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Why Support International Redistribution?

Corruption and Public Support for Aid in the Eurozone

MONIKA BAUHR

NICHOLAS CHARRON

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QOG THE QUALITY OF GOVERNMENT INSTITUTE
Department of Political Science
University of Gothenburg
Box 711, SE 405 30 GÖTEBORG
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ABSTRACT

What factors explain public support for international redistribution? While the European Union has sent billions of taxpayers' money to over indebted euro countries in an attempt to avoid an economic collapse, these transfers have encountered fierce resistance among both donor and recipient constituents. However, we know surprisingly little about why citizens support or oppose redistribution within the EU. This paper suggests that domestic levels of corruption and institutional quality may be one of the most important explanations for the great variation in public support for financial assistance and aid. Using recent European Elections Survey data merged with data on regional level quality of government, we show that the effects of institutional quality are consistently stronger than macro-economic factors, including economic development, inequality or levels of public debt. We find strong evidence that citizens' in low corrupt contexts are more likely to support financial assistance to fellow member states. The results have implications for future challenges in securing public support for EU economic integration as well as for our understanding of how and why corruption undermines society's collective action capacity.

Key words: corruption, democracy, European Union, financial assistance, redistribution.

Monika Bauhr
The Quality of Government Institute
Department of Political Science
University of Gothenburg
monika.bauhr@pol.gu.se

Nicholas Charron
The Quality of Government Institute
Department of Political Science
University of Gothenburg
nicholas.charron@pol.gu.se

Introduction

In 2009, the European financial system was hit by one of the worst debt crises of our time – the Eurozone crisis. The financial bailouts after the 2009 economic crises represent one of the most massive cross border transfers of resources in recent times, and billions of taxpayers' money was sent to over indebted Euro countries.[1] While several experts view these bailout funds as necessary to avoid economic collapse, this redistribution of wealth has encountered fierce resistance among wide sections of the European public and many European Union (EU) citizens strongly oppose the use of their tax-money to help other EU member states in times of crisis. Despite an impressive body of scholarly work on the determinants of support for domestic redistribution (e.g. Jaegers, 2006; Svallfors, 2013) and an emerging body of literature on public support for international redistribution and foreign aid (Bauhr et al., 2013; Milner and Tingley, 2013; Paxton and Knack, 2012), we know surprisingly little about the factors that explain public support for inter-state redistribution within the EU.

This article investigates the explanatory power of three major types of explanations for support for inter-EU financial assistance: macro-economic, political/institutional and individual level explanations. Traditionally, economic variables and particularly macro-economic (or 'sociotropic') performance has been seen as one of the most central explanatory factors for public support for financial assistance and redistribution more broadly. However, we suggest that these studies have largely overlooked the importance of the performance of government institutions and specifically, their level of impartiality and corruption. This article suggests that the quality of government institutions and levels of corruption, may be one of the most important explanations for variations in public support for financial assistance to other EU countries. Citizens living in countries with well working domestic institutions support international redistribution to larger extent than citizens of countries with dysfunctional domestic institutions, and the explanatory power of the quality of institutions may be more important than macro-economic explanations, such as GDP/capita, income inequality or the level of sovereign debt.

[1] The European Financial Stabilization Mechanism, for example, expected loans of up to 46.8 billion Euros to be distributed to Portugal and Ireland over three years (2011-2014) and 7.16 billion Euros in short-term assistance to Greece in 2015 (European Commission, 2012).

We posit that two separate but highly interrelated factors explain why domestic institutions influence support for inter-EU redistribution. First of all, as suggested by a growing literature in such varying fields as health policy, environmental policy or the stability of public finances, the quality of domestic institutions are important for the *supply* of public goods, with implications for citizens' trust in the government's ability to collect taxes and produce and provide such goods (Rothstein et al., 2012; Svallfors, 2013). Citizens living in countries with dysfunctional government institutions would thereby have experience of money being siphoned off from the provision of public services to the pockets of government officials, and therefore fundamental distrust the redistributive capacity of governments, domestically as well as internationally. Furthermore, the quality of government and level of corruption influence the *demand* for public goods provision. Clientelist and corrupt systems increase demand for particularistic payoffs rather than public goods and programmatic policies (Auyero, 2001; Kitchelt and Wilkinson, 2007; Szwarcberg, 2012), and by implication, support for contributions to collective goods. In short, corruption undermines societies' collective action capacity and this lack of capacity, we suggest, extends across the border.

This article thereby seeks to make several important contributions. It provides a theoretical contribution by helping to extend scholarly knowledge on what factors explain public willingness to support redistribution and help other countries in crisis, and in particular on why and how the level of corruption of donor institutions impacts support for financial assistance. While there is a large body of work on support for EU integration and specific EU policies (see Hobolt and de Vries, 2016), as well as a few recent studies that seek to understand public support for bailouts and redistribution in the EU (see i.e. Bechtel et al., 2014; Daniele and Geys, 2015), this is to our knowledge the first comparative study that seeks to investigate the impact of corruption and domestic institutional quality on public support for financial assistance within the EU.

We use recent survey data from the European Election Studies (EES), which contain data from all EU 28 countries. We find that public support for international financial assistance is significantly higher in regions with better institutional quality, and that the quality of government institutions is much more strongly associated with public support for helping other EU countries in times of crises than economic development or inequality. Our analysis suggests that corruption undermines citizens' trust in government's redistributive capacity, as evident in a reduced willingness to pay taxes and levels of trust in domestic government institutions. We find however that corruption does not seem to undermine citizens' perceptions of the problem being a collective one in the first place, but rather beliefs in the capacity of government institutions to tackle these problems. Thus, much in line

with a 'congruence' hypothesis (Andersson, 1998; Kristinger, 2003;Muñoz et al., 2011), citizens' use 'cues' about domestic government performance to form opinions about the likelihood that EU policies will reach desired ends. In highly corrupt contexts, however, trust in EU institutions may to a certain extent compensate for the lack of trust in domestic institutions (Sánchez-Cuenca, 2000), and increase support for sending financial assistance to other member states, suggesting that the performance of donor institutions, both domestic and international, are of central importance to harness a stronger support for financial assistance and aid to other countries.

Public Support for Financial Assistance and Aid in the Eurozone

European elites have invested sizeable amounts of EU citizens' tax money in defense of massive cross border transfers and bailouts to over indebted fellow governments that are often struggling with rampant corruption and mismanagement. Redistribution and aid within the EU offers a unique point of analysis – transfers are not made to certain individuals (the poor, the elderly, etc.), but to certain geographic areas (countries and/or regions). Furthermore, unlike typical foreign aid type transfers the recipients are not among the world's least developed countries.[2] What may explain public support for such financial assistance? As support for many of the EU's policies (enlargement, single currency, etc.) tends to be correlated; public support for within-EU redistribution could be driven by factors that generally explain support for other EU policies.

Drawing on the extensive literature on public support (or skepticism) for EU integration (see Hobolt and De Vries, 2016 for a more complete overview), we know from recent research that EU support is multidimensional. For example, Boomgaarden et al. (2011) argue that a single latent idea of support for or opposition to the EU is too broad, and they find that there are (at least) five different distinct dimensions of EU support. One such specific policy area is the idea of economic redistribution within the EU.

Yet studies seeking to understand what factors explain public support for international financial assistance, in particular *within* the EU, are relatively recent and limited in number (for recent exception see i.e. Bechtel et al., 2014; Daniele and Geys, 2015; Kuhn & Stoeckel, 2014; Stoeckel, & Kuhn, 2017). Bechtel et al. (2014) analyze why German citizens support EU bailouts to other countries within the Eurozone, finding that typical explanations of self-interest (income levels) are trumped by factors

[2] According to the World Bank's latest data, the EU's poorest country by per capita GDP (Bulgaria) ranks 63 out of 186 countries.

such as altruism and cosmopolitanism. Daniele and Geys (2015) find also that across Europe, factors such as trust in the EU, age, altruism, and ideology trump income levels in explaining supporting fiscal integration in times of economic crisis. National identity is also found to be a salient (negative) predictor of support for EU economic governance in general, especially among citizens in wealthier countries (Kuhn and Stockel, 2014). Others point more to the influence of domestic politics and the information cues provided by one's political party (Stokel and Kuhn, 2017). Although fiscal redistribution within the EU is extensive, studies on public support for redistributing funds within the EU are surprisingly few in number and the liter ature tends to be focused on select countries, such as Germany, mainly due to data limitations.[3]

In their recent overview of studies on public support for European integration, Hobolt and de Vries (2016:414) suggest that the literature explaining support has mainly focused on three types of explanations: utilitarian, identity-driven and 'cue-taking and bench-marking with reference to the national political context'. They also suggest that we know comparatively little on 'how diverse national contexts shape people's perception of the European Union' (Hobolt and de Vries, 2016: 414). Oftentimes, divides are defined in economic terms, 'as many voters in the North oppose open borders and fiscal transfers, whereas voters in the South call for more EU redistribution' (Hobolt and de Vries, 2016: 426). However, while it is hardly surprising that economic factors influence support for redistribution, much less attention has been directed to the potential importance of experiences of the functioning of domestic institutions (Anderson, 1998, Kritzinger, 2003). This is surprising, not least since the literature presents somewhat conflicting results on whether good experience of domestic institutions or democracy increases or decreases support for the EU (Muñoz et al., 2011; Rohrschneider, 2000; Sanchez-Cuenca, 2000; Serricchio et al., 2013).

In particular, very few of the studies on support for the EU or the emerging literature that deals specifically with attitudes regarding financial assistance and bailouts within the EU investigate the potential impact of the quality of domestic institutions.[4] Here, we build on a few studies that investigate the impact of corruption on public support for foreign aid, i.e. international redistribution

[3] Although several Eurobarometer surveys exist on public awareness of EU Regional policy for example, there are no proper questions regarding support for the idea.

[4] These findings are generally mixed. Sanchez-Cuenca (2000) finds that country-level corruption increases support for EU integration, while Rorschneider (2002) finds that a positive interaction on EU support between better functioning institutions and a feeling that 'EU represents me'. Moreover, these studies employed samples of only EU15 countries as they were conducted prior to the large expansion in 2004. Serrichio et al (2013) find that country levels of corruption explain variation in individual level Euroscepticism after the financial crisis (2010) yet not before (2007).

outside of the EU. While several recent studies investigate the determinants of preferences for foreign aid,[5] the particular role of corruption has mainly been studied at cross national level, focusing either on its effect on aid disbursements or public support for foreign aid (Bauhr et al., 2013; Chong and Gradstein, 2008). For example, Chong and Gradstein (2008) find that domestic levels of corruption in donor countries, rather than the level of corruption in recipient countries, drive down aid levels.

Thus, despite a substantial literature on preferences for domestic redistribution and foreign aid, very few studies investigate the effects of the quality of government institutions and corruption on public support for international financial assistance and aid. This is, to our knowledge, the first study that investigates the impact of the quality of domestic institutions and corruption on support for redistribution within the EU.

Corruption, Collective Action Capacity and Support for Financial Assistance

Some of the most influential explanations for redistributive preferences depart from theories of economic interest and capacity, suggesting that citizens would be less likely to support international redistribution in bad economic times compared to good economic times (Heinrich et al., 2016), when resources would presumably be less abundant and seen as better spent domestically. Furthermore, richer governments typically disburse a larger share of their GDP in foreign aid than do countries with a lower level of GDP per capita (Chong and Gradstein, 2008). Similarly, it may be reasonable to expect that support for international redistribution or bailouts would at least partly be determined by their government's economic conditions, such as level of GDP per capita or public debt.

However, there are several distinct albeit inter-related reasons why domestic levels of corruption and quality of government may be important to understand redistributive preferences, and, we suggest, potentially have a stronger explanatory power than traditional economic variables such as GDP/capita or public debt. In particular corruption reduces the supply of public goods, and may thereby create public resignation and disillusionment about the capacity and potential of the political system to redistribute resources in the first place (see i.e. Bauhr and Charron, 2017). It may also accentuate demand for particularistic payoffs, incentivize 'free riding' and thereby undermine the willingness to

[5] Cyprus, Malta and Luxembourg are the exceptions, and have roughly 540 respondents each. The ESS survey was commissioned by the Public Opinion Monitoring Unit of the European Parliament and was done by TNS Opinion together with its local partners between 30 May and 27 June 2014.

contribute to both domestic and international public goods. In other words, the quality of government may increase both the supply and demand for public goods provision and thereby serves to promote an increased support for international redistribution and bailouts.

EU countries' contributions to inter-EU financial assistance, including both bailouts or other types of transfers, could be seen as a collective action problem, to the extent that the aim is to stabilize EU's common currency and prevent financial crises that can have repercussions on the entire financial system of the EU. Therefore, national contributions to redistribution within the EU can be viewed as a collective action problem and the funds as a non-excludable, international public good (Bechtel et al., 2014; Ostrom, 1999), meaning that everyone can enjoy them, and every country could choose to 'free-ride' on other countries' contributions to international redistribution.

In this perspective it can be useful to distinguish between collective action capacity and perceptions of the problem being a collective one in the first place. While the first pertains to governments (perceived) capacity to contribute to public goods provision, the latter pertains to whether there is a sense of belonging to a collective entity at hand. Some citizens may for instance believe that governments have the capacity to solve collective problems and redistribute resources, but do not believe that there is a collective problem to be solved and vice versa. The quality of government institutions could potentially influence the sense of belonging to the EU. Moreover, some studies suggest that citizens are more willing to transfer authority to the EU if they are dissatisfied with their own domestic institutions - this is sometimes referred to as the '*compensation hypothesis*' (Kristinger, 2003; Muñoz et al., 2011; Sánchez-Cuenca, 2000), because citizens would prefer transfer power to supranational authorities if their own institutions are failing.

Citizens' perceptions of governments' collective action capacity instead, relate to governments supply of public goods, which ultimately have repercussions on citizens demand for such goods. While the influence of the quality of government institutions and domestic levels of corruption on citizens' international redistributive preferences has thus far received scant attention, particularly so within the EU, several studies suggest that corruption and clientelism severely undermine governments' ability to collect taxes and not least use the taxes collected for redistributive purposes (i.e. Bratton, 2012; Brautigam et al., 2008; Rothstein and Uslaner, 2005). In line with fiscal contract theories, governments do not possess sufficient coercive power to simply impose their will on society, but must bargain with citizens and provide services and policy in exchange for the revenue collected (Bates

and Lien, 1985; Levi, 1989; Levi et al., 2009; North, 1981). In other words, citizens accept paying taxes partly because they believe that governments use the revenues collected wisely.

There is considerable empirical evidence for the contention that better quality of government increases public confidence in government institutions (Anderson and Tverdova, 2003; Chang and Chu, 2006). Corruption and quality of government is closely related to government legitimacy (Gilley, 2011), and trust in government capacity to provide public goods. Therefore, people who perceive government institutions as fair and efficient may be more likely to trust that resources will be used in an impartial manner and provide public rather than particularistic goods (Rothstein et al., 2012; Svallfors, 2013). Furthermore, good quality of government and low levels of corruption may also increase social trust (Rothstein and Uslaner, 2005), which is typically seen to improve societies' collective action capacity. In the logic of collective action theory, both citizens' expectations about fellow citizens' contributions to collective goods, and governments (or other authorities) sanctioning capacity are important for citizens' willingness to contribute to the provision of collective goods (Ostrom, 1999). Low quality of government may undermine both of these conditions for collective action. In countries with poor government institutions, citizens are more likely to turn to other problem solving networks outside of public institutions to deal with problems that they face (Nichter and Peress, 2016), and quid pro quo transfers and personal exchanges of goods and services typically becomes the norm (Auyero, 2001; Szwarcberg, 2012 Kitschelt and Wilkinson, 2007).

To what extent might experiences of impartial government institutions and well-functioning public good provision extend to a more general willingness to support international financial assistance, aid and supply of international public goods? In line with a '*congruence hypothesis*', citizens are likely to use 'cues' about the performance of their domestic governments to assess the trustworthiness of other governments or supranational authorities, which they presumably would know less about (see i.e. Harteveld et al. (2013); Muñoz et al., 2011). If people perceive government institutions as corrupt and inefficient, they might believe that the taxes collected to provide financial support to other EU member countries will be wasted or not properly used in the hands of corrupt recipient government officials. In other words, citizens from countries with poor functioning institutions might believe that the root problems plaguing countries in a financial crisis are similar to problems in their own country – that elites in other recipient countries are corrupt as well and would find ways to siphon funds for their own benefit. The quality of domestic government institutions is also linked to the level of trust for supranational authorities, such as the EU. Here, the relationship may potentially run in both

directions. Citizens' in countries with well working domestic institutions may use 'cues' about the functioning of government and trust in their own domestic institutions may consequently spill over to a higher level of trust in EU institutions. However, citizens' exposed to domestic institutions rife with venality may also, in line with the compensation hypothesis discussed in the above, express a relatively higher level of trust in EU institutions. Trust in government institutions, on both domestic and EU levels, may, in turn, generate a stronger support for international financial assistance.

In other words, the quality of government may influence the willingness to pay taxes and institutional trust and in turn societies collective action capacity and willingness to contribute not only to domestic but also international public goods, including support for international financial assistance. Government corruption may thus reinforce and propel a negative spiral since a continuous undersupply of public goods may create further disillusionment of the potential of the system to contribute to solutions that benefit many as opposed to a few.

H1: Polities with higher levels of corruption will have lower public support for financial assistance within the EU on average.

In sum, we expect corruption and lack of quality of government to reduce citizens' trust in the capacity of governments to redistribute resources fairly and impartially and thereby reduce public support for international financial assistance.

Research Design, Data, Measurement and Estimation

As our hypothesis is mainly regarding how macro-level institutions affect individual level attitudes, we employ a comparative, observational design, with data from a recent European Elections Survey (EES) from 2014. The survey contains a representative sample of all EU28 countries and collected roughly 1100 respondents per country, totaling 30,065 interviews.[6] All the interviews were carried out face to face (by way of Computer-Assisted Personal Interviews). The EES survey employed here

[6] Cyprus, Malta and Luxembourg are the exceptions, and have roughly 540 respondents each. The ESS survey was commissioned by the Public Opinion Monitoring Unit of the European Parliament and was done by TNS Opinion together with its local partners between 30 May and 27 June 2014.

offers the best possible data among those currently available due to the wide scope of individual level factors included.

To measure our dependent variable – support for financial assistance within the EU – we use the following question: *To what extent do you agree or disagree with the following statement: In times of crisis, it is desirable for (OUR COUNTRY) to give financial help to another EU Member State facing severe economic and financial difficulties*. The responses range from 1-4 – 'strong agree' to 'strong disagree' and we reversed scale to make higher numbers equal more support. For purposes of parsimonious presentation and more meaningful interpretation we transform this into a binary variable for most models – 'support' (3 and 4) vs. 'no support' (1 and 2), as we are more interested in what explains the threshold between '2' and '3' than the other categories. With respect to geographic differences, we observe considerable variation across countries; with the max country value 0.843 (Sweden) being over a full standard deviation higher than the min country value of 0.305 (Slovakia).

Explanatory variables: macro-level

We elect to measure institutions at the sub-national level rather than national. First, several studies have shown that the quality of institutions not only varies significantly across EU countries, but within them as well at the regional level (Charron et al., 2015). This lets us expect that support varies significantly within countries, being higher (lower) in better (poorer) functioning regions; thus the sub-national level provides a stronger case for our theory.[7] We proxy institutional quality with the 2013 version of the '*European Quality of Government Index* (EQI) (Charron et al., 2015), which to date is the best available proxy for the level of impartiality and corruption in regional public institutions. While the EQI is based on aggregate citizen perceptions and experiences with regional institutions, we also check the results using a more objective measure of institutional quality – a corruption risk measure developed by Fazekas and Kocsis (2017), which builds on 1.4 million public procurement contracts to capture the number of single bidders per region in high cost public procurement, indicating possible collusion among elites. With respect to possible endogeneity of these two main independent variables with the dependent variable, we argue that it is rather unlikely that individual level respondents' views of inter-EU financial assistance affect an aggregate citizen-perception/experience

[7] Regions here equate to NUTS 1 or NUTS 2 depending on the country. Countries with data for NUTS 1 are Germany, UK, Sweden, Hungary, Belgium and Greece, and NUTS 2 level for all others.

measure of regional governance (EQI) or an objective regional measure of corruption risk in procurement, especially when both regional meaures are temporally prior to the dependent variable, thus we model these variables as exogenous.

While many structural factors could influence support for redistribution within the EU, we focus on potential confounding relationships between institutional quality and support. First, it is possible that the effect of poor institutions on support for redistribution works via a region's overall level of development, thus we control for this with GDP per capita by region. Next, the relationship could be spurious to a region's level of income inequality, which could be a driver of lower institutional quality (Jong-Sung and Khagram, 2005) and has been directly linked to Euroscepticism in general (Kuhn et al., 2016). While no perfect measure of income inequality exists for EU regions, we proxy this concept with the percentage of residents at risk of poverty by NUTS region, averaged for the five years prior to the survey to include as many regions as possible (2009-2013, Eurostat).

Explanatory variables: micro-level

We draw on the emerging literature on public support for inter-EU economic redistribution and financial support for individual level controls. Most studies control for 'utilitarian' type factors (Bansak et al., 2016; Daniele and Geys, 2015; Stockel and Kuhn, 2017) To capture one's income and 'self-interest' in support for redistribution, we use a proxy available in the survey: *during the last 12 months, would you say you've had difficulty to pay your bills on time?* (1=most of the time, 2=from time to time, 3= almost never/never). Next, we also account for the respondent's level of education. The EES survey provides a variable for the number of years completed in school. Third, we control for one's position in the labor force – individuals who are employed='0' and those who are unemployed ='1', which could be a confounding factor as it is shown to be strongly linked with trust in national and EU institutions (Foster and Frieden 2017). Finally, we include the respondent's subjective views of the economic situation in their country relative to 12 months ago.

Building on previous works about support for EU integration in general, recent findings show that political attitudes, values and ideology have strong explanatory power (Daniele and Geys, 2015). We attempt to capture this in several ways. First, to account for traditional left-right political views of the respondents, we use a question whereby respondents are asked to self-place themselves on a 10 point left-right scale. Similar to Bansak et al. (2016), we re-code the 10 point variable so that it goes from 1 (far left) to 5 (far right). Second, a growing number of scholars point to a second dimension as being especially relevant in the EU context (Van Spanje and Van Der Brug, 2007), the so-called 'gal-

tan' dimension (Green/Alternative/Libertarian versus Traditional/Authoritarian/ Nationalist), which tracks people's attitudes of state control over various social-cultural/ 'post-materialist' issues. We construct an index of three correlated questions (all 0-10, higher values equal more 'tan') on same-sex marriage, civil liberties and the environment. Next, the strength of EU identity relative to a respondent's domestic identity explains support for a host of EU policies (Hooghe and Marks, 2009; McLaren, 2002). Here, building on Van Spanje and Van Der Brug (2007) we proxy this with a question on respondents' attitudes on EU integration; whether the EU should have more or less budgetary control over member states. Finally, we control for gender and age.

Regarding 'cue taking', scholars have shown that there is a strong relation between party support and support for various EU policies because citizens tend to take cues from the platforms of party elites (Hooghe and Marks, 2009; Steenburg and Jones, 2002). Moreover, Stockel and Kuhn (2017) find party support relevant in explain German support for EU bailouts. Using party affiliation with various party groups at the EU level, we code a respondent's party preference as 'EU skeptic' if they would vote for a party belonging to the Europe of Nations and Freedom Group (ENF), Europe of Freedom and Direct Democracy Group (EFDD), or the European Conservatives and Reformists Group (ECR), which we anticipate will be negatively associated with our dependent variable.

All variables are standardized for the sake of comparison (using a min-max, from 0-1). A more thorough description of all variables mentioned along with summary statistics is presented in the Appendix.

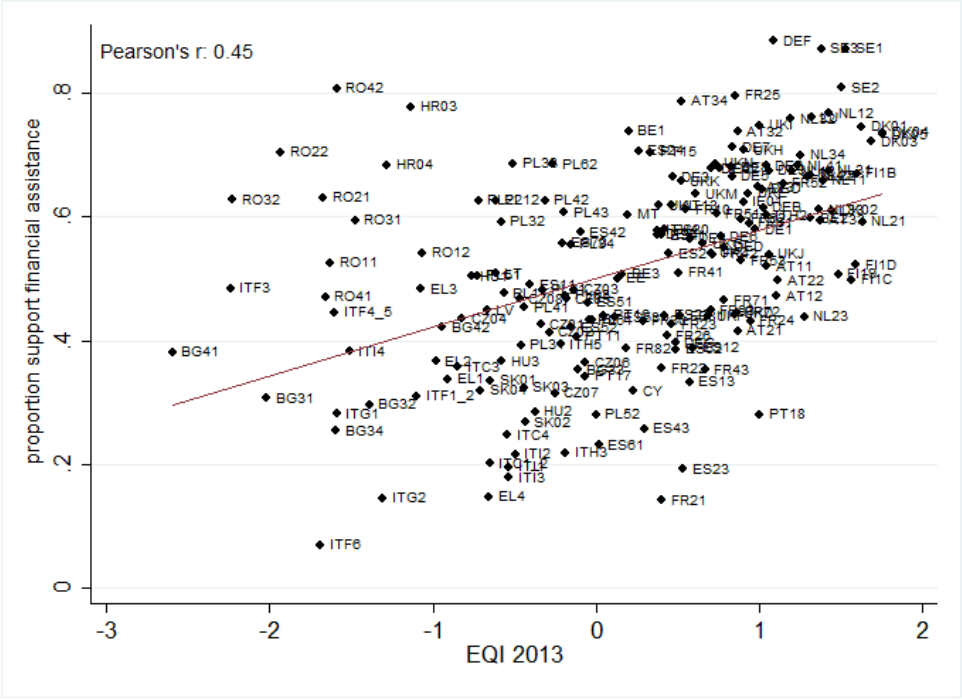
With respect to our estimation methods, we elect to use hierarchical estimation with random intercepts at the regional level. Shifting from the country to the regional level offers several advantages, namely avoiding 'whole country bias', giving better precision in capturing spatial differences of the macro-level variables. Further, using the regional level increases the number of second level units in the model by more than six-fold (from 28 to 183), which significantly reduces bias in the estimates (Stegmueller, 2013) and allows for potentially more control variables. In addition, we check the results using standard regression and regional clustered weights, using the EES survey design weights. We elect not to run fixed effects models in order to directly test the macro level effects of institutions. As the dependent variable is an ordinal variable with four responses, for purposes of more straightforward presentation, we present most main results with hierarchical logit regression, with the recoded binary variable. In addition, we present estimates using both hierarchical logit with the original

variable scale (with hierarchical ordered logit) as well as OLS with the binary outcome variable for clearer interpretation of the marginal effects.

Results

We begin with a simple scatterplot illustrating the relationship between regional quality of government (EQI) and support for redistribution within the EU for 183 EU regions.[8] Overall, we see a fairly strong and positive relationship; regions with better institutional quality on average tend to show higher levels of support. At either end of the spectrum, we see Calabria (ITF6) with both a low EQI and a low level of support for redistribution, while Schleswig-Holstein in Germany and Northern Sweden (SE3) have the highest level of overall support and are among the best performing regions on the EQI. The Pearson's coefficient is 0.45 for the sample.

FIGURE 1, (INSTITUTIONAL QUALITY AND AGGREGATE SUPPORT FOR WITHIN-EU REDISTRIBUTION.



[8] We use the ESS design weights in aggregating by region.

Yet Figure 1 demonstrates only aggregated estimates, which could lead to ecological fallacy. Thus we proceed to multi-level modelling in Table 1 with the results of an 'empty' hierarchical model (not shown) accounting for regional random effects show that roughly 75% of the random variation is due to the individual level, and roughly 25% is attributed to the regional level ($p<0.000$). Thus the multilevel, random effects intercept approach is appropriate, and will reduce the likelihood of type I error (Steenbergen and Jones 2002).

Next, we test the regional level variables in model 1. We find strong initial evidence for H1 here. The marginal effects of the EQI are in the direction expected and significant ($p<0.001$), and over two and three times the effect of GDP per capita and income inequality respectively, both of which are negligible when holding constant institutional quality.

In model 2 we examine the effects of the individual level factors on support for economic assistance for fellow member states in need. The findings here are highly consistent with the expectations of much of the EU public opinion literature in other policy areas. People of higher socio-economic status (income and education) and those who are more satisfied with the overall economy tend to be more supportive. One's party support also plays a role in the expected direction, with those who would vote for an EU-skeptic party being less supportive. Political ideology in terms gal-tan are in the expected direction, yet the more traditional left-right measure distinguishes only center respondents (less supportive) from those on the left and right. Opposition to EU integration overall decreases as respodent's likleyhood to support inter-EU financial assistance. Finally, females on average are more negative to bailouts compared with males.

In the third model we include all regional and individual level variables. We find that while the effect of the EQI on the dependent variable is reduced somewhat, it is still significant, thus showing support for our hypothesis. Individual level factors remain largely consistent with the results in model 2, while we also observe that regions with more inequality show more support for financial assistance on average. For summary and visual purposes, following Bansak et al. (2016) we replicate model three with a linear probability model in order to produce marginal effects, which we show in Figure 2. In sum, we find that the marginal effect of institutional quality is consistently greater than that of GDP per capita or inequality.

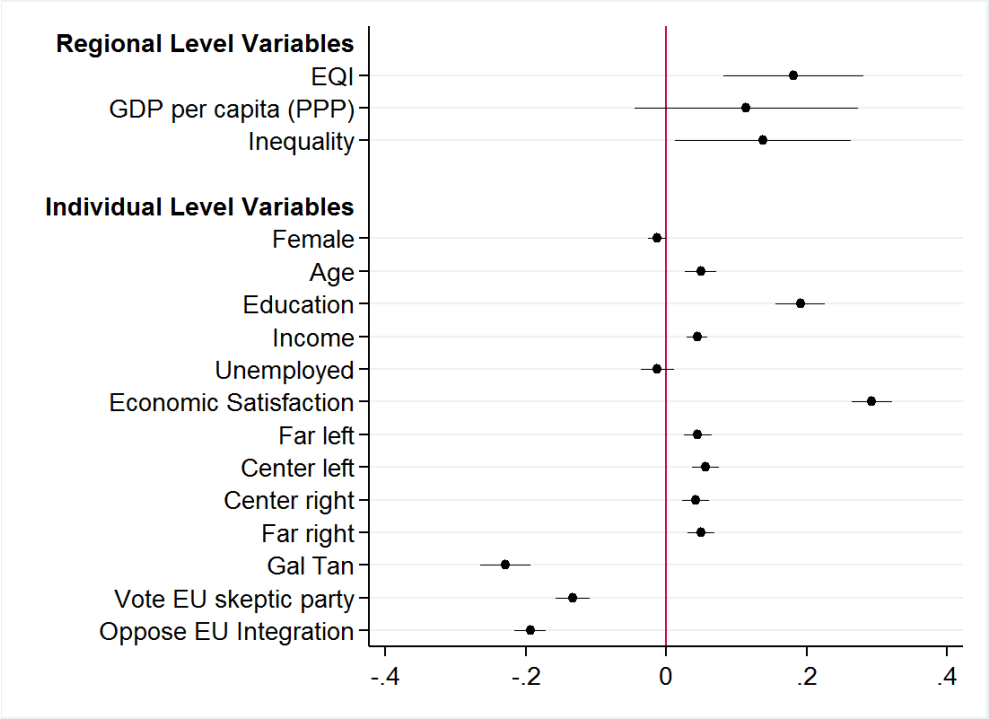
TABLE 1, (PUBLIC SUPPORT FOR EU BAILOUTS: HIERARCHICAL ESTIMATES)

variable	1. Macro-level factors	2. Individual level factors	3. Full model	4. ordered logit estimation	5. LPM
Regional Institutional quality (EQI)	1.30***		0.84***	0.75***	0.18***
	(0.26)		(0.24)	(0.23)	(0.05)
Regional GDP p.c. (PPP)	0.64		0.54	0.53	0.11
	(0.43)		(0.38)	(0.36)	(0.08)
Regional Inequality	0.48		0.65**	0.46	0.14**
	(0.33)		(0.30)	(0.29)	(0.06)
Female		-0.07**	-0.06**	-0.09***	-0.01*
		(0.03)	(0.03)	(0.03)	(0.006)
Age		0.25***	0.24**	0.30***	0.05**
		(0.05)	(0.05)	(0.05)	(0.01)
Income		0.21***	0.20***	0.17***	0.04***
		(0.04)	(0.04)	(0.03)	(0.01)
Education		0.89***	0.90***	0.91***	0.19***
		(0.08)	(0.09)	(0.07)	(0.02)
Unemployed		-0.05	-0.06	-0.04	-0.01
		(0.06)	(0.06)	(0.05)	(0.01)
Economic satisfaction		1.38***	1.37***	1.31***	0.29***
		(0.07)	(0.07)	(0.06)	(0.01)
Gal Tan		-1.12***	-1.09***	-1.11***	-0.23***
		(0.09)	(0.09)	(0.08)	(0.02)
Far-left		0.22***	0.22***	0.19***	0.04***

		(0.05)	(0.05)	(0.04)	(0.01)
Center-Left		0.27***	0.27***	0.23***	-0.06***
		(0.05)	(0.05)	(0.04)	(0.01)
Center right		0.19***	0.19***	0.14***	0.04***
		(0.05)	(0.05)	(0.04)	(0.01)
Far right		0.22***	0.23**	0.19***	0.05***
		(0.05)	(0.05)	(0.04)	(0.01)
Vote EU Skeptic		-0.60***	-0.61**	-0.58***	-0.13***
		(0.06)	(0.06)	(0.05)	(0.01)
EU integration (oppose)		-0.93***	-0.92***	-10.00***	-0.19***
		(0.05)	(0.06)	(0.05)	(0.01)
Constant/ cut 1	-1.13 (0.24)***	0.11 (0.10)	-0.83 (0.24)***	-0.86 (0.22)	0.32 (0.17)***
cut 2				0.62 (0.22)	
cut 3				3.07 (0.22)	
residual					0.46 (0.002)
Random intercept	0.31 (0.04)	0.27 (0.04)	0.22 (0.03)	0.21 (0.03)	0.10 (0.01)
Model Chi2	0.0000	0.0000	0.0000	0.0000	0.0000
Observations (regions)	28,276 (183)	20,987 (183)	20,662 (182)	20,662 (182)	20,662 (182)

*Note: Models 1-3 are estimated using ordered logit with random regional level intercepts. Models 4 uses the dichotomized dependent variable whereby '1' equals support if the respondent is coded as '3' or '4' and '0' if coded '1' or '2' on the original question scale. Model 5 re-runs model 4 with OLS estimation, or a 'linear probability model (LPM) to estimate marginal effects. Comparison group in the left-right self-placement is 'center'. All variables have been normalized so that they range between 0-1 for purposes of comparison. Standard errors in parentheses. ***p<0.01, **p<0.05, *p<0.10*

FIGURE 2, (SUMMARY OF THE MARGINAL EFFECTS OF VARIABLES)



Note: marginal effects from linear probability model (LPM), model 5 Table 1. Reference group for the 5 category left-right ideology is 'center'. Baseline support for the dependent variable is 0.555. All variables re-scaled between 0-1.

Testing the Mechanisms

Having found support for our hypothesis that institutional quality is significantly linked with individual level support for inter-EU financial assistance, we attempt to better elucidate the causal mechanisms in this section. Support for our proposed mechanism implies that we observe a significant relationship between our variable of institutional quality and a mediating variable, along with a significant relationship between the mediating variable and the support for our dependent variable, financial assistance. Our three proposed mechanisms derived from the theory section are: citizens in poor institutional settings (1) oppose any taxation of their income, (2) do not trust their elected leaders (national and/or EU level), and (3) are less inclined to feel like part of the collective (e.g. an EU citizen) thus less inclined to contribute to the collective.

TABLE 2, (TEST OF THE MECHANISMS)

	1. support financial aid	2. support taxation	3a. Trust Nat only	3b. Trust EU only	3c. trust both	4. feel EU citizen
EQI	0.56**	0.18***	2.09***	-2.32***	1.07***	0.24
	(0.25)	(0.04)	(0.28)	(0.26)	(0.24)	(0.24)
Support taxation	0.52***					
	(0.06)					
Trust National only	0.42***					
	(0.04)					
Trust EU only	0.50***					
	(0.05)					
Trust EU & National	1.05***					
	(0.05)					
Feel EU citizen	0.47***					
	(0.04)					
Random effects		0.08** (0.004)	0.33** (0.03)	0.49** (0.04)	0.46 (0.04)	
Random intercept	0.23 (0.03)					0.46** (0.04)
constant	-1.45*** (0.25)	0.30*** (0.03)	-4.21*** (0.24)	1.84*** (0.26)	-3.45 (0.25)	0.14 (0.24)
Type of hierarchical estimation	logit	OLS	logit	logit	logit	logit
Observations (regions)	19,418 (182)	20,518 (182)	20,389 (182)	20,389 (182)	20,389 (182)	20,970 (182)
Model Chi2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Note: multilevel OLS in model 1, 3a-c and 4 with multilevel logit as the dependent variables range as the dependent variables are binary in Each case. Model 2 uses hierarchical OLS with random regional intercepts. All control variables from model 3, Table 1 included.

In Table 2 we include measures of these three mechanisms to the main model (from model 3, Table 1). To capture one's attitudes about government intervention in general, we take the following question 'how much do you agree with the following: 0-10, 0='You are fully in favour of raising taxes to increase public services'; – 10='You are fully in favour of cutting public services to cut taxes'. On the idea of political trust, we include two variables capturing trust in national and EU level institutions whereby we construct dummy variables of each and an interaction (e.g, one 'trusts both').[9] Using this simple two by two scheme, we create four mutually exclusive categories ('trust neither', 'trust national only', 'trust EU only' and 'trust both') to see whether various types of trust are related with aid support and then how institutions relate with different types of trust to better explore for the compensation vs congruence hypotheses in the literature. To capture the idea behind 'acting collectively', we do not have a direct measure of whether one believe that the bailouts in fact do contribute to a 'collective' from which all benefit, but a necessary condition of this we argue would be whether one feels like a EU citizen or not, thus we capture this with the question 'You feel you are a citizen of the EU' (1-4, 'not at all', - 'yes, totally'), which is recoded 0/1.

We find that the log of odds coefficient of the EQI is reduced by over one third compared to model 3 in Table 1 and that all mechanism variables have the expected effect on the dependent variable and are significant, resulting in what we see as a partial mediation effect (Baron and Kenny, 1986). People who support more tax intervention in general, those who express political trust (both EU and/or national) and those who feel like EU citizens are more included to support EU aid on average. In model 2, we observe that citizens in polities with higher quality institutions also support raising government taxation to fund public services, while there is systematically less support for such measures in countries with lower 'quality of government' (QoG). This gives us some insight about one potential mechanism – that citizens in lower QoG countries systematically support less state intervention in collecting revenues for collective goods and services.

In models 3a-3c, we regress a question on political trust on QoG, country level GDP per capita and debt/GDP along with our set of control variables from Table 1. Our findings suggest that the mediating effect of political trust has several important implication. Model 1 shows that compared with those that trust neither, those that trust both institutions are most likely to support the EU bailouts to fellow member states, followed by those who trust the EU only and then those who trust only the national government. We look at the relationship between institutional quality and each type of trust in order to tease out potentially heterogeneous effects. First, model 3a regresses the explanatory variables on trustors of national parliaments only, i.e. those that trust their domestic government and not the EU. We find a systematic relationship between the level of institutional quality and overall trust (trust both, model 3c) and national-only political trust (model 3a), while we observe a strong reverse pattern when looking at those who trust the EU only in model 3b. This suggests that the compensation and congruence hypotheses might be working in

[9] National trust: 'You trust the national parliament' (1-4). EU trust: 'You trust the institutions of the EU' (1-4), both are re-coded 0/1, where '1' equals 'trust somewhat' or 'trust totally'. Reference group in model 1= 'trust neither'.

tandem depending on the context of institutional quality. In more corrupt areas, citizens might support EU-aid because they trust the EU more than their national government, in line with the compensation hypothesis, while in less corrupt areas, citizens might support EU aid because they use cues from the performance of their domestic institutions, much in line with the congruence hypothesis..

Third, while the trust results provide us some insights into this, we attempt to examine the link between institutions and support for inter-EU redistribution as an EU-wide collective action problem. Here, we do not find that there is a significant relationship between country level institutional quality and the feeling of belonging to the EU under control for our set of control variables. Thus we can conclude that domestic institutional quality increases support for inter-EU fiscal aid works via spillover effects from attitudes to domestic fiscal policy and trust of national leaders.

Robustness checks

First, we test whether our results are consistent when using an alternative measure of institutional quality for EU regions (see the Appendix for details) We re-run the results using the objective measure of corruption risk in public procurement from Fazekas and Kocsis (2017). Next, we re-run the analyses using country level variation in lieu of regional level variation at level two in the multilevel model. For institutional quality, we employ a standard measures, the World Bank's 'control of corruption' (Kaufmann et al. 2011). In addition to measures of economic development, we include even a country's debt over its GDP, and re-test *our hypothesis* using the country level WGI measure in the cross-level interaction term (for bivariate results, see the Appendix). We also re-run the models without the random intercepts, using standard OLS regression and regional clustered standard errors so as to account for design weights. Next, we estimate the effect of our variables in split samples – EU15 and new Member States (NMS). As Romanian and Croatian respondents are significant residual outliers in our main model, we also report the NMS sample estimates excluding respondents from these regions. The strongest effects of the hypothesis in the EU15 – where variation of institutional quality is highest. In the NMS sample, the effects become negligible, yet excluding the respondents from the outlying cases, we find again supporting results. To explore whether or not a single country might be driving our results, we perform a country-wise jackknife, re-running our main model excluding one country at a time. We report the coefficient of the EQI in each case, finding that while the overall effect of the EQI is weakened by excluding some countries (Italy) and strengthened when removing respondents from others (Romania), the overall effect remains consistent.

Conclusion

This study seeks to understand the determinants of public support for financial assistance and aid. In particular, we suggest that the quality of government institutions and corruption influence public support for redistribution within the EU. We argue that higher institutional quality equates to higher levels of support for EU financial assistance and bailouts, and that the mechanisms through which this occurs is more likely

related to citizens belief in governments collective action capacity (i.e. trust in governments redistributive capacity and willingness to pay taxes) than citizens perceptions of that there is a collective problem to be solved (feeling of belonging to the EU). To test this, we use recent survey data from the ESS. Overall, we observe strong support for our hypothesis. Institutional quality is more strongly associated with support for international redistribution than other macro-level factors. Holding all else constant, we find the effects of institutional quality at both the regional and country level to be consistently stronger than economic development, income inequality or debt to GDP (at the country level). This means that institutional quality and low level of corruption may be a more important determinant of public support for international redistribution than most of the traditional explanatory factors, that are typically used to explain public support for redistribution, in the EU or globally.

Building on a growing body of research on corruption and quality of government, we posit that corruption undermines public support for international redistribution through two separate but interrelated effects. First, corruption undermines governments' supply of public goods, and thereby lowers citizens' expectations on governments' redistributive capacity (Rothstein et al., 2012 Svallfors, 2013). This, in turn, undermines citizens' trust in governments' capacity to collect and redistribute tax money fairly and efficiently, domestically as well as internationally. Second, corruption undermines citizens' demand for public goods provision, such as contributions to international redistribution. Instead, corruption tends to nurture demand for particularistic payoffs that are more tangible and personalized (Auyero, 2001; Kitcheld and Wilkinson, 2007; Szwarcberg, 2012).

Our results thereby have several noteworthy implications and contributions. They contribute to a better understanding of the effects of corruption and quality of government on public support for international redistribution in general, and for redistribution within the EU in particular. Unlike inter-personal transfers from the wealthy to the poor within countries, or international foreign aid from the world's most developed to least developed areas, the redistribution within the EU is neither inter-personal, nor necessarily to the world's 'most needy' areas. We see this analysis as one of the first cross-country empirical investigations of public support for inter-EU fiscal redistribution; and we demonstrate the importance of investigating how context (national or regional) shapes citizens' opinions on further EU integration (Hobolt and de Vries 2016).

In addition, the regional level offers many advantages relative to the country level in hierarchical modeling. However, for skeptical readers, the findings also hold when using national level comparisons. Remarkably, our results show that people who live in highly corrupt, poor institutional contexts are generally less supportive of aiding other EU countries in times of crisis on whole. We also show that quality of government influences citizens' perceptions of government capacity to redistribute resources or use resources wisely rather than their propensity to recognize that there is an important collective problem to be solved.

This type of redistribution, as well as the relevance of this question in particular for the EU, offers several potentially interesting research avenues and policy implications. First, to get a better sense of the overall support for redistributive policies within the EU among its citizens, future surveys should include questions about Cohesion policy and its components to test these ideas more thoroughly. Second, our results have important policy implications. While it is important to bear in mind that results are associational since we lack access to panel data, our model would not predict that the EU can 'grow its way' to greater levels of support for policies such as redistribution. Such support seems to run deeper, as institutional quality and low corruption are long-term investments. It is thus encouraging for those interested in a closer fiscal Union that the EU Commission has recently added 'strengthening institutional capacity and an efficient public administration'[10] to its thematic objectives for the 2014-2020 budget cycle. The fact that our hypothesis is corroborated with sub-national data implies the salience of building institutional capacity not only at the national, but also at the regional level. To increase support for greater fiscal EU integration, increased attention should therefore be directed towards domestic levels of corruption. When preferences for inter-EU redistribution and bailouts are low, and improper handling of national transfers, current attempts to save crisis-stricken countries within the EU might fail. This could have adverse consequences for the financial system of the EU as well as for the future cohesion of the EU.

[10] http://ec.europa.eu/regional_policy/en/funding/social-fund/

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APPENDIX

TABLE A1, (SUMMARY STATISTICS, ORIGINAL SCALE)

Variable	Obs	Mean	Std. Dev.	Min	Max
individual level					
Support EU Bailouts	28,796	2.45	0.95	1	4
Support EU Bailouts (binary)	28,796	0.53	0.5	0	1
Female	30,064	1.55	0.5	1	2
Population	30,042	1.94	0.78	1	3
Age	30,064	4.04	1.65	1	6
Income	30,064	0.6	0.49	0	1
Education	29,511	2.27	0.81	1	4
Unemployed	30,064	0.09	0.29	0	1
Economic satisfacton	29,449	3.21	1.01	1	5
Gal Tan	26,667	5.91	2.06	1	11
Left right (self-placement)	24,388	3.04	1.32	1	5
Vote EU skeptic party	30,064	0.07	0.26	0	1
EU integration (oppose)	28,225	7.8	2.98	1	11
regional level					
EQI	30,064	0.108	0.99	-2.598	1.761
GDP per capita (PPP)	24,071	23840.96	9237.015	7200	5560
Income inequality	22,933	15.59	6.065	4.9	38.4
Corruption risk (% single bids)	22,932	0.172	0.135	0	0.69
national level					
control of corruption (WGI)	30,064	0.958	0.814	-0.3	2.261
PPP p.c.	30,064	34414.9	12077.9	16323	91047
Debt/GDP	30,064	74.08	36.588	10.4	180.1

EES survey questions used in the analysis

- Income – 'during the last 12 months, would you say you've had difficulty to pay your bills on time? (1=most of the time, 2=from time to time, 3= never, almost never) (d60)
- Education: year at which you stopped school 15 or less, 16-19, >19, still student
- Social class – self id: low, middle, high
- economic satisfaction (What do you think about the economy? Compared to 12 months ago, do you think that the general economic situation in (OUR COUNTRY), 1-5, a lot better – a lot worse)
- unemployed: 0/1
- Taxation: (0-10 scale) 0 You are fully in favour of raising taxes to increase public services, 10 You are fully in favour of cutting public services to cut taxes
- Gal-tan measure (three questions, combined with factor weights)
- same-sex marriage (0-10 scale) 0 You are fully in favour of same-sex marriage, 10 You are fully opposed to same-sex marriage
- civil liberties (0-10 scale) 0 You fully support privacy rights even if they hinder efforts to combat crime, 10 You are fully in favour of restricting privacy rights in order to combat crime
- environment (0-10 scale) – 0 Environmental protection should always take priority even at the cost of economic growth, 10 Economic growth should always take priority even at the cost of environmental protection
- Vote anti-EU party if next national election were today (EU skeptic party= 1, 0=if otherwise) (QPP5). Coded '1' if party belongs to a Eurosceptic bloc in EU parliament, 0 if otherwise.
- Left-right self-placement: In political matters people talk of "the left" and "the right". What is your position? Please use a scale from 0 to 10, where '0' means "left" and '10' means "right". Which number best describes your position? (0-10) (QPP13)
- Views on immigration (0-10), 0= you are fully in favour of a restrictive policy on immigration, 10= you are fully opposed
- Trust in EU – you trust the institutions of the EU (1=yes totally, 4=not at all) (QP6_2)
- European identity: 'you feel attached to Europe (1=yes totally, 4=not at all)
- National identity: 'you feel attached to (your country) (1=yes totally, 4=not at all)
- Support for EU integration ('moreEU') - Some say European unification should be pushed further. Others say it already has gone too far. What is your opinion? Please indicate your views using a scale from 0 to 10, where '0' means unification "has already gone too far" and '10' means it "should be pushed further". What number on this scale best describes your position? (0-10), 0=EU unification has gone too far, 10= EU unification should be pushed further (QPP18)

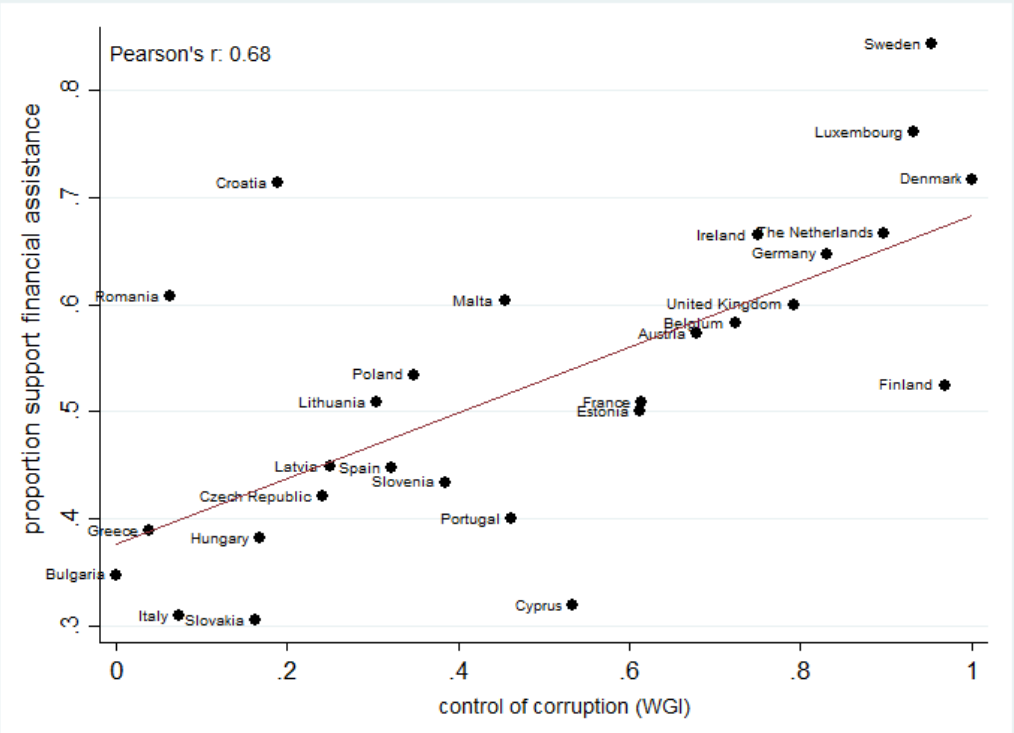
- Gender (female=1, male=0)
- Age – 6 categories: 18-24, 25-34. 35-44. 45-54, 55-64, 65+
- population – rural, town, large town/urban

TABLE A2, (ROBUSTNESS CHECKS – ALTERNATIVE MEASURE OF REGIONAL CORRUPTION)

variable	1. Macro-level factors – logit estimation	2. Logit estimation full model	3. ordered logit estimation
Corruption Risk (objective measure)	***1.20****	***0.87****	***-0.67****
	(0.28)	***(0.24)***	***(0.23)***
Regional GDP p.c.	0.80*	0.48	0.66*
	(0.47)	(0.41)	(0.38)
Regional Inequality	-0.17	0.16	0.07
	(0.33)	(0.29)	(0.28)
Female		-0.07*	-0.09***
		(0.03)	(0.03)
Age		0.21***	0.28***
		(0.06)	(0.05)
Income		0.28***	0.23***
		(0.04)	(0.04)
Education		0.99***	0.98***
		(0.10)	(0.08)
Unemployed		-0.06	-0.07
		(0.07)	(0.06)
Economic sat.		1.47***	1.40***
		(0.08)	(0.07)
Gal Tan		-1.18***	-1.21***
		(0.10)	(0.09)
Far-left		0.22***	0.22***
		(0.06)	(0.05)
Center-Left		0.26***	0.23***
		(0.05)	(0.04)
Center right		0.14***	0.10***
		(0.05)	(0.04)
Far right		0.09*	0.05
		(0.05)	(0.05)
Vote EU Skeptic		-0.64**	-0.62***
		(0.06)	(0.05)
EU integration (oppose)		-1.11***	-1.17***
		(0.06)	(0.06)
Constant	0.14	0.18	
	(0.28)	(0.27)	
cut 1			-1.71*** (0.25)
cut 2			-0.20 (0.25)
cut 3			2.31*** (0.25)
Random intercept (var)	0.32 ** (0.04)	0.20** (0.03)	0.19** (0.03)
Model Chi2	0.0000	0.0000	0.0000
Observations (regions)	21,933 (174)	16,580 (173)	16,580 (173)

*Note: Hierarchical estimation with standard errors in parentheses. Models 1 and 2 are estimated with a binary dependent variable and logit hierarchical logit regression, while model 3 uses the four-point scale on the dependent variable and employs hierarchical ordered logit. Corruption risks have opposite signs than the EQI because higher values equal greater corruption risks. Models have fewer observations due to the single bidder corruption measure being available for countries with multiple NUTS 2 regions. Estonia, Latvia, Malta, Lithuania, Luxembourg and Cyprus not included. All variables re-scaled between 0-1 for purposes of comparison. ***p<0.01, **p<0.05, *p<0.1*

Figure A1, (COUNTRY LEVEL OF CORRUPTION AND SUPPORT FOR EU BAILOUTS)



Note: variable is proportion of respondents who answered 'agree' or 'totally agree'. Control of corruption re-scaled to 0-1 (min max standardization). Scatterplot calculated using survey design weights.

TABLE A3, (HIERARCHICAL ESTIMATES WITH COUNTRY LEVEL VARIABLE AND RANDOM EFFECTS)

variable	1. Macro-level factors – logit estimation	2. Logit estimation full model	3. ordered logit estimation	4. ordered logit w/out GDP
Control of corruption (WGI)	***0.94******	***0.57***	***0.54***	**0.67*****
	(0.37)	***(0.36)***	***(0.36)***	**(0.25)**
Country GDP p.c.	0.60	0.52	0.28	
	(0.62)	(0.60)	(0.60)	
Debt/GDP	-0.54	-0.36	-0.36	-0.35
	(0.36)	(0.35)	(0.36)	(0.36)
Female		-0.07**	-0.09***	-0.09***
		(0.03)	(0.03)	(0.03)
Age		0.23***	0.29***	0.29***
		(0.05)	(0.05)	(0.05)
Income		0.19***	0.17***	0.17***
		(0.03)	(0.03)	(0.03)
Education		0.87***	0.88***	0.88***
		(0.08)	(0.07)	(0.07)
Unemployed		-0.05	-0.03	-0.03
		(0.06)	(0.05)	(0.05)
Economic sat.		1.33***	1.28***	1.28***
		(0.07)	(0.06)	(0.06)
Gal_Tan		-1.12***	-1.12***	-1.12***
		(0.09)	(0.08)	(0.08)
Far left		0.25***	0.22***	0.22***
		(0.05)	(0.04)	(0.04)
Center left		0.27***	0.23***	0.23***
		(0.05)	(0.04)	(0.04)
Center right		0.20***	0.15***	0.15***
		(0.05)	(0.04)	(0.04)
Far right		0.23***	0.19***	0.19***
		(0.05)	(0.04)	(0.04)
Vote EU Skeptic		-0.61***	-0.58**	-0.58**
		(0.06)	(0.05)	(0.05)
EU integration (oppose)		-0.96***	-1.03***	-1.03***
		(0.05)	(0.05)	(0.05)
constant	-0.28 (0.22)	0.07 (0.22)		
Cut 1			-1.51 (0.22)	-1.52 (0.22)
Cut 2			-0.06 (0.22)	-0.07 (0.22)
Cut 3			2.36 (0.22)	2.35 (0.22)
Random intercept (var)	0.17 (0.05)	0.15 (0.04)	0.16 (0.04)	0.16 (0.04)
Model Chi2	0.0000	0.0000	0.0000	0.0000
Observations (countries)	28,796 (28)	20,987 (28)	20,987 (28)	20,987 (28)

*Note: Standard errors in parentheses. ***p<0.01, **p<0.05, *p<0.10. pairwise correlation between country level corruption and GDP is 0.77, thus model 3's estimates are effected by multicollinearity. Model 4 reports the estimates without GDP.*

TABLE A4, (LPM ESTIMATES FROM REGIONAL AND NATIONAL CLUSTERED DESIGN WEIGHTS)

variable	1. regional level clustering	2. country level cluster-ing
Institutional quality	***0.20****	***0.28****
	(0.07)	***(0.06)***
Regional GDP p.c.	0.0004	-0.29
	(0.12)	(0.18)
Regional Inequality	0.07	
	(0.13)	
Debt/GDP		-0.07
		(0.08)
Constant	0.32***	0.48***
	(0.09)	(0.06)
Model F-test (p-value)	0.0000	0.0000
Model R2	0.14	0.15
Observations (regions)	20,662 (182)	20,987 (28)

Note: estimates from linear probability models accounting for survey design weights (clustered standard errors in parentheses). Both models contain full battery of individual level controls. Model 1 contains regional level macro variables and clustered standard errors, while model 2 contains country level ones.

TABLE A5, (BINARY AND ORDERER LOGIT ESTIMATES IN SPLIT SAMPLES)

	EU 15 only		NMS only		NMS only (no Romania or Croatia)	
variable	**binary logit**	**ordered logit**	**binary logit**	**ordered logit**	**binary logit**	**ordered logit**
Regional Institutional quality (EQI)	***1.65******	***1.52******	***-0.60***	***-0.73***	***0.89****	***1.00****
	(0.32)	***(0.27)***	***(0.56)***	***(0.56)***	***(0.51)***	***(0.48)***
Regional GDP p.c.	1.02**	1.02**	2.29**	2.32**	1.56*	1.37***
	(0.46)	(0.40)	(1.08)	(1.10)	(0.85)	(0.79)
Regional Inequality	0.71*	0.52	2.07***	1.90**	1.48**	1.163**
	(0.38)	(0.33)	(0.77)	(0.79)	(0.66)	(0.61)
Female	-0.15***	-0.17***	0.03	0.01	0.06	0.04
	(0.04)	(0.03)	(0.05)	(0.04)	(0.05)	(0.05)
Age	0.16**	0.27**	0.32***	0.33***	0.27***	0.28***
	(0.07)	(0.06)	(0.08)	(0.07)	(0.09)	(0.08)
Income	0.29***	0.26***	0.08	0.05	0.08	0.05
	(0.05)	(0.04)	(0.05)	(0.04)	(0.06)	(0.05)
Education	0.98***	1.01***	0.64***	0.64***	0.83***	0.85***
	(0.11)	(0.09)	(0.14)	(0.13)	(0.16)	(0.14)
Unemployed	-0.11	-0.12*	0.01	0.08	0.07	0.07
	(0.08)	(0.07)	(0.08)	(0.08)	(0.10)	(0.09)
Economic sat.	1.45***	1.33***	1.19***	1.22***	1.29***	1.36***
	(0.09)	(0.08)	(0.11)	(0.10)	(0.12)	(0.11)
Gal Tan	-1.24***	-1.25***	-0.73***	-0.71***	-0.74***	-0.81***
	(0.12)	(0.10)	(0.13)	(0.12)	(0.15)	(0.13)
Far left	0.28***	0.30***	0.10	-0.01	0.08	-0.04
	(0.07)	(0.06)	(0.07)	(0.06)	(0.08)	(0.07)
Center left	0.26***	0.22***	0.17**	0.16**	0.24**	0.24***
	(0.06)	(0.05)	(0.08)	(0.07)	(0.09)	(0.08)
Center right	0.11*	0.05	0.32***	0.31***	0.35***	0.33***
	(0.06)	(0.05)	(0.07)	(0.06)	(0.08)	(0.07)

Far right	-0.07	-0.10*	0.47***	0.44***	0.49***	0.46***
	(0.07)	(0.06)	(0.06)	(0.06)	(0.07)	(0.06)
Vote EU Skeptic	-0.81***	-0.76***	-0.02	-0.09	0.01	-0.03
	(0.07)	(0.06)	(0.10)	(0.09)	(0.10)	(0.09)
EU integration (oppose)	-1.38***	-1.37***	-0.40***	-0.51***	-0.45***	-0.60***
	(0.08)	(0.07)	(0.08)	(0.07)	(0.09)	(0.08)
Constant	-1.29***		-1.52**		-2.07**	
	(0.36)		(0.60)		(0.50)	
cut 1		-0.40 (0.31)		-0.15 (0.61)		0.32 (0.47)
cut 2		1.10 (0.31)		1.33 (0.61)		1.84 (0.57)
cut 3		3.68 (0.32)		3.66 (0.61)		4.27 (0.47)
Random intercept (var)	0.15 (0.03)	0.12 (0.02)	0.24 (0.06)	0.26 (0.06)	0.11 (0.04)	0.10 (0.03)
Model Chi2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Observations (regions)	12,643 (130)	12,643 (130)	8019 (52)	8019 (52)	6771 (42)	6771 (42)

*Note: models in columns 1 and 2 include only respondents from EU15 countries, and 3-6 include only those in the New Member States (NMS). In columns 5 and 6 the models are re-run without respondents from outlying regions - Romania and Croatia. Each sub-sample is analyzed with the binary and ordered dependent variable. Standard errors in parentheses. ***p<0.01, **p<0.05, *p<0.10*

TABLE A6, (COUNTRY-WISE JACKNIFE)

country removed	EQI	obs (regions)
Austria	0.85 (0.24)	19,860 (173)
Belgium	0.86 (0.24)	19,708 (179)
Bulgaria	0.86 (0.25)	20,046 (176)
Croatia	0.95 (0.22)	19,956 (180)
Cyprus	0.84 (0.24)	20,662 (182)
Czech Republic	0.79 (0.25)	19,790 (174)
Denmark	0.84 (0.25)	19,712 (177)
Estonia	0.85 (0.24)	20,022 (181)
Finland	0.87 (0.25)	19,772 (178)
France	0.80 (0.25)	19,898 (161)
Germany	0.80 (0.25)	19,379 (166)
Greece	0.82 (0.24)	19,816 (178)
Hungary	0.85 (0.24)	19,838 (179)
Ireland	0.83 (0.24)	19,911 (180)
Italy	0.49 (0.25)	19,987 (166)
Latvia	0.85 (0.24)	19,979 (181)
Lithuania	0.85 (0.24)	19,995 (181)
Luxembourg	0.87 (0.24)	20,272 (181)
Malta	0.83 (0.24)	20,411 (181)
Netherlands	0.85 (0.25)	19,679 (170)
Poland	0.91 (0.24)	19,970 (166)
Portugal	0.87 (0.24)	20,029 (177)
Romania	1.17 (0.24)	20,120 (174)
Slovakia	0.70 (0.24)	19,838 (178)
Slovenia	0.80 (0.24)	19,960 (181)
Spain	0.90 (0.23)	19,815 (165)
Sweden	0.71 (0.23)	19,651 (179)
United Kingdom	0.80 (0.25)	19,798 (170)

Note: Table summarizes results of 28 hierarchical logit model estimates from (see model 3 in Table 1 for full specifications). Countries removed one at a time to test for the effects of outliers influential observations. All models include full set of control variables; only effect of EQI reported for sake of space. Original model: beta= 0.84, s.e. 0.24.