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In Public Education Expenditures We Trust: Does Trust Increase Support for Public Education Expenditures?

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Abstract
Trust is one crucial prerequisite for the welfare state. However, very few empirical studies exist that help us understand the mechanisms through which trust affects the welfare state. Influencing public support for developing friendly public policies might be one of these mechanisms. In this study, we use unique micro data from 34 countries to investigate the relationship between trust and support for public education expenditures. We use the Life in Transition Survey (LiTS) conducted by the European Bank for Reconstruction and Development (EBRD) and the World Bank in 2010. Our empirical results show that trust has a positive effect on support for public education expenditures. Our results are robust when controlled for various individual characteristics and country fixed effects, tested using OLS and Probit models and different samples. This empirical evidence helps us understand the micro foundations of support for public education expenditures.

Keywords: Trust • Social capital • Tax • Public education expenditures
JEL Classification: H31 • O12 • Z13

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In his classic book, Putnam (1993) emphasizes the importance of social capital to institutions and economic development. Trust, defined as the propensity of a population to believe in the trustworthiness of other people whom they do not know personally, is one of the most important ingredients of social capital (see Guiso, Sapienza, & Zingales, 2006; Tabellini, 2008). Fukuyama (1995) argues that trust is one of the fundamental causes of large differences in economic prosperity levels between countries. Following the footsteps of Putnam (1993) and Fukuyama (1995), the empirical literature shows that trust is positively related to economic growth (Algan & Cahuc, 2010; Hovarht, 2013; Knack & Keefer, 1997; Knack & Zak, 2001), financial development (Guiso, Sapienza, & Zingales, 2004, 2008), the existence of a welfare state (Bergh & Bjørnskov, 2011) a lighter regulatory burden (Aghion, Algan, Chauc, & Shleifer, 2010; Pinotti, 2012), and increased institutional development (Bjørnskov, 2009; Knack, 2002; La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1997; Tabellini, 2008;). Recent empirical results also suggest that trust has a positive effect on education (Bjørnskov, 2009; Bjørnskov & Meon, 2013; Dearmon & Grier, 2011; Papagapitos & Riley, 2009).

As a contribution to this body of empirical literature, our study examines whether trust affects popular support for public education expenditures. Human capital has taken on a central role in the endogenous economic growth models, in where formal education often considered the primary source for human capital accumulation (Barro, 1991; Blankenau & Simpson, 2004; Ciccone & Papaionnou, 2007; Lucas, 1988; Nelson & Phelps, 1966). Since governments play a central role in human capital accumulation by funding the majority of primary and secondary education throughout the world, a potential link could exist between public education expenditures and economic growth. However, empirical evidence shows mixed results concerning the effect of public education expenditures on economic growth. Blankenau and Simpson (2004) offer one theoretical explanation for this ambiguity, namely that public education expenditures might crowd out other factors that enhance economic growth. When non-distortionary taxes (on labor and capital income) are used to finance expenditures, public education spending crowds out investment in both physical capital and private human capital investment. Therefore, growth would decrease with higher public education expenditures. In contrast, when consumption taxes are used to finance education, public education spending has no effect on private human capital investment. In this case, growth is increasing in line with public education expenditures. In a more recent theoretical work, Greiner (2008) shows that excessive spending on public education increases public debt, crowds out private investment, and reduces economic growth. In contrast, maintaining a too-strict budgetary policy and investing less in public education also reduces economic growth. Griener suggests that governments must raise the primary surplus and be a creditor so that it can finance its investment in education and achieve sustained growth at the same time.

Consequently, taxation plays an important role in the effectiveness of public education expenditures. Two different channels exist that could explain the mechanisms by which trust might increase the effectiveness of public education expenditures, and thus support for public education expenditures. The first potential channel comes from a theoretical model developed by Ponzetto and Troiano (2012). In this model, the trust serves to create incentives for politicians to invest in government education expenditures. Trust increases civic engagement, and greater civic engagement makes each individual more likely to acquire political information. Trust also allows individuals to share their information with a wider network of trusted strangers. This increased acquisition and sharing of information makes more voters aware of all government activities. Ultimately, therefore, trust improves voters' information. More informed voters offer greater electoral rewards for public investment. Rational politicians respond this by increasing government spending that favors all citizens.

The second potential channel comes from an empirical work by Berg and Bjornskov (2011). Universal access to public goods, transfers, and services necessitates a larger welfare state, and thus requires high taxes. A large welfare state might enable some individuals to become free riders. In addition, high taxes might erode tax morals and increase informal economic activities. Berg and Bjørnskov hypothesize that trust makes people less likely to exploit the welfare state system and thus people in high-trust countries are less likely to engage in free riding or cheat on taxes. The authors expect to find a positive relationship between trust and the existence of a large welfare state. Using a cross-country analysis, Berg and Bjørnskov (2011) find that trust increases total government expenditures and raises greater revenue.

Following these channels mentioned above and their impact on a strong relationship between trust and public education expenditure, we are

curious if trust affects support for education expenditures at the micro level. The relationship between trust and individual support for public education expenditures might explain why high-trust countries are more likely have high levels of public expenditure. Based on the two channels mentioned above, we expect that trust will increase support for public education expenditures. In order to test this hypothesis, we use data from the Life in Transition Survey (LiTS) conducted jointly by the European Bank for Reconstruction and Development (EBRD) and the World Bank in late 2010, which surveyed almost 39,000 households in 34 countries, comprising 28 post-transition countries, Turkey, and five "benchmark" Western European countries: France, Germany, Great Britain, Italy, and Sweden. As expected, our results show that trust increases support for public education expenditures. Our results are also robust to considering different control variables, controlling for country fixed effects, and using different estimation methodologies.

The rest of this paper proceeds as follows. Section 2 discusses the previous literature. Section 3 provides information on our data set and empirical methodology. Section 4 presents our empirical results. Section 5 describes further results. Section 6 concludes.

Literature Review

First of all, our paper is related to research on the determinants of public education expenditures. Using data for the United States over the 1960–1990 period, Poterba (1997) investigates the relationship between public school expenditures and demographic structure. His results show that the percentages of the elderly population and school-age children have negative effects on public education expenditures. Fernandez and Rogerson (2001) also investigate the determinants of public education expenditures in the United States. Their results show that while a change in average state income leads to an increase in public education expenditures, a change in student numbers do not lead to increased public education expenditures. They also find that the percentage of the population aged over 65 has a relatively minor effect on public education expenditures. Using a panel data analysis for Russia, the study by Verbina and Chowdhury (2004) finds that while budget revenues and the student/population ratio have positive effects on public education expenditures, the effect of population density is negative. Busemeyer (2007) investigates the factors that explain variations in public education expenditures in OECD countries. His empirical results show that GDP per capita, population share of young people, public social spending, and fiscal decentralization have positive effects on public education expenditures, while GDP growth and a strong constitutional veto structure have negative effects. On the other hand, Wolf and Zohlnöfer (2009) identify the social, economic, and political determinants of overall private education expenditures and private spending on tertiary education in OECD countries. They find that private education expenditures are higher in federal countries and under conservative parties in government, but lower where Catholicism is strong.

Secondly, this paper is related to research that examines the effect of trust on government expenditures. In order to test their model's main prediction, which suggests that trust has a positive effect on public education expenditure, Ponzetto and Troiano (2012) use a cross-country empirical analysis. Their empirical results show that trust increases public spending on education. Using cross-sectional data for 76 countries, Berg and Bjørnskov (2011) investigate the effect of trust on the welfare state. They find that trust increases both government expenditures and revenues. Their results indicate that trust facilitates the sustainable existence of a welfare state.

Our paper differs from the previous literature in several aspects, and we would like to emphasize the two most important ones. First, we examine whether trust affects support for public education expenditures. Previous papers mainly focus on the determinants of public education expenditures. In this paper, our focus is rather on individuals' attitudes regarding public education expenditures. Secondly, instead of using macro-level data, we use a unique micro-level dataset that provides a direct measure of trust and support for public education expenditures. To the best of our knowledge, this is the first empirical paper that investigates the effect of trust on support for public education expenditures.

Methods

Sample

We use the Life in Transition Survey (LiTS) conducted by the European Bank for Reconstruction and Development (EBRD) and the World Bank in 2010. There are 39.000 respondents

from 34 countries.[1] This survey's standard approach to sample design in each country was to employ a two stage sampling method, with census enumeration districts as Primary Sampling Units (PSUs), and households as secondary sampling units. A minimum of 50 or 75 PSUs were selected in each country depending on whether the target sample size was 1,000 or 1,500. Then, 20 households were selected at random from each PSU. Ultimately, in each country a sample of between 1,000 and 1500 individuals was selected randomly for face-to-face and telephone interviews.[2] This survey has been previously used by Denisova, Ellier, Frye, and Zhuravskaya (2009), Aghion et al. (2010), Grosjean and Senik (2011), Grosjean (2011), Dimitrova-Grajzl, Grazjl, and Guse (2012) and Grosjean, Ricka, and Senik (2013).

To assess support for public education expenditures, respondents were asked the following question: "*Would you be willing to give part of your income or pay more taxes, if you were sure that the extra money was used to improve public education*." SPEE (Support for Public Education Expenditure) takes the value of one if the answer is yes, zero otherwise. LiTS measures generalized trust (TRUST) with the following question: "*Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people*?" Answers are on a five-point scale, with one for complete distrust and five for complete trust.

As Grojean and Senik (2011) point out, one concern with this type surveys is that answers might reflect individuals' personality traits rather than genuine preferences. Although this concern cannot be fully eliminated with cross-section data, LiTS data allows us to control for a range of other individual-level characteristics that are likely to be correlated with unobserved individual heterogeneity and thus also influence support for public education expenditures. In particular, we control for age, gender, education level, respondent's support for democracy, respondent's perception of his or her position in the wealth distribution, several indicators for current labor market status (employed vs. unemployed, student vs. non-student, retired vs. non-retired), religion, marital status, family size, and number of children.

1 Countries included in this survey are Albania, Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Bulgaria, Cro Germany, Georgia, Hungary, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovak Republic, Slovenia, Sweden, Tajikistan, Turkey, Ukraine, the United Kingdom, and Uzbekistan.

2 For more details please check: http://www.ebrd.com/downloads/research/economics/Technical_Report.pdf

Empirical Methodology

To test whether trust affects support for public education expenditures, we estimate the following ordinary least squares (OLS) model:

$$SPEE_i = \alpha + \beta TRUST_i + \mu X_i + \gamma_c + \varepsilon_i \quad (1)$$

where $SPEE_i$ is a dummy variable equal to one if individual i supports public education expenditures; $TRUST_i$ denotes generalized trust; and X_i is a vector of individual covariates. γ_c is a country fixed effect. It is important to note that OLS estimation has some shortcomings when the dependent variable is categorical (see Greene [2008], Wooldridge [2009]), namely that it produces an inefficient estimator. The standard error term, ε_i, varies systematically with the values of the independent variables. Therefore, the error term is heteroskedastic.[3] Secondly, the error term also violates the normality assumption of OLS estimation. Therefore, OLS might produce invalid hypothesis tests under these circumstances. OLS will also predict values outside of 0 and 1.

The Probit model overcomes these shortcomings of OLS estimation. The Probit model is used for binary response variables, and it produces consistent and asymptotically normal estimators. Test statistics are also valid under the Probit model. It also guarantees that the estimated probabilities will lie between the logical limits 0 and 1. For that purpose, we conduct the following Probit estimation:

$$PROB\{ SPEE_i = 1 \} = \Phi\{ \alpha + \beta TRUST_i + \mu X_i + \gamma_c + \varepsilon_i \} \quad (2)$$

where Φ denotes the cumulative distribution function of a standard normal random variable. In the following section, we provide both our OLS and Probit results.[4] Appendix Table 1 provides a detailed description of the variables. Our descriptive statistics are reported in Appendix Table 2.

Findings and Discussion

We start with providing our OLS results. As seen from column (1) of Table 1, the estimated coefficient of trust is positive and statistically significant at the 1% level. The effect is economically significant too. A one standard deviation increase in trust corresponds to about a 7 percent increases in the probability of support for public education

3 In each specification, we use clustered standard errors at the country level to allow for heteroscedasticity and serial correlation.

4 This model could be also estimated by the Logit model. When we use the Logit model, the estimated coefficient of trust is positive and statistically significant at the 1% level. Results are available upon request.

expenditures. In the following columns, we add our control variables to check the strength and significance of our main result. Age and gender have no robust effect on support for public education expenditures. Surprisingly, the number of children has no statistical effect on support for public education. However, this lack of effect could result from our controlling for family size. When we do not control family size, the number of children is positively and significantly associated with support for public education expenditures. On the other hand, our results show that family size has a positive and statistically significant effect on public education expenditures. When family size is large, households might expect to benefit more from public education expenditures. Therefore, larger family size increases support. More educated and married individuals also tend to be more supportive of public education expenditures. Educated individuals probably have a greater understanding of the importance of education, and thus show their support for public education expenditures. Earning a higher income increases the probability of supporting public education expenditures. Our results also show that supporting democracy increases the probability of supporting public education expenditures.

While students support increased public education expenditures, retired individuals do not support public education expenditures. Students care more about public education expenditures because they

Table 1
OLS and Probit Results

OLS Results					**Probit Results**	
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
TRUST	0.0329***	0.0287***	0.0226***	0.0219***	0.0904***	0.0618***
	(0.0046)	(0.0043)	(0.0044)	(0.0045)	(0.0127)	(0.0126)
GENDER		−0.0061	−0.0113	−0.0128*		−0.0369*
		(0.0075)	(0.0075)	(0.0072)		(0.0203)
AGE		−0.0203***	−0.0030	−0.0029		−0.0081
		(0.0032)	(0.0029)	(0.0023)		(0.0083)
FAMILYSIZE		0.0159***	0.0123***	0.0119***		0.0341***
		(0.0040)	(0.0042)	(0.0042)		(0.0119)
CHILDEREN		−0.0046	0.0020	0.0022		0.0050
		(0.0049)	(0.0053)	(0.0054)		(0.0152)
EDUCATION		0.0372***	0.0292***	0.0286***		0.0809***
		(0.0031)	(0.0032)	(0.0032)		(0.0090)
MARRIED		0.0317***	0.0233***	0.0232***		0.0679***
		(0.0056)	(0.0064)	(0.0066)		(0.0183)
INCOME			0.0247***	0.0245***		0.0696***
			(0.0022)	(0.0022)		(0.0063)
DEMOCRACY			0.0568***	0.0592***		0.1659***
			(0.0110)	(0.0108)		(0.0299)
EMPLOYED			0.0073	0.0083		0.0250
			(0.0088)	(0.0088)		(0.0248)
STUDENT			0.0891***	0.0884***		0.2492***
			(0.0196)	(0.0199)		(0.0567)
RETIRED			−0.0550***	−0.0569***		−0.1644***
			(0.0138)	(0.0139)		(0.0390)
MUSLIM				−0.0135		−0.0035
				(0.0301)		(0.0816)
ATHEIST				0.0098		0.0280
				(0.0153)		(0.0431)
BUDDHIST				0.0112		0.0314
				(0.0325)		(0.0906)
JEWISH				0.0835		0.2404
				(0.0594)		(0.1715)
Country FE	YES	YES	YES	YES	YES	YES
N	33787	33546	29490	28548	33787	28548
R^2	0.103	0.124	0.136	0.136		
Pseudo R^2					0.077	0.104
TRUST (M.E.)					0.0358***	0.0218***
					(0.0050)	(0.0044)

Note: Regressions are estimated by OLS in column 1, 2, 3 and 4. Regressions are estimated by Probit in column 5and 6 Standard errors are clustered at country level. ***, [**] and (*) denote statistical significance at the 1, [5] and (10) percent level, respectively.

are personally relevant. On the other hand, retired individuals might care about other types of public expenditures (e.g., public expenditures on the health system) that personally affect their utility levels. Finally, our results show that religious does not affect support for public education expenditures. The effect of trust is robust even after controlling for these additional independent variables. In sum, our OLS results show that trust has positive and statistically significant effect on support for public education expenditures.

In columns (5) and (6), we analyze the determinants of support for public education expenditures using a Probit estimation method. Results show that the estimated coefficient of trust is again positive and statistically significant at the %1 level. The bottom panel of Table 1 provides the marginal effects (M.E.) implied by estimates in the top panel of Table 1. The result in column (5) of Table 1 implies that a one standard deviation increase in the level of trust is associated with a 7.5 percent increases in the probability of supporting public education expenditures. The estimated coefficient of trust is positive and statistically significant even after controlling for other relevant independent variables. Reassuringly, our results show that trust has positive effect on support for public education expenditures. In sum, Table 1 shows that our results are robust to alternative specifications.

When interpreting our results, a number of caveats should be mentioned. First, there could be omitted variable bias, the possibility of which makes almost any econometric analysis open to criticism. Obviously, as in the case of all surveys, the LiTS does not provide all individual characteristics. Nevertheless, we believe that our empirical analysis controls for the most relevant factors that affect support for public education expenditures. As mentioned above, we control for country fixed effects. Controlling for country fixed effects reduces possible omitted variable bias due to the correlation between individuals trust in strangers and country-level unobservable characteristics such as institutions, economic development, social programs, culture, historical legacy, etc. Second, it could be argued that reverse causality could possibly exist between trust and support for public education expenditures. While some theoretical reasons do imply causality between trust and support for public education expenditures (see Berg & Bjornskov, 2011; Ponzetto & Troiano, 2012), no theoretical argument exists that implies the opposite. Unfortunately, it is impossible to rule out the possibility of the endogenity problem due to the lack of a valid instrumental variable. As in other papers (Aghion et al., 2010; Denisova et al., 2009; Dimitrova-Grajzl et al., 2012; Grosjean, 2011; Grosjean et al., 2013; Grosjean & Senik, 2011) that use this data set, we do our best to mitigate the endogenetiy problem without being able to use a valid instrumental variable. Therefore, we must state that our results should be taken with caution.

Further Analysis

In this section, we enrich our empirical analysis and provide further results. The main part of our analysis focuses on the effect of general trust, but we can also consider the effect of trust in government. To do this, we use the following question from the LiTS Survey: "*To what extent do you trust the government?*" Respondents choose one of five answers ranging from "complete distrust (1)" to "complete trust (5)." Using this question, we add a new variable, trust in government (GOVTRUST) to our empirical analysis.

When individuals trust the government, they expect that the government is not corrupt and therefore will use taxes revenue efficiently and provide adequate public services. In this scenario, trust in government would have a positive effect on support for public education expenditures. As expected, Table 2 shows that the estimated coefficient of trust in government is positive and statistically significant. A one standard deviation increase in GOVTRUST increases the probability of supporting public education expenditures by 12 percent. The effect of our main trust variable (TRUST) is still positive and statistically significant even after controlling for trust in government, although doings so does slightly reduce the magnitude of its effect.

In this section, we also investigate whether our main results differ for different sets of countries. Our test procedure involves running equation (2) on various subsamples of countries. First, we only include post-communist countries into our empirical analysis. Column (1) of Table 3 shows that trust is positively and significantly associated with support for public education expenditures. Second, we only include European Union (EU) countries. The positive effect of trust on support for public education expenditures is confirmed in the sample of EU countries. Finally, we include only Turkey into our analysis. We have 798 observations for Turkey. The results in column (3) show that a higher level of trust exerts a positive and significant influence on support for public expenditures in

Table 2
Further Results 1

	(1)	(2)	(3)	(4)
TRUST	0.0809***	0.0704***	0.0592***	0.0574***
	(0.0136)	(0.0132)	(0.0135)	(0.0137)
GOV-TRUST	0.0485***	0.0506***	0.0360**	0.0359***
	(0.0141)	(0.0137)	(0.0141)	(0.0136)
GENDER		−0.0179	−0.0310	−0.0358*
		(0.0212)	(0.0220)	(0.0210)
AGE		−0.0567***	−0.0086	−0.0078
		(0.0097)	(0.0085)	(0.0085)
FAMILY-SIZE		0.0467***	0.0372***	0.0359***
		(0.0117)	(0.0124)	(0.0124)
CHILDEREN		−0.0166	0.0020	0.0035
		(0.0141)	(0.0155)	(0.0157)
EDUCATION		0.1057***	0.0839***	0.0827***
		(0.0085)	(0.0091)	(0.0091)
MARRIED		0.0890***	0.0679***	0.0676***
		(0.0160)	(0.0184)	(0.0188)
INCOME			0.0669***	0.0664***
			(0.0067)	(0.0066)
DEMOCRACY			0.1533***	0.1604***
			(0.0307)	(0.0301)
EMPLOYED			0.0180	0.0213
			(0.0259)	(0.0258)
STUDENT			0.2535***	0.2521***
			(0.0571)	(0.0583)
RETIRED			−0.1603***	−0.1632***
			(0.0392)	(0.0394)
MUSLIM				0.0037
				(0.0865)
ATHEIST				0.0405
				(0.0428)
BUDDHIST				0.0681
				(0.0884)
JEWISH				0.2702
				(0.1769)
Country FE	YES	YES	YES	YES
N	32620	32394	28720	27809
Pseudo R^2	0.077	0.094	0.104	0.104
TRUST (M.E.)	0.0321***	0.0251***	0.0209***	0.0202***
	(0.0054)	(0.0047)	(0.0043)	(0.0048)

Note: Regressions are estimated by Probit. Standard errors are clustered at country level. ***, [**] and (*) denote statistical significance at 1, [5] and (10) percent levels, respectively.

Turkey, and that he magnitude of this effect is larger in Turkey. Average trust is particularly low in Turkey. According to World Value Surveys, only 9 percent of the respondents in Turkey answered that most people can be trusted, compared to 64 percent in Sweden. This gap has the potential to determine why substantial differences in quality of institutions and public expenditures exist between Turkey and Sweden. There is more scope for Turkey to improve its level of trust. Therefore, for Turkey, improving trust will be more important for increasing support for public education expenditure.

Table 3
Further Results 2

	(1)	(2)	(3)
	Post-Communist	**European Union**	**Turkey**
TRUST	0.0502***	0.0757***	0.2177***
	(0.0129)	(0.0157)	(0.0443)
All Controls	YES	YES	YES
Country FE	YES	YES	NO
N	22981	13237	798
Pseudo R^2	0.109	0.099	0.041
TRUST (M.E.)	0.0176***	0.0259***	0.0812***
	(0.0045)	(0.0054)	(0.0158)

Note: Regressions are estimated by Probit. Standard errors are clustered at country level in column (1) and (2). Robust standard errors are reported in column (3). ***, [**] and (*) denote statistical significance at 1, [5] and (10) percent levels, respectively.

Conclusion

In this study, we argue that, when deciding whether to support public education expenditures, rational individuals generally consider free rider and tax evasion problems. Therefore, trust in strangers might affect support for public education expenditures. Using a unique micro-level dataset, we test this hypothesis using OLS and Probit estimations. Our results demonstrate that trust has a positive and statistically significant effect on support for public education expenditures. Controlling for a variety of individual characteristics and country fixed effects, as well as employing a range of specifications, suggests that our main result is robust. Our empirical evidence provides one crucial explanation regarding why high-trust countries have higher public education expenditures.

This study has important policy implications. First, governments should increase the level of trust, both among citizens and of citizens in the government, to increase individuals' willingness to pay higher taxes for public education expenditures, and thus increase support for public education expenditures. Second, governments, civil society, and international organizations should devote more time to analyzing methods of increasing trust. It is true that trust levels are changing, albeit at a slow pace. However, this should not reduce recognition of the continued importance of working on this issue. Economists, sociologists, and political scientists should cooperate and undertake field studies to find reliable methods of increasing trust both among citizens and between citizens and the government.

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Appendix Table 1

Definition of Variables

Variable	Definition
SPEE	A dummy variable which equals to 1 if the respondent supports for Public Education Expenditures
TRUST	Trust in strangers (1=Complete Distrust… 5=Complete Trust)
GOVTRUST	Trust in government and the cabinet (1=Complete Distrust… 5=Complete Trust)
GENDER	A dummy variable which equals to one if the respondent is male
AGE	Age of the respondent (1=18-24, 2=25-34, 3=35-44, 4=45-54, 5=55-65 and 6=65+)
CHILDREN	Number of children in the respondent's household
EDUCATION	The level of education of the respondent (0=No Degree…. 6 =Master's Degree or PhD)
MARRIED	A dummy variable which equals to tone if the respondent is married
INCOME	A ten step imaginative income ladder of the respondent (1= poorest %10… 10=richest %10)
DEMOCRACY	A dummy variable which equals to 1 if
EMPLOYED	A dummy variable which equals to 1 if the respondent is employed
STUDENT	A dummy variable which equals to 1 if the respondent is student
RETIRED	A dummy variable which equals to 1 if the respondent is retired
MUSLIM	A dummy variable which equals to 1 if the respondent is Muslim
ATHEIST	A dummy variable which equals to 1 if the respondent is Atheist
JEWISH	A dummy variable which equals to 1 if the respondent is Jewish
BUDDHIST	A dummy variable which equals to 1 if the respondent is Buddhist

Appendix Table 2

Descriptive Statistics

	No of observations	Mean	Standard Deviation
SPEE	35366	0.4653	0.4988
TRUST	36841	2.9560	1.0525
GOVTRUST	37078	2.7194	1.3013
GENDER	38820	0.3963	0.4891
AGE	38843	3.5718	1.6371
FAMILYSIZE	38864	3.0455	1.7083
CHILDEREN	38864	0.6352	0.9897
EDUCATION	38712	3.1586	1.4619
MARRIED	38496	0.5924	0.4913
INCOME	38099	4.4086	1.9604
DEMOCRACY	33992	0.5772	0.4940
EMPLOYED	38722	0.4947	0.4999
STUDENT	38356	0.0345	0.1826
RETIRED	38356	0.2241	0.4170
MUSLIM	37326	0.2395	0.4268
ATHEIST	37326	0.1035	0.3046
BUDDHIST	37326	0.0195	0.1385
JEWISH	37326	0.0016	0.0407