

When trust becomes a luxury:

**How recent crises undermine political trust
among the most disadvantaged**

Trends between and within EU member states from 2002-2020

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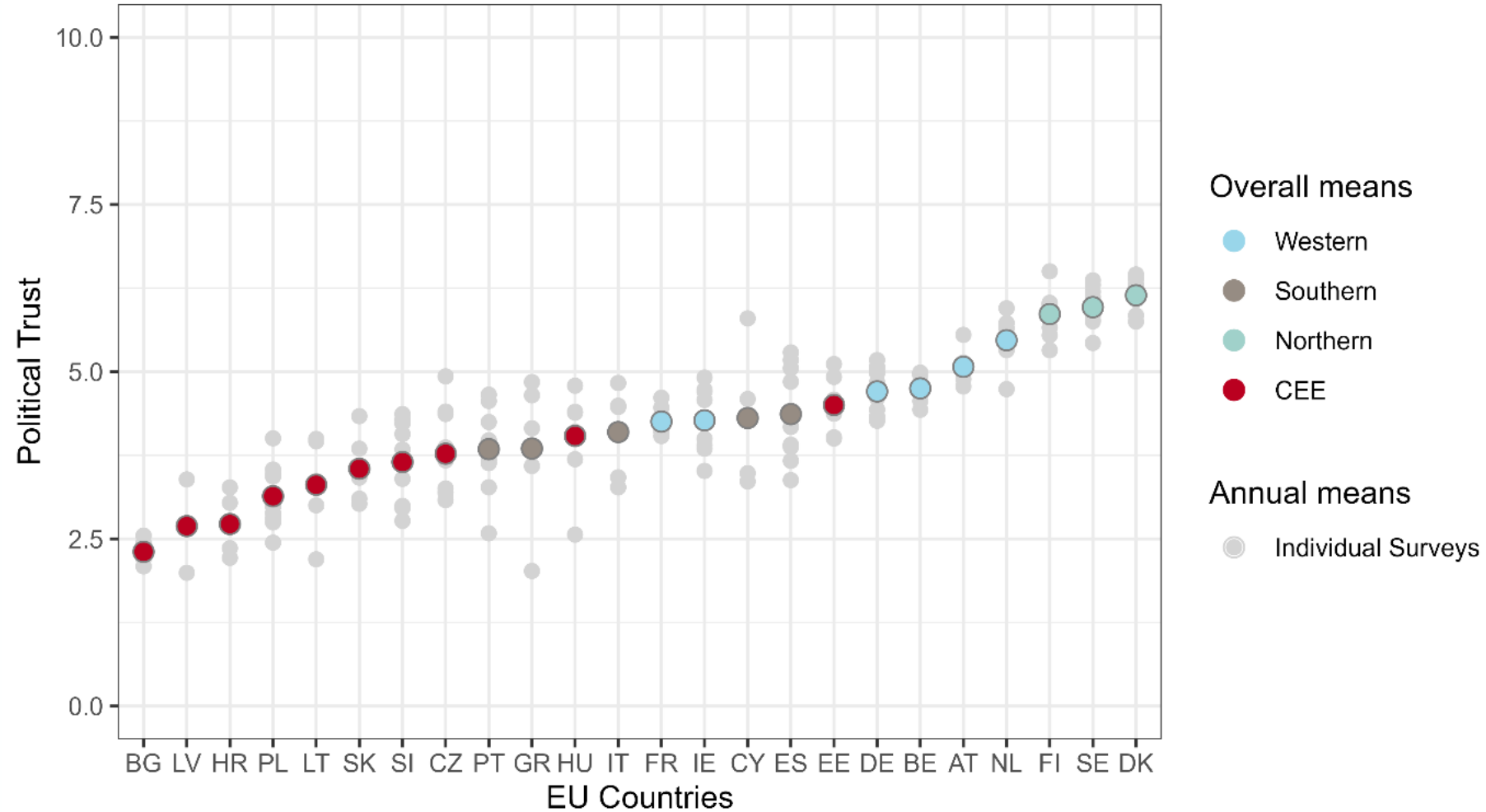
Why does political trust matter?

- Political trust is regarded as an essential pillar for the functioning and stability of any democracy
 - Fosters law compliance and enables effective policymaking
 - Crucial for the legitimacy of democratic institutions
- Political trust reflects the degree to which people perceive that the political institutions are producing outcomes that align with their needs and expectations
 - The provision of economic security is a key task of democratic institutions
- Economic crises are likely to drive down citizens' trust in democratic institutions

Economic downturns affect everyone – but some suffer more.

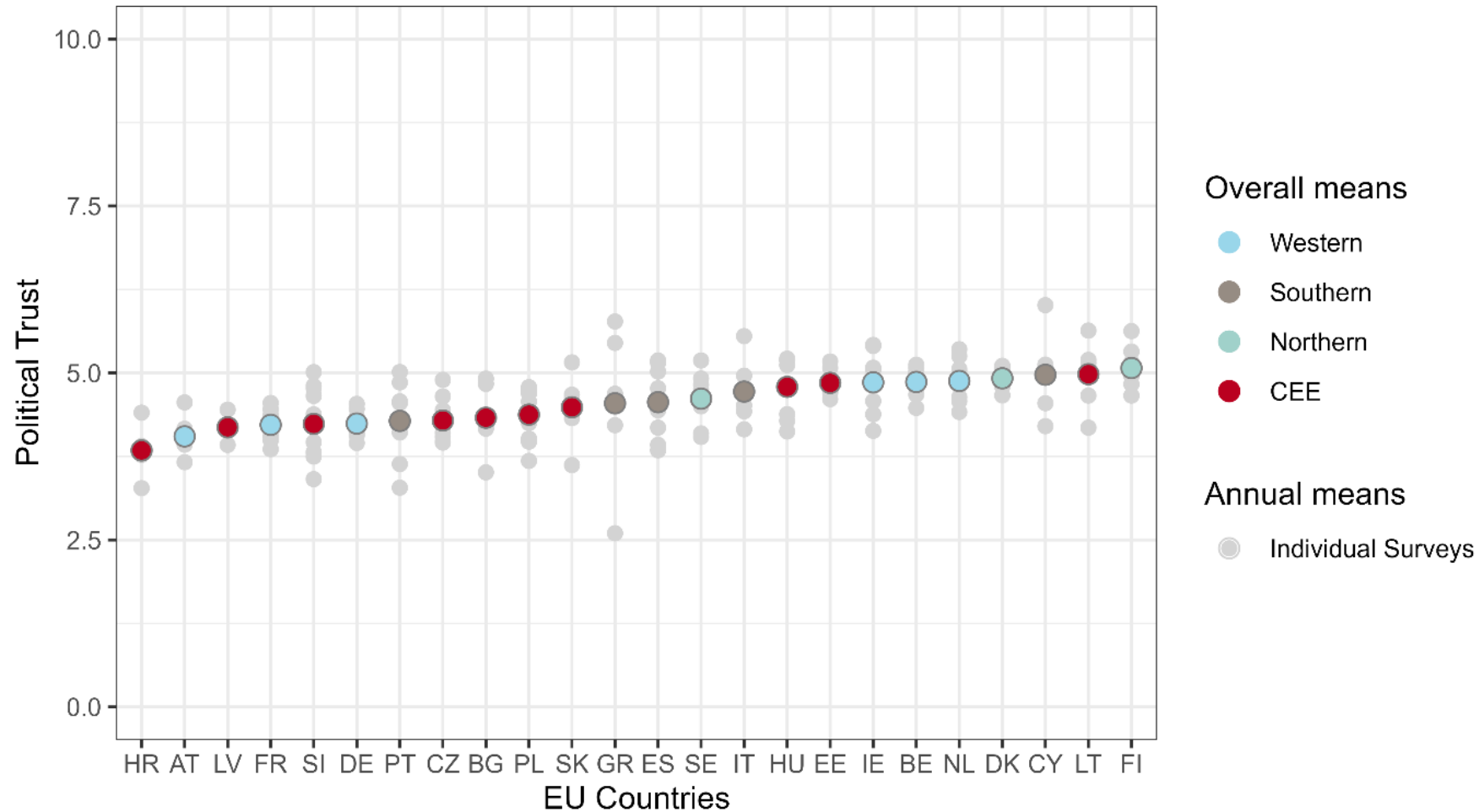
- Disadvantaged groups lack the financial means to buffer economic disruptions.
 - They are likely to perceive the adequacy of crisis measures very differently
 - They might be more inclined to lose trust in political institutions
- Citizens that do not feel that the system is “delivering” for them may:
 - Feel alienated from the political sphere
 - Turn towards populist and extremist parties
- A widening political trust gap poses a serious risk for social and political cohesion in the EU

Trust in the national parliament across EU countries, 2002-2020



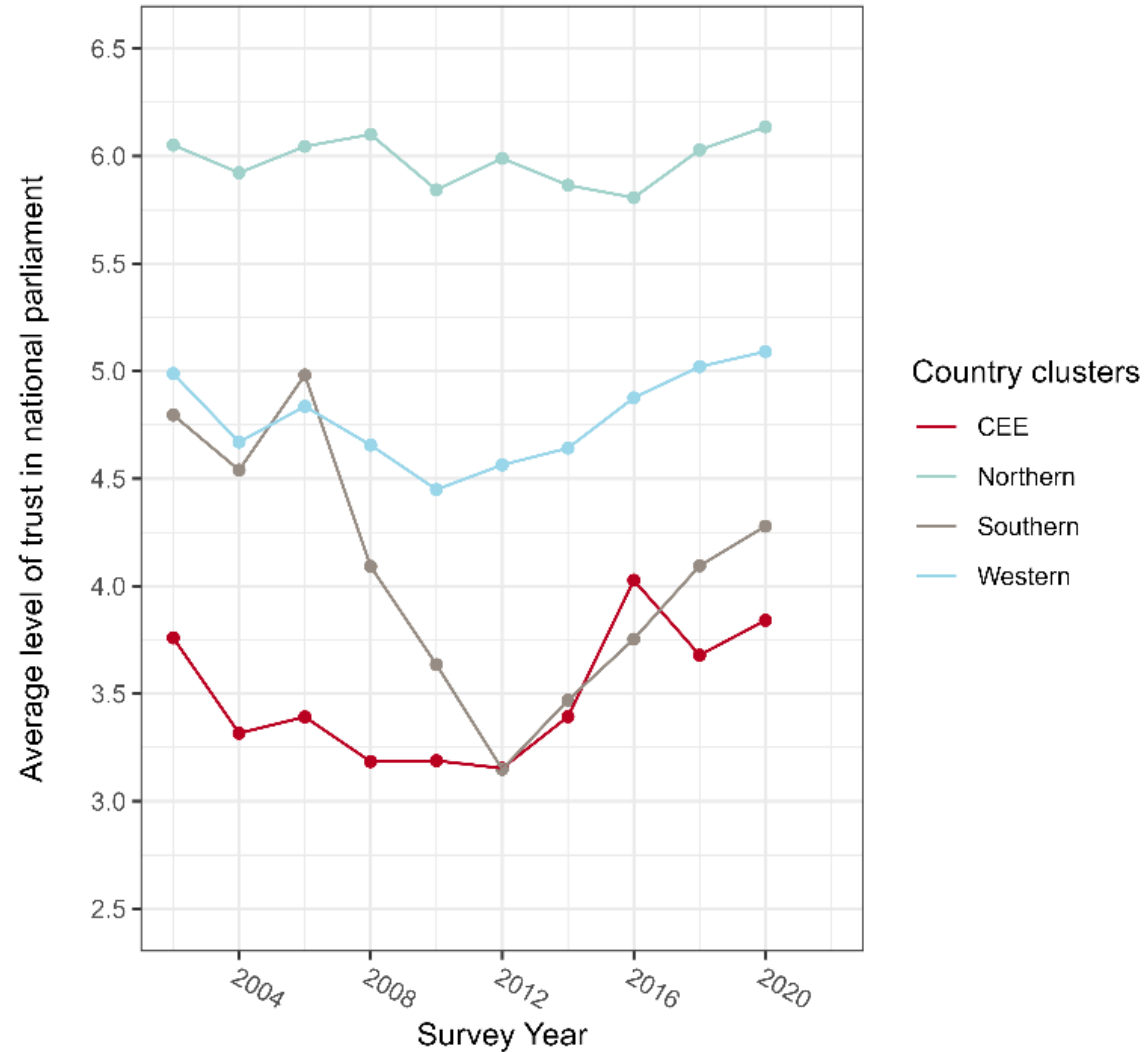
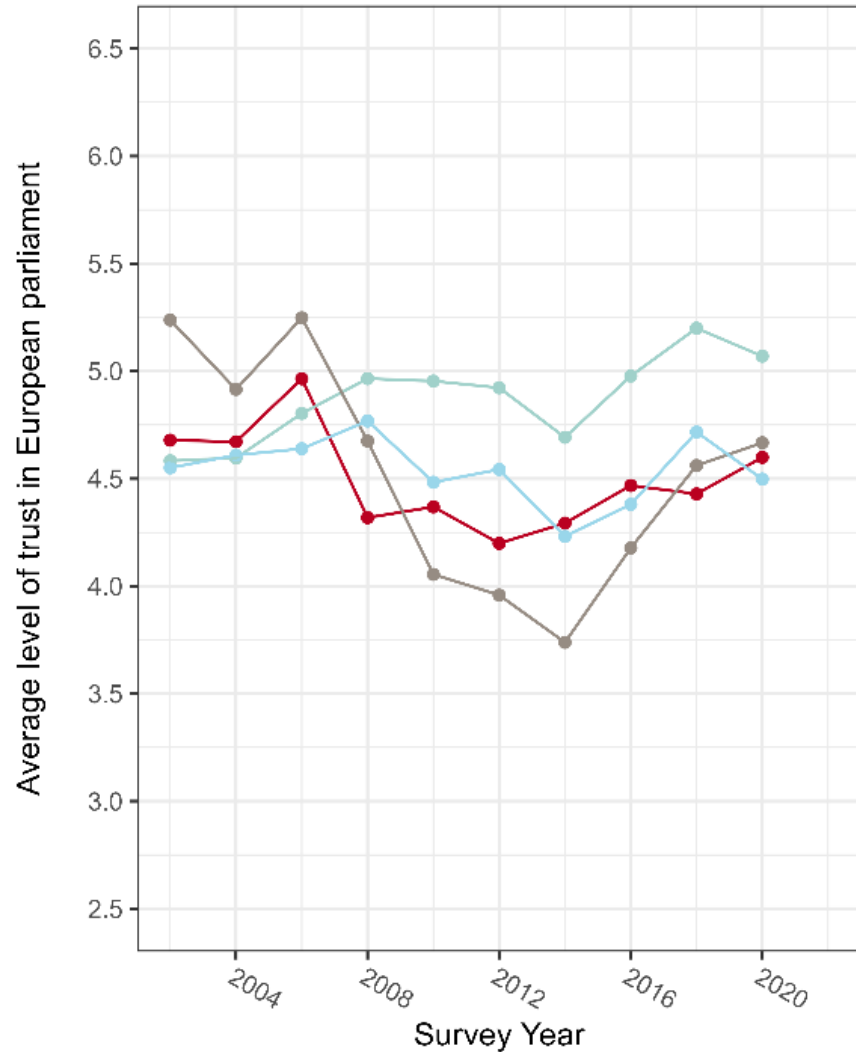
Data: European Social Survey

Trust in the European Parliament across EU countries, 2002-2020

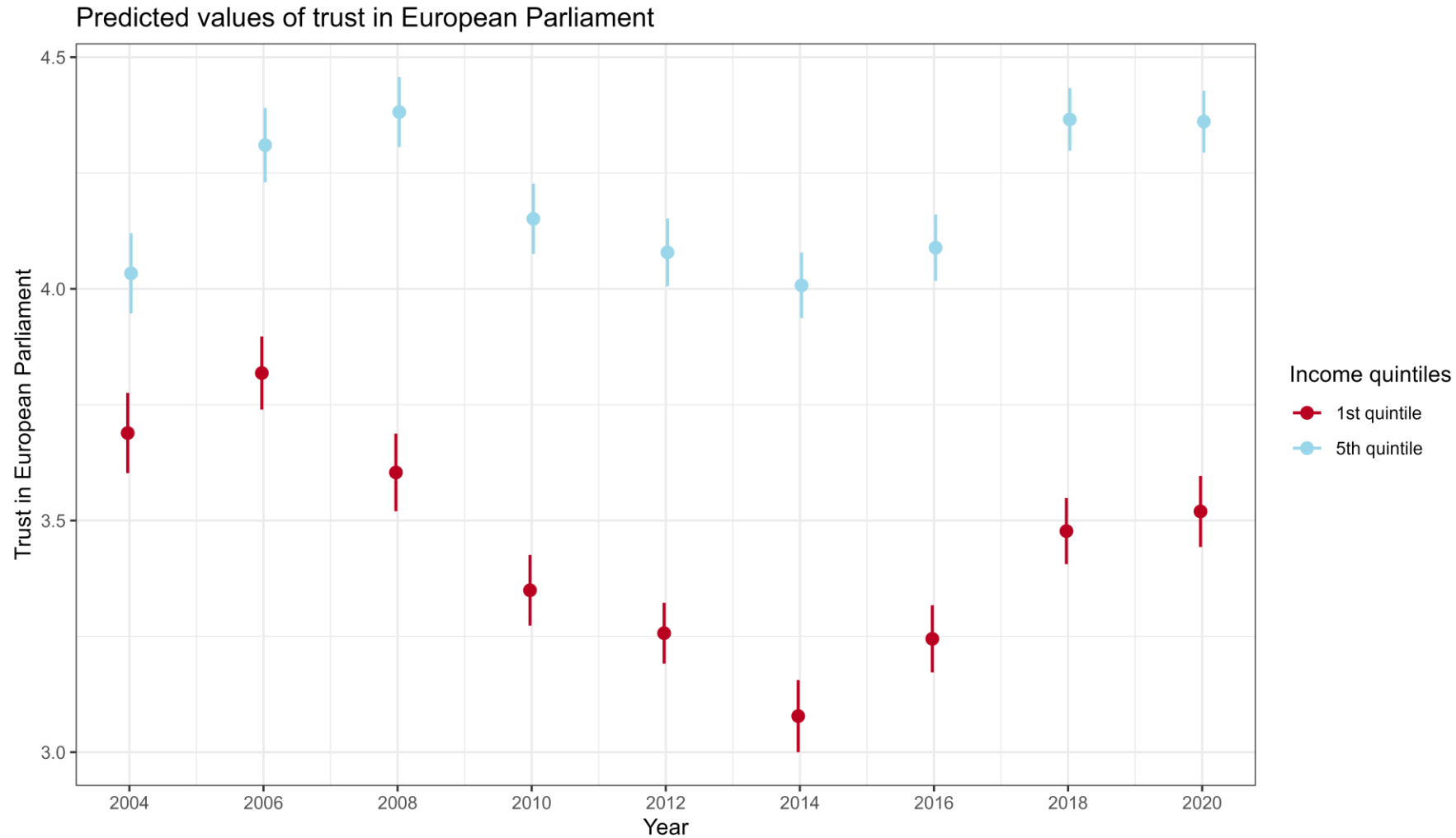


Data: European Social Survey

How has the Great Recession impacted political trust?

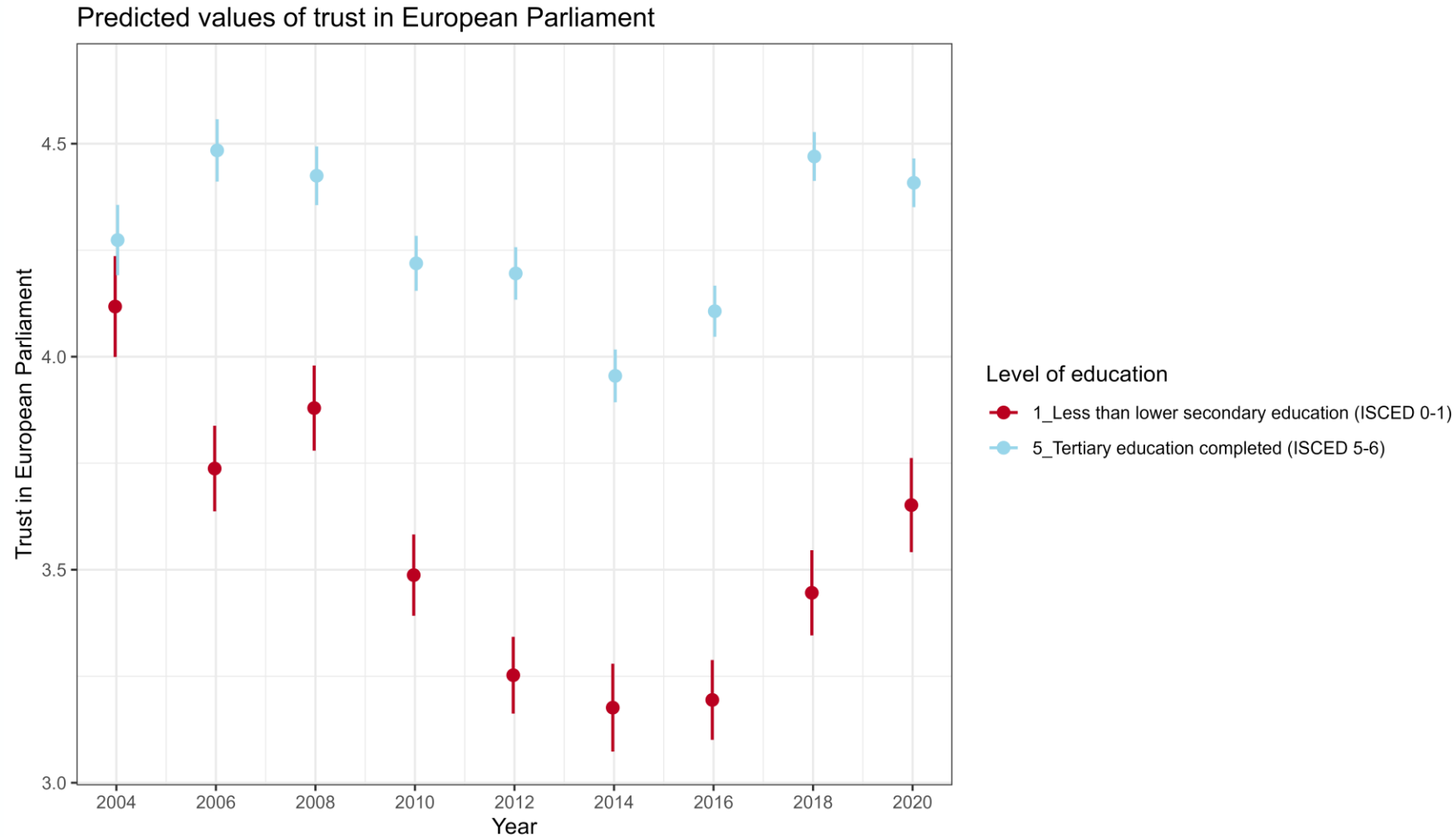


The Great Recession did not only leave scars of varying depth at the country level



Data: European Social Survey.

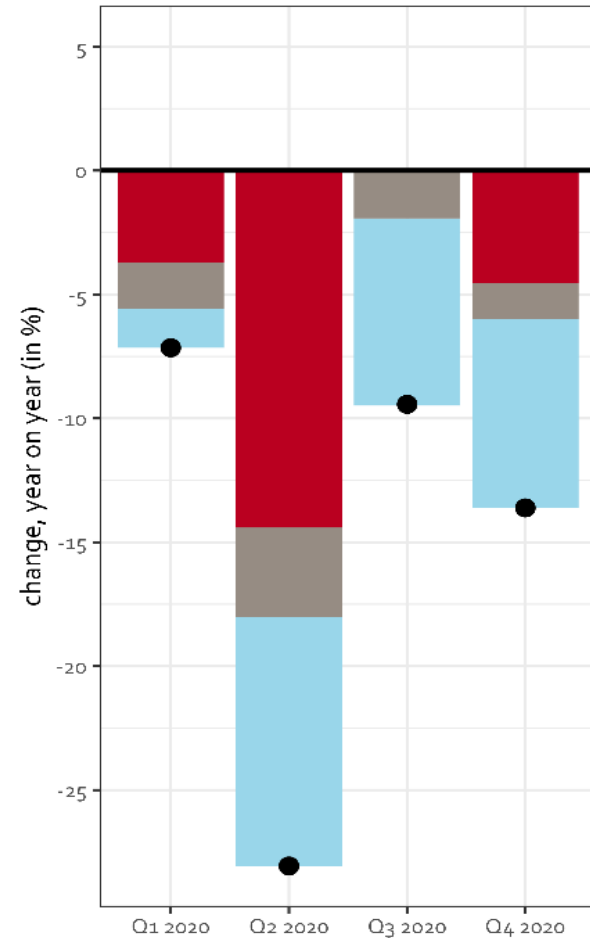
The recovery of trust levels among people with lower levels of education lags behind



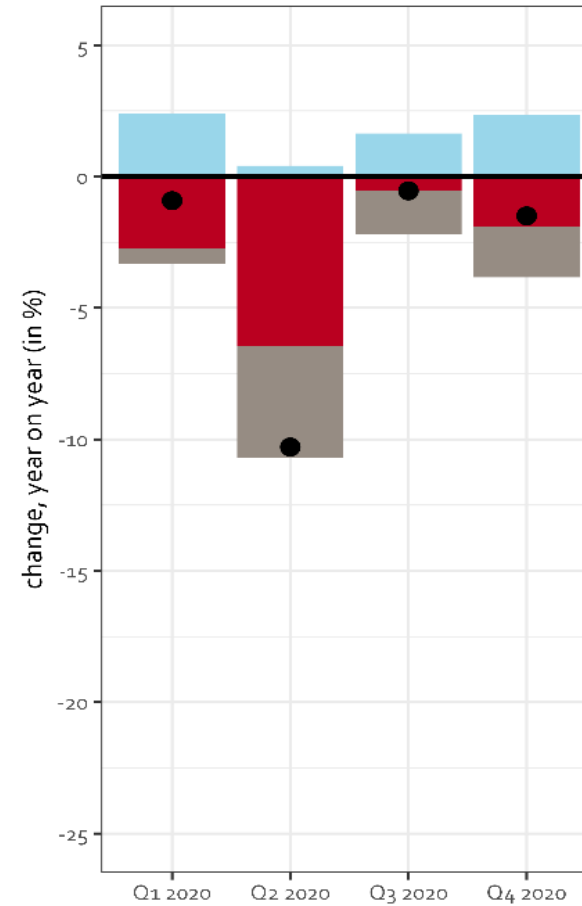
Data: European Social Survey.

COVID-19: Low-income workers have been particularly hit by income and job losses

Low pay occupations



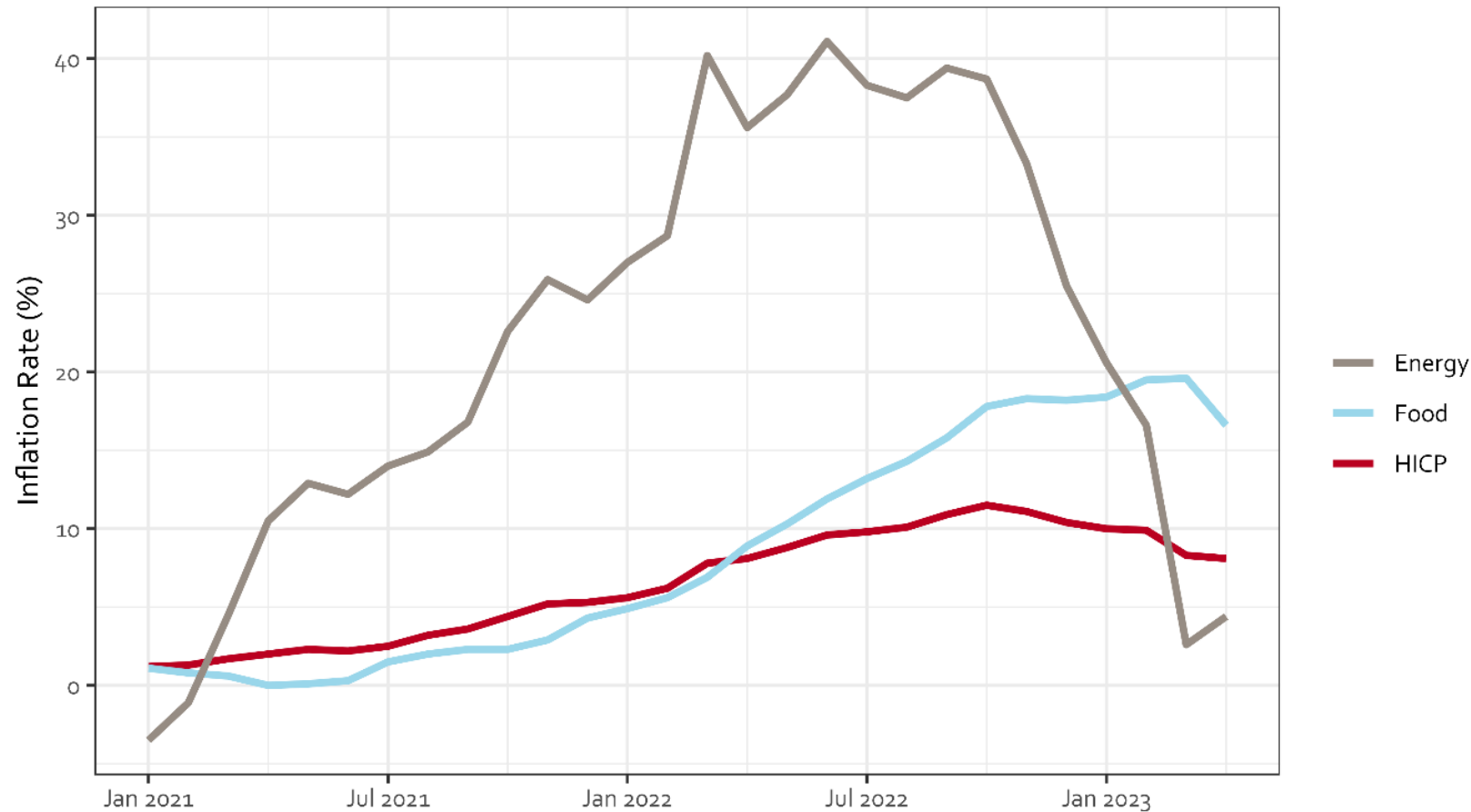
High pay occupations



- Total change in hours
- Net job destruction/creation
- Hours per at work employee
- 0 hours employment

The cost-of-living crisis: inflation inequality

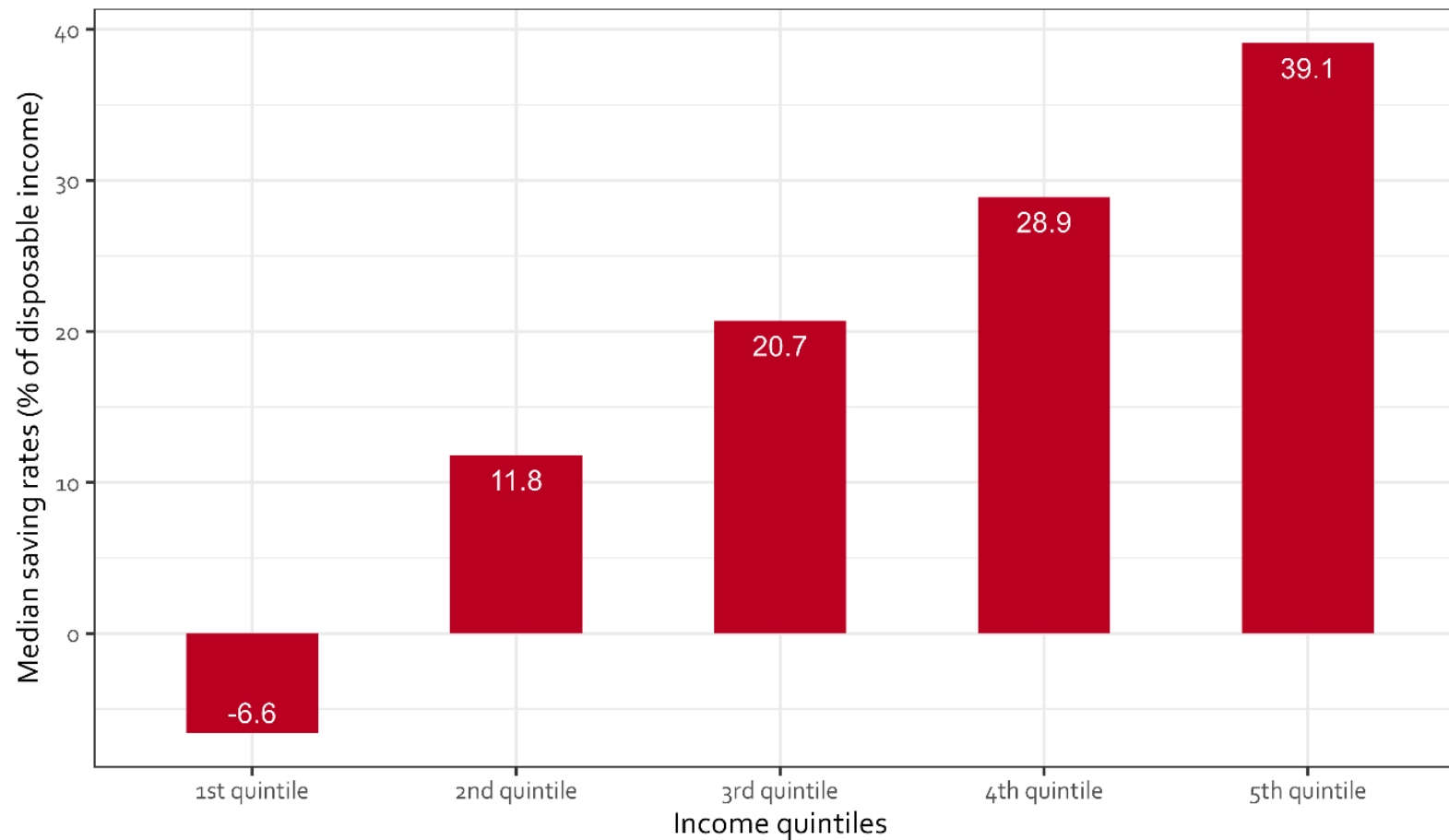
Headline inflation has been driven by energy and food prices



Source: Eurostat, HICP - monthly data (annual rate of change)

Not everyone is equally prepared to cope with increased cost of living

Median saving rates by income quintiles



Source: Eurostat experimental data, 2015

Implications

- The state of political trust in the EU might be worse than we think
- Persistent political trust gap between “haves and have-nots” after the Great Recession
- Risk to social cohesion: distributional impact of the pandemic and the cost-of-living crisis
- European policymakers need to make good for their promise of leaving no one behind
- Necessity for a more effective policy approach to support those at the bottom of the social ladder