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Bridging Structure and Perception: How Subjective Well-Being Mediates Political Trust

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Abstract

This research examines why individuals in more disadvantaged socio-economic positions tend to place less trust in political institutions than their more affluent counterparts. Building on the argument, advanced in *The Spirit Level* (Wilkinson and Pickett, 2010), that economic inequality shapes well-being along the socio-economic ladder, I test whether subjective well-being (SWB) constitutes a psychological pathway through which income shapes political trust. Using individual-level data from the European Social Survey Round 11 (fieldwork 2023/2024; N = 50,116 respondents across all 30 fielded countries) and confirmatory-factor-analysis-based measures of political trust and SWB, I estimate a parallel multiple-mediator model (Preacher and Hayes, 2008) in which SWB is entered simultaneously with four alternative subjective mediators -- social trust, political interest, internal political efficacy, and external political efficacy -- so that each mediator's specific indirect effect is estimated net of the others. Net of the other four mediators, SWB mediates 27.9% of the income-political trust association, a share statistically indistinguishable from social trust (32.9%) and larger than political interest (17.5%), consistent with the Happiness Contract account of political support (Esaiaasson et al., 2020). Internal political efficacy shows no reliable net mediating role once the other mediators are accounted for. External political efficacy remains the largest single pathway by a wide margin (61.5%), though, as discussed below, this likely partly reflects its conceptual proximity to political trust itself rather than a purely distinct causal channel - a proximity independently documented in the measurement literature (Craig and Maggiotto, 1982). This research contributes to the literatura on political trust by shedding light into the main pathways connecting income to this political attitude, and thus, showing both direct (income inequality) and indirect (mediators) pathways through which explain vairation on individuals trust in political isnitutions.

INTRODUCTION

Individuals in more vulnerable economic positions systematically report lower levels of political trust than their more affluent counterparts (Hooghe and Marks, 2005; Foster and Frieden, 2017). Studying the drivers of this parallel inequality is worthy for two principal reasons. First, it contributes to explaining how income varies with “what people want from their political insitutions and how they interact with them” (Devine, 2024: 1). Second, political trust is a key driver of norm compliance (Tyler, 2006; Levi and Stoker, 2000) and voting behavior (see Van Alebeek et al., 2026) at the individual level, and democratic stability at the aggregate level (Bornschieer and Kriesi, 2012; Quaranta et al.,

2021). Therefore, understanding its drivers should help shed light in explaining the latter contemporary phenomena too.

The relation between economic position and political trust has been explained in the literature through four established paths. From a utilitarian logic, it is explained how these groups are more exposed to economic risk and are more likely to perceive political institutions as unresponsive to their needs (Goubin and Hooghe, 2020; Foster and Frieden, 2017; Schoon and Cheng, 2011; Newton, 2007). From a cultural perspective there are three alternative paths to the utilitarian explanation. The social capital perspective (Putnam, 2000) argues that higher socio-economic status (SES) increases the material capacity to engage in social life and develop the civic skills that enhance both social and political trust (Verba et al., 1995). Third, from a socialization perspective (Verba et al., 1995; Almond and Verba, 1963), it is explained how higher-income individuals are more familiar with institutionalized procedures, which fosters greater knowledge on political participation as well as higher political interest, consequently, increasing the levels of trust in institutions (Maurissen, 2020; Mingo and Faggiano, 2020; Mayne and Hakhverdian, 2016; Inglehart, 1997).

In this research I study a fourth path explaining the relation between individual income and political trust. On the one hand, I depart from the argument and evidence presented in *The Spirit Level* (Wilkinson and Pickett, 2010) showing that economic inequality shapes individuals' well-being along the socio-economic ladder. Hence showing how individual well-being is partially determined by one's position in the income distribution. On the other hand, the *Happiness Contract Theory* (Esaïasson et al., 2020) explains how individual subjective well-being is associated to political support. According to this theory individuals judge institutions based on the expectation that they will deliver the necessary conditions to reach a satisfactory level of well-being. When this expectation is not met, individuals respond withdrawing their support from institutions (Esaïasson et al., 2020). Henceforth, I investigate whether subjective well-being (SWB) constitutes a well-being mediation pathway through which income shapes political trust.

SWB is the term used in psychology to measure individuals' evaluations of their quality of life, and it is a particularly comprehensive measure of people's subjective evaluations of their lives (Diener, 1984; Diener et al., 2018). Besides the Happiness Contract Theory, there is a new literature highlighting the scientific relevance of SWB to understand attitudes of political support. Higher levels of SWB are associated with greater political participation (Ojeda, 2015; Ward, 2020), stronger support for democratic institutions (Sengupta and Sibley, 2019), higher voter turnout and pro-incumbent behavior (Algan et al., 2019; Ward et al., 2021).

In parallel to political support, SWB is closely associated with objective socio-economic indicators (see Clark, 2018), and therefore conditioned by their distribution too (Schneider, 2019). Regarding income, there are two mechanisms of association. On the one hand, the direct effect that marginal increases in the amount of income has on SWB through improvements in material needs (Veenhoven, 1988, 1991; Diener et al., 1993).

On the other hand, there is an indirect effect linked to individuals' position within the income hierarchy, which helps explain variation in SWB (Easterlin, 1974; Di Tella et al. 2010). There is further experimental evidence concerning the indirect effect one's relative position in a hierarchical structure exerts on individual well-being. According to experimental studies with both non-human primates and persons, the position one occupies in a hierarchical social structure (e.g. whether in a macaque community, based on traditional institutions like the castes in India, or random choice traits like eye color) generates status anxiety among those at the lower end, directly affecting their well-being (Peters, 1987; Shively and Clarkson, 1988; Shively and Clarkson, 1994; Steele and Aronson, 1995; Morgan et al., 2002; Dickerson and Kemeny, 2004; Hoff and Pandey, 2004). Therefore, socio-economic indicators do not only exert a direct effect on well-being evaluations through utilitarian expectations of material maximization, but also through a relational indirect effect of status perceptions.

Henceforth, this study examines to what extent income (operationalized throughout as equivalized household income, EHI) translates into political trust through its impact on SWB. I empirically address this question by leveraging individual-level data from the European Social Survey Round 11 (fieldwork 2023/2024) for a set of European countries (ESS round 11 sample). To measure political trust I constructed a multiple measure index using Confirmatory Factor Analysis (CFA) with measures of trust in politicians, political parties, and national parliament. For SWB, I employed a confirmatory-factor-score-based measure (following established survey-based practice in subjective well-being research; Proctor, 2014; OECD, 2013) of life-satisfaction and happiness. To evaluate the distinctiveness of the SWB mediation pathway, I additionally compare it against the four alternative mediators according to the literature: social trust, political interest, internal political efficacy, and external political efficacy.

The empirical analysis yields five principal findings. First, political trust increases with the level of income. Second, a robust, statistically significant positive association exists between income and political trust. Third, a substantial share of this total association is mediated by SWB. Fourth, when SWB's specific indirect effect is estimated jointly and net of four alternative pathways -- social trust, political interest, internal political efficacy, and external political efficacy -- in a single parallel multiple-mediator model SWB mediates 27.9% of the total income-political trust association, a share statistically indistinguishable from social trust (32.9%) and larger than political interest (17.5%) and internal political efficacy's net specific indirect null effect. External political efficacy's net indirect effect remains far larger than any other pathway (61.5%), with the important caveat that "perceived system responsiveness" is conceptually closer to political trust. SWB, by contrast, is conceptually far from political trust and so offers cleaner evidence of a genuine mediating pathway comparable to established pathways according to existing research. This pattern holds, with meaningful cross-national heterogeneity, when the (SWB-only) model is re-estimated separately across each of the thirty ESS Round 11 countries.

The socio-economic determinants of political trust

Political trust is one of the indicators observed to study individuals' feelings about the institutions of the corresponding political system (Newton and Norris, 2000, 53). Among a variety of approaches to the concept, the trust-as-evaluation definition conceptualizes political trust as a performance-based judgment: citizens grant trust to political institutions based on the expectation of positive performance (Levi and Stoker, 2000; Hardin, 2000: 9). Rather than treating trust as a fixed cultural inheritance, this perspective understands it as contingent on observable outcomes and performance of the relevant institutions.

This attitude of political support is considered a fundamental attribute of well-functioning democratic regimes, as it enhances cooperation and compliance with political norms (Easton, 1965, 1975; Levi and Stoker, 2000; Almond and Verba, 1963). In other words, political trust acts as "the glue that keeps the system together and as the oil that lubricates the policy machine" (Tom van der Meer and Dekker, 2017: 1). Moreover, declines in political trust have been shown to threaten democratic stability, undermine compliance with norms, foster anti-system mobilization, and reduce political participation (Simon Bornschier and Hanspeter Kriesi, 2012; Mario Quaranta et al., 2021; Alebeek et al., 2026).

Economic explanations of political trust point to the relevance of socio-economic indicators in explaining this attitude. Existing evidence shows that deteriorating macroeconomic conditions --especially rising unemployment, declining growth, and fiscal distress-- are strongly associated with falling confidence in political institutions (Roth and Jonung, 2020; Foster and Frieden, 2017; Armingeon and Guthmann, 2014; Kroknes et al., 2015). At the individual level, variation in trust levels closely tracks national economic performance indicators, supporting the claim that macroeconomic downturn translates into trust declines (Van der Meer and Van Eerkel, 2024; Foster and Frieden, 2017). This macro-level relationship interacts with the individual level as socio-economic indicators are consistently associated with variation in individual levels of trust in institutions (Foster and Frieden 2017; Schoon and Cheng, 2011; Guiso et al., 2008).

Nevertheless, existing evidence points to the critical role of individual perceptions and circumstances to explain the link between macro-events and individual attitudes (Dalton 2004:64-5, 75, 114-16; Lawrence 1997: 112-13; McAllister 1999). Individual circumstances such as low occupational or educational status (Foster and Frieden, 2017), perceptions of job insecurity (Wroe, 2014), perceived economic performance (Lee et al. 2020), perceived country characteristics such as economic performance or the healthcare system (Mingo and Faggiano, 2020), or fairness perceptions in resource distributions (Zmerli and Carlos-Castillo, 2015; Lee et al., 2020; Bobzien, 2023), mediate the effect of aggregate variables such as economic downturns on political trust.

Moreover, research studying individual perceptions vis-à-vis micro-level objective indicators consistently suggests that the subjective appraisal of reality --how an individual evaluates and experiences their socio-political reality-- is crucial in explaining the formation of political preferences and attitudes (Winke et al., 1996; Eagly and Chaiken,

2007; Forgas, 2002; Storbeck and Clore, 2008). For instance, research on occupational status shows how people at the same level in the occupational scale perceive job insecurity differently (Andersson-Stråberg et al., 2007; Klandermans et al., 2010). Similarly, perceptions of financial insecurity were found to explain both cross-sectional and longitudinal individual-level associations to support for EU integration net of occupation or income (Fernández and Teney, 2024). Therefore, the literature points to a thorough inquiry of the subjective mechanisms that, in the process of attitude formation, link objective indicators to political attitudes at the individual-level (Van der Meer, 2011).

Here, I examine whether SWB is one of the psychological constructs connecting individual objective socio-economic circumstances (income) to their attitudes towards political institutions (political trust). On the one hand, recent evidence on the political implications of SWB indicates a substantial association with political support (Sengupta and Sibley, 2019; Algan et al., 2019; Ward et al., 2021) and voting behavior (Liberini et al., 2015; 2017; Algan et al., 2017; Alabrese et al., 2018; Herrin et al., 2018; Ward, 2020; Lindholm et al., 2024; Burger and Eiselt, 2024; Ward et al., 2025). On the other hand, as well as political trust, SWB is largely dependent on individuals' socio-economic characteristics (Clark, 2018) and to their positions in the socio-economic structure (Schneider, 2019; Wilkinson and Pickett, 2010).

The political significance of SWB

Subjective well-being (SWB) is the scientific term commonly used in psychology to define and measure human "happiness" (Proctor, 2014). It is defined as individuals' evaluations of their quality of life (Diener et al., 1997) and measures the extent to which individuals judge their lives as satisfactory (Diener, 1984). Existing evidence shows that subjective well-being (SWB) is related to individuals' political attitudes and behavior; yet these results systematically point to an association with the distribution of socio-economic conditions.

Concerning attitudes of political support and trust in governing institutions, a study of the richest one percent in New Zealand shows that this group has significantly higher SWB than the rest of the population, and that this difference drives their higher levels of trust in the political system (Sengupta and Sibley, 2019). In line with this, a study of the low though lucky proportion of individuals winning the lottery in Spain shows that they become more supportive of incumbent parties, and that this effect is significantly correlated with increased SWB (Bagues and Esteve-Volart, 2016).

When analyzing electoral choices, in line with the literature on political discontent, pointing to a strong effect of SES on political behavior (see Kriesi et al., 2008; Gidron and Hall, 2017; Gest, 2016; Rodrik, 2018); SWB is positively associated with voting for incumbent parties (Liberini et al., 2015; 2017; Ward, 2020), while it is negatively related to support for challenger candidates (Ward et al., 2025; Lindholm et al., 2024). For instance, lower life-satisfaction has been linked to voting for Marine Le Pen in the 2017 French presidential election (Algan et al., 2017), voting for Donald Trump in the 2016 U.S. election (Herrin et al., 2018), higher odds of supporting populist parties in the

Netherlands (Burger and Eiselt, 2024), and voting for Brexit in the United Kingdom (Alabrese et al., 2018; Liberini et al., 2017b). Taken together, this evidence points to a close association between SWB and attitudes toward political institutions and suggests that SWB may operate as one of the subjective mechanisms translating socio-economic circumstances into political evaluations.

The Happiness Contract theory explains why and how individuals relate their well-being perceptions to political evaluations. This theory argues that citizens implicitly sign a "psychological happiness contract" with their governing institutions, according to which the latter is "accountable for delivering the conditions that allow them to reach a satisfactory level of happiness" (Esaiaasson et al., 2020: 26). Therefore, individuals will trust political institutions as long as they perceive that their living conditions ensure the expected level of well-being. When their conditions fall short of these expectations, individuals withdraw their trust in political institutions (Esaiaasson et al., 2020).

In addition, psychological mechanisms based on self-enhancement and attribution theories help explain this relationship. According to the former, humans need to preserve a positive self-image of themselves (Alicke and Sedikides, 2009; Pfeffer and Fong, 2005). Therefore, and according to attribution theory, when their happiness declines, they are more likely to externalize responsibility for this decline onto third parties---in this case, political institutions (Bradley, 1978; Campbell and Sedikides, 1999; Miller and Ross, 1975). Moreover, in order to maintain a sense of agency, individuals respond to these perceived declines by withdrawing their support from the relevant institutions (Esaiaasson et al., 2020: 37; see also Kelly and Michela, 1980).

Hence, though individuals' trust in political institutions depends on their expectation of macroeconomic performance, country-level characteristics, and individual conditions, the formation of this attitude relies heavily on individuals' subjective appraisal of their own circumstances too. Yet, as I elaborate below, individuals' SWB is, to a large extent, shaped by structural conditions. Therefore, this study examines to what extent is SWB the variable mediating socio-economic conditions into varying levels of trust in political institutions.

Structure and Perception, the mediation of SWB

In contemporary societies, socio-economic status (SES) is determined by a wide range of objective indicators (e.g., education, income, and occupation) (Mueller and Parcel, 1981) that are also closely associated with material well-being (Geyer and Peter, 2000). Here I focus on income as the most direct and parsimonious measure of individual SES. Furthermore, its construct validity has been supported with recent evidence comparing the predictive power of seven SES conceptualizations on individuals' attitudes towards redistribution, which concludes that income is the measure with the highest predictive power in 14 out of 24 European countries (Jaime-Castillo and Fernández, 2023). Additionally, there is a long-standing tradition in the literature on well-being and particularly life-satisfaction studying the association between income and happiness to which this piece of research aims to contribute too (see Easterlin, 1974, 2001; Veenhoven

1988, 1991; Diener et al. 1993; Di Tella et al. 2010; Kahneman and Deaton 2010; Deaton, 2008).

The relationship between income and SWB is typically explained through two main pathways. The direct absolute income hypothesis holds that higher income increases well-being by allowing individuals to satisfy material needs and improve living conditions (Veenhoven 1988, 1991; Diener et al. 1993). While absolute income has a positive --yet diminishing-- effect, as shown by micro-level and cross-country studies (Kahneman and Deaton 2010; Deaton, 2008), the most common finding in this literature indicates that relative position within the income distribution is a key driver of well-being in developed contexts (Schneider, 2019).

The second indirect pathway relies on the relative income hypothesis, which departs from the observation that marginal income increases do not change SWB if relative position in the income distribution does not change (Easterlin, 1974, 2001; Di Tella et al. 2010). Therefore, they argue that individuals evaluate their well-being in comparison to others, so their position within the income distribution matters more than absolute income levels (Dorn et al., 20017; Ferrer-i-Carbonell, 2005; Luttmer, 2005; Weinzierl, 2005).

This indirect effect of income on SWB is further elaborated in The Spirit Level (Wilkinson and Pickett, 2010), and validated with micro-data by Schneider (2019). This association is explained by the relative deprivation mechanism, which argues that individuals evaluate their circumstances through social comparisons (Festinger, 1954; Davis, 1959; Runciman, 1966; Crosby, 1976). Perceiving oneself as worse off than relevant reference groups generates feelings of dissatisfaction, which reduce SWB (Clark & Oswald, 1996; Luttmer, 2005; Card et al., 2012).

Furthermore, in hierarchical societies, individual's position within the social ladder appears to exert a causal effect on the distribution of individual well-being. Experimental evidence from studies with non-human primates supports this claim. In a study examining the effects of social status on brain activity, researchers found that higher status within a macaque community was associated with elevated dopamine receptor availability. By contrast, low-status primates did not show similar neurochemical activity and were more likely to self-administer cocaine as a compensatory response --they were medicating themselves against the adverse effects of low status (Morgan et al., 2002). Similarly, experiments that manipulated the social hierarchy of macaques showed that downward mobility was associated with increased stress-related physical effects, including greater atherosclerosis in their arteries (Shively and Clarkson, 1994) and higher accumulation of abdominal fat (Shively and Clarkson, 1988).

Experimental evidence in humans points in the same direction. Studies that manipulate perceived social status---whether based on entrenched hierarchies (e.g., caste or ethnicity) or arbitrary characteristics (e.g., eye colour)---show that inducing a sense of lower status has significant effects on self-perception, stress responses, and cognitive performance (Peters, 1987; Hoff and Pandey, 2004; Steele and Aronson, 1995). Taken together, this body of evidence supports the argument that, in hierarchical social structures, status is a

key determinant of psychosocial distress due to the insecurity and anxiety appraisals it generates (Dickerson and Kemeny, 2004). Therefore, the income-SWB relation relies on two pillars: the satisfaction of material needs and the self-perceived position in the income hierarchy.

Alternative Indirect Paths

Nevertheless, existing theories and evidence on the link between income and political trust point to four alternative subjective mechanisms against which SWB's mediation path can be compared in relative, descriptive terms: political interest, social trust, internal political efficacy, and external political efficacy.

External Political Efficacy. External efficacy is the belief that political institutions and authorities are responsive to citizens' demands (Niemi et al., 1991). From a utilitarian logic higher income individuals are more likely to perceive existing political and economic institutions as responsive to their interests and thus trustworthy, in contrast to those down the income ladder (Foster and Frieden, 2017). As Putnam (2000: 138) wrote on the association between SES and political trust: "the better-offs have been materially successful, so why should not they trust social arrangements that have served them well?" Should be noted the conceptual proximity to political trust: the belief that institutions are responsive to citizens' needs sits conceptually close to the belief that institutions meet the expectations of positive performance (Craig and Maggionto, 1982: 87).

Internal Political Efficacy. Internal efficacy is the belief in one's own competence to understand and participate effectively in politics (Bandura, 1997; Kahne and Westheimer, 2006). There is a socialization mechanism here: income affords the time, stability, and institutional access needed to accumulate direct experience with institutionalized political participation and it is this experience with these channels that builds a citizen's sense of political competence (Maurissen, 2020).

Political Interest. Political interest is "the degree to which politics arouses a citizen's curiosity" (van Deth, 1990, p. 278, cited in Maurissen, 2020, p. 342), and is well established as one of the most consistent predictors of political attitudes and participation (Verba et al., 1995). The income link is usually cast as a socialization mechanism too: education and the social experiences that track with higher income expose citizens more thoroughly to institutionalized civic and political participation. This experience cultivates curiosity and familiarity with institutionalized norms, procedures, and politics, which is ultimately channeled to increased trust in political institutions (Almond and Verba, 1965; Mishler & Rose, 2001; Mayne & Hakhverdian, 2017; Kołczyńska, 2020; Bornand and Klein, 2022: 3; Hassan, 2025).

Social Trust. Social (interpersonal) trust is the odd one out among the four in that its logic runs bottom-up rather than through political institutions directly. Brehm and Rahn's (1997) structural model treats civic engagement and interpersonal trust as reciprocally reinforcing, and shows that this individual-level "virtuous circle" generalizes upward into

confidence in government: people who trust others expect reciprocal compliance with rules and authority, so "confidence in government could be a generalization of interpersonal trust, or an extension of trust in authority figures closer to oneself" (pp. 1002–1003). Income enters this chain empirically rather than theoretically: using longitudinal panel data from the US and UK, Brandt et al. (2015) find that increases in income predict later increases in social trust — and not the reverse — which is exactly the causal ordering (income → social trust → political trust) this chapter's mediation models assume. Their preferred explanation is psychological: low socioeconomic status exposes people to chronic threats to their social standing, producing a defensive posture that manifests as lower generalized trust, while higher status affords "the luxury to trust other people" (p. 765) and the social capital-building experiences documented by Putnam (2000). Unlike the other three mechanisms, then, social trust's route to political trust is not through direct exposure to or evaluation of political institutions, but through a generalization of interpersonal expectations formed in the social sphere.

Therefore, beyond hypotheses 1-3 concerning the wellbeing mediation pathway under study here, I additionally contextualize and compare SWB's specific indirect effect against these four alternative as a descriptive benchmark that situates the magnitude of the SWB pathway in relative context. I do not expect, and do not test for, SWB being numerically stronger than these already-established mediator, or elaborate on the causal ordering between them, though I acknowledge existing overlaps between these contructs.

HYPOTHESES

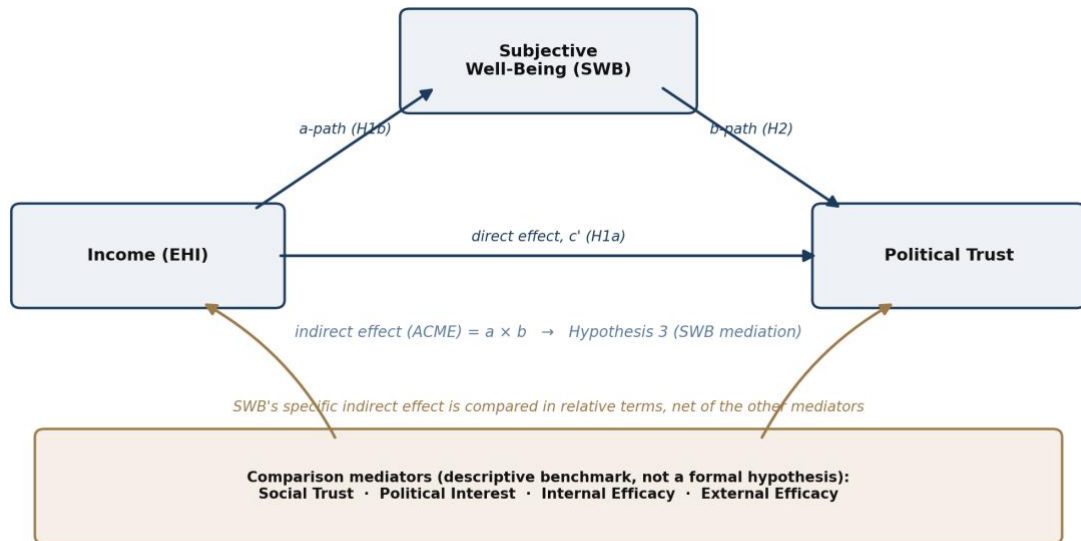
Hypothesis 1a: Individuals located (lower) higher in the income distribution exhibit (lower) higher levels of trust in political institutions. (Relative deprivation mechanism)

Hypothesis 1b: Individuals located (lower) higher in the income distribution exhibit (lower) higher levels of SWB. (Relative deprivation mechanism)

Hypothesis 2: Individuals with higher (lower) levels of subjective well-being exhibit higher (lower) levels of political trust. (Happiness contract mechanism)

Hypothesis 3: Subjective well-being mediates the relationship between income and political trust. (The SWB mediation pathway)

FIGURE 1. Hypothesized Path Diagram of the SWB Mediation Model



EMPIRICAL STRATEGY

Data

For the empirical analysis of these hypotheses, I needed population representative data on income, SWB, and political trust. Therefore, I employed European Social Survey (ESS) Round 11 data (fieldwork 2023-2024), which contains measures of the main variables of interest comparable across countries (30 countries in ESS Round 11).

Concerning political trust I used a confirmatory factor analysis (CFA) to construct a composite measurement of trust in political institutions with the measures of respondents' trust in national parliament, politicians, and political parties. The standardized ML factor loadings for this three-indicator model are: politicians (0.952), political parties (0.917), parliament (0.791). Internal consistency is very good (Cronbach's alpha = 0.914, N = 48,462). With three indicators and one factor, the congeneric single-factor model is exactly identified ($df = 0$): three observed variances plus three covariances yield six sample moments, matched one-for-one by three loadings, three uniquenesses, and a fixed factor variance, so the model reproduces the observed covariance matrix exactly and no formal chi-square test of fit is possible or necessary. The loading pattern and reliability statistic both indicate a well-behaved single-factor solution. Factor scores were then extracted using a regression-scoring method and used as the main dependent variable in the analyses.

To further assess construct validity, I compared the three-indicator political trust factor above against a broader institutional trust factor comprising trust in the legal system, the police, the European Parliament, and the United Nations. A correlated two-factor confirmatory model, in which each set of indicators loads only on its own factor, fits the data with $\chi^2 = 25,327.47$ ($df = 13$); collapsing both factors into a single common dimension yields $\chi^2 = 39,104.56$ ($df = 14$). The resulting nested likelihood-ratio test strongly favors the two-factor specification ($\Delta\chi^2 = 13,777.09$, $\Delta df = 1$, $p < .001$), even

though the two latent dimensions are highly correlated ($\varphi = 0.810$, $N = 44,050$). This confirms that political trust and broader institutional trust remain statistically distinguishable constructs, though empirically close.

Concerning the main independent variable I employed equivalized household income (EHI) the most proximate measure of disposable income in the household per individual (household member). To calculate this value per respondent I used the variables on household income measured in 10 points comparable across countries and divided it by the square root of household members. Therefore, this is a relative measure of individual income, which intends to adjust the values to the economic resources available per household member accounting for the economies of scale across household sizes. Thus, this is a good measure of relative economic position of individuals within their country as it accounts for household position and individual's disposable economic resources. (following the equivalence-scale approach in Hagenaars, de Vos, and Zaidi, 1994; Atkinson, Rainwater, and Smeeding, 1995; OECD, 2013).

For SWB, the subjective mechanism under test a CFA-based measure over a simple additive index, I constructed a confirmatory factor score from the same two well-established ESS items: global life-satisfaction (0-10) and happiness (0-10). A single-factor model with only two indicators is not statistically identified without an additional constraint (two indicators and one factor imply four free parameters -- two loadings and two uniquenesses, given a fixed factor variance -- against only three observed moments); I therefore impose tau-equivalence (equal loadings across both indicators), the standard simplification for two-item scales, under which the standardized loading has a closed form ($\lambda = \sqrt{r}$, where r is the correlation between the two standardized items). The resulting loading is 0.824 ($r = 0.679$), with Cronbach's alpha = 0.806 ($N = 49,588$), and factor scores were extracted using the corresponding regression-scoring method. This CFA-based SWB score is used as the mediator throughout the analyses below.

Further, I included the relevant covariates to account for confounding effects in the association between income and political trust due to ideology (self-placement in the left (1) - right (10) scale), gender (binary), age (continuous), education (recoded into five categories from the ES-ISCED classification), and country of the respondent. Additionally I included three core controls strongly associated with SWB and thus control for random variation in this variable: marital status (Diener et al., 2000), employment status (Lucas et al., 2004; Luechinger et al., 2010; Winkelmann, 2009), and religiousness (Lim and Putnam, 2010).

Finally, to evaluate whether SWB constitutes a distinctive subjective pathway linking income to political trust, I compare it against four alternative mediators validated in the literature. All four constructs are well-established correlates of political trust in the literature (Putnam, 2000; Verba et al., 1995; Niemi, Craig, and Mattei, 1991) and provide a natural comparison set against which to assess the specific, differentiated contribution of well-being to the income-political trust relationship. The first, social trust, is measured with the standard generalized-trust item -- "most people can be trusted" (0-10, *ppltrst*).

The second, political interest, is measured with the four-category ESS item on how interested respondents are in politics (polintr), reverse-coded so that higher values indicate greater interest. The third, internal political efficacy, is measured with the standard ESS item asking respondents how capable they feel of participating in politics (actrolga, 5-point scale from "not at all able" to "completely able", already coded so that higher values indicate greater self-reported efficacy, standardized to mean zero, unit variance). The fourth, external political efficacy, is measured with the standard ESS item asking respondents how much they think the political system allows people like them to have influence on politics (psppipla, 5-point scale from "not at all" to "a great deal", already coded so that higher values indicate greater perceived system responsiveness, standardized to mean zero, unit variance).

To make the five mediators comparable despite being measured on different original scales -- SWB from a confirmatory-factor-score index of life satisfaction and happiness, social trust and the two efficacy items from Likert-type survey items, and political interest from an ordinal item -- every mediator and the political trust outcome were standardized (z-scored to mean zero and unit standard deviation) prior to estimation. Because the proportion of the total effect mediated (ACME divided by the total effect) is a ratio expressed in the outcome's own units, it is already scale-free with respect to the mediators' original metrics; standardization instead ensures that the unstandardized path coefficients reported in the equations below (a, b) are expressed in comparable standard-deviation units across mediators, so that path magnitudes, and not only mediated shares, can be meaningfully compared across the five mechanisms considered in Table 2.

Methodology

I began the empirical analysis by descriptively showing the premise of the model under test that political trust varies along the income distribution. I continued with an estimation of the association between the relevant variables in four models leveraging the whole sample with complete data for the variables of interest. All models use country fixed effects (dummy variables) to control for country characteristics that might account for alternative macro-level confounders.

In the first model I calculated the "total effects" under study here to estimate how EHI associates with political trust (CFA) and includes controls for ideology, education, age, and gender. The second model estimates the association between EHI and SWB, including previous individual baseline covariates, plus key exogenous determinants of SWB: marital status, employment status, and religiousness. The third model follows from the Baron and Kenny (1987) mediation estimation strategy: if including the expected mediator in the baseline model substantially decreases the estimate of the main independent variable, it supports the expectation that the effect of the predictor in the outcome is mediated through the newly included variable. Model three therefore replicates model 1 with the inclusion of the expected mediator SWB. Finally, model 4 includes the three relevant covariates of SWB to increase model precision due to exogenous effects in the mediator. Eventually, to test the internal validity of this

mechanism and the political trust (CFA) measure under test, I ran model four against measures of trust in each of the institutions in the dataset: parliament, politicians, political parties, the police, the legal system, the European parliament (EP) and the United Nations (UN).

To ameliorate the estimation of the direct and indirect effects, I employed mediation analysis models to precisely estimate the total effect, the direct effect, the indirect effect, and thus the proportion of the association between EHI and political trust that is driven through the mediator. This estimation consists of (i) the mediator model that estimates the association between EHI as the main IV and the candidate mediator as the DV; (ii) the outcome model, the association of both EHI and the mediator as IVs of political trust (CFA). A quasi-Bayesian Monte Carlo simulation procedure -- analogous to the "mediate" function described in Tingley et al. (2014) and Imai et al. (2010) -- was then used to simulate the total effect, the proportion of the mediated effect, the Average Direct Effect (ADE), and the Average Causal Mediation Effect (ACME).

Mediator model (path a):

$$M_i = \alpha_1 + a \cdot EHI_i + \gamma_1 X_i + \varepsilon_{1i}$$

Outcome model (path b and direct effect c'):

$$Poltrust_i = \alpha_2 + b \cdot M_i + c' \cdot EHI_i + \gamma_2 X_i + \varepsilon_{2i}$$

where M denotes the candidate mediator under test (SWB, social trust, or political interest). From these two equations, the Average Causal Mediation Effect (ACME), or indirect effect, is defined as the product $a \times b$, capturing the portion of the income-political trust association that operates through changes in the mediator. The Average Direct Effect (ADE) corresponds to c' , representing the residual effect of income on political trust net of the mediating pathway. The total effect is $c = a \times b + c'$.

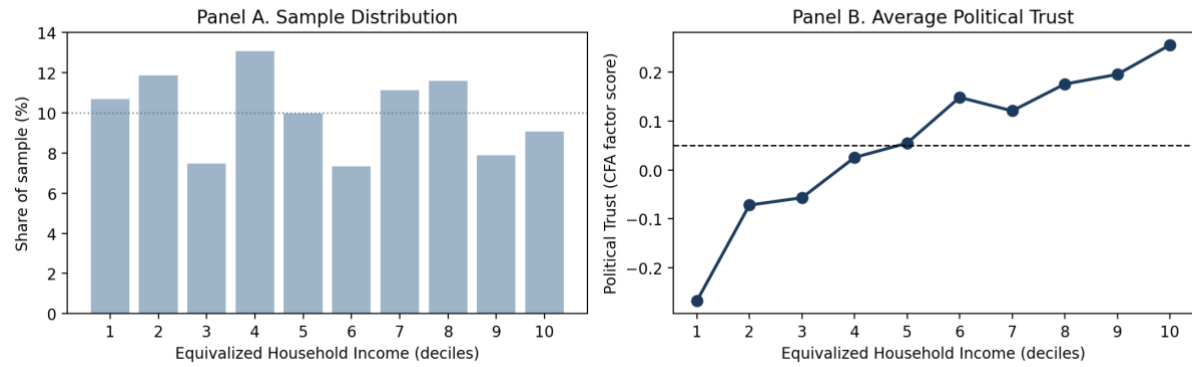
Uncertainty quantification relies on quasi-Bayesian Monte Carlo simulations (1,000 draws) rather than standard parametric delta-method approximations. In each simulation draw, new coefficient vectors are sampled independently for the mediator model and the outcome model from a multivariate normal distribution centered at the OLS point estimates, with variance equal to each model's estimated coefficient covariance matrix. For each draw, the indirect and direct effects are recomputed, yielding an empirical distribution from which 95% confidence intervals and p-values are derived. This approach is preferred over the product-of-coefficients method when the normality assumption of the indirect effect may not hold. Sequential ignorability -- the assumption that, conditional on the covariates, the mediator is as-if randomly assigned with respect to the outcome -- cannot be tested directly, so I additionally report the sensitivity parameter p^* : the correlation between the mediator and outcome equations' error terms at which the estimated ACME would be reduced to exactly zero, holding everything else fixed. Values close to zero indicate a fragile result, easily overturned by a modest unobserved confounder; values further from zero indicate a more robust one.

To evaluate whether SWB constitutes a distinctive mediating mechanism. First, I replicate this mediation design across the five alternative mediators estimated as parallel, single-mediator models rather than a single model. However, when interpreting the indirect effects of each model should be considered the conceptual overlap and the reciprocal causality between the mediators. This means that the mediation pathways against which the SWB path is compared are not independent. Despite I acknowledge this collinearity between the indirect pathways under study, delving into the causal paths connecting them relies beyond the scope of the present research. Henceforth, I tested the gross indirect effect of each of this mediators controlling for individual baseline covariates, and compared to the estimation of the net indirect effects. The net indirect effects, refer to the estimated mediation coefficient controlling for the other indirect effects. As acknowledged above there is a high collinearity between the mediators which makes the estimation of coefficient downward biased. However, I wanted to compare the robustness of the gross effect of each mediator to the most “conservative” estimation in multiple mediator models (Preacher and Hayes, 2008; Loh, 2025). The gap between the gross and net columns for a given mediator can therefore be read, following the identification logic in Imai and Yamamoto (2013) for correlated mediators, as an informal plausible range for that mediator's true unique effect, bounded by the unadjusted (gross) and fully-adjusted (net) estimates. Altogether, these mediation analysis should provide the (i) the range of the each indirect effect, and (ii) an approximation to the overlap between these major mediators of the income-political trust relation.

RESULTS

I begin by descriptively illustrating the case under study. The bars in figure 2 panel A show the distribution of the observations in the sample grouped across the ten measurement deciles of EHI for the whole sample ($N = 38,469$, using the three-indicator political trust CFA described above, computed across all thirty ESS Round 11 countries). On the right, the points in figure 2 panel B illustrate the average political trust level for each of the ten EHI deciles, with the horizontal black line as the sample average level of political trust. According to the main premise of this research, figure 2 shows that political trust increases with the level of income across the distribution, with a broadly monotonic pattern interrupted by a single dip between the sixth and seventh deciles. This figure supports the importance of studying this association: even though the ten income deciles are of broadly similar size by construction, the average level of political trust rises by 0.52 standard deviations between the bottom and top deciles, underscoring the substantive relevance of income for political trust at the aggregate level.

FIGURE 2. Average Political Trust by Equivalized Household Income ($N = 38,469$)



Henceforth, is there an association at the individual level between income and political trust? And, to what extent is this association mediated by individual SWB? Table 1 shows the OLS coefficients of the statistical association of these variables at the individual-level net of relevant individual level characteristics --ideology, education, gender and age-- with country fixed effects. Additional controls are included in these models related to the strong association with SWB: religiousness, marital status and employment status.

The first model estimates a positive ($B = 0.026$, $p < 0.001$) association between EHI and political trust. Thus, there is a significant though modest association between individuals' EHI and their trust in representative institutions net of baseline individual characteristics. Education correlates positively ($B = 0.064$, $p < 0.001$). Ideology also reaches significance in this specification ($B = 0.029$, $p < 0.05$): more right-leaning respondents report somewhat higher trust. Regarding gender, women report higher trust ($B = 0.034$, $p < 0.05$), while age is only marginally significant ($B = 0.0013$, $p < 0.1$).

Model 2 estimates the association between EHI and the mediator under inquiry, SWB (the CFA-based factor score described above). The coefficient points towards a strong and statistically significant association between EHI and SWB ($B = 0.071$, $p < 0.001$). Therefore, on average more affluent individuals experience higher SWB as expected from the literature. Ideology ($B = 0.033$, $p < 0.001$), education ($B = 0.042$, $p < 0.001$) and gender ($B = 0.042$, $p < 0.01$) are also positively associated with SWB women report modestly higher SWB than men. Age, however, is negatively associated with SWB ($B = -0.0032$, $p < 0.01$). Moreover, to control for exogenous random variation, I included strong predictors of SWB to the model to account for the variance caused by these variables. According to the estimates they are strongly correlated with SWB: being separated ($B = -0.389$, $p < 0.001$), divorced ($B = -0.251$, $p < 0.001$), widowed ($B = -0.274$, $p < 0.001$) or never married ($B = -0.216$, $p < 0.001$) is associated with markedly lower SWB relative to being married, as is being unemployed ($B = -0.276$, $p < 0.001$), while higher religiosity is associated with higher SWB ($B = 0.024$, $p < 0.001$). These estimates support the inclusion of these variables in the model to account for this exogenous variation on the mediator.

The third model includes the independent and additive effect of both income and SWB on political trust controlling for baseline individual controls. Including both variables as predictors of the dependent variable is a first approach to the potential mediating effect

that SWB exerts on the income-political trust relation (see Baron and Kenny, 1987). According to the coefficients in table 1, the association between individuals' SWB and their political trust is strong and significant ($B = 0.163$, $p < 0.001$), so the more satisfied and happy an individual, the substantially higher odds of trusting political institutions. Interestingly, when comparing the coefficient of income in this model to the baseline model, the magnitude of the association falls by roughly 49% (from $B = 0.026$ to $B = 0.013$, $p < 0.05$). Following the traditional Baron and Kenny (1987) mediation method, this signals a sizeable indirect effect of income through the variable last included in the model, SWB (CFA). Concerning the baseline controls, ideology remains significant ($B = 0.022$, $p < 0.05$) and age remains at least marginally significant ($B = 0.0015$, $p < 0.05$) as in the baseline model above, while gender's association weakens somewhat once SWB is included ($B = 0.025$, $p < 0.1$, compared with $p < 0.05$ in Model 1). Education remains a robust, significant predictor ($B = 0.056$, $p < 0.001$). Looking at the R^2 parameter, the inclusion of SWB in the regression increased the model fit (from 0.176 to 0.197).

Finally, model four includes both EHI and SWB together with the whole battery of baseline individual controls and the exogenous covariates of SWB. The whole pattern of association largely holds in this model, with a positive and significant estimate of EHI on political trust ($B = 0.019$, $p < 0.001$) and a positive and significant estimate of SWB on political trust ($B = 0.157$, $p < 0.001$). Religiosity remains strongly associated with the mediator's exogenous variation ($B = 0.023$, $p < 0.001$); notably, once SWB and the full covariate battery are accounted for, the marital-status categories that were strongly negative in Model 2 mostly lose significance or, for the "widowed" category, even reverse sign ($B = 0.074$, $p < 0.01$) and for the "divorced" category remain modestly negative ($B = -0.067$, $p < 0.05$) -- consistent with these categories' association with political trust running largely, though not entirely, through their association with SWB rather than operating as independent predictors of trust in this fuller specification.

TABLE 1. Multivariate Estimation of the Association Between the Relevant Variables (ESS Round 11, All 30 Countries; updated CFA measures)

	<i>Dependent variable:</i>			
	Political Trust (CFA)	SWB	Political Trust (CFA)	Political Trust (CFA)
	(1)	(2)	(3)	(4)
EHI	0.026*** (0.006)	0.071*** (0.005)	0.013** (0.006)	0.019*** (0.006)
SWB (CFA)			0.163*** (0.015)	0.157*** (0.014)
Mar.: Civil Union		-0.066 (0.049)		-0.055 (0.054)
Mar.: Separated		-0.389*** (0.056)		-0.053 (0.065)
Mar.: Divorced		-0.251*** (0.023)		-0.067** (0.029)

Mar.: Widowed		-0.274*** (0.024)		0.074*** (0.027)
Mar.: Never married		-0.216*** (0.019)		0.024 (0.020)
Unemployed		-0.276*** (0.030)		0.036 (0.051)
Religiosity		0.024*** (0.003)		0.023*** (0.004)
Education	0.064*** (0.010)	0.042*** (0.009)	0.056*** (0.010)	0.061*** (0.010)
Gender	0.034** (0.016)	0.042*** (0.013)	0.025* (0.015)	0.000 (0.014)
Age	0.0013* (0.0007)	-0.0032*** (0.0010)	0.0015** (0.0007)	0.0008 (0.0007)
Ideology (L-R)	0.029** (0.011)	0.033*** (0.006)	0.022** (0.011)	0.018* (0.011)
Country FE	Yes	Yes	Yes	Yes
Constant	-0.367*** (0.076)	-0.016 (0.053)	-0.324*** (0.073)	-0.401*** (0.063)
Observations	33,738	33,750	33,632	33,196
R ²	0.176	0.189	0.197	0.203
Adjusted R ²	0.176	0.188	0.197	0.202
Residual Std. Error	0.881 (df=33703)	0.858 (df=33708)	0.869 (df=33596)	0.867 (df=33153)
F Statistic	934.95*** (df=34;33703)	865.01*** (df=41;33708)	256.75*** (df=35;33596)	190.35*** (df=42;33153)
<i>Note:</i> * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$				

As a robustness test of this association, I run model 4 (all covariates included) against the measure of trust in each of the institutions available in the three-indicator political trust family. Income remains a positive and statistically significant predictor for parliament ($B = 0.052$, $p < 0.01$), politicians ($B = 0.044$, $p < 0.001$), political parties ($B = 0.044$, $p < 0.01$), legal system ($B = 0.050$, $p < 0.01$), police ($B = 0.029$, $p < 0.05$), European Parliament ($B = 0.058$, $p < 0.001$), and United Nations ($B = 0.070$, $p < 0.001$). SWB (CFA) is a strong, significant predictor across all seven measures (B ranging from 0.337 to 0.551, all $p < 0.001$). This indicates, consistent with the original analysis, that the mechanism under study is not restricted to representative political agents narrowly defined, but reflects a comparatively broad orientation toward institutions.

Now, I turn to the estimation of the SWB mediation pathway through an alternative and more sophisticated strategy employing single and parallel multiple mediation models. Table 2 reports the coefficients in two separate columns. In the first “gross” column I report the ACME of SWB and each relevant mediator controlling for baseline individual covariates. In the second “net” column I report the coefficient of the parallel multiple mediator models, meaning the estimated effect when all the mediators are included in the

same model simultaneously, and controlling for individual baseline characteristics. Therefore, this is a sort of estimation of the range where the true unique value sits, between the highest (gross) and lowest (net) bounds (Imai and Yamamoto, 2013). Furthermore, this strategy helps estimate to what extent these constructs overlap in their mediating effects, and not only empirically (see correlation table in the appendix). Additionally the table reports the estimated direct and total effect of EHI.

TABLE 2. Gross vs. Net Specific Indirect Effects of Income on Political Trust via SWB and Four Alternative Mediators

Mediator	Gross “single-mediator model”	Net “parallel multi-mediator model”
SWB ACME	0.013*** (0.002)	0.007*** (0.001)
Social Trust ACME	0.012*** (0.002)	0.009*** (0.001)
Political Interest ACME	0.009*** (0.001)	0.005*** (0.001)
Internal Efficacy ACME	0.009*** (0.001)	-0.000 (0.001)
External Efficacy ACME	0.019*** (0.003)	0.016*** (0.002)
EHI ADE	[0.008., 0.018**]	-0.010* (0.004)
EHI Total Effect	0.026*** (0.006)	0.026*** (0.005)

Note: Cell entries are unstandardized OLS coefficients from the mediation decomposition, with standard errors in parentheses. ACME = average causal mediation effect (indirect effect, $a \times b$); ADE = average direct effect (c'); Total Effect = ADE + Σ ACME. Standard errors and significance are obtained via quasi-Bayesian Monte Carlo simulation (1,000 draws), following the procedure described in the Methodology section. Gross estimates come from five separate single-mediator models (one mediator at a time); net estimates come from a single parallel multiple-mediator model with all five mediators entered simultaneously. Because the gross ADE (c') varies by model — it is the direct effect net of whichever one mediator is included — it is reported as a range across the five gross models rather than a single value; the net ADE is a single estimate net of all five mediators jointly. The gross Total Effect is likewise reported as a single value (0.026) because it is invariant to which mediator is included (all five gross models estimate the same total effect within rounding, 0.0259–0.0266); the value shown uses the SWB model as reference, consistent with Figure 4. Two-sided Monte Carlo p-values: .p < .10; *p < .05; **p < .01; ***p < .001.

Because SWB is the central mechanism of interest in this chapter, I interpret it first: its specific indirect effect is large and precisely estimated in the single-mediator (gross) specification ($B = 0.013$, $p < .001$. The 48.6% of the EHI total effect) and remains statistically significant, though smaller, once the other four mediators are held constant ($B = 0.007$, $p < .001$. The 27.9% of the total EHI effect). This means two fold reduction that reflects the overlap with the other mediators rather than SWB's mediating role disappearing altogether.

Turning to the remaining four mediators for comparison in magnitude and significance: the gap between gross and net is largest for internal political efficacy, whose gross ACME ($b = 0.009$, $p < .001$) collapses to a value statistically indistinguishable from zero once the other four mediators are controlled for; social trust and political interest show smaller, though still substantial, gaps (social trust: 0.012 gross versus 0.009 net; political interest: 0.009 gross versus 0.009 net, all $p < .001$); and external political efficacy is the most stable of the five under this comparison, moving comparatively little from gross to net (0.019 versus 0.016, $p < .001$).

Concerning the sequential ignorability assumption, ρ^* ranges from 0.163 for SWB and 0.173 for internal political efficacy, to 0.204 for political interest, 0.292 for social trust, and 0.436 for external political efficacy -- meaning an unmeasured confounder would need to be correlated with both SWB and political trust at roughly $r = 0.16$ to fully explain away SWB's estimated indirect effect, a threshold comparable in size to several of the observed covariates already included in the models, and therefore not a negligible one, though far short of trivial to satisfy. Therefore, compared to the other mediators it is the most vulnerable mediation path.

Table 3 below further decomposes the potential overlap in the mediating roles of these constructs by constraining parallel multilevel model specifications to two simultaneous mediators. This is aimed at distinguishing concrete overlaps. In fact, the drop from each mediator's gross share to its net-of-all-4 share is not spread evenly across the other four mediators.

SWB's own gross-to-net gap is driven disproportionately by two of the four other mediators. Its specific indirect effect ($B = 0.013$, $p < .001$, gross) falls the most when controlling for social trust alone ($B = 0.009$, $p < .001$, controlling for external efficacy alone ($B = 0.010$, $p < .001$) -- but barely moves when controlling for political interest ($B = 0.012$, $p < .001$) or internal efficacy ($B = 0.012$, $p < .001$) alone, and settles at $B = 0.007$, $p < .001$, once all four are held constant jointly. A plausible explanation is that SWB's connection to political trust overlaps with the corresponding paths of social trust and external efficacy than with the other two mediators: generalized trust in other people and subjective evaluations of one's own life plausibly share a common underlying disposition toward viewing one's social world favorably, while perceiving the political system as responsive (external efficacy) is arguably itself a component of the Happiness Contract mechanism under test, rather than a fully separable construct.

TABLE 3. Sensitivity of Each Mediator's Specific Indirect Effect (ACME) to Which Other Mediator Is Held Constant

Mediator	Gross	Net SWB	Net Soc. Trust	Net Pol. Interest	Net Int. Efficacy	Net Ext. Efficacy	Net of All 4
SWB	0.013*** (0.002)	—	0.009*** (0.001)	0.012*** (0.001)	0.012*** (0.002)	0.010*** (0.001)	0.007*** (0.001)
Social Trust	0.012*** (0.002)	0.011*** (0.002)	—	0.012*** (0.002)	0.012*** (0.002)	0.010*** (0.001)	0.009*** (0.001)
Political Interest	0.009*** (0.001)	0.009*** (0.001)	0.008*** (0.001)	—	0.007*** (0.001)	0.005*** (0.001)	0.005*** (0.001)
Internal Efficacy	0.009*** (0.001)	0.009*** (0.001)	0.008*** (0.001)	0.006*** (0.001)	—	0.002** (0.001)	-0.000 (0.001)
External Efficacy	0.019*** (0.003)	0.019*** (0.003)	0.018*** (0.002)	0.018*** (0.002)	0.019*** (0.003)	—	0.016*** (0.002)

Note: Cell entries are unstandardized ACME coefficients (specific indirect effects) with standard errors in parentheses, from the quasi-Bayesian Monte Carlo simulation (1,000 draws), on the same scale as Table 2. "Gross" (0 controls) and "Net of All 4" reproduce the corresponding columns of Table 2 above. Each "Net, ctrl. [X]" column reports the row mediator's specific indirect effect from a two-mediator parallel model containing only the row mediator and column mediator X together -- i.e., holding constant exactly one other mediator at a time, rather than all four simultaneously. Diagonal cells (a mediator controlling for itself) are not applicable. Each two-mediator model is estimated on the same ALL30

sample and specification as Table 2, with its own total effect and complete-case N (which varies slightly across pairs, as in the gross models); full 95% CIs and sensitivity parameters (ρ^*) for every pairwise model underlying this table are available on request. Two-sided Monte Carlo p-values: .p<0.10; *p<0.05; **p<0.01; ***p<0.001.

External efficacy stands out as the mediator most responsible for shrinking the other four mediators' estimates, and the one whose own estimate is least affected by controlling for any of them individually -- a pattern of dominance consistent with construct overlap. Holding external efficacy constant alone produces the largest single-mediator drop for SWB ($B = 0.013$, $p < .001$ gross to $B = 0.010$, $p < .001$ net of external efficacy alone, versus $B = 0.007$, $p < .001$, net of all four), for social trust ($B = 0.012$, $p < .001$ gross to $B = 0.010$, $p < .001$ net of external efficacy alone), and especially for political interest ($B = 0.009$, $p < .001$ gross to $B = 0.005$, $p < .001$ net of external efficacy alone -- already close to its net-of-all-4 estimate, $B = 0.005$, $p < .001$, on its own). Meanwhile external efficacy's own estimate barely moves regardless of which other mediator is held constant ($B = 0.018$ - 0.019 , $p < .001$, across all four single-mediator controls, against $B = 0.019$, $p < .001$, gross and $B = 0.016$, $p < .001$, net of all four) -- the smallest gross-to-net contraction of the five mediators considered here. Controlling for internal efficacy, social trust, or political interest individually moves each of the other mediators' estimates only modestly by comparison.

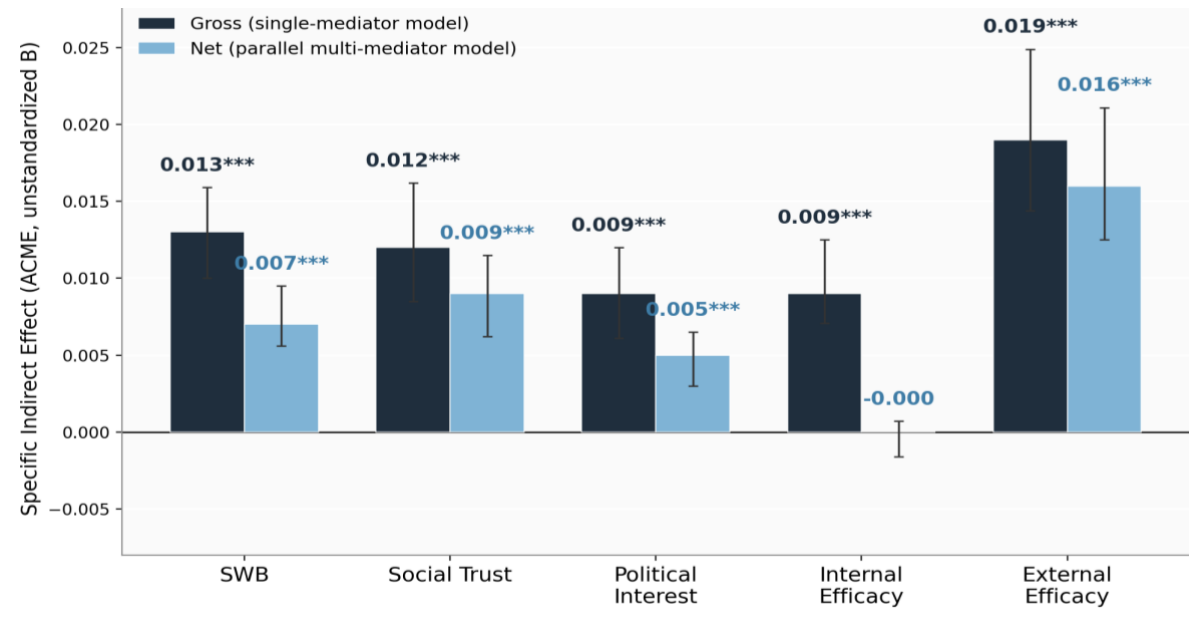
Internal political efficacy is a separate, noteworthy case. Its specific indirect effect is positive and significant when controlling for any single other mediator on its own -- $B = 0.009$, $p < .001$, net of SWB, $B = 0.008$, $p < .001$, net of social trust, $B = 0.007$, $p < .001$, net of political interest -- but collapses to $B = 0.002$, $p < .01$, once external efficacy alone is held constant, and becomes statistically indistinguishable from zero ($B = -0.000$, n.s.) once all four other mediators are controlled simultaneously. In other words, internal efficacy's apparent mediating role is not diluted evenly by the other three benchmark mediators: it is specifically absorbed by external efficacy, consistent with the two efficacy items' well-documented conceptual proximity to one another. Its more modest overlap with political interest ($B = 0.009$, $p < .001$ falling to $B = 0.007$, $p < .001$, net of political interest alone) is worth flagging separately, since -- unlike the internal/external efficacy overlap, which mainly could reflect measurement proximity between two efficacy items -- a link between internal efficacy and political interest is exactly what the political-socialization literature would predict: citizens who feel more capable of participating in politics also tend to be more interested in it, so part of internal efficacy's apparent mediating role is plausibly a genuine, theoretically anticipated overlap with political interest, not merely a statistical artifact.

Furthermore, concerning the specific overlaps with political interest, the most noteworthy drop happens when controlling for external political efficacy ($B = 0.005$, $p < .001$). However, in the case of external political efficacy there is no a significant drop when holding political interest constant. This is in line with the socialization argument that higher levels of familiarity with insitutionalized norms, procedures and politics increases the likelihood of perceiving them as reponsive and thus, trustworthy. In the case of

interpersonal trust, this is a very robust mediation path, which remains marginally altered when external political efficacy is included parallelly. However, this drop might be rather due to the construct overlap of external political efficacy with political trust and it is not substantive compared to how the other mediators drop when external political efficacy is included in their respective models.

Taken together as a closing remark of the results above, figure 3 places SWB's mediating role in relative perspective to established mediation paths in the literature. Figure 3 displays the same gross-versus-net comparison as Table 2, graphically, expressed in the same unstandardized ACME coefficients (B) reported there. Relative to the other mediators established in existing research, the SWB pathway between income and political trust is significant, substantive, and complementary. The coefficients of the mediation analysis performed above show that there is a significant mediation effect of SWB which is robust to individual level controls and multiple parallel mediation tests. However, should be acknowledged that the sensitivity parameter of this mediation path is the more vulnerable to the sequential ignorability assumption compared to the other four paths. Substantively, the magnitude of the association and the mediated share is comparable to social trust, and higher than political interest, and political internal efficacy. Finally, the multiple parallel mediator tests additionally show that these mediation pathways are not at all exclusive but rather overlapping and complementary.

FIGURE 3. Comparing the Mediating Role of SWB, Social Trust, Political Interest, Internal Efficacy, and External Efficacy: Gross vs. Net Specific Indirect Effects



Finally, does the SWB mediation pathway hold uniformly across the thirty countries pooled above, or is it concentrated in a subset of them? To check, I re-estimate the (SWB-only) mediation model separately within each of the thirty ESS Round 11 countries and decompose the income-political trust association into its Total, direct (ADE), and mediated (ACME) components (Table A2, Table A3, and Figure A2 in the Appendix

report the full country-by-country results). The mediated pathway proves to be the more consistently robust of the two quantities: the ACME is positive in 29 of the 30 countries and reaches conventional significance ($p < .05$) in 25 of them. The total effect is less uniformly robust -- positive in 24 of 30 countries but significant in only 13 -- and is significantly negative in exactly one country, Greece, where a strongly negative direct effect outweighs a small, non-significant indirect effect. Taken together, this country-level replication indicates that where income does shape political trust, subjective well-being is close to a universal conduit for that effect, even in the handful of countries where the aggregate income-trust gradient itself is weak or reversed.

DISCUSSION

The evidence assembled in this chapter shows that subjective well-being constitutes a channel through which income shapes political trust at the individual level, consistent with the Happiness Contract Theory (Esaiasson et al., 2020). But before discussing the results, one caveat should be considered when reading these implications: mediation evidence of this kind establishes an empirical pathway, not a proof that intervening on SWB would move political trust by the same margin implied by the mediation coefficient. That stronger causal claim requires experimental or quasi-experimental variation in SWB itself (Imai et al., 2010), which lies beyond the observational design used here.

In the single-mediator specification SWB accounts for 48.6% of the total effect of EHI on political trust; once the other four benchmark mediators are held constant, its net contribution falls to 27.9% but remains highly significant ($p < .001$), indicating that SWB's mediating role is not merely an artifact of its correlation with social trust, political interest, or the two efficacy measures. The sensitivity analysis reported above reinforces this conclusion: an unmeasured confounder would need to be correlated with both SWB and political trust at $\rho^* = 0.163$ to fully explain away the estimated indirect effect, a threshold on the same order as several of the observed covariates already included in the models. Taken together, these results support the chapter's central claim: how satisfied and happy individuals feel with their lives is not only partially explained by income, but an intervening mechanism that helps carry income's effect forward into how much citizens trust political institutions.

Placed alongside the four alternative mediators identified in the literature, SWB's net mediated share (27.9%) is statistically indistinguishable from social trust's (32.9%) and is larger than political interest's (17.5%). This positions SWB as being on a par with the bottom-up, community-engagement channel emphasized by the social capital tradition (Putnam, 2000), and as mediating a larger share of the income-trust association than the socialization-based political-interest channel (Verba et al., 1995; Almond and Verba, 1963). External political efficacy mediates a substantially larger net share (61.5%) than any other mediator considered here, but, as discussed above, this pathway carries a construct-overlap caveat given its documented conceptual proximity to political trust itself (Craig and Maggiotto, 1982); SWB's estimate is comparatively conservative in this respect, since subjective well-being and political trust are conceptually and empirically

more distinct constructs. Internal political efficacy, by contrast, shows no detectable net contribution once the other four mediators are accounted for --its apparent gross association is, as shown in Table 3, specifically absorbed by external efficacy rather than reflecting an independent mediating role. Therefore, ranking the five mediators by their net (fully-adjusted) share of the total effect, external political efficacy is the largest single mediator (61.5%), followed by social trust (32.9%) and SWB (27.9%), then political interest (17.5%), with internal political efficacy contributing no detectable net share.

The country-by-country replication reported in the Appendix (Table A2) shows that SWB's mediating role is not an artifact of pooling 30 heterogeneous national contexts. The sign of the country-specific ACME is positive in 29 of the 30 countries and statistically significant at the 5% level in 25 of them, indicating that the SWB pathway operates broadly across the sample rather than being concentrated in a handful of countries. The total effect of EHI on political trust is less uniformly robust: it is positive in 24 of 30 countries but reaches significance in only 13, and is significantly negative in Greece, the one clear outlier in the sample. This pattern -- a highly general mediating mechanism operating within a total effect that is itself more variable across countries -- suggests that where income does shape political trust, subjective well-being is close to a universal conduit for that effect, even in countries where the aggregate income-trust gradient itself is weak, absent, or (as in Greece) reversed. Latvia, Estonia, and France display the largest ACME magnitudes in the sample. The Western-16-country robustness check in Table A4 confirms that the SWB pathway is not an artifact of the inclusion of newer or non-EU democracies in the full 30-country sample.

These findings suggest that policies aimed at restoring political trust need not operate exclusively, or even primarily, through redistributing income. Because a substantial share of income's effect on trust runs through subjective well-being, interventions that improve how satisfied and happy people feel with their lives may bolster institutional legitimacy even independently of their direct effect on economic resources, consistent with the Happiness Contract Theory's premise that citizens judge institutions partly on whether their lives are going well (Esaiasson et al., 2020).

At the same time, the comparably large and robust role played by external political efficacy is a reminder that perceived institutional responsiveness matters in its own right, and, given its conceptual proximity to trust itself, is best read as reinforcing rather than substituting for well-being-oriented approaches. The null result for internal political efficacy cautions against policies premised on the assumption that simply making institutional procedures more familiar or navigable will, on its own, restore trust among lower-income citizens: on this evidence, procedural familiarity does not appear to carry independent weight once its overlap with perceived institutional responsiveness is accounted for.

The broad cross-country generalizability of the SWB pathway suggests that well-being-oriented approaches to rebuilding political trust are not contingent on a specific national context, though the more limited generalizability of the overall income-trust gradient

itself, and its reversal in at least one country in this sample, counsels against treating any single policy as sufficient on its own. Concretely, this points toward instruments that ease the time pressures known to erode life satisfaction, and community and social-connectedness programs of the kind associated with higher well-being (Lim and Putnam, 2010) as well as enhancing institutional trust, alongside income-focused redistribution.

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APPENDIX

This appendix reports one supplementary descriptive figure showing how each of the five benchmark mediators used in Table 2 -- SWB, social trust, political interest, internal political

efficacy, and external political efficacy -- is distributed across the equivalized household income (EHI) distribution, complementing Figure 2 (which shows the same relationship for political trust, the outcome variable, rather than the mediators).

FIGURE A1. Distribution of the Five Benchmark Mediators by Equivalized Household Income, ESS Round 11 (All 30 Countries)

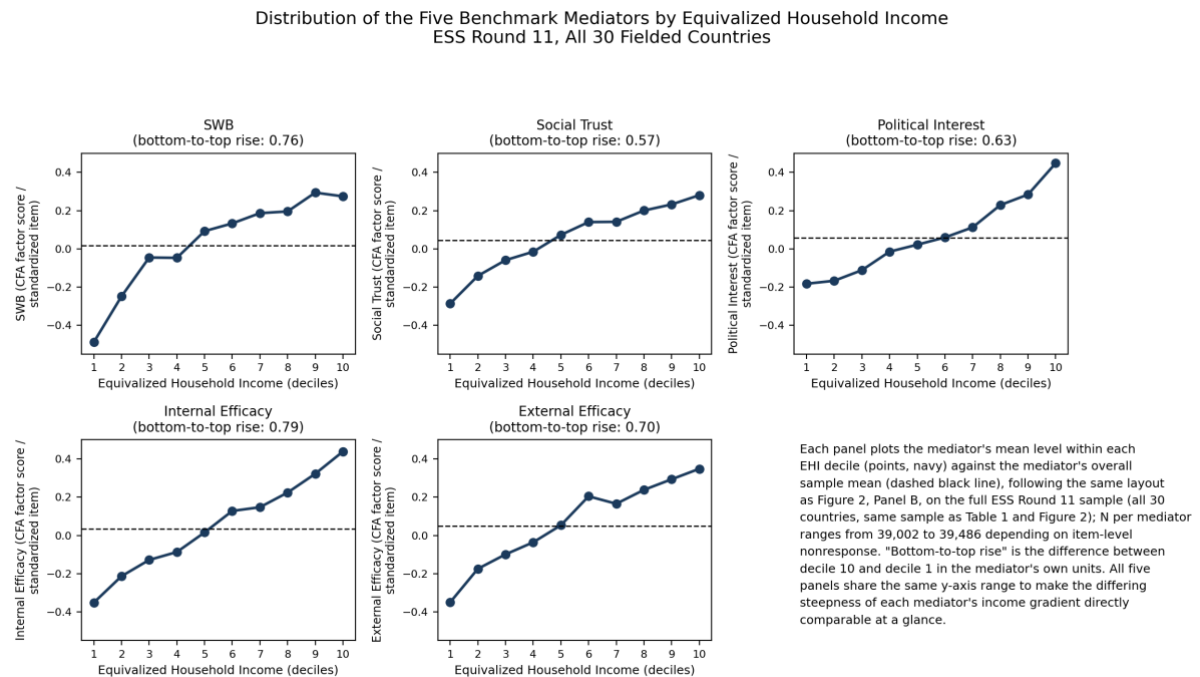


Table A1 reports the full pairwise correlation matrix underlying this comparison, computed on the same standardized mediators and estimation sample used throughout the chapter.

TABLE A1. Pairwise Correlation Matrix of Political Trust, SWB, and the Four Alternative Mediators

Mediator	Political Trust	SWB
SWB	0.248	--
Social Trust	0.365	0.271
Political Interest	0.266	0.115
Internal Efficacy	0.239	0.145
External Efficacy	0.476	0.204

Note: Pairwise Pearson correlations. The five mediator-mediator correlations (SWB, social trust, political interest, internal political efficacy, external political efficacy) are computed on the ALL30 estimation sample used throughout this chapter (N = 33,632-33,706 depending on pairwise-complete cases). The political-trust correlations (leftmost column) are computed on the same complete-case sample used for the parallel mediator model in Table 2 (N = 33,115), so that they are directly comparable to that model's estimates. Lower triangle shown; diagonal and upper triangle omitted as redundant. Among the mediators, correlations range from 0.115 (SWB with political interest) to 0.467 (internal with external political efficacy). Political trust itself correlates most strongly with external efficacy ($r = 0.476$) -- the highest correlation in the table -- and least strongly with internal efficacy ($r = 0.239$) and SWB ($r = 0.248$), consistent with external efficacy's documented conceptual proximity to political trust (Craig and Maggionto, 1982) and with SWB being a comparatively distinct construct from political trust despite mediating a comparable net share of the

EHI effect on it. This correlation structure is what motivates the gross-versus-net comparison in Table 2 and the parallel multiple-mediator model: because the five mediators are correlated with one another, their gross (single-mediator) indirect effects overlap, and only the net (fully-adjusted) parallel-model estimates isolate each mediator's specific contribution.

TABLE A2. Country-by-Country Replication of the Income-Political Trust Association (ESS Round 11)

Country	N	Total	ADE	ACME	% Mediated
Austria	1,657	0.039* (0.015)	0.025 (0.015)	0.015*** (0.003)	37.8%
Belgium	1,304	0.012 (0.016)	-0.004 (0.016)	0.015*** (0.004)	132.8%†
Bulgaria	1,375	0.006 (0.017)	-0.006 (0.017)	0.013*** (0.003)	198.8%†
Croatia	925	-0.004 (0.020)	-0.017 (0.020)	0.013** (0.004)	-313.5%†
Cyprus	447	0.097*** (0.023)	0.087*** (0.023)	0.009* (0.005)	9.8%
Estonia	1,001	0.060*** (0.019)	0.033. (0.019)	0.027*** (0.005)	44.6%
Finland	1,441	0.003 (0.013)	-0.015 (0.012)	0.018*** (0.003)	631.9%†
France	1,398	0.020 (0.016)	-0.004 (0.016)	0.024*** (0.004)	122.0%†
Germany	2,063	0.025* (0.011)	0.002 (0.011)	0.023*** (0.003)	92.1%
Greece	1,289	-0.060** (0.017)	-0.061*** (0.017)	0.001 (0.003)	-1.9%†
Hungary	1,412	0.107*** (0.016)	0.096*** (0.016)	0.011*** (0.003)	10.0%
Iceland	726	0.065** (0.022)	0.052* (0.022)	0.014** (0.005)	21.1%
Ireland	1,289	0.005 (0.017)	-0.006 (0.017)	0.011*** (0.003)	229.8%†
Israel	391	0.030 (0.027)	0.028 (0.027)	0.002 (0.003)	7.6%†
Italy	1,506	0.033* (0.015)	0.026. (0.015)	0.007*** (0.002)	20.7%
Latvia	683	-0.014 (0.025)	-0.049. (0.025)	0.035*** (0.008)	-258.2%†
Lithuania	876	0.009 (0.017)	-0.002 (0.017)	0.011*** (0.004)	126.1%†
Montenegro	1,183	-0.007 (0.015)	-0.006 (0.015)	-0.001 (0.002)	14.3%†
Netherlands	1,400	0.030* (0.013)	0.017 (0.013)	0.012*** (0.003)	41.6%
Norway	1,215	0.063*** (0.015)	0.054*** (0.016)	0.009*** (0.003)	13.7%
Poland	915	0.018 (0.020)	0.006 (0.020)	0.012*** (0.004)	65.1%†
Portugal	876	0.037* (0.019)	0.024 (0.020)	0.013*** (0.004)	36.2%
Serbia	722	-0.005 (0.021)	-0.012 (0.022)	0.007. (0.004)	-125.0%†
Slovakia	963	0.059** (0.020)	0.038. (0.020)	0.021*** (0.006)	36.0%
Slovenia	892	-0.001 (0.023)	-0.013 (0.023)	0.012*** (0.004)	-1668.6%†
Spain	1,407	0.015 (0.018)	0.010 (0.018)	0.005* (0.002)	31.3%†
Sweden	1,130	0.051*** (0.015)	0.039* (0.015)	0.012*** (0.003)	24.4%
Switzerland	1,055	0.018 (0.014)	0.006 (0.014)	0.012*** (0.004)	65.3%†
Ukraine	1,078	0.071*** (0.018)	0.069*** (0.018)	0.002 (0.002)	3.1%†
United Kingdom	1,013	0.024 (0.014)	0.010 (0.014)	0.014*** (0.004)	58.8%†

Note: Baseline covariates (ideology, education, gender, age) estimated separately within each country, without country fixed effects; ADE and ACME from quasi-Bayesian Monte Carlo mediation models (1,000 draws) as described above. All models unweighted. Standard errors in parentheses. Proportion mediated is now reported for all thirty countries; a dagger (†) marks the 18 countries where the Total effect and/or the ACME is not individually significant at $p < .10$, so the ratio can be numerically unstable (implausibly large or strongly negative) and should be read with caution. . $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.