, and b) a comparison with their national counterparts (the Spanish parliament, the Spanish government) is relatively straightforward (see the Appendix for descriptive statistics). In the Eurobarometer, trust in institutions is measured by a binary response scale (tend not to trust, tend to trust). We combine both variables into a binary measure of *trust in representative institutions of the EU* that takes on the value (1) if trust in the EU parliament and trust in the EU commission equals (1), otherwise it is coded as (0).² Both variables in CIUPANEL are in this case measured with an 11-point response scale, ranging from 0 (absolutely do not trust) to 10 (full trust), creating an average index for *trust in representative institutions of the EU*.

b. Explanatory Variables

In the Eurobarometer dataset political trust in the Spanish parliament and government, the most important variables of our argument, are also measured in a binary fashion (tend not to trust, tend to trust). Figures A and B in the Appendix show the important decline in trust in both national institutions, which started in 2009 and in parallel to that observed with regard to trust in the EU institutions.

² Trust in the EP and trust in the EC are highly correlated with a Cramér's $V = 0.91$ ($N = 18,862$) and scale reliability is high as well with a Cronbach's alpha of 0.95. We have decided against the construction of an additive/ count index as there have been few people in the Eurobarometer sample that have reported to trust in one EU institutions but not in another ($N=858$). Thus, the resulting scale would have been bimodal with very few cases in between.

As we can observe in the time evolution of these series, the extrapolation process could have been fostered by the remarkable decline of public government evaluations starting in 2005 after the Socialist Party (PSOE) took power, and continuing with the following Conservative governments (PP) after 2011 (see Figure C in the Appendix). However, there is also a second potential explanation for the decline in political trust: *political corruption*. Indeed, the beginning of the 2010s was marked by one of the biggest political corruption scandals in the democratic history of Spain. To track the salience of corruption at the context level, we use the percentage of respondents who answer that ‘corruption and fraud’ are among the three principal problems that currently exist in Spain. As we can observed in the monthly barometers of the *Centro de Investigaciones Sociológicas* in Spain (CIS), the public concern on this issue has increased dramatically since 2010 (see also Figure C in the Appendix). Unfortunately, we cannot test in our longitudinal models the effect of perceptions of political corruption at the individual level in the panel dataset analysis since this question was not included in the corresponding waves. Instead, we rely on *overall approval of the national government performance* to tap political performance.

We also need to consider national economic performance in our models, which is the most prevalent explanation for the recent decline in national political trust (Van Erkel and Van der Meer 2016; Van der Meer 2017) and in trust in the EU institutions in particular (Gomez 2015; Serricchio et al. 2013). Certainly, we can attribute much of the temporal dynamics in trust in the EU to the state of the Spanish economy, and especially to the Great Recession which started in mid-2008. In particular, the evolution of unemployment rate and, to a lesser extent, economic growth appears to evolve similarly to the evolution of trust in the EU institutions (see Figure D in the Appendix). To measure the impact of the economic

performance, we use the *Economic Performance Index* (EPI), as proposed by Khramov and Lee (2013). The EPI combines information on unemployment, the government deficit, inflation and GDP growth into a single composite index (to observe its evolution overtime, see Figure E in the Appendix). For the individual-level panel analysis we include an index that captures sociotropic *evaluations of the economic performance* of the country. The index is created by using factor scores obtained from retrospective and prospective perceptions of the economic situation (for more detail, see the Appendix).

c. Control Variables

At the context level, we control for whether a survey was conducted during or shortly after a *European Election*, since democratic elections can be expected to enhance people's feelings about their political institutions and the political process (Banducci and Karp 2003). We do so by including in our models a dummy variable which captures proximity to elections by taking value 1 if the survey was conducted during a year when a European Election took place.

To test the effect of EU performance in trust, we also include the evolution of the net benefits of the EU on the Spanish economy at the national level (Anderson and Reichert 1996). The Operating Budgetary Balances (OBB) index reflects the difference between what a Member State receives from and contributes into the EU budget. The positive amounts reflects that Spain received more money from the EU budget than it contributed to it, but, those net benefits of EU transfers have been declining since 2004, years before the 2008 crisis (see Figure F, in the Appendix)

Additionally, as it has been argued (Hobolt and Tilley 2014; Ares et al 2016), citizens' evaluations of the EU's performance might have a generally positive effect on support for EU institutions, especially due to the rising awareness among the citizenry about EU influence on domestic policy. At the individual level, we therefore test the impact of changing *EU performance evaluations* in the panel dataset with a question that asks whether or not respondents approve or disapprove of decisions recently taken by the EU. For the Eurobarometer analysis, instead, we rely on a question asking about people's *support for the Euro/monetary union* (see the Appendix for detail).

Furthermore, we control for socio-demographic factors such as *age* (continuous variable), *gender* (reference category: woman) and *education*.³ In the survey panel dataset we treat education as a continuous variable with six levels. In the Eurobarometer dataset, education is measured categorically as the age at completion of studies.⁴

Giving its importance in the existent literature (Karp et al. 2003; Hobolt 2012; Muñoz 2017), we have also decided to include cognitive mobilization measured by *political discussion* in the Eurobarometer dataset, and by *interest in politics* and *knowledge of EU politics* in the the panel dataset.. Moreover, we include a variable for 'left-right' self-

³ These variables, which have hardly any temporal variation, are included in the analysis of the CIUPANEL data by using their average scores across the different waves of the panel (components \bar{x}_j in the model). This procedure is not necessary in the Eurobarometer analysis as the dataset only consists of cross-sections of different respondents.

⁴ Reference: 'finished at age 20 or older'; other categories: 'finished at age 15 or below', 'finished at age 16–19' and 'still studying'.

positioning in the panel dataset analysis, given the tendency for individuals on the left to display greater mistrust in institutions (Anderson and Just 2013; Anderson and Singer 2008).⁵

To control for the effect of individual economic wellbeing, for the Eurobarometer analysis we add a dummy variable that measures whether a respondent is *unemployed*. In the panel dataset analysis, we are able to include a measure for *personal economic security* by creating a composed index of economic and social uncertainty based on four indicators (for details see Appendix).

Finally, and following the comparative literature (Zmerli and Newton 2008, 2011), we included in our model a social trust index based on factor scores from three questions (see the Appendix for details). Unfortunately, the Eurobarometer does not capture interpersonal trust on a regular basis.⁶ Instead, we choose to include two covariates of social trust: *marital status*⁷ and *urban residence*⁸, as both factors have been shown to be related to social trust (Knack and Keefer 1997: 1283;; Lindström 2012).

⁵ We decided against the inclusion of left-right self-positioning in the Eurobarometer analysis as the variable is not covered in EB 57.1, EB 76.3, EB 77.3, EB 78.1 and EB 79.3, creating a gap of three years between 2011 and 2014.

⁶ Social trust has only been asked five times during the last 30 years (i.e. in EB 25, EB 62.2, EB 72.1, EB 74.1 and EB 81.5).

⁷ Reference: single, separated, widowed or divorced; otherwise: married, re-married or cohabitating.

⁸ Reference: less than 10,000 inhabitants; otherwise: more than 10,000 inhabitants.

4. Method and Models

We make use of a multilevel toolkit to analyse models from both the Eurobarometer and the CIUPANEL datasets to distinguish between two types of variation contained in the data: a) cross-sectional variation *between* different individuals and b) longitudinal variation either *within* respondents or *within* Spain over time at the aggregate level.

a. Aggregate-Level Panel Model

Since the trust in EU measure is a dichotomous variable in the Eurobarometer sample, we estimate the models by a probit multilevel of the following form:

$$\text{probit}(y_{ij}) = \beta_0 + \beta_1 x_{ij} + \beta_2 x_j + \mu_{0j} + \varepsilon_{ij}, \quad (1)$$

where $\varepsilon_{ij} \sim N(0,1)$. μ_{0j} denotes the intercept of the probit model for the month level. Respondents $i = 1 \dots I$ are nested within months/surveys $j = 1 \dots J$. x_{ij} are individual-level variables such as employment status and x_j refers to time-varying covariates at the month level such as the EPI.

We first decompose the variances in trust in the representative institutions of the EU by estimating an empty model. We then include to this model all the explanatory and control variables previously discussed. Next, we add random slopes for trust in Spanish representative institutions, so we can test whether the spillover effect from national trust to EU trust varies significantly over time. This leads to the following model:

$$\text{probit}(y_{ij}) = \beta_0 + \beta_1 x_{ij} + \beta_2 x_j + \mu_{0j} + \mu_{1j} x_{ij} + \varepsilon_{ij}, \quad (2)$$

where $\mu_{1j}x_{ij}$ denotes the random slope. The random intercept and slope are modelled with a covariance.⁹ Then, we add cross-level interaction terms between trust in national institutions and the EPI, allowing us to judge if the spillover effect becomes weaker or stronger during times of crisis. Similarly, we estimate another set of models with cross-level interactions between national trust and the salience of corruption. Finally, we include both types of cross-level interactions. Thus, the final form of the model is as follows:

$$\text{probit}(y_{ij}) = \beta_0 + \beta_1x_{ij} + \beta_2x_j + \beta_3x_{ij} \times x_j + \mu_{0j} + \mu_{1j}x_{ij} + \varepsilon_{ij}. \quad (3)$$

b. Individual-Level Panel Model

For the second part of the analysis the aim is to model two types of variation contained in the individual-level panel data simultaneously: variation *within* respondents over time, and variation *between* different individuals. Since the trust in the EU index is based on average scores from an underlying 11-point scale, we fit a linear model. We start with a multi-level model with respondent measurement occasions (i) nested within respondents (j):

$$y_{ij} = \beta_0 + \beta_1x_{ij} + \beta_2x_j + \mu_j + e_{ij}, \quad (4)$$

where y_{ij} is the individual variable of interest measured at time i . x_{ij} represents variables that vary over time, such as trust in the Spanish parliament, while x_j represents variables which do not vary over time, for example gender. To distinguish between cross-sectional and longitudinal relationships in the model, Bell and Jones (2015) and Schmidt-Catran and

⁹ We treat the variance-covariance structure of the random effects as unstructured, allowing for a distinct non-zero covariance.

Fairbrother (2015) suggest adding to the model group mean and de-meaned terms for time varying variables x_{ij} . This leads to the following within-between random effects (REWB) model:

$$y_{ij} = \beta_0 + \beta_1 x_{ijM} + \beta_2 \bar{x}_j + \beta_3 x_j + \mu_j + e_{ij}, \quad (5)$$

where the original time-varying variable x_{ij} is included twice, broken down into \bar{x}_j and x_{ijM} . An obvious benefit of this model is that the ‘within’ coefficients x_{ijM} are exactly the same as those which are obtained with a fixed effects model (FE). Of equal importance is the fact that this approach allows us to estimate the cross-sectional association between a time-varying variable x and y , and enables us to include time-invariant variables like gender simultaneously in one model.

5. Results

Table 1 displays the results of the estimations of the probit multilevel models of trust with standardised coefficients for continuous variables. The underlying scale of a probit model also has a standard deviation of one so all the coefficients can be easily interpreted.

--- Tables 1 ---

As we can see in the null model, about 24% of the variation in the data can be attributed to the month level, which is a very sizeable degree of temporal clustering. Model 1 shows that trust in national representative institutions (parliament and government) seems to be the strongest predictor of trust in the representative institutions of the EU (parliament and commission), supporting hypothesis H1 (congruence/extrapolation). Second, support for the Euro/Monetary Union, as a proxy for perceptions of EU performance, seems to be the

second most important correlate for trust in both institutions, showing that not everything is reduced to extrapolation from trust in national institutions.

Models 1 also allows us to observe the importance of contextual factors in the evolution of trust in the EU institutions in Spain. First, the model shows that a positive economic performance (measured by EPI) increases political trust in the EU institutions over time. At the same time, an increasing salience of corruption tends to decrease it, while neither the EU OPB nor European elections appear to make a difference. Taken together, the model clearly shows the importance of the national economic and political performance in explaining trends in trust in the EU over time, confirming the context-level hypotheses H3a and H3b.¹⁰

Model 2 allows the slope of trust in national institutions to vary over time. As can be seen, the random effect is significant, suggesting that there exists substantial temporal variation in the slope coefficient.¹¹ This means that trust in the national institutions appears to affect trust in the EU institutions differently at different points in time. But what triggers this process? Under what conditions can the national context increase or decrease the spillover effect? To answer these questions, we include cross-level interactions between trust in the national institutions and economic performance and corruption. The interactive effects included in Models 3-5 are highly significant, confirming that the effect of trust in the

¹⁰ The models have also been replicated with separate indicators of trust in the EU commission and in the European Parliament as dependent variables. As can be seen in Tables D and E in the Appendix, results are almost identical.

¹¹ We also performed likelihood-ratio tests comparing Model 2 with Model 1 and find that adding the random slope brought a significant improvement.

national institutions on trust in the EU institutions is conditional on the two contextual factors related to the actual (political) crisis in Spain. The conditional effect is negative for economic performance and positive for corruption. These results show that the extrapolation effect of trust in the national institutions on EU institutions tends to be much lower in more positive national contexts (better economic performance and less political corruption), confirming hypotheses H4a and H4b.

Table 2 presents the results of the linear within-between random effects (REWB) models based on the individual-level panel data from the CIUPANEL.¹² The upper part of the table presents the longitudinal coefficients, allowing study of *change over time within respondents*. The second part of the table presents the standardized results for the cross-sectional coefficients explaining *differences between individuals*. As can be seen in the null model, 64% of the variance can be attributed to the respondent level and 36% to changes in trust in the EU within respondents over time.

--- Table 2 ---

Let us now examine the longitudinal part of the models. First, we find once more that increasing trust in the national institutions is related to a strong and positive increase in trust in the EU institutions. However, EU performance also plays a substantial role in predicting trust in the EU institutions. On the other hand, we find no significant longitudinal effect for government performance, disconfirming hypothesis H2.

¹² In Table H (presented in the Appendix) we have replicated again the results based on separate indicators for trust in the EC and trust in the EP.

Regarding the cross-sectional coefficients the picture is quite similar. The differences in levels of trust in the EU institutions are predominantly a reflection of what happens in the national sphere. Individuals who tend to value the national institutions more do the same with the European ones. The magnitude and strength of the relationship is remarkable. The results are consistent and solid for both models, further supporting hypothesis H1. However, in this case the extrapolation is also applicable to evaluations of the performance of the Spanish government, but in the opposite direction to the other national cues: it is negative, meaning that a negative evaluation of the national government tends to *increase* trust in the EU institutions, opposing hypothesis H2 and indicating a compensation effect. However, since we do not find a longitudinal effect, we recommend not over-interpreting this finding. Additionally, we again find evaluations of EU performance to be an important covariate, showing again that positive evaluations of EU performance can counterbalance the deterioration process with regard to perceptions of national institutions.

6. Discussion

It seems clear from the preceding pages that the congruence or extrapolation hypothesis still appears as the dominant logic when it comes to explaining the decline in trust in the EU institutions and individual differences in this respect, and even more in situations of national economic and political crisis. This confirms that first and foremost we are dealing here with a crisis of trust in representative political institutions. It also appears clear that the national arena still has a predominant effect on attitudes about the EU (Sander et al. 2012). However, the effect of evaluations of the national government performance is somewhat limited and it works more in the direction of compensation (Kritzinger 2003), contrary to what has been found by other scholars (Ares et al. 2016; Muñoz 2017).

However, there is also a ‘rational’ component to how Spaniards form their opinions of the EU by basing their judgments on the corresponding level of governance. That is to say, citizens’ assessments of performance at the EU level matter when it comes to forming opinions about the EU institutions, which also helps to make sense of the fact that the average level of Spanish citizens’ trust in the EU institutions is substantially higher than that in the national ones.

Explaining the evolution of trust in the EU institutions and individual differences in it therefore becomes somewhat complex, although our results seem to be solid. The national context remains the main mechanism through which citizens form their views on the EU and they do so by pure contagion or congruence. The negative evolution of the national economic and political performance (the increasing salience of corruption) might also have contributed to the crisis of trust in the Spanish and EU institutions. Equally important, we have also found evidence that the spillover effect is strongest in times of national (economic and political) crisis. However, we have also shown that positive evaluations of the performance of the EU and knowledge about EU issues can contribute to building trust in the EU institutions independently.

There are, nevertheless, some limitations to these conclusions. First, we need to study how the mechanism of compensation behaves in a context of economic prosperity and low levels of corruption. A first indication for the generalisability of the results is presented in Figure 1, where we have plotted time trends in trust in EU institutions vis-à-vis trust in national institutions for all 24 member states of the EU between 2001 and 2018. Quite surprisingly, everywhere in Europe the evolution of trust in EU institutions mirrors the trend of trust in national institutions very closely. We are thus confident that the present

longitudinal findings may be generalised beyond Spain, even for countries that lack a similar history of economic crisis and persistent political corruption.

--- Figure 1 ---

A second objection has been to challenge the assumption that the spillover effect is always the same, regardless of the specific national context. For the Spanish case we have been able to demonstrate that the extrapolation effect is stronger during times of domestic crisis. A next step would be to test the moderation of this *longitudinal* relationship in other countries as well, for example, with time-series data from the Eurobarometer.

Finally, it should be pointed out that we do not deny the possibility of a feedback mechanism, so that the multi-level character and the supranational government of European countries could also have negative effects on perceptions of and trust in national institutions (Armingeon and Guthmann 2014). This could occur, but it would require a different analytical model to the one employed here and a more general discussion regarding governability and political representation in multi-level governments in which states are increasingly losing their sovereignty to supranational institutions. However, at least for the case of Spain, there is good reason to believe that the decline of trust in European institutions has been initiated by domestic economic and political crisis through a process of extrapolation from trust in national institutions.¹³ Therefore, improving the situation of EU

¹³ While trust in EU institutions (compare Figure A and B in the Appendix) has declined rapidly as a consequence of the economic recession and various corruption scandals (compare Figure C, D and E), EU performance evaluations have remained stable during that period (compare Figure G), making it rather unlikely that a feedback mechanism has caused the decline in political trust in Spain.

political distrust requires us first to deal with the problems causing the decline in national institutions. However, there might be also some room for the EU itself, as the covariates in our models suggest that knowledge of the EU and positive evaluations of its performance could build trust in the EU. This could also explain why in many countries people are more trustful in EU institutions than in their national institutions.

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Table 1. Probit Multilevel Model of Trust in Representative Institutions of the EU - Eurobarometer

Trust in Representative Institutions of the EU (Parliament and Commission)												
	Null 1		Model 1		Model 2		Model 3		Model 4		Model 5	
	β	(se)	β	(se)	β	(se)	β	(se)	β	(se)	β	(se)
<i>Respondent-Level Coefficients</i>												
Age			0.06***	(0.01)	0.06***	(0.01)	0.06***	(0.01)	0.06***	(0.01)	0.06***	(0.01)
Male (ref.: female)			-0.05*	(0.02)	-0.05*	(0.02)	-0.05*	(0.02)	-0.05*	(0.02)	-0.05*	(0.02)
Education (ref.: more than 19)												
up to 15			-0.16***	(0.03)	-0.16***	(0.03)	-0.16***	(0.03)	-0.16***	(0.03)	-0.16***	(0.03)
16-19			-0.07*	(0.03)	-0.07*	(0.03)	-0.07*	(0.03)	-0.07*	(0.03)	-0.07*	(0.03)
Still studying			0.04	(0.05)	0.04	(0.05)	0.04	(0.05)	0.04	(0.05)	0.04	(0.05)
Married/ cohabitating			0.02	(0.02)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)
Urban residency (ref.: rural)			-0.05*	(0.03)	-0.05*	(0.03)	-0.05*	(0.03)	-0.05*	(0.03)	-0.05*	(0.03)
Unemployed			-0.09**	(0.03)	-0.09**	(0.03)	-0.09**	(0.03)	-0.09**	(0.03)	-0.09**	(0.03)
Political discussion (ref.: never)												
occasionally			0.14***	(0.02)	0.14***	(0.02)	0.14***	(0.02)	0.14***	(0.02)	0.14***	(0.02)
frequently			0.09**	(0.03)	0.09**	(0.03)	0.09**	(0.03)	0.09**	(0.03)	0.09**	(0.03)
Support for Euro/ Monetary Union			0.89***	(0.03)	0.89***	(0.03)	0.89***	(0.03)	0.89***	(0.03)	0.89***	(0.03)
Trust in rep. institutions (Spain)			1.17***	(0.03)	1.23***	(0.06)	1.24***	(0.05)	1.25***	(0.05)	1.26***	(0.05)
<i>Longitudinal Coefficients</i>												
Economic Performance Index (EPI)			0.19***	(0.04)	0.16***	(0.04)	0.23***	(0.05)	0.16***	(0.04)	0.22***	(0.04)
Perception of corruption			-0.31***	(0.05)	-0.28***	(0.05)	-0.28***	(0.05)	-0.35***	(0.05)	-0.34***	(0.05)
EU operating budgetary balances			-0.02	(0.05)	-0.05	(0.05)	-0.05	(0.05)	-0.05	(0.05)	-0.05	(0.05)
European election (year)			-0.03	(0.09)	-0.03	(0.09)	-0.04	(0.09)	-0.03	(0.09)	-0.04	(0.09)
<i>Cross-Level Interactions</i>												
Trust in rep. institutions (Spain)*EPI							-0.17**	(0.05)			-0.14**	(0.05)
Trust in rep. institutions (Spain)*corruption									0.17**	(0.06)	0.14**	(0.05)
Constant	0.09	(0.11)	-0.84***	(0.06)	-0.83***	(0.06)	-0.83***	(0.06)	-0.84***	(0.06)	-0.83***	(0.06)
<i>Variance components</i>												
Quarter-level residual	0.31***	(0.08)	0.03***	(0.01)	0.05**	(0.02)	0.04**	(0.01)	0.04**	(0.01)	0.04**	(0.01)
Random slope: trust in rep. institutions (Spain)					0.07**	(0.03)	0.04*	(0.02)	0.05*	(0.02)	0.03*	(0.01)
Log Likelihood	11392.724		-9317.243		-9292.616		-9288.054		-9288.48		-9284.805	
AIC	22789.45		18670.49		18625.23		18618.11		18618.96		18613.61	
ICC quarter-level	0.24		0.03		0.04		0.04		0.04		0.04	
Number of respondents	18,862		18,862		18,862		18,862		18,862		18,862	
Number of quarters (surveys)	28		28		28		28		28		28	

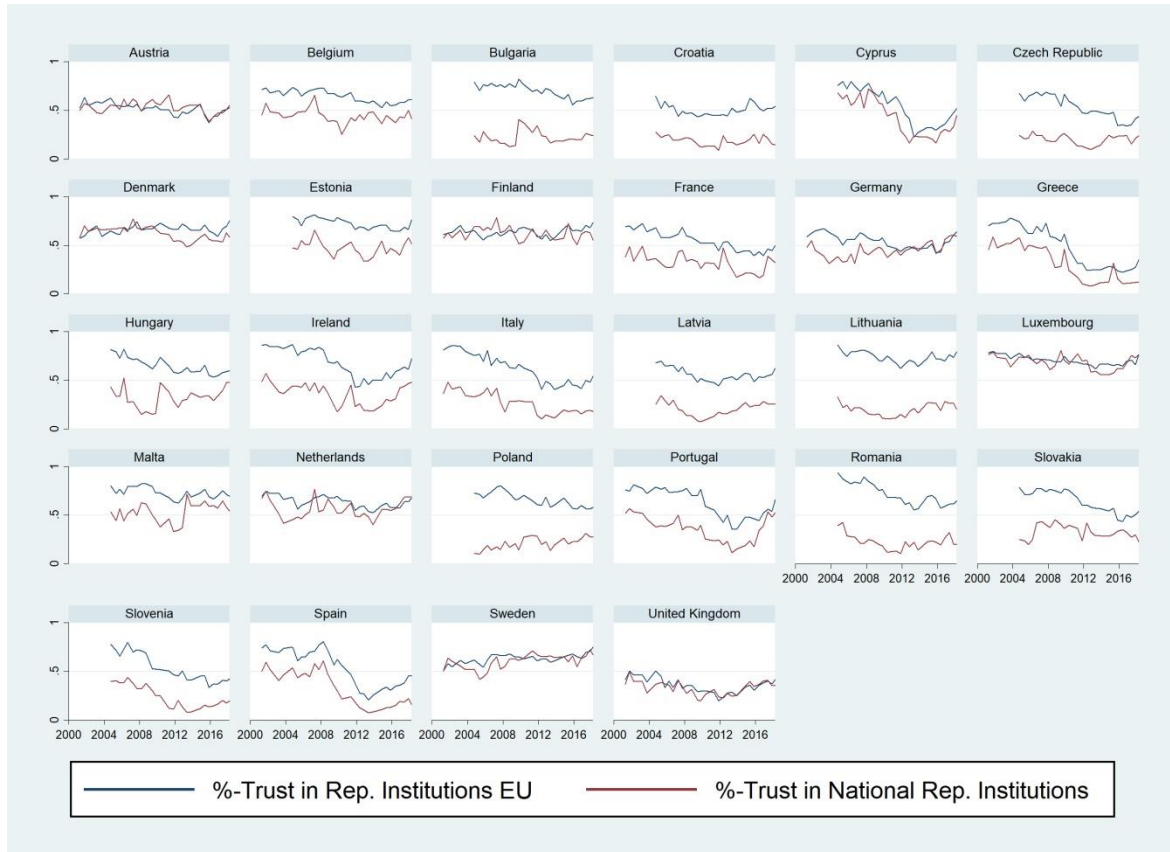
Notes: Probit multilevel regression; standardized β (except gender, education, employment status, civil status, political discussion, support for Euro, trust in government and European election); standard errors in parentheses; significance (two-tailed) *** p<0.001, ** p<0.01, * p<0.05, + p<0.1. AIC: Covariances between intercepts and slopes are estimated, but not reported. Akaike's Information Criterion, ICC: Intraclass Correlation Coefficient.

Table 2. Within-Between Multilevel Model of Trust in Representative Institutions of the EU - Individual-Level Panel Analysis

	Trust in Representative Institutions of the EU			
	Null 3		Model 6	
	β	(se)	β	(se)
<i>Longitudinal Coefficients</i>				
Left-right schema			0.04*	(0.02)
Interest in politics			0.04*	(0.02)
Social trust index			0.07***	(0.02)
Personal economic situation			0.01	(0.02)
Economic situation in Spain			0.03	(0.02)
Government performance			0.01	(0.02)
EU-knowledge			0.06***	(0.02)
EU performance evaluation			0.22***	(0.02)
Trust in rep. Institutions (Spain)			0.15***	(0.02)
<i>Cross-Sectional Coefficients</i>				
Age			-0.07*	(0.03)
Male (ref.: female)			-0.07	(0.05)
Education level			0.04	(0.03)
Left-right schema			-0.08**	(0.03)
Interest in politics			0.20***	(0.03)
Social trust index			0.15***	(0.03)
Personal economic situation			0.02	(0.03)
Economic situation in Spain			0.09**	(0.03)
Government performance			-0.30***	(0.04)
EU-knowledge			0.18***	(0.03)
EU performance evaluation			0.83***	(0.03)
Trust in rep. Institutions (Spain)			1.04***	(0.04)
Constant	3.94***	(0.04)	4.00***	(0.04)
<i>Variance components</i>				
Respondents intercept	3.33***	(0.12)	1.03	(0.06)
Residuals	1.84***	(0.06)	1.57***	(0.05)
Log Likelihood	-10510.03		-9164.291	
AIC	21026.05		18376.58	
ICC Respondents	0.64		0.40	
Number of Respondents	3,064		3,064	
Number of Observations	4,913		4,913	

Notes: Multilevel regression; standardized β (except: gender); standard errors in parentheses; significance (two-tailed) *** p<0.001, ** p<0.01, * p<0.05. AIC: Akaike's Information Criterion, ICC: Intraclass Correlation Coefficient.

Figure 1. Time Trends of Trust in National and EU Institutions, 2001 to 2018



Notes: %-Trust in rep. institutions EU reflects the average between trust in the EP and the EC. %-Trust in national rep. institutions is the average between trust in the parliament and the government. Source: Eurobarometer standard trends provided by the European Commission (2018).