Thinking inside the Box: How unsuccessful governments, corruption and lock-in effects influence attitudes towards government spending on public healthcare and public old age pensions across 31 countries

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Abstract:

Survey studies show that if governments are perceived to be performing poorly in terms of caring for their citizens, this can lead to increased support for public spending. This article builds on the literature on this 'inside-the-box thinking' by demonstrating that this effect is not alike between countries, and might be conditioned on welfare states being perceived as relatively free of corruption and locked into public welfare production. Using the 2006 ISSP Role of Government survey, this is tested on attitudes towards spending on public old age pensions and healthcare, using descriptive statistics and multilevel modelling. The results show that in all 31 countries the perception that the government is preforming poorly does lead to support for increased spending. This effect of perceived performance on attitudes towards spending is, however, weakened by high levels of perceived corruption and strengthened by high levels of public spending. This shows that the effect of public performance on attitudes is conditioned by the context.

Key words*: welfare state attitudes; satisfaction; performance; corruption; public spending*

Introduction

When a private sector company fails to deliver what its customers expect, the reaction of many consumers is often to turn to the competitors. However, when the largest provider of services and benefits in most countries, the government, fails to deliver what citizens expect, the effect tends to be reversed. Both national and comparative studies show that when a government is perceived to be unsuccessful in solving a task, this can instead lead to larger support for government intervention or spending (van Oorschot, Meuleman 2012; Roosma, van Oorschot et al. 2014; Hedegaard, Larsen 2014; Edlund 2006; Calzada, Del Pino 2008; Kumlin 2007). It is the conditions of this '*inside-the-box thinking*' that I am interested in developing further. I will therefore explore whether this '*performance-spending'* mechanism is strengthened if there is a high level of public spending on a welfare policy, following the logic of the 'lock-in' to public welfare production (Pierson 2001; North 1990). Conversely, there are theoretical grounds for believing that a '*performance-spending*' mechanism should be weakened if there is the perception that the public spending will not improve the public sector but instead end up in the hands of corrupt public officials or politicians (Kumlin, Rothstein 2005; Svallfors 2013). The hypotheses will be tested using the Role of

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Government survey from the International Social Survey Programme (ISSP). This survey allows me to match attitudes to a government's success in caring for the elderly and sick to attitudes on public spending for old-age spending and healthcare. Using the ISSP survey gives me an opportunity to challenge the 'Eurocentric' approach within this research, which is entirely based on surveys collected in Europe.

The first section introduced the overall idea of the article. The next section will outline theories and hypotheses that will guide the analysis. The third section describes the data and methods used in the article. In the fourth section, the results are presented. In the fifth and final section, the implications and limitations of the results are discussed.

The Mechanisms of Success and Failure

What is the reaction of the citizens if they perceive the government as unsuccessful in caring for a group of citizens? Should less public money be spent, so the resources can be channelled into other means of producing welfare (i.e. market, family, or voluntary organisations) or should spending on the social programmes be increased in order to solve the problems?

Numerous studies have examined how evaluations of a government's performance affect attitudes to spending on public policies. These studies outline what I have termed the 'performance-spending' mechanism on how the performance of governments affects attitudes. One example of this is Edlund (2006), who shows that Swedes who believe the government will be unable to handle future welfare tasks demand an increased welfare effort. Edlund (2006) argues that this is due to a general trust in the capacities of the government. This trust in the government results in the citizens supporting increased spending because they since they have experienced it delivering welfare successfully before, and because it is perceived as fair and trustworthy. Calzada and Del Pinto (2008) show similar results from Spain for four welfare policies, including healthcare. Hedegaard and Larsen (2014) show that Danes who are discontent with public service provision will demand more spending. This, they argue, is due to 'Nordic feedback', in which the combination of high taxes and dual-earner families leads citizens to seeing no way out of public service solutions (Hedegaard 2015). Kumlin (2007) takes a comparative view of evaluations of the public sector, using the European Social Survey. Kumlin's (2007) goal is to determine whether the European welfare states are overloaded with demand or whether the dissatisfaction might undermine support in general. Both arguments are, however, challenged by the fact that support for the welfare state is quite persistent throughout Europe, and therefore they provide little help in explaining attitude patterns when faced with dissatisfaction with the current performance. A comparative approach is also taken by van Oorschot and Meuleman (2012) who analyse the 'performance-spending' mechanism, also using the European Social Survey. Van Oorschot and Meuleman (2012) also theorise on the mechanisms that might drive the relationship between perceived government performance and attitudes to government responsibility. This is outlined in the two-by-two table below.

Table 1: The theoretical relationship between government performance and public spending

	Increase	Decrease
Successful	Reward	Overburden
Unsuccessful	Improvement	Punish

Source: *Adapted by the author from Oorschot and Meuleman (2012).*

Mapping out this relationship in Table 1 above, there are four possible mechanisms at play. One possibility is that the citizens can perceive the government as successful. If this is the case, the citizens can choose to reward the state for doing a good job by supporting increased spending. However, as Kumlin (2007) argues, the citizens can also choose to support decreasing public spending, based on the idea the government functions well in this area because it overburdens society with taxes. The citizens can also perceive the government as unsuccessful. If this is the case, the citizens can choose to support increased public spending, in the hopes that this will improve the current situation. Alternatively, they can choose to punish the state by supporting less spending.

Based on the studies outlined above, the overall conclusion in the literature seems to be that disappointment in the performance of the welfare state leads to increased support for spending on that policy or in that area (Hedegaard, Larsen 2014; Edlund 2006; Calzada, Del Pino 2008; van Oorschot, Meuleman 2012). To use the terms outlined in Table 1 above, that would point to an improvement effect. However, as shown by Roosma, van Oorschot and Gelissen (2014), this does not mean that the citizens who perceived the government as successful end up in the opposite category of finding the government to be overburdening society. Instead, most citizens who find government to be successful end up in what is equivalent to the reward mechanism (Roosma, van Oorschot & Gelissen 2014). Based on this, I expect the '*performance-spending*' mechanism to be present:

Hypothesis 1: *A greater belief that the government is unsuccessful in caring for the elderly and sick leads to an increased support for public spending on old age pensions and health-care.*

The next two hypotheses describe what the strength of the relationship between the government's lack of success and attitudes to spending might be dependent on. These hypotheses will focus on explaining national differences. To achieve this, I will connect the literature on this mechanism to institutional theories that have long existed in the literature on popular support for welfare.

The first hypothesis focuses on the impact of perceived corruption. Theoretically, this draws on the literature on procedural justice, which states that for citizens to support a government institution, it is important that access to and treatment by the institutions is equal for all citizens (Levi 1989; Rothstein 1998). This argument is also a central part of many studies on the quality of government. In literature studies, the impact of corruption and unfair treatment in the public sector depends on factors like trust, inequality, and social spending (Rothstein, Stolle 2008; Knack 2002). Following this argument, Svallfors (2013) shows how the quality of government impacts whether egalitarian values are translated into preferences for more welfare spending. Svallfors (2013) shows how the effect varies between countries, such that this mechanism is strong in countries with a higher quality of

government and weaker in countries with a lower quality of government, and hence more corruption. The implication is that though citizens in settings with a low quality of government might want welfare and redistribution through the state, they simply do not trust the government to provide it. The impact of dissatisfaction on spending preferences might work similarly. Citizens will only support increased welfare state spending if they believe that the money will be handled properly and not fall into the hands of corrupt politicians and public officials. This expectation of a corruption effect that conditions the '*performance-spending*' mechanism it the second of the hypotheses:

Hypothesis 2: *The strength of the relationship between lack of success of the government in caring for the elderly and sick, and support for public spending in these areas, is weakened by high levels of corruption in the public sector.*

The third hypothesis focuses on the impact of current spending on the policy and policy feedback. For this hypothesis, I argue that the relationship between the success of the government and attitudes to spending is stronger if government spending in the policy area is higher. This is based on the well-known idea that welfare states become '*locked into*' specific institutional configurations of producing welfare (Pierson 2001). This argument has served the backbone of Pierson's (2001) '*new politics of the welfare state*' theory, and has been widely used in the research of welfare states to explain stability in public production of welfare services, in spite of pressures on public budgets from a number of sources (Hedegaard 2015; Starke 2006; Pierson 2001).

The argument presented in the '*new politics of the welfare state*' theory is that if a country wants to privatize a welfare service or social benefit this can result in a situation where some groups will have to '*pay double*'. Public healthcare and pension policies are often based on a social contract in which the currently working generations are paying to help the elderly and sick. The working generations accept this arrangement because the older generations currently benefitting from pensions and healthcare did the same for previous generations, and because of the expectation that the next generations will then help those currently working. Changing the current social contract, or breaking the path to use the terminology of the theory, can force the working generations into '*double payment*', as they would end up paying for both the welfare for those currently retired or sick and another private solution for themselves (Starke 2006; Pierson 2001). Though pensions are the commonly used as an example of path dependency, healthcare might be even more path dependent as a social policy. It is hard to build private savings against sickness, and insurance systems have difficulties covering groups such as the very poor or chronically sick. Consequently, the larger the public system for taking care of the sick and the elderly, the more likely the citizens are to keep supporting this system. This loss aversion can be likened to what economists call the sunken cost fallacy in which people have a tendency to '*throw good money after bad*', in the hopes of recouping the losses. This expectation of a lock-in effect that conditions '*performance-spending*' mechanism is the third hypothesis:

Hypothesis 3: *The strength of the relationship between lack of success of the government in caring for the elderly and the sick, and support for public spending in these areas, is strengthened by higher levels of public spending by the government in an area.*

Data and research design

The overall design of the article is to compare the impact of perceived success on attitudes in different countries to spending. This will be achieved by using the fourth round of the Role of Government module collected by ISSP in 2006. The Role of Government survey from 2006 covers 33 countries. Of these 33 countries, 31 are included in this study, as Taiwan and the United Kingdom are excluded for lack of data, as explained below. The countries included in the article are Australia, Canada, Chile, Croatia, the Czech Republic, Denmark, the Dominican Republic, Finland, France, Germany, Hungary, Ireland, Israel, Japan, South Korea, Latvia, the Netherlands, New Zealand, Norway, the Philippines, Poland, Portugal, Russia, Slovenia, South Africa, Spain, Sweden, Switzerland, the United States, Uruguay, and Venezuela. The Role of Government module of the ISSP was repeated in 2016, but the data has not yet been collected and released. In all, this includes 45,793 respondents in 31 countries. This is reduced to 36,407 after deletion of all respondents with a non-response in one of the variables.

Variables

As the dependent variable, I will use a measure of attitudes to whether the government should spend less or more on old age pensions and healthcare: '*Listed below are various areas of government spending. Please show whether you would like to see more or less government spending in each area.*' The respondents were also warned to '*Remember that if you say "much more", it might require a tax increase to pay for it*', possibly to deter attitudes that were excessively pro-spending. Respondents could choose to answer '*much less*', '*less*', '*same as now*', '*more*', '*much more*', or '*can't choose*'.

To measure the perceived success of the government in caring for citizens affected by the two policies, this question was used: '*How successful do you think the government in* [country] *is nowadays in each of the following areas?*' – '*Providing healthcare for the sick?*' and '*Providing a decent standard of living for the elderly?*' Here respondents could answer that the government was '*very successful*', '*quite successful*', '*neither successful nor unsuccessful*', '*quite unsuccessful*', '*very unsuccessful*', or '*can't choose*'.

The two sets of questions thus cover the same issues overall, though it could be argued that public old age pensions and the living standards of the elderly are not entirely the same, as pensions are only a subset of providing a decent living standard for them. However, I would argue that it is the most important issue in this regard and therefore that the connection between the two questions can be made.

To measure the impact of the level of perceived corruption, I will use Transparency International's measure of corruption for 2006. Transparency International collects data from surveys of country experts and citizens to construct an index of corruption ranging from 0 to 10, where 10 represent no indications of corruption. This index allows me to assign a comparable measure of the level of corruption to each country, and from this test the second hypothesis.

The level of spending on the two areas in each country will be measured, in per cent of gross domestic product (GDP). For healthcare, the data are taken from the World Development Indicators database, which provides a comparable measure of the public spending level. One problem with this database is that in some cases not all information on local spending is collected in the countries, which might lead to public spending being underestimated.

For public pensions, data are taken from the World Development Indicators report published by the World Bank Group (2006). Unfortunately, Taiwan is not included as separate from China, and therefore I have had to drop Taiwan from the study. A more conceptual problem is that the idea of capturing public spending on pensions in itself might be problematic. Reforms throughout many countries have meant that different forms of private pensions have occupied an increasingly larger share of the pension systems, partly to combat the lock-in problem (Ebbinghaus 2011). Therefore, distinguishing between the public and the private parts of the pension system might be problematic for the respondents. When possible, data from 2006 are used, as this is the same year as the surveys were collected.

I will also control for a number of factors that have been shown to influence welfare attitudes in general. I will therefore control for sex (as women tend to be more pro-welfare in their attitudes), age (as the need for healthcare and pensions correlate with age), years of education (as the lower educated tend to be more pro-welfare), and whether the respondent is employed (as unemployment tends to be correlated with pro-welfare attitudes). The last variable was coded with all types of employment, with full-time, part-time, and helping family members counting as employment and all other respondents counting as not. Finally, I will include societal self-placement as a subjective class measure, in which respondents place themselves within society on a scale from 1 to 10. This is included for lack of a better objective class measure, as class still has a large impact on attitudes to welfare. This question was, however, not asked in the United Kingdom, and consequently this country was not included in the study. Though ideology could have been a welcome inclusion, the ISSP only includes a one-dimensional left-right scale, which have been shown to make makes little sense outside Western Europe (Kitschelt 1995) and increasingly is losing meaning inside Western Europe as well, due to the rise of value politics and populism (Gingrich, Häusermann 2015).

For all questions, the answers '*don't know*' or '*can't choose*' have been coded as missing. An overview of the means for each variable is posted in Table 4 in the appendix.

Methods

The results are presented in three steps. First, I will present descriptive statistics on the perceived success and the willingness to spend in the areas. Then I will show the multilevel models that test the impact of perceived success, and how corruption and public spending in the area interacts with it. Finally, I will explore the differences between countries by graphically depicting the correlation between perceived success and spending preferences, on the one hand, and the level of corruption and public spending on a country basis, on the other.

For the regressions analysis, I will use multilevel models. This is necessary as comparative studies of welfare attitudes have shown that attitudes to welfare spending tend to be clustered by country differences (Blekesaune 2007). As a result of the clustering, the respondents are not fully independent, as Germans will tend to look more like Germans, Finns more like Finns, and so on, and for this reason the assumptions for doing ordinary least square (OLS) regression are violated (Hox 2010). The effects will be shown as random slope models, where the effect of the perceived success of the government is allowed to vary between countries.

Results

Table 2, presented below, shows the association between how successful the government is perceived to be in caring for the elderly and the sick and attitudes to public spending on public old age pensions and healthcare. The table is presented with row percentages, as the argument presumes that the attitudes to whether the government is successful taking care of the task affects spending preferences, and not the other way around.

Table 2: Government success and spending attitudes for old age pensions and healthcare. Row percentages

Old age pensions						
	Much more	More	Same as now	Less	Much less	N
Very successful	39.6	31.9	22.3	4.8	1.4	2151
Quite successful	19.0	38.7	38.0	3.6	0.7	10667
Neither nor	21.4	45.1	30.4	2.5	0.6	10590
Quite unsuccessful	35.2	46.8	15.6	1.9	0.5	9182
Very unsuccessful	58.6	30.8	8.2	1.5	0.9	3817
Healthcare						
	Much more	More	Same as now	Less	Much less	N
Very successful	43.9	32.6	18.9	4.0	0.6	1512
Quite successful	28.3	47.4	21.2	2.7	0.4	8909
Neither nor	34.2	49.3	14.3	1.8	0.4	11096
Quite unsuccessful	44.9	44.3	8.5	1.9	0.4	10444
Very unsuccessful	64.3	27.0	6.0	1.5	1.2	4446

Source: Author based on the authors own calculation on the ISSP 2006.
Note: The sample is held constant throughout, via deletion, of 36,407 respondents in 31 countries.

Table 2 shows that there is overwhelming support for increased spending on both old age pensions and healthcare. If I combine those who answer '*more*' '*much more*' should be spent, then between 58 and 93 % answer that the government should spend more in these areas, depending on how successful the government is perceived to be. In terms of the evaluations of the government success in the two areas, there is much more variation. This shows that there is overwhelming support for welfare state expansion in the policy areas combined with more mixed evaluations of the outcomes.

The table also shows that this willingness to spend is affected by how successful the government is perceived to be. Starting with attitudes to old age pensions, in the top half of Table 2 we see that of those who perceive the government to be '*very unsuccessful*' in caring for the elderly, 89 % answered that '*more*' or '*much more*' should be spent. The same is true for 82 % of those who answered '*quite successful*'. On the other hand, '*only*' 71 % of those who found the state to be '*very successful*' supported increased spending, while the same was the case for 79 % of those who found the state to be '*quite successful*' in caring for the elderly. The pattern is even clearer when it comes to attitudes to spending on healthcare. Here, respectively 89 and 91 % of those who found the government to be '*quite*' or '*very*' unsuccessful in caring for the elderly wanted to increase spending. Among those who found the state to be successful, this is the case for 76 %. This provides initial support for the idea of a '*performance-spending*' mechanism as described in hypothesis 1.

In the multilevel regression models outlined below, the mechanism will be further tested. Models I show the relationship between the dependent and independent variables in a bivariate manner and thereby replicates what is shown in Table 2. Models II show this relationship tested for compositional effects, perceived corruption, and the level of public spending. Models III add to interaction terms between perceived corruption and the level of public spending and perceived success, to test whether the mechanism is conditioned by these factors.

Table 3: Random slope models estimating the impact of perceived success of the government, corruption, and public spending on attitudes towards public spending on old age pensions and healthcare.

	Old age pensions			Healthcare		
	I: Success	II: Full model	III: Interaction	I: Success	II: Full model	III: Interaction
Random effects						
Government success	0.174***	0.169***	-0.0245	0.120***	0.123***	-0.0395
Fixed effects						
Age in years		0.005***	0.005***		-0.0002	-0.0002
Education		-0.018***	-0.017***		-0.005***	-0.004***
Sex		0.062***	0.061***		0.057***	0.055***
Employment		0.058***	0.058***		0.044***	0.044***
Self-placement		-0.022***	-0.022***		-0.013***	-0.013***
Perceived corruption		-0.154***	-0.158***		-0.016	-0.017
Perceived corruption by government success			0.027***			0.004
Public spending		-0.006	-0.006		-0.134***	-0.140***
Public spending by government success			0.002			0.025***
Constant	3,438***	3,365***	4,436***	3,749***	3,800***	4,625***
Variation						
Individual	-1.07***	-1.14***	-1.34***	-1.14***	-1.49***	-1.45***
Country	-0.10***	-0.13***	-0.13***	-0.08***	-0.10***	-0.10***
Observations	36,407	36,407	36,407	36,407	36,407	36,407

Source: Author based on the authors own calculation on the ISSP 2006.
Notes: The sample is held constant throughout, via deletion, of 36,407 respondents in 31 countries. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Before I go over the results in Table 3, I will briefly discuss the clustering of variation on a country and individual level. The empty models, only containing the dependent variable, are not shown as they are only used to calculate what percentage of the variation is at the individual and country level. The calculations of country level variation over total variation show that 9 % of the variation on healthcare and 7 % of the variation can be attributed to the country level. This shows that the multilevel models are necessary, as part of the differences cannot be explained using individual level traits (Hox 2010).

Models I show the effect of the perceived success on attitudes to spending in the area, without any other variables included in the model. There is a strong effect from this variable, which is not particularly surprising given the strong effect found in Table 2. This shows that the impact of perceived success is stronger for pensions (0.174***) than for healthcare (0.120***). That the effect is positive means the more the government is perceived to be unsuccessful in helping the elderly or the sick, the higher the willingness to spend in that area.

Models II show how the same bivariate relationship between government success and attitudes to spending fares when controlled for age, sex, employment, societal self-placement, perceived corruption and public spending in that policy area. All the control variables for compositional effects have a significant impact on the dependent variable, expect age on healthcare. Further, I see that both perceived corruption and the level of social spending does impact the spending attitudes, though the effects are, however, quite different between the two policy areas. The corruption index is the same for the two models, as Transparency International's corruption perceptions are not tied to the policy area. For old age pensions it does significantly impact attitudes to spending on old both directly (-0.154***); however, for attitudes to healthcare this is not the picture where the main effect is almost zero and therefore insignificant (-0.001). That the effect is negative means that the higher the levels of perceived corruption, the more support for spending in the area. This shows that corruption does weaken the impact of experiences of an unsuccessful government, in line with hypothesis 2. The absence of an effect for healthcare is quite surprising, given that other studies have found that corruption can undermine the support for welfare state programmes and the welfare state in general (Kumlin, Rothstein 2005, Svallfors 2013). This difference between old age pensions and healthcare fits poorly with the literature on corruption, which normally tends to stress that personal experiences of corruption have a large impact on attitudes (Edlund 2006, Rothstein, Teorell 2008). Based on this argument, healthcare should create more one-on-one interactions with public officials in which the experiences with corrupt public officials should come into play.

The effect of public spending also behaves quite differently between the two areas. For old age pensions, there is no significant effect (-0.006) of the level of public spending as a percentage of GDP. There therefore seems to be no lock-in effect in which high levels of spending lead to preferences for more spending in the area. However, for healthcare there is an effect for the level of spending (-0.134***). That the effect is negative means that higher levels of public spending lead to more support for public spending on healthcare. This means that for healthcare the lock-in effect discussed in the theory section seems to affect attitudes, and, moreover, when combined with the level of dissatisfaction, it seems to strengthen the effect. It is quite surprising that this effect does not work for public pensions, given that this is the commonly used example for the lock-in effect. One possible explanation for this is that the general population is no longer able to separate public and private spending because of the many reforms in this area (Whiteford, Whitehouse 2006). These gradual privatisations have circumvented some of the double payment problems outlined above by gradually introducing the path changes.

In Models III the interactions between perceived success of the government and perceived corruption and public spending are added. The first thing to notice here is that the direct effect of government success is almost reduced to zero. This is because the effect is now conditioned on the interaction terms, which affects the main effects (Brambor et al. 2006). Similar to with the pattern above, I see that the interaction only works for

Perceived corruption and government (0.027***) for old age pensions, but not for healthcare. On the other hand, the interaction term between public spending and government success (0.025***) only works for healthcare, but not old age pensions. This shows that part of the effect is 'filtered' though both the main effect of corruption and social spending, but also how it interacts with the perceived success. That the effects are in both cases positive means that that the effects of perceiving society as unsuccessful on spending preferences is partially conditioned on society being perceived as relatively free of corruption or the public spending in that area being high.

The results thus confirm hypothesis 1 of there being an effect of perceived success on attitudes to public spending. They also partially confirm hypotheses 2 and 3 of corruption and public spending being able to respectively undermine and strengthen the connection, though only for one of the policy areas each.

Finally, I want to explore how these differences vary between countries. The tables presented above show the general effect, but not how individual countries fare. I will examine how this varies with the level of perceived corruption and public spending. Only the impact of corruption for pensions and the impact of public spending for healthcare are shown, as the results in Table 3 show that this is where the significant differences between countries exist. First, for Figure 1, the standardized correlation effects have been extracted on a country basis from models II in Table 3.

Figure 1: Country variations in the impact of perceived success of the government on attitudes to public spending on pensions and healthcare. The results are controlled for sex, age, years of education, employment status, and societal self-placement.
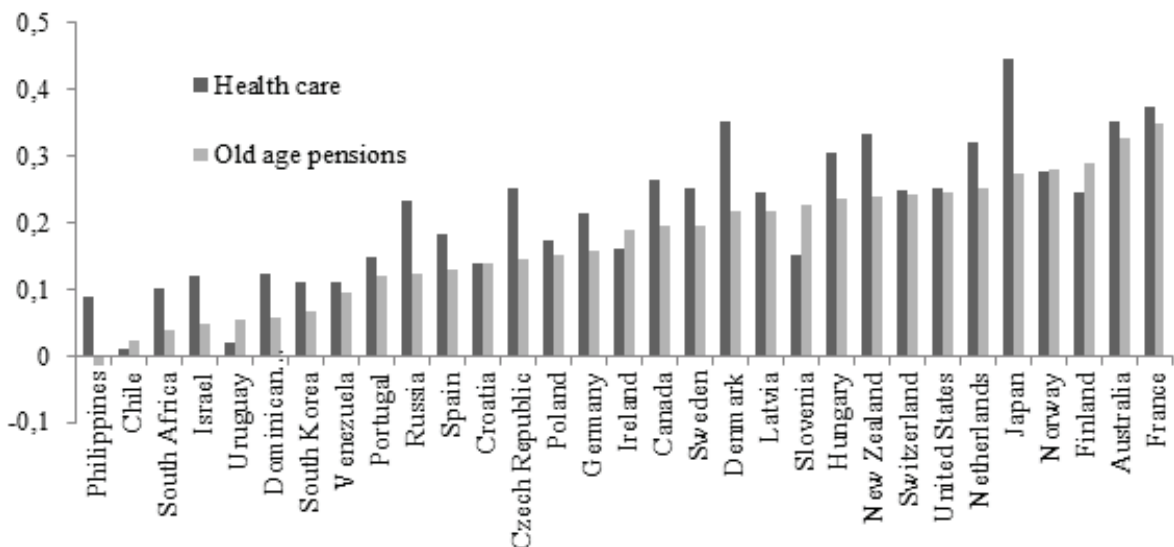
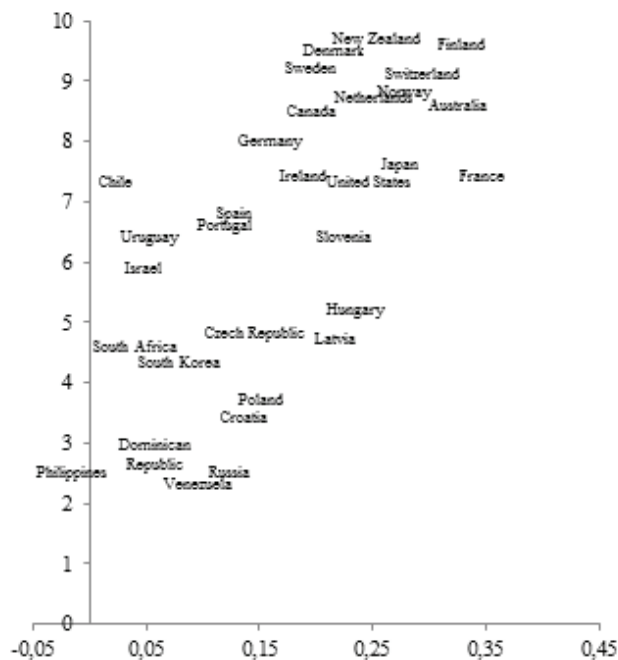*Source: Author, based on the author's own calculation on the ISSP 2006.*
Note: The results are similar to the multilevel models with 31 countries where the effect of government success is allowed to vary. For pensions, the effects are significant (at p>0.05 or better) in all countries except the Philippines, Chile, Uruguay, South Korea, South Africa, Dominican Republic, Israel and Venezuela. The same is the case for healthcare in all countries except Chile, Israel, Philippines, Uruguay, and Venezuela.

Figure 1 shows that the effect of the perceived success of the government does vary a great deal between both the countries and the policy areas. For pensions, which are how

the results are sorted, we see that the effect is strongest in France, Australia, and Finland, while it is weakest in the Philippines, Chile and South Africa. The reflects a pattern in which generally the effects are strongest in the older and more entrenched welfare states of North and West Europe. Further down the list are more of the Anglo-Saxon and Eastern European welfare states, where the effect is not as strong but still significant. There are thus hints of a regime pattern among the Western countries, but not any strong clustering. The big difference in terms of effect is found when they are compared to the emerging welfare states from Asia, African, and South American countries (Arts, Gelissen 2010). Here there is no effect for Venezuela, Israel, the Dominican Republic, South Africa, South Korea, Uruguay, Chile, or the Philippines. The same overall pattern exists for healthcare, though the differences between the countries are smaller and the effects are insignificant for fewer countries. This can possibly be due to public healthcare systems being more widespread than public pension systems (which is confirmed by social spending level; see Table 4 in the appendix). Therefore, the mechanism might work better since there are real policies and institutions in place.

Next, I will show the association between corruption and country variations in the impact of perceived success of the government on attitudes to public spending on old age pensions. The horizontal axis tracks the strength of the correlation between perceived success of the government and spending preferences as shown in Figure 1. The vertical axis tracks the level of perceived corruption ranging from very clean (0) to highly corrupt (10).

Figure 2: Country variations in impact of perceived success of the government on attitudes to public spending on pensions and perceived corruption in that country.

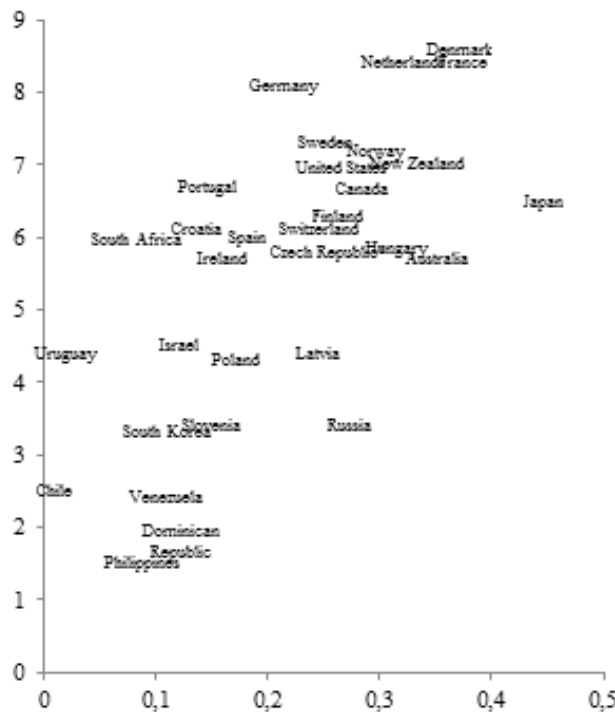*Source*: *Author, based on the author's own calculation on the ISSP 2006.*
Note: Linear R^2 = 0.40. The level of perceived corruption, on the horizontal axis, is measured using Transparency International's measure of perceived corruption (0-10). The horizontal axis tracks the strength of the correlation between perceived success of the government and spending preferences from Model II in Figure 1.

Figure 2 shows the strength of the effect on attitudes to spending on public pensions and the level perceived level of corruption. The figure shows that there is quite a strong clustering of the countries when comparing the two axes (R² = 0,40). The lower levels of perceived corruption seem to correlate with the effect of successfulness. It is thus both in countries like the Philippines, Venezuela, Russia and the Dominican Republic where I find the weakest effect of the government being perceived as unsuccessful on spending preferences and the highest levels of perceived corruption. At the other end of the scale, I find the Nordic countries, Switzerland and New Zealand. Compared to Figure 1, it is again the same countries where the effect is weak which also have less corrupt governments. This does not mean that it is possible to say anything about the causality, but at least for this mechanism it appears to structure the differences nicely.

In Figure 3, below, the association between public spending on healthcare and country variations in the impact of perceived success of the government on attitudes to public spending healthcare. The horizontal axis tracks the strength of the correlation as shown in Figure 1. The vertical axis represents the level of public spending on healthcare.

Figure 3: Country variations in impact of perceived success of the government on attitudes to public spending on healthcare and public spending on healthcare in that country.

Source: Author based on the authors own calculation on the ISSP 2006.
Note: Linear R² = 0.46. The level of the level of public spending, on the horizontal axis, on healthcare is measured using the World Development Indicators database. The horizontal axis tracks the strength of the correlation between perceived success of the government and spending preferences from Model II in Figure 1.

Figure 3 on the right shows the strength of the effect on attitudes to spending on public healthcare and the level of public spending, measured in percentage of GDP. The figure generally shows that the countries in which the correlation is strong are also countries that

have higher levels of spending on public healthcare (R^2 = 0.46). It is thus in Denmark, the Netherlands and France that I find the citizens reacting the strongest to a failing healthcare system, while also having the comparatively highest levels of public spending. On the other hand, it is in countries like the Philippines, the Dominican Republic and Venezuela that corruption is perceived to be the biggest problem, and where the mechanism is the weakest. Like the interaction effects outlined in Table 3, this implies that the lock-in argument presented above works, in that citizens in these countries generally think '*inside the box*' and want to spend more, while citizens in low-spending countries might consider more options.

Implications and Limitations of the Argument

In line with the existing literature, this article shows that if the government is perceived as unsuccessful in caring for its citizens this can lead to a demand for more public spending (van Oorschot, Meuleman 2012; Roosma, van Oorschot et al. 2014; Hedegaard, Larsen 2014; Edlund 2006; Calzada, Del Pino 2008; Kumlin 2007). This indicates that the relationship between public sector performance and public attitudes might have a self-correcting nature. If parts of the public sector are failing in the eyes of the public, they receive an additional push for public spending. Public opinion might therefore act as a driver of public spending, as it can help bring a spotlight on the areas the public deems to be lacking might spur action (Burstein 2003; Sharp 1999; Soroka, Wlezien 2004). This is demonstrated in the article with public healthcare and public pensions as the cases.

Adding to this existing knowledge, the article demonstrates that this mechanism is strengthened by the lock-in to public production and weakened by perception of corruption in the public sector. The effects were not alike between the areas, as the impact of public spending only existed for healthcare while the impact of corruption only existed for pensions. Since time effects, and therefore causality, are impossible to sort out in a cross-sectional design, this does not definitively prove that the level of corruption or public spending conditions the effect. However, the strong differences between countries in the effect observed in the latter part of the analysis does help further examine the logics of the argument. Generally, I found that the effect was stronger in what I, with terminology borrowed from Arts and Gelissen (2010), have termed the old welfare states of Europe and North America than in the emerging welfare states. The latter group of emerging welfare states are also countries where corruption is believed to be more widespread and where the welfare state is not as entrenched (Svallfors 2013; Bjørnskov 2011; Anderson, Tverdova 2003). This shows that when determining whether to support increased public spending to fix a public sector that is perceived to be failing, the options are evaluated and the lock-in or corruption effects occur. If there are not realistic alternatives to the public sector or if the public sector is not believed to be corrupt, then citizens might keep '*thinking inside the box*'. However, if the market or the family does provide a realistic alternative or if the state is perceived to be corrupt, then citizens will break out of this pattern.

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Appendix:

Table 4: Means of all variables, by country

	Spending pensions	Spending healthcare	Success old	Success sick	Age	Years of education	Working	Self-placement	Corruption index	% GDP Pensions	% GDP health care
Australia	3.6	4.3	2.9	2.9	49.8	13.7	1.3	6.1	8.6	5.9	5.7
Canada	3.6	4.0	2.8	2.7	51.6	14.1	1.3	5.9	8.5	4.5	6.8
Chile	4.3	4.4	3.3	3.1	43.9	10.6	1.5	4.2	7.3	2.9	2.5
Croatia	4.4	4.4	3.8	3.6	48.2	10.7	1.5	4.9	3.4	12.3	6.1
Czech Republic	3.8	3.9	3.1	3.0	50.2	12.6	1.5	4.5	4.8	8.5	5.8
Denmark	3.7	4.2	2.8	2.8	51.1	13.6	1.3	6.2	9.5	8.8	8.4
Dominican Republic	4.0	4.6	3.4	3.1	39.5	9.0	1.4	4.5	2.8	0.8	1.8
Finland	4.0	4.1	3.1	2.8	49.2	12.3	1.3	5.4	9.6	12.1	6.2
France	3.5	3.7	3.1	2.8	52.2	14.0	1.4	5.2	7.4	13.4	8.4
Germany	3.6	3.8	2.9	2.9	50.3	10.9	1.5	5.4	8.0	12.1	8.1
Hungary	4.1	4.5	3.3	3.2	51.0	11.6	1.6	4.2	5.2	11.0	5.8
Ireland	4.5	4.7	3.2	3.8	47.6	12.7	1.4	5.9	7.4	4.6	5.7
Israel	4.3	4.5	3.4	3.1	45.7	12.9	1.4	6.3	5.9	5.9	4.5
Japan	3.7	3.9	3.3	3.1	52.1	12.4	1.4	4.7	7.6	6.9	6.5
South Korea	4.0	4.1	3.3	2.9	43.7	12.7	1.3	4.8	5.1	3.3	3.3
Latvia	4.4	4.3	4.1	3.7	47.4	12.1	1.3	4.4	4.7	8.2	4.4
Netherlands	3.4	3.9	3.0	3.0	48.4	13.9	1.3	6.3	8.7	5.0	8.4
New Zealand	3.7	4.1	2.8	3.0	49.6	13.7	1.3	5.9	9.6	4.7	7
Norway	3.7	4.1	3.2	3.1	46.9	13.7	1.4	6.3	8.8	5.2	7.2
Philippines	4.2	4.3	3.0	2.7	40.2	9.3	1.4	4.5	2.5	1.5	1.5
Poland	4.4	4.4	3.7	3.6	50.9	11.4	1.5	5.0	3.7	11.9	4.3
Portugal	4.4	4.4	3.8	3.7	47.0	8.3	1.3	4.3	6.6	11.6	6.7
Russia	4.5	4.4	4.0	3.7	47.2	11.8	1.4	4.7	2.5	6.9	3.4
Slovenia	3.8	4.1	2.9	2.9	49.8	11.6	1.4	5.2	6.4	11.2	6.1
South Africa	4.1	4.4	3.0	2.9	38.3	10.7	1.6	4.6	4.6	2.0	3.4
Spain	4.1	4.2	2.9	2.6	46.0	12.1	1.4	5.0	6.8	10.9	6
Sweden	3.7	4.0	3.2	2.9	47.7	12.3	1.3	6.0	9.2	11.1	7.3
Switzerland	3.6	3.5	2.3	2.2	51.7	11.5	1.4	5.7	9.1	13.4	6.1
United States	3.8	4.1	3.3	3.3	47.1	13.3	1.3	6.5	7.3	7.5	6.9
Uruguay	4.3	4.4	3.2	3.0	47.2	9.1	1.5	4.0	6.4	15	4.4
Venezuela	4.4	4.4	2.6	2.5	41.0	8.7	1.5	4.4	2.3	2.7	2.4

Note: The means are calculated after deletions, but before standardization. See the data and research design section for more details.