The greater the expectations, the harder the fall? The relationship between institutional trust and tolerance of free riding in a cross-national perspective

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Abstract. Institutional trust based on fair and impartial treatment by public officials and institutions is argued to be a key factor in explaining citizens' voluntary compliance with political decisions and public norms that may be unfavorable for the individual citizen. Nevertheless, is this explanation as to why citizens refrain from free riding valid in all societies? This paper demonstrates with the help of multilevel regression analysis of pooled data from the World Values Survey waves 3-6 that a higher level of distrust in the output side of the political system (police, courts, civil service) is associated with a higher tolerance of free riding behavior (bribe taking, tax evasion, cheating with social benefits, free riding on public transports). However, this association is considerably stronger in countries perceived as less corrupt and more equal, where norms or expectations of fair treatment are argued to be more prevalent. Hence, the consequences of perceived unfair treatment and that "the game is rigged" by corrupt elites can potentially be much more severe in these kinds of contexts.

Introduction

[This paper builds and expands largely on certain aspects in my dissertation (Malmberg 2019). It is still very much a work-in-progress, and I am grateful for all ideas, comments and suggestions that can help me develop a better article out of it.]

Today exists a widespread consensus that bad governance and corruption represent severe threats for newly democratized and developing countries (Linde 2011). However, at the same time there is a risk that the corruption in advanced democracies with well-consolidated and robust institutions is overlooked, as attention is drawn to the cases where the linkages between corruption and development are most clearly seen in everyday life (Johnston 2014). This can for instance be illustrated by the fact that the most widely used indicator of corruption, Transparency International's Corruption Perception Index (CPI), is unidimensional and mainly focused on one typical form of corruption, namely bribery (Andersson 2017).

As we know from previous research (see e.g. Johnston 2005), corruption tends to take different forms in different contexts, and as many scholars have pointed out, it often tends to take more sophisticated and ambiguous forms in countries with active, well-institutionalized markets and democratic politics (in Michael Johnston's terms, "Influence Markets"). Abuses of power in these contexts is, in the words of Johnston (2014, 36), "often a matter of pushing legal, even desirable, activities and connections to unacceptable extremes". Warren (2006) similarly argues that political corruption in democracies should be viewed as a form of "duplicitous exclusion" where citizens are illegitimately and covertly excluded from collective decisions and actions.

This paper argues that there are strong reasons to take these forms of corruption more seriously than they are taken today because the stakes are considerably greater in advanced democracies and the expectations held by the citizens in these societies are set higher than the corresponding ones in societies perceived as highly corrupt and unequal. Hence, the fall could also be considerably harder if societies are unable to collectively deal with it and limit its' negative consequences for trust in public institutions and fellow citizens. At best, we could see growing difficulties in meeting the expectations of ordinary citizens concerning the quality of public services as, for instance, the willingness to pay taxes decreases, and at worst we could potentially see movement towards increasingly corrupt and unequal societies.

Attitudes towards so-called "low-level corruption" and other types of free riding behavior have received a rapidly growing amount of interest in recent years (e.g. Malmberg 2019; Pozsgai Alvarez 2015). One factor often argued to be a key variable when it comes to explaining attitudes towards corruption and free riding is institutional trust. Most studies that have included institutional trust as an explaining factor have assumed that its' effect is the same across various contexts (for an exception, see Andrews 2008), yet few have put this assumption to a meticulous test.

The focus of this paper is therefore on exploring a question that hitherto has received very little attention in previous studies, namely: *does the effect of institutional trust on attitudes towards free riding vary across different societal contexts*? A few recent studies indicate

that this could very well be the case (Andrews 2008; Ariely & Uslaner 2017; Marien & Werner 2019), however this question has not yet received the amount of attention it arguably deserves.

Hence, the main argument in this paper is that the strength of the linkage between institutional trust and tolerance of free riding varies significantly across different societies and that this variation is related to the prevailing norms of fair treatment in a society, i.e. expectations of being treated fairly by public officials and institutions. In other words, it is expected that citizens in countries generally perceived as less corrupt and more equal (and hence, more fair) will react more strongly to perceptions of unfair treatment and corruption than citizens in countries where corruption is much more common and visible in ordinary people's lives (see Figure 1).

The paper supports its' claim by estimating multilevel models of tolerance of free riding, utilizing pooled data from the four latest waves (1995-2014) of the World Values Survey (WVS), which includes a total of 84 countries from all the relevant world regions. This very wide range of countries supports the claim that the arguments presented in this paper are not specific to a certain region or a certain set of countries.

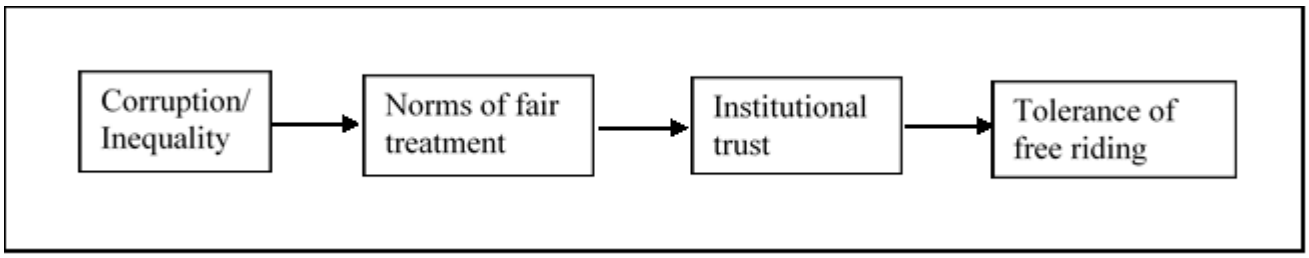

Figure 1: The theorized implications of norms of fair treatment for the effect of institutional trust on citizen attitudes toward free riding behavior.

Institutional trust, corruption, norms of fair treatment, and tolerance of free riding

Why do citizens obey public norms and authorities even though it can be seen as irrational and costly from the individual perspective? One widely used approach to answering this classic conundrum proceeds from the rational choice view of humans as cost-benefit calculators (*homo economicus*) who mainly abstain from disobeying due to fear of punishment (see e.g. Becker 1976). One potential consequence of this view of basic human

nature is hence the so-called *free rider problem*, where citizens refrain from contributing to a public good after a cost-benefit calculation where they conclude that the individual costs outweigh the actual benefits of doing their part (Olson 1965). They reckon on that they will be benefiting from the public good *irrespective* from their own contribution thanks to most other people's contribution. The solution to this problem from a rational choice perspective would therefore be to use stronger coercive methods to increase the costs of disobeying.

Nevertheless, this perspective fails to explain voluntary compliance in large open democratic societies where constant surveillance and policing and harsh penalties are normatively undesirable, very costly and rather ineffective as a deterrent (Easton 1965; Tyler 2003, 302-305). Here free riding would be the rational choice of behavior from the individual point of view, because the likelihood of being caught and punished is relatively small compared to the potential benefits of misbehaving. The challenge is therefore to explain why citizens *voluntarily* accept even unfavorable political decisions and choose to "play by the rules" in a non-authoritarian system.

Another line of research trying to solve the puzzle of voluntary compliance shows that *procedural fairness*, or perceptions of fair treatment by officials, increases the willingness of individuals to comply with outcomes that are substantially negative for them (Thibaut & Walker 1975; Tyler 2003). Studies in social psychology have demonstrated that peoples' desire to see justice done plays a key role in securing their compliance, and that this includes both justice or fairness with regard to *outcomes* (distributive justice) and justice with regard to *procedures* (procedural justice). However, as noted by Tyler (2003, 292), studies also show that it is primarily procedural fairness that is usually found to have the greatest influence on both compliance and attitudes toward authorities. Even if an outcome of a decision is perceived as unfair, people are still likely to accept it and comply with it as long as they perceive fair treatment from decision-makers.

Perceptions of fair and impartial treatment is argued to be a key component of institutional trust, which in turn is posited to be based on the perceived predictability and reputation of the organization, in other words, on normative *expectations* of how a public actor ought to

behave (Hardin 1999, 39). One essential key expectation in this regard is claimed to be an even-handedness and objectivity in decision-making or *impartiality*, i.e. that all people are treated alike, without consideration for anything that is not in advance stipulated in the policy or law, e.g. the color of their skin, personal relations, willingness to pay or any personal views of the decision-maker (Tyler & Lind 1992; Mungiu-Pippidi 2006; Rothstein & Teorell 2008). Impartiality is posited to be the defining principle of quality of government and it is moreover held to be the "opposite of corruption" (Rothstein & Varraich 2017). However, although important, impartiality is not the only aspect of good government. Authorities are also expected to behave in an accountable, responsive and respectful way, which includes among other things that they make effort to justify their decisions (Leventhal 1980; Tyler 2003). In other words, citizens want to be treated with dignity and get their rights acknowledged.

Empirical studies seem to lend support to the assertion that assessments of procedural fairness have a causal effect on what is viewed as two conceptualizations of *subjective legitimacy*: institutional trust and acceptance of outcome (Grimes 2006, 285; Linde 2012; Marien & Werner 2019). Legitimacy refers here to "the belief that authorities, institutions, and social arrangements are appropriate, proper, and just" (Tyler 2006, 376). Institutional trust is thusly held to be a "reflection of institutional legitimacy", which in turn suggests that there should exist a strong positive relationship from institutional trust to citizen attitudes toward compliance (Letki 2006, 309). Hence, one could expect those who perceive themselves as having been treated unfairly by authorities to be less trusting and less likely to obey them. Marien & Werner (2019, 89) present strong evidence in support of this argument using multilevel structural equation modelling (ML SEM) indicating that citizens base their assessments of the trustworthiness of the political system on perceptions of how public officials treat them. Trust in political institutions is in turn demonstrated to be associated with more compliant and cooperative attitudes.

However, it is also important to keep in mind that, as noted by Letki (2006, 309), "[w]hether citizens' perceptions of institutions' trustworthiness are entirely accurate is irrelevant". Hence, "false" or inaccurate perceptions of corruption or unfair treatment, which may not be based on any empirical observations or objective data, but more on

hearsay and rumors, may have a very real impact on attitudes towards compliance and civic duty. Marien & Werner (2019, 74) also note this fact when they point out that "previous studies repeatedly found that objective indicators are of less importance if they are not perceived by citizens". Moreover, their study corroborates the findings of previous studies (e.g. Van der Meer & Hakhverdian 2017) that individual assessments of the quality of political outcomes tend to have an impact on institutional trust, but not collective ones (Marien & Werner 2019, 90).

When considering the relationship between institutional trust and attitudes toward what is described as different forms of free riding behavior, this paper has opted to focus on a particular type of trust, namely trust in the *output* or implementing side of the political system, e.g. the police, the courts, and the civil service. There are at least four reasons behind this choice (Malmberg 2019, 35-38; Marien & Werner 2019, 73).

Firstly, one reason is an attempt to distill trust in the public sector from the type of trust that may be influenced by partisan considerations. Rothstein & Stolle (2002, 10; see also Rothstein & Teorell 2008) argue that it is vital to distinguish the representational side from the implementation side of the political system because politicians have partisanship as their basis, while institutions dominated by bureaucrats build their trust on reputations of impartiality. Hence, it is more difficult to draw the line between the fair and unfair behavior of politicians, or trust a politician or institution (e.g. the parliament) dominated by politicians representing other interests or ideologies than one's own. Secondly, the so-called "order institutions" (e.g. the police, the courts) are tasked with detecting and punishing people who use opportunistic or treacherous strategies, i.e. those who have a tendency to free ride (Rothstein & Stolle 2002, 10). Confidence in these particular institutions, with whom ordinary citizens are also considerably more likely to have firsthand experience, should hence arguably be more intimately related to one's own tendency to (condone) free riding or law breaking behavior.

Thirdly, Rothstein & Stolle (2002, 10-11) claim that "the impartiality, efficicency [sic] and fairness of street-level political institutions are important dimensions of institutional trust and confidence that can be conceptually separated from conventional trust in politicians,

parties, and "the government"". Fourth and finally, empirical studies seem to support the argument that the average citizen tends to be more distrusting of representative institutions and elected officials, when compared to the public administration and nonelected officials (Grönlund & Setälä 2012; Houston & Harding 2013). Therefore, one could argue that a certain degree of distrust is completely normal in a representative democracy and that the normative expectations toward the representative institutions are more ambiguous and "political".

The focus of this paper is on the relationship between confidence in public institutions or institutional trust and attitudes toward free riding behavior. The latter can also be conceptualized as an indicator of so-called *civic morality* (Letki 2006; Andrews 2008), low-level *corruption permissiveness/tolerance* (Moreno 2002; Malmberg 2019) or acceptance of corrupt acts (Pop 2012). Letki (2006, 306) describes civic morality as "honesty in the context of the public good […that] leads citizens to maximize public rather than private gains, therefore deterring them from engaging in corruption and free-riding". Moreno (2006, 42), meanwhile, defines corruption permissiveness as "the willingness to justify acts of corruption in society". In this paper, I have opted to use the term *tolerance of free riding*, due to the fact that only one of the items (the bribery-item) included in the index is directly related to the contemporary understanding of corruption involving misuse of entrusted power for private gain. However, as has been argued elsewhere (Malmberg 2019, 6-13), this can also be viewed as a "low-level corruption tolerance" or a form of "societal corruption" that harkens back to the ancient understanding of corruption as decay of the body politic (Dobel 1978, 960).

Based on the earlier discussion regarding the association between institutional trust and compliance with public norms, the following hypothesis is hereby formed:

H1: Individuals who are more distrusting of the implementing institutions (the police, the courts, and the civil service) tend to be more tolerant of free riding.

However, while distrust in the implementing institutions is generally expected to be positively associated with a higher tolerance of free riding behavior, there are also reasons

to believe that the magnitude of this effect varies somewhat across different societal contexts.

A study on the interplay between legitimacy and context as key determinants of public sector reform outcomes notes that the bivariate correlations between confidence in institutions and civic morality varies across 30 countries, with the Latin American countries showing the weakest correlations (Andrews 2008). Furthermore, the study observes that this group of countries has the highest number of correlations in the opposite direction, i.e. that a higher confidence is associated with a lower civic morality. In an attempt to explain this observation, the author speculates that "[o]ne explanation for these results is that in Latin America public institutions are still *too frail* to impact the civic morality of their citizens" (Andrews 2008, 178, emphasis added).

A way to interpret this is that the public institutions in these countries are suffering from a *legitimacy deficit*, and that the potential loss in legitimacy in the eyes of the citizens is hence relatively small. The impact of a loss of legitimacy on civic morality would then consequently also be relatively small. Therefore, the study arrives at the conclusion that institutional trust and civic morality only seem to be associated with each other in Western democracies and in post-communist countries, while outcome factors such as inequality or unemployment are more relevant for explaining civic morality in developing country contexts (Andrews 2008, 178). Citizens in societies with long historical experiences of "frail" institutions do not generally come to expect neither impartiality nor efficiency from the public institutions. Consequently, they are not as severely affected, at least with regard to their own civic morality, when confronted by corruption, unprofessionalism or unfair treatment in general among public administrators, as those who expect more from their public institutions and officials.

This hypothesis that citizens adjust their expectations to prevailing circumstances is consistent with empirical observations from a recent survey in the Western Balkans[1] concerning citizens' opinions of the police. The survey finds that "[t]he perception of high corruption of the police survives simultaneously with a relatively high level of trust, which

[1] Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, and Serbia.

may indicate reconciliation with the fact that corruption is omnipresent in the institutions, and that citizens have become accustomed to it as an inevitable segment of public administration" (Mandić 2017, 22).

In addition, following the increasingly sophisticated and clandestine forms that corruption has a habit of taking in advanced democracies with high-capacity institutions, such as the Nordic countries (Erlingsson et al. 2014; Andersson 2017), it does not automatically follow that their citizens perceive the public sectors as less corrupt and more trustworthy. As noted by Johnston (2014, 94):

> *Outcomes and expectations are pressing issues in fragile and extensively corrupt settings, but they may also be particularly important in Influence Market cases. In no way are those countries immune to the bureaucratic pathologies and performance problems that ordinary indicators and benchmarks could reveal. But Influence Market corruption also includes practices that are not necessarily illegal, but still put significant strain on values of fairness, equity, and due process […]. Business privileges that might otherwise be seen as borderline or clearly corrupt, because of the ways they convert public resources and powers into private benefits, are often written into laws and policies. Political finance practices, lobbying, and the activities of many interest groups generally break no laws, and in many ways are integral to a vibrant democracy – but can also contribute to declining competition and openness in both politics and the economy […]. They are a major part of what citizens have in mind when they say leaders "don't care about people like me" or run a political process that has been corrupted by money.*

Johnston (2014, 95) proceeds by noting the irony in that increased transparency and large flows of publicly accessible data generated by several political finance practices have mainly served to "intensify citizens' sense that democracy has become fundamentally corrupted". This has in turn resulted in both growing pessimism and cynicism in many cases. He therefore argues that it is of utmost importance to understand expectations in Influence Market situations.

This line of argument is supported by empirical evidence from Maciel & De Sousa (2018), who show that perceptions of so-called *legal* or *institutional corruption* is related to dissatisfaction with democracy in advanced democracies, but not illegal corruption (bribery). Erlingsson et al. (2014) meanwhile demonstrate that there is a relatively widespread distrust towards public officials in the aforementioned Nordic countries, and that quite many citizens, especially in Sweden and Iceland, assess that citizens do not tend to receive fair treatment from public officials. Additionally, scholars observe a strong link

between perceptions of corrupt and dishonest bureaucrats and dissatisfaction with the performance of the political system (Erlingsson et al. 2014; Linde & Erlingsson 2013). This potent combination of great expectations, perceptions of unfair and corrupt treatment, and increasing cynicism and dissatisfaction with the performance of the democratic system could together contribute to producing the kinds of attitudes that are of interest in this paper.

But what does it actually mean to say that the public institutions of certain countries are "too frail" to have an impact on attitudes toward corruption and free riding, and what does it suggest for societies with relatively robust institutions? This paper argues that the answer can at least partially be found in the prevailing norms of fair treatment in different societies or an *adjustment to prevailing circumstances*.

Many studies have proceeded from the point of departure that fair treatment is a universal norm (e.g. Tyler 1990). However, a few very recent empirical studies suggest that this might not actually be the case.

Ariely & Uslaner (2017) claim that long historical experiences of high levels of economic inequality and endemic corruption could potentially mean that the citizens of these kinds of societies have become socialized not to expect fair and evenhanded treatment on behalf of public authorities. The authors combine the arguments from Uslaner's (2008) "inequality trap"-thesis and the earlier discussed arguments regarding unfairness as the foundation of corruption, arguing that citizens in general perceive higher levels of grand corruption, i.e. corruption in the highest echelons of government, in countries with high inequality. However, they also claim that ordinary citizens are less likely to associate petty corruption and unfair treatment by low-level public officials with grand corruption (Ariely & Uslaner 2017, 352-353). They perceive petty corruption as annoying, but also as a minor instance of unfairness, when compared to the grand corruption often observed in highly unequal societies. Perceptions of grand corruption are also argued to be a more serious problem than petty corruption because citizens have a tendency to associate it with inequality, and it is furthermore claimed to result in less trust in other people (Uslaner 2008, 92).

Ordinary people in highly unequal societies notice that the wealthy are given unfair advantages, often through bribery or connections, and hence come to believe that the "game is rigged" in favor of unscrupulous elites (Uslaner 2011, 143; see also You & Khagram 2005). Consequently, they also come to believe that you cannot get rich without being corrupt, which may erode their civic morality and willingness to comply with public norms. Therefore, we would expect tolerance of free riding to be generally higher in highly unequal and corrupt societies.

Meanwhile, citizens in societies with a relatively equal distribution of resources and "clean" institutions are claimed to hold greater expectations (and demands) regarding their public institutions and officials (Ariely & Uslaner 2017; see also Uslaner 2008). They see unfair treatment as, in the words of Ariely & Uslaner (2017, 350), "a violation of the integrity of the governmental system". Citizens are more likely to connect perceptions of unfair treatment by street-level bureaucrats with grand corruption. Hence, those citizens who perceive unfair treatment on behalf of the output side of the political system are more likely to perceive higher levels of grand corruption and conclude that the regime is corrupt. The results of Ariely and Uslaner's (2017) empirical analyses containing data from the ISSP 2006 survey for 31 countries seemingly confirm that people who perceive unfair treatments are considerably more likely to perceive grand corruption and that these perceptions are higher in more unequal countries. However, the results also indicate that "[t]he impact of fair treatment on corruption perceptions is much greater in more equal countries, where people are far more likely to expect fair treatment" (Ariely & Uslaner 2017, 358). The authors therefore conclude that perceptions of fair treatment are less important in highly unequal societies.

Marien & Werner (2019) come to very similar conclusions in their recent study using ESS 2010-2 data for 27 countries. Their analyses show that perceptions of fair treatment by police officers are related to higher levels of institutional trust, which in turn are related to stronger compliant and cooperative attitudes among citizens. However, their study also shows that the relationship between perceptions of unfair treatment and trust in political institutions is stronger in countries where fair treatment is more common. Thusly, the authors come to the conclusion that in the "types of contexts in which fair treatment is

expected, a violation of the normative expectation of fair treatment is likely to have a stronger effect on citizens' institutional trust than in contexts characterised by systematic corruption" (Marien & Werner 2019, 89).

In order to measure the prevalence of fair treatment Marien & Werner (2019, 76) use the extent of corruption (operationalized using TI's CPI) as "a proxy for the normative expectations of citizens in a particular society". However, as we saw in the previous discussion, one could also arguably use the level of economic inequality as a proxy for the level of normative expectations regarding fair and unfair behavior (Ariely & Uslaner 2017). Moreover, one could also very well imagine that a combination of both extremely high inequality and corruption could be especially potent.

Based on the previous discussions, one could expect tolerance of free riding to be significantly higher in highly unequal and corrupt societies, where citizens associate inequality with elite corruption. Furthermore, we would also expect the link between trust in the law-implementing institutions and tolerance of free riding to be significantly weaker in these same contexts, due to differences in normative expectations. However, because the focus of this paper is on context-related variations in the relationship between institutional trust and tolerance of free riding, only the following hypothesis is formed:

H2: The association between bureaucratic distrust and tolerance of free riding is stronger in countries perceived as less corrupt and more egalitarian.

Data, variables and method

Data

This study utilizes high quality data from the four[2] latest waves of the World Values Survey.[3] This sample includes in total more than 300 000 individuals from over 90 different

[2] The number of countries included in the WVS was very limited in the first two survey waves covering the periods 1981–1984 and 1990–1994 (10 and 18 countries respectively).
[3] 1995–1999 (Wave III), 2000–2004 (Wave IV), 2005–2009 (Wave V), and 2010–2014 (Wave VI).

countries representing all global regions of relevance. However, after the deletion of cases where there are data missing for key variables of interest, the final sample includes 84 countries, 170 country-waves, and around 230 000 individual respondents. Other data sources for the macro-level variables include the V-Dem extended dataset (2018), the Worldwide Governance indicators (The World Bank [3]), the UNDP (2018) Human Development database, the UNU-WIDER (2017) World Income Inequality Database (WIID), and the Boix-Miller-Rosato (2014) and Polity Project (2019) datasets.

Dependent variable

The dependent variable "Tolerance of free riding" is operationalized using the following four items included in the WVS asking respondents regarding the justifiability of the following actions: [1] "claiming government benefits to which you are not entitled", [2] "avoiding a fare on public transport", [3] "cheating on taxes if you have a chance", and [4] "accepting a bribe in the course of their duties". For each question, respondents were given an answering scale that ranges between 1 ("Never justifiable" and 10 ("Always justifiable"). In order to maximize the limited variance and deal with the skewness of the dependent variable, all four scales are recoded so that all respondents who answered that the four corrupt practices were justifiable to some degree (9-10) receive a value of 1 while those who declared them "never justifiable" receive a value of 0 (see Pop 2013, 31). The four recoded items are then combined into an additive index ranging from 0-100.

Independent variables

Distrust in the implementing institutions ("Bureaucratic distrust") is operationalized using an aggregated index containing items that measure the respondent's trust in the following three institutions: the police, courts, and civil service. A reliability analysis reveals that the Cronbach's Alpha of a scale containing the three items is 0.743, which indicates that respondents scoring high on one variable tend to score high on all three.

Unfortunately, the question that measures people's confidence in the courts is missing in wave 4 (2000 – 2004) of the World Values Survey, resulting in a loss of both countries and country-waves. This study has therefore decided to only include the items regarding confidence in the police and the civil service in order to maximize the number of higher-

level units. This indicator is treated as a continuous variable with a scale that ranges from 0-1 where one indicates a complete lack of confidence. However, this study will also perform its analyses using the three-item index and report if there are any substantial differences in the results.

Corruption perceptions is operationalized using the Control of Corruption indicator (CCI), which is part of the World Bank's Worldwide Governance Indicators (WGI) (Kaufmann et al. 2010). This indicator measures the level of corruption on a scale of -2.5 to +2.5, where the higher the index, the less corruption. The scale of this variable has been recoded to range from 0-1.

Economic inequality is operationalized in this study using the standard measure of inequality, the (income based) Gini index, which measures how unequal the distribution of income is as a Gini coefficient on a scale from zero to 100. The data for this variable originate in part from both the V-Dem extended dataset (2018) and the UNU-WIDER (2017) World Income Inequality Database (WIID). The scale of this variable has been recoded to range from 0-1 in order to facilitate interpretation.

Control variables

Six different standard questions in the WVS regarding socio-economic status (SES) are included in the analyses as individual-level controls: Age, gender, income, education, marital status, and employment status. Additionally, an indicator measuring the respondent's religiosity[4] and another measuring his or her generalized trust[5] are also included in the models. All controls are recoded to range from 0-1.

A country-level dummy variable for the post-communist countries is also included as a control, due to previous observations of a higher than average tolerance of corruption and

[4] The indicator of religiosity used in the current study is based on the WVS survey item asking "How important is God in your life?" on a scale of one ("Not at all important") to 10 ("Very important"), which is treated as continuous and recoded to range from 0-1.

[5] This variable is operationalized using the standard survey question used to measure social capital in the literature: "Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?", which is recoded to range between 0 ("Most people can be trusted") and 1 ("Need to be very careful").

free riding in this group of countries, which is argued to be a result of socialization under the dysfunctional communist regimes (Pop 2012, 30).

Method

This study utilizes *three-level hierarchical multilevel modeling* where the primary units of observation are individuals (the first level) nested within country-waves, (the second level) which in turn are nested within countries (the third level). The outcome variable of interest, "Tolerance of free riding", is treated as a *linear outcome*.

Multilevel regression models enable me to analyze if and how my dependent variable varies across different contexts and how different contexts affect the relationship between bureaucratic distrust and tolerance of free riding on the individual level. The intraclass correlation coefficient (ICC) allows the estimation of the degree to which variance in tolerance of free riding is explained on the country and country-wave levels respectively (Hox et al. 2017).

Empirical analyses

Table 1 Descriptive information of main variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tolerance of free riding	230 143	0	100	38.29	38.32
Bureaucratic distrust (police & civil service)	224 221	0	1	.5041	.252
Age	242 459	15	99	41.37	16.39
Gender (female)	242 953	0	1	.52	.500
Household income	223 900	1	10	4.67	2.32
Education (university degree)	242 953	0	1	.15	.36
Marital status (married)	242 953	0	1	.57	.495
Employment status (unemployed)	242 953	0	1	.10	.296
Religiosity	237 357	1	10	7.63	3.02
Generalized trust (high)	242 953	0	1	.71	.455
Income inequality, Gini	242 953	19.45	73.30	39.39	9.86
Control of Corruption (WGI)	242 953	-1.39	2.53	.095	1.06
Post-communist country	242 953	0	1	.26	.437
Valid N (listwise)	198 063				

Table 2 Multilevel regression models for tolerance of free riding

Variables	**Model 1: Random intercept**	**Model 2: Random slope**	**Model 3: Cross-level interaction 1**	**Model 4: Cross-level interaction 2**
Micro-level variables				
Bureaucratic distrust	3.4(1.3)***	5.3(1.2)***	4.1(1.0)***	5.3(1.1)***
Age	-23.8(1.9)***	-23.5(1.9)***	-23.5(1.9)***	-23.5(1.9)***
Female (dum.)	-1.6(0.3)***	-1.5(0.3)***	-1.5(0.3)***	-1.5(0.3)***
Level of income	3.5(1.2)***	3.5(1.2)***	3.5(1.2)***	3.5(1.2)***
University education (dum.)	-2.1(0.6)***	-2.1(0.6)***	-2.1(0.6)***	-2.1(0.6)***
Married (dum.)	-2.6(0.3)***	-2.6(0.3)***	-2.6(0.3)***	-2.6(0.3)***
Unemployed (dum.)	0.9(0.4)**	0.85(0.4)**	0.85(0.4)**	0.85(0.4)**
Religiosity	-11.1(1.8)***	-11.1(1.8)***	-11.1(1.8)***	-11.1(1.8)***
Low generalized trust (dum.)	-1.8(0.5)***	-1.9(0.5)***	-1.9(0.5)***	-1.9(0.5)***
Macro-level variables				
Income inequality	12.7(8.0)	10.4(8.0)	13.1(8.1)	10.3(8.0)
Control of Corruption	-0.4(4.8)	-0.156(4.7)	-0.336(4.7)	-1.0(4.8)
Post-Communist Country	9.6(3.4)***	8.9(3.4)***	8.9(3.4)***	8.9(3.4)***
Interaction effects				
Bureaucratic distrust*GINI			-24.2(4.9)***	
Bureaucratic distrust*Corruption				8.0(3.5)**
Intercept	39.8(1.8)***	40.4(1.8)***	40.4(1.7)***	40.4(1.8)***
Variance components:				
Level 3, intercept	66.1(20.5)	65.8(20.6)	64.7(20.5)	66.0(20.6)
Bureaucratic distrust/intercept		-10.8(13.8)	-3.5(12.4)	-11.0(13.4)
Bureaucratic distrust/Bureaucratic distrust		65.0(18.3)	44.1(15.0)	57.2(17.2)
Level 2, intercept	105.8(16.0)	107.0(16.2)	107.6(16.3)	107.0(16.2)
Bureaucratic distrust/intercept		-3.7(10.2)	-6.3(10.2)	-3.3(10.2)
Bureaucratic distrust/Bureaucratic distrust		61.6(12.6)	61.5(12.6)	63.3(12.9)
Level 1, intercept	1225.6(3.9)	1219.3(3.9)	1219.3(3.9)	1219.3(3.9)
N of countries (level 3)	84	84	84	84
N of country-waves (level 2)	170	170	170	170
N of individuals (level 1)	198063	198063	198063	198063
Estimation:	IGLS	IGLS	IGLS	IGLS
-2*loglikelihood:	1971379	1970660	1970643	1970656

*Note. Robust standard errors, ***p-value<0.01, ** p-value<0.05, * p-value<0.1 (2-tailed tests). All continuous variables have been grand mean centered.*

The ICCs in the null or empty model[6] are approximately 6.3 % at the country-level (level 3) and 7.5 % at the country-wave-level (level 2), which indicates that the remaining 92.5 % of the variation is explained by individual-level factors. All three variance components are highly significant ($p<0.01$), which indicates that "Tolerance of free riding" not only varies significantly among individual, but also across country-waves and countries. The estimation that only 7.5 % from the variance is due to contextual factors indicates that the differences between individuals weigh more than the differences between countries or country-waves.

Model 1 or the random intercept model allows the baseline levels for tolerance of free riding to vary across contexts and includes both the micro- and macro-level variables. As expected, we find a significant positive relationship between bureaucratic distrust and tolerance of free riding, a finding that *supports hypothesis 1*, according to which we would expect those who are less trusting of the law-implementing institutions to be more tolerant of free riding behavior. None of the contextual variables shows any significance, except for the control dummy variable for the post-communist countries, however, they all show the expected sign.[7] Next, in Model 2 or the random slope model I allow the effect of bureaucratic distrust on tolerance of free riding to vary between countries. The results reveal that the coefficient of "Bureaucratic distrust" has significant random components (Bureaucratic distrust/Bureaucratic distrust) that vary across countries and country-waves, which in other words suggests that the relationship between these two variables does vary across different contexts.

Model 3 introduces the first cross-level interaction component, "Bureaucratic distrust*GINI", which shows a highly significant negative effect, indicating that the positive association between bureaucratic distrust and tolerance of free riding tends to be considerably weaker, or even negative, in societies with high levels of income inequality. Figure 2 illustrates this relationship. Model 4 meanwhile includes the second cross-level interaction component, "Bureaucratic distrust*Corruption", which is considerably smaller

[6] Not shown but available on request (see Malmberg 2019, 94).
[7] Removing the post-communist dummy variable increases the size of the "Control of Corruption" coefficient to -7.1 (4.0) and reduces the size of the "Income inequality" coefficient to 2.1 (7.2).

than the previous one, but still significant (p-value<0.05). This second cross-level interaction coefficient shows a positive sign, which would suggest that the association between bureaucratic distrust and tolerance of free riding is weaker in highly corrupt societies. Figure 3 illustrates this relationship. Taken together, both cross-level interactions would seem to *support hypothesis 2*, according to which the association between bureaucratic distrust and tolerance of free riding is stronger in countries perceived as less corrupt and more equal. However, the level of income inequality seems to be the more relevant factor in explaining differences in the effect of bureaucratic distrust, and when both interaction effects are included in the same model[8], only income inequality comes out as significant. The positive significant interaction effect of inequality explains almost a third of the country-level variance of the random slope (reduced from 65 to 44 in Model 3 in Table 2), while the portion of explained variance is much smaller in the case of the interaction effect of corruption (from 65 to 57 in Model 4). This could potentially suggest that the level of inequality is a considerably better proxy for the norms of fair treatment than the level of perceived corruption by itself, as suggested by Uslaner & Ariely (2017).

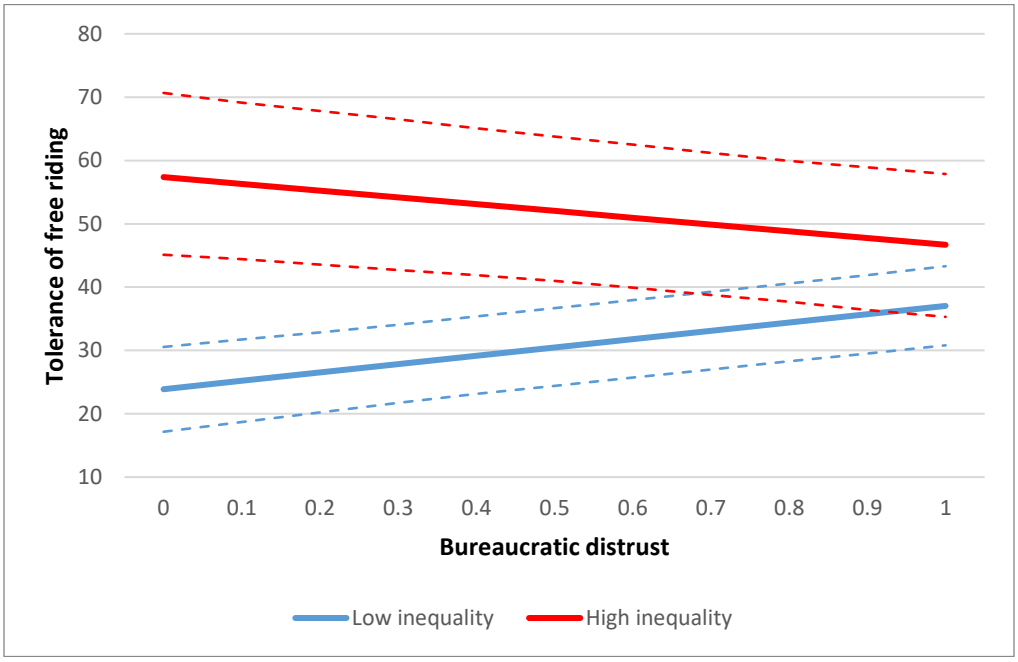

Figure 2 Cross-level interaction 1: bureaucratic distrust and income inequality

[8] Not shown, but available on request.

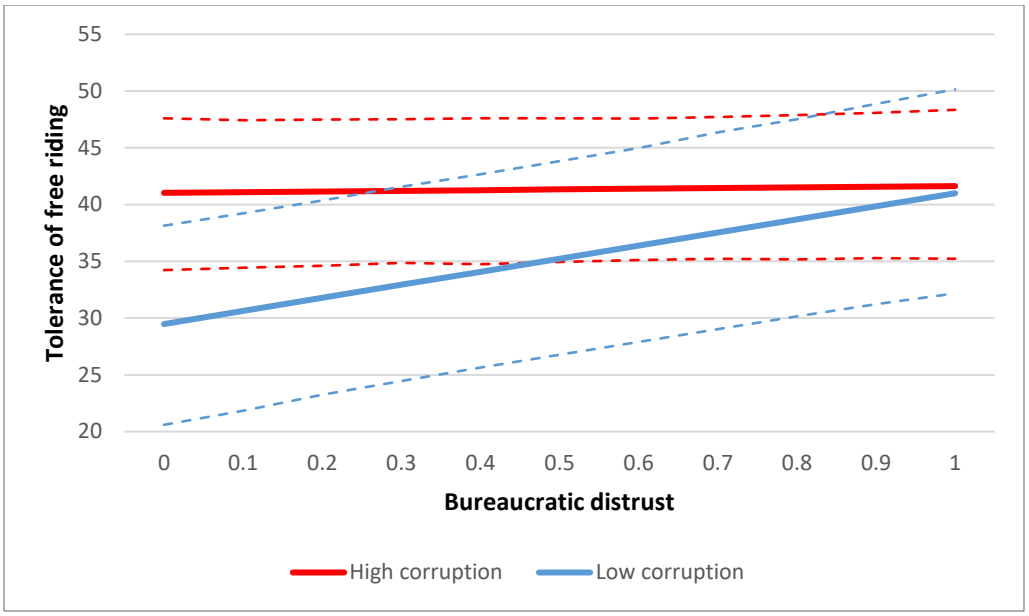

Figure 3 Cross-level interaction 2: bureaucratic distrust and control of corruption

Conclusions

A highly distrusting attitude towards public authorities generally tends to be associated with a higher tolerance of free riding behavior, as is often assumed based on theories on voluntary compliance with public norms. However, there is some evidence of variations in the magnitude of this effect, which could be related to certain contextual factors that in turn could be associated with the prevailing norms or expectations regarding fair treatment.

Of the two contextual variables examined in this study, it would seem like bureaucratic distrust interacts the strongest with income inequality (Gini) while the second strongest interaction is with perceived corruption. According to the previously demonstrated results, a high bureaucratic distrust is most likely to be related to a high tolerance of free riding in the economically least skewed and least corrupt societies, while the relationship is non-existing or sometimes even negative in the most unequal and corrupt societies. This last observation implies that a high confidence in public authorities could in some cases be associated with a high tolerance of free riding in extremely unequal and corrupt societies where tolerance, as we saw, is on average significantly higher than in more equal societies with a relatively high state capacity.

The earlier discussed arguments derived in parts from Ariely and Uslaner's (2016), Marien & Werner's (2019) and Andrews' (2008) recent studies could potentially assist in interpreting some of the results from where we looked at the relationships between the level of economic inequality, institutional trust and tolerance of free riding. Perceptions of unfair treatment and that "the game is rigged" by shadowy elites, i.e. perceptions of grand corruption, is more likely to result in both distrust of the state and more favorable attitudes towards malfeasance and uncivic behavior in relatively more equal societies where the principles of fair and impartial treatment are held in very high regard and often taken for granted. More poetically speaking, one could say that the fires of revolution burn the brightest where the ideals are the loftiest. Expectations among citizens thusly play a key role also in this line of argument.

Ordinary citizens pay taxes and expect high quality and impartial service delivery in return for their well-earned money. If they for some reason perceive that these expectations have not been met adequately, they may lose faith in the system and become less willing to pay taxes and more likely to express more positive sentiments towards uncivic behavior such as bribery. In highly unequal societies, on the other hand, ordinary people are less likely to perceive impartiality and fairness on behalf of public officials as the norm. They more or less willingly pay their taxes (or not) but they do not hold as high expectations of receiving fair and impartial treatment from the state, which they perceive to be in the pocket of the wealthy few. Consequently, when they encounter something that they perceive as unfair or partial treatment on behalf of the state, such as bureaucratic corruption, it does not influence their faith in the system or their willingness to obey the law as severely as in societies with a more equal distribution of resources. The public institutions are, in the words of Andrews (2008, 178), "too frail" to have any real direct impact on civic morality.

Reforms in relatively egalitarian contexts should hence focus more on strengthening and sustaining perceptions of fair treatment by both individual government officials and institutions. Here, one should also put more focus on combating the more common and ambiguous forms of public corruption, such as conflict of interest or favoritism by enabling and encouraging citizens to fight back against practices they find unfair through political processes, and by making them feel like they have "a place at the table" in public decision-

making (Andersson 2017; Johnston 2014). Any indications of discrimination or maltreatment by even a single individual official or institution could potentially shake the confidence in the entire system and result in a greater tolerance of corruption and malfeasance. The more traditional approaches to evoking high ethical standards and integrity among public officials are arguably of a considerably greater utility in these kinds of social settings.

Appendix

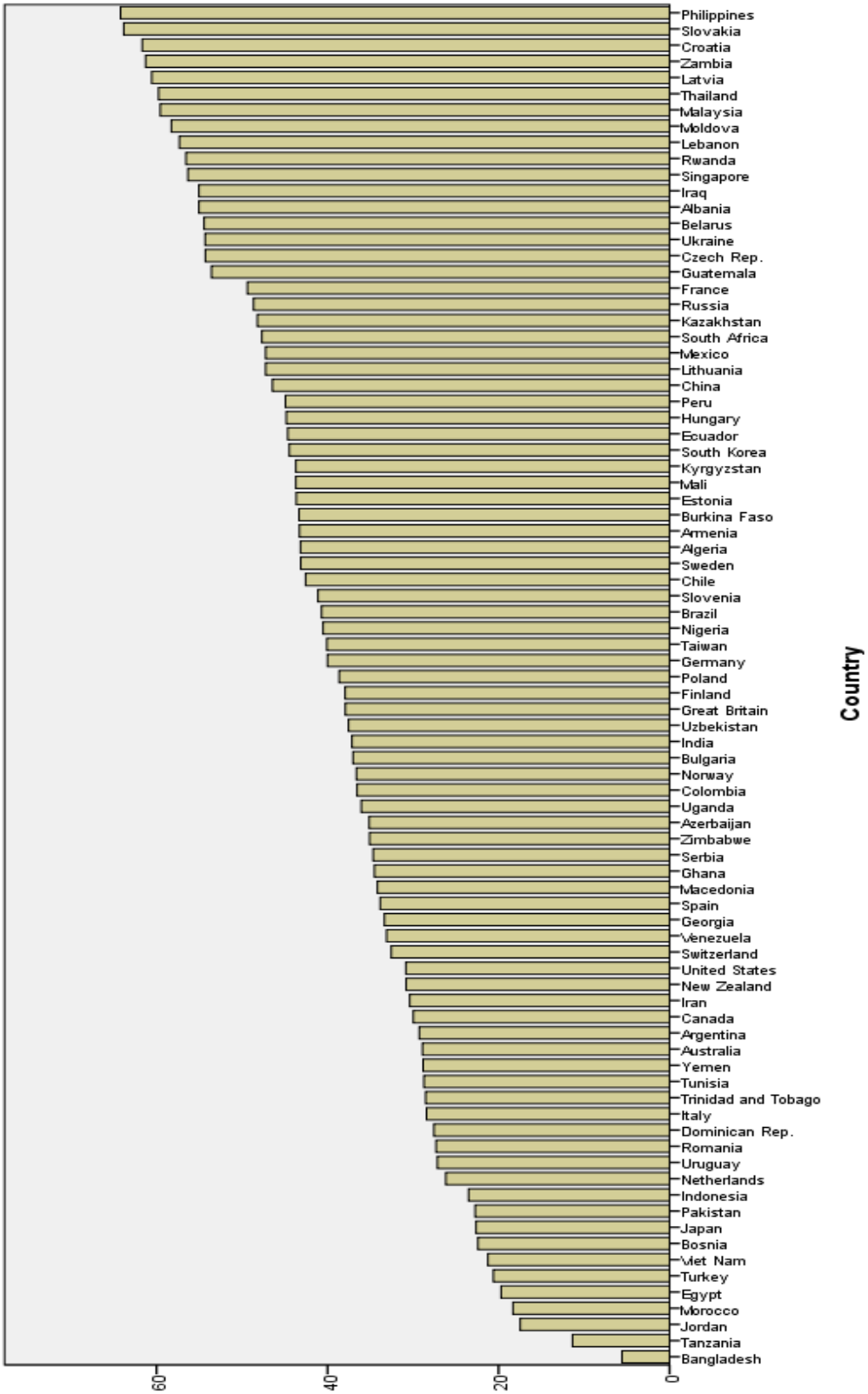

Figure 4.3 Average tolerance of free riding in 84 countries (WVS Wave 3-6)

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