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Political Trust in Italy: How Environmental, Social, and Governance Factors Shape Confidence in Parties

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Abstract

The current study addresses political party trust and Environmental, Social, and Governance (ESG) principle application in Italian regions. Trust in political parties is a principal driving force in governance performance, compliance with policies, and citizen trust in institution-made choices. With political and economic diversity in its regions, Italian regions present a case study for testing whether political institution trust increased creates increased ESG use and whether ESG policies have an impact in shaping political trust in reciprocity. Empirical evidence confirms that in high political trust regions, ESG programs have a high opportunity for effective implementation, particularly in social welfare and conservation of environment. In contrast, political institution trust weakness is accompanied with poor ESG pledges, an expression of inefficient governance and reduced accountability in companies. ESG policies actually have an impact on political trust—effective and transparent ESG actions establish institution trust, but shallow and political ESG actions produce mistrust. The observations have a function of projecting the contribution towards balancing institution trust with sustainability through governance quality. Policymakers can contribute towards leveraging political stability in driving ESG integration in a manner that keeps such programs effective and credible for long-term development in regions and for democratic legitimacy.

Keywords: Political Trust, Environmental, Social, and Governance (ESG), Institutional Governance, Regional Disparities, Sustainability Policies.

JEL CODES: D72, G34, Q58, R58, M14.

1. Introduction

Trust in political parties and Environmental, Social, and Governance (ESG) principle practice are two dimensions of political and economic life in modern times. How these two factors interrelate is particularly relevant in Italy, with its political and social inequality, political past, and socio-economic realities shaping both institution trust and ESG practice. Trust in political parties is a pillar of political and governance stability and effective governance, with implications for citizen participation, compliance with policies, and institution legitimacy. Where citizens trust political parties, citizens will be motivated to sanction long-term policy programs, including long-term programs in terms of sustainability and programs in terms of social responsibility for companies. ESG, on the other hand,

is a general evaluation tool for gauging corporation and government commitment to sustainability, ethical governance, and social equity. ESG is a tool for responsible business improvement, environment protection, and social integration, and for harmonization with society at large. How political trust and ESG interrelate will depend on a variety of institution, economy, and society factors, and for these reasons, Italy is a useful case study, with its regionality and diversity of regions, with Northern Italy having increased economic development, efficient institution, and political stability, and Southern Italy with its increased difficulty in terms of economy, low institution trust, and poor governance infrastructure. With such a divide, questions arise regarding trust in political parties and its impact, for example, on ESG adoption and, in reverse, ESG practice and its impact, one such hypothesis being that increased political trust will stimulate ESG through a secure institution environment in which companies and governments can practice long-term programs in terms of sustainability with public support. Areas with high political party trust can have effective ESG policies, with political stability undergirding investments in governance and sustainability. In less political trust areas, institution doubt can counteract ESG development, with less effective governance and less accountability for companies. There is a counter view that effective ESG development can actually generate political trust. Where governments and companies actively promote ESG values, citizens can perceive political institutions to be more responsible, transparent, and concerned with social and environment welfare. Trust in political parties supporting and putting ESG-related policies into practice could increase through such a perception. On the other hand, when ESG policies become cosmetic and symbolic, trust in politics will not be restored and could even become eroded, when citizens perceive such programs for sustainability as political rhetoric and not real improvements in governance (Gamalerio, 2020; Maccaferri and Mammone, 2022; Gavana et al., 2022; Robinson, 2022).

Trust in political parties and ESG in Italian regions can also be understood through an analysis of social and economic factors. In rich regions, with heightened security in terms of economy and effective institution performance, political trust and ESG use could both be high. In economically disadvantaged regions, political trust could be less and ESG use less effective, with less funding, governance, and citizen trust in political processes contributing towards such an environment. Culture and governance and approaches in business practice also have an important role to play in such regions. In regions with high civic society and participatory political cultures, citizens could become supportive of ESG and trust political parties with a strong orientation towards sustainability and responsible governance. In contrast, less institution and civic skeptical regions may be less predisposed towards ESG policies, regarding them as forced, not organically developed, and hence less effective in providing value to them. Examining such a relation through a systematic analysis of political trust and ESG performance at a regional level entails using statistics and econometric tools. By uniting survey data for political trust with ESG performance, such as corporation sustainability performance, environment policies, and governance, one can discern trends and relations at Italian regions. By utilizing tools in geographical analysis and machine learning, one can then refine one's understanding of such factors and their interdependencies at a regional level, controlling for institution, political, and socio-economic factors. What such an analysis yields holds significant implications for governments and companies alike. In case political trust proves to be a driving force for ESG success, political and institution strengthening and political mobilization could become critical for improving sustainability performance. In case ESG proves to drive political trust in a positive direction, governments and companies can utilize such a tool in rebuilding citizens' trust in political institutions. Under such dynamics, an effective grasp is important in crafting effective ESG policies sensitive to political and economic realities at a regional level, such that governance and improvements in sustainability become both believable and effective. In a larger European and

international ESG scenario, such a case in Italy yields insights about institution trust and its relation with sustainability in a range of political and economic settings. As ESG legislation and such aims for sustainability gain traction in the European Union, such an Italian case highlights political and institution governance structures and political legitimacy in achieving such aims. The political party trust and ESG nexus is therefore not a theoretical one but a concrete one with important governance, development, and social cohesion consequences. Examining such a nexus in an Italian region introduces a rich scenario of political stability and sustainable development dynamics, enhancing overall analysis of ESG success factors in a democratic society (Valbruzzi and Vignati, 2021; Carnini Pulino et al., 2022).

The article continues as follows: the second section contains the literature review, the third section presents the variables applied in the model, the fourth section shows the econometric model, the fifth section presents the policy implications, the sixth section concludes.

2. Literature Review

In the following analysis we present a critical analysis of the scientific literature on the topic through a division into three macro-themes.

2.1 ESG Performance and Corporate Governance

Prioritizing social trust in defining ESG performance, high-trust companies have high ESG dedication, courtesy of reduced opportunism and increased aspirations of stakeholders (Zhu and Wang, 2024). In a demonstration of an indirect function for trust-fostering governance structures through transparency in governance and integrity in institutions, such companies direct ESG approaches in a positive direction. In a similar analysis, in a discussion of ESG controversy in European Union companies, such companies assign ESG controversy to sociopolitical factors (Passas et al., 2022). In a demonstration of companies' susceptibility to ESG controversy in governance-weakened countries and countries with fragile politics, such companies become susceptible to ESG controversy. In a demonstration of strong intervention in terms of ESG and compliance with standards, such companies necessitate strong intervention in a move to counteract ESG-related danger and compliance with standards of sustainability.

Mooneepen, Abhayawansa, and Mamode Khan (2022) go one level deeper in analysis in terms of researching national governance structures' contribution towards companies' ESG performance. Institutional strong countries and regulative strong policies have high ESG performance, according to them, for in such a case, regulative supervision keeps malpractice in companies at bay and brings transparency in them. Their contribution reinforces development of policies plays a role in shaping companies' behavior towards sustainability, and, therefore, policymakers have a key role in creating an environment in which financial incentives and ESG objectives go together in harmony. In a similar direction, Sun and Zhu (2024) explore political acuity and its contribution towards driving companies' ESG strategies, citing companies with high political awareness have high performance in dealing with regulative environments, including ESG factors in long-term planning for companies. According to them, political institutions and regulative continuity drive companies' level of ESG principle internalization, citing continuity and cohesion in policies cause long-term companies' behavior in a sustainable direction.

Alam (2022) supplements our analysis with a political contribution and lobbying and ESG activity and performance analysis in companies. In its analysis, political contribution and lobbying companies with selective ESG engagements place actions for sustainability in a position of advocacy for

regulators' mandates in a quest for preferential treatment. What such an analysis brings out is not only can ESG conduct in companies be channeled through direct legislation in terms of policy environments, but even through political engagements, and raises concerns about capture and legitimacy of ESG engagements in companies.

The role played by economic policy in shaping ESG reporting and companies' approaches towards sustainability is a significant player, in Harjoto and Wang (2024)'s work, whose work takes ESG transparency and its role in contributing towards uncertainty in terms of economic policy into consideration. In its consideration, political and strong board networks' companies disclose ESG information in a calculated manner, utilizing ESG information for uncertainty and legitimacy maintenance. In affirmation, political and strong board networks' companies disclose ESG information in a calculated manner, utilizing ESG information for uncertainty and legitimacy maintenance, a fact attesting that policy shifts drive ESG behavior in companies, and governance structures become a significant consideration in deciding companies' approaches towards changing laws and policies. Correspondingly, Sun, Zhu, and Hu (2024) explore political affiliation and its contribution towards prioritization in ESG, and governments closely tracking companies have shareholder-focussed ESG approaches in consequence.

Wang (2023) identifies social trust driving ESG performance and disclosures in companies. Wang's analysis identifies trust in society in terms of constructed policy environments, and in a reverse direction, companies' behavior towards ESG values. In strong ESG-policy nations, trust in companies is high, and companies respond with high ESG performance and disclosures. That, therefore, concludes that policy design indirectly but effectively induces responsible behavior in companies, with trustful society providing incentives for companies to have responsible behavior. Liu, Wei, and Zhang (2023) plot a timeline of events through an analysis of lobbying trends in America's ESG reporting between 1999 and 2017. What Wang's analysis identifies through analysis of lobbying trends between 1999 and 2017 is that companies actively use lobbying in shaping ESG legislation in a direction in its best interests, with a consequence of selective and calculated ESG disclosures. What Wang and Liu, Wei, and Zhang's analysis identifies, therefore, is a two-way street between ESG and policy: government policies shape companies' ESG behavior, and companies, in a reverse direction, try to shape policies for respective objectives.

To make a contribution towards synergy between ESG and policy, ESG approaches and contribution towards trust and loyalty towards stakeholders and customers, respectively, refer to Kulova and Nikolova-Alexieva (2023). For them, ESG integration frameworks for policy develop a competitive edge for companies that integrate ESG values in a model for a business model. With ESG compliance becoming a norm through increasingly stricter regulating policies, companies effectively leveraging ESG programs gain increased trust with consumers and brand loyalty. That validates contribution of policy in creating incentives for ESG in the marketplace, and not only ESG backing through regulators, but even strengthens relations with stakeholders.

The intersection between ESG and policy is a compound intersection in which governance frameworks, regulative regimes, and approaches in companies combine and strive towards shaping performance for sustainability. Fuadah et al. (2022) explore ESG value, ESG disclosure, and financial performance in terms of ownership, with a consideration towards governance in transparency and compliance with vows for sustainability. In its contribution, it identifies that ESG reporting, through friendly regulative policies, can strive towards investors' trust and long-term financial performance. In a similar inquiry, Martha and Khomsiyah (2023) evaluate ESG factors' contribution towards performance in companies and conclude that companies with ESG values in practice outperform in terms of finance, with high trust and efficiency in operations contributing factors. In agreement with Xie (2024), in a consideration towards ESG in terms of companies' sustainable development,

specifically through a consideration towards consciousness for carbon, its contribution identifies that ESG approaches facilitated through policies, specifically in terms of environment, contribute a lot towards shaping companies' behavior and towards long-term financial performance. Luo et al. (2024) elaborate governance quality's role in its position in acting as a moderator in ESG-performance nexus, with high governance quality enhancing ESG investments' positive contribution. In their article, strong governance frameworks and regulative supervision act as a platform in which ESG compliance pays in real financial terms, in supporting contention that policy is a key in defining ESG success. Cornell and Shapiro (2021) develop such discussion through examination of contribution of corporate stakeholder relations' in ESG towards valuation of a firm. In their article, regulative policies in supporting stakeholder governance frameworks can contribute towards valuation of a firm through encouragement of long-term oriented business and long-term evasion avoidance.

The social trust role in corporation sustainability is yet another ESG-policy nexus characteristic. Wang (2023) re-affirms social trust's role in corporation sustainability performance and reporting, and in its estimation, companies become predisposed towards responsible ESG behavior through increased trust in society. In its observation, it is in agreement with Liu, Wei, and Zhang (2023), who investigate corporation lobbying and its role in driving ESG reporting trends in US companies. In a review of corporation lobbying and its role in driving ESG reporting trends in US companies, in their estimation, one can witness how lobbying and policy structures function in harmony, with a lot times working towards increased ESG reporting and sometimes towards regulatory capture, in which companies shape policies in a profitable direction for them and not necessarily for general ends of sustainability. The function played by ESG policies in creating trust and fidelity between buyers and stakeholders is becoming a practice in such works such as in Kulova and Nikolova-Alexieva (2023). To them, successful ESG strategies, supported with transparent governance frameworks, have a preference for creating strong, long-term relations with buyers and a loyal fan base, and high name value. That observation reconciles with the overall thesis that ESG is not a compliance matter but a value creation mechanism for long-term success

2.2 ESG, Politics, and Regulatory Frameworks

The intersection between politics and ESG (Environmental, Social, and Governance) can manifest in political ideology, governance environments, and ESG performance in companies. For instance, political ideology at a territorial level having an impact can manifest in a high level of territorial political ideology producing a high level of ESG investment performance (Blomqvist and Stradi, 2024). That affirms that environments with a positive political orientation towards environmentally friendly operations produce a marketplace for ESG-conformity companies, in affirmation of political orientation having an impact in terms of investment performance. Ollikainen (2022) looks at political change in terms of its performance in stocks and ESG rating, with direct causality between regulative and financial markets having a strong value placed in it. In its analysis, political change, when it brings ESG-supportive policies, experiences high-rated ESG performers with positive performance in stocks, but low ESG performers receive a financial penalty for it. It mirrors government intervention in shaping companies' strategies towards sustainability in a form in which ESG vows become economically profitable. By relating political change with behavior in stocks, political and regulative planning and steadiness will make a business environment in which ESG vows pay economically. Costantiello and Leogrande (2023) generalize the discussion to an international level, with political stability in ESG frameworks under discussion. In countries, political stability, according to them, experiences ESG use uniform and its impact closely intertwined with long-term success for companies. In countries with political uncertainty, ESG programs can become discredited with uncertainty in laws, lack of uniformity in its use, and financial uncertainty. In conclusion, high-quality governance is closely intertwined with sustainable development, and political uncertainty can discourage companies from embracing ESG values in full in its strategies.

Norman (2024) addresses political and legal battles over ESG policies, namely over state pension fund and anti-ESG legislation. What is revealed in analysis is political polarization in ESG investing, with Republican legislators having a tendency to resist state pension fund ESG mandates, arguing ESG prioritizes ends over financial performance first. That tension between ends and fiduciary reflects larger battles over ESG's role in financial decision making in broader policy. What is revealed through analysis by Norman is regulators can enable and hinder ESG integration, in relation to political leadership and legislative agendas. Guedes, Neves, and Vieira (2024) break down ESG's governance dimension in political affiliations and board diversity and its role towards ESG performance. To them, political-affiliated boards in companies have governance gaps capable of creating and demolishing them, respectively, through ESG effectiveness. Conversely, companies with boards with diversity have a high ESG orientation, backed with governance structures with diversity values. In this book, one can see that not only does policy shape ESG in a regulative form, but even creates its impact at a governance level, with an impact at an organizational level for ESG principles.

Zhang, Zhang, and Feng (2023) investigate whether governments can receive increased subsidies through increased ESG performance, with a specific concern for the role played by policy in getting companies environmentally friendly in behavior. In its work, in its consideration, high ESG performance companies receive financial incentives, an observation that assumes governments utilize ESG as a tool for driving overall environment and social aims. In its work, it sees how policy tools, including subsidies, can function in driving companies' behavior towards sustainability, in supporting the thesis that supportive regulation can have a direct impact in companies' behavior.

For example, Pardy (2023) is doubtful about ESG, and in his view, it is a socialist intervention in companies through imposition and intervention through policies. To him, ESG is not a development in a marketplace in its wholeness but an institution investors' and policymakers' tool for realigning companies' objectives in a not necessarily bests' shareholder interests direction. In its analysis, a tension between free marketplace ideology and imposition through policies of ESG is experienced, with a concern over whether ESG mandates distort companies' freedom and efficiency in an economy. In a similar observation, financial decision-making at both corporation and household level, according to He (2024), is in terms of political affiliation, defining political affiliation companies' reaction to ESG policies in a different manner. To him, political affiliation companies can use political influence in complying with, and even evading, ESG policies in a direction in relation to their strategic objectives, proving imposition through policies is not one-dimensional for all entities in a business environment.

Kubisch (2023) addresses ESG policies' impact for free speech and pensions, in terms of whether ESG investing strategies can compel fund managers to prioritize environment and social over financial performance. In such an analysis, such an improvement raises moral and legal concerns about freedom of pension beneficiaries' conduct and about fiduciary duty. Overall contribution of such work is that ESG investing strategies initiated through policies can work in contradiction with conventional financial thinking, creating tension between compliance and investment performance. Huang and Yang (2024) address political parties' role in shaping companies' environment governance in a work whose conclusion is that companies in governments with high environment aspirations have a strong ESG practice in terms of ESG compliance requirements. Such work complements observation that political ideology is a strong shaper of ESG behavior in companies, with governments' and companies' political ideology having a strong impact in terms of whether ESG thinking guides companies' strategies at all, and, if, then, to what extent.

, Underhill, and Macey (2023) investigate whether ESG programs can have a counterintuitive role in eliciting state intervention, and speculate that companies' voluntary ESG behavior can act as a proxy for stricter state intervention. In raising relevant concerns about long-term ESG viability in acting as an alternative source of regulation, particularly in scenarios in which compliance through voluntarism will not work in resolving systemic social and environment issues, its analysis looks at ESG programs in companies' potential in averts state intervention identifies that formulating policies must navigate

between mandates and voluntarism with caution in a manner that brings about real improvement in terms of sustainability objectives. Attig, El Ghoul, and Hossain (2024) investigate social political polarization expenses in terms of its contribution towards CSR, connecting political polarization with ESG discrepancies in terms of its acceptance. For them, political polarization brings uncertainty in ESG, with companies having a problem in coordination with changing regulative requirements. In its analysis, the study identifies larger social ramifications of ESG policies, with political uncertainty disempowering companies' motivation towards sustainability.

The political anti-ESG in Texas, and its financial impact, is addressed in a critical examination of anti-ESG policies in a book titled Srivastava, Rajgopal, and Zhao (2024). To them, political anti-ESG can generate market inefficiencies in terms of heightened uncertainty for companies and even ESG investing methodologies restrictions. In such a book, political anti-ESG can have actual financial implications, both for investors' confidence and companies' planning

2.3. ESG Investing, Financial Markets, and Risk Management

The ESG and policy sits firmly in governance and investment structures that demand financial institution and trustee incorporation of environment, social, and governance values in decisionmaking processes. Steen et al., (2023) navigate such a nexus through an analysis of ESG factors incorporation in investment processes in a manner consonant with a trustee's requirements of a fiduciary. The article recognises a change in policy, in terms of regulative requirements and legislative reform, that increasingly necessitates investment decision harmonising with objectives for sustainability. ESG requirements must then be balanced with a trustee's overridingly important role of acting in beneficiaries' best interests, in most instances, through an exercise in uncertainty management in a regulative environment. Authors report that changing policy not only encourages ESG incorporation but, in a range of cases, necessitates such incorporation, and compliance with such requirements forms an integral part of modern-day administration under a fiduciary.

Equally, practice of ESG investing for trustees is discussed in detail in work performed by Ooi and See (2024). In explaining the role of policy in defining both investment approaches and tolerance for taking risks for fiduciaries, in nations with ESG values included in financial legislation, in particular, such work explains in detail, for instance, how financial structures for regulating frame ESG investments' risks in terms of form, and compel them to apply organized approaches with a view towards maximising positive and minimizing negative consequences, in terms of minimizing ESG-related risks and maximising long-term, sustainable yields. In such analysis, in developed ESG-policy nations, most probably, full-fledged tools for controlling risks will become adopted in practice for trustees, but in less regulated nations, ESG investing will become an institution-dependent practice, not a compliance issue with policies. That kind of variation in regulating discloses an important role for policy in defining the level at which ESG factors become included in an investment portfolio.

D'Souza (2023) compares America and European Union ESG investing, and brings out sharp contrasts in terms of ESG taking root in terms of policy frameworks. European Union's high disclosures and mandates for sustainability, in terms of its model for regulating, in terms of having gone through a more organized and widespread integration of ESG values in financial markets, according to the study, stands in contrast with America's fractured environment for policies, with political ideology and state governments having a strong presence, describing ESG integration. According to the study, a lack of one, overall, federally mandated ESG policy creates a lack of uniformity in its integration, with individual states actively supporting ESG investing and even passing anti-ESG legislation to hinder its integration in public pension funds. That contrast describes not only in terms of ESG taking root at a high level but even in terms of investors' strategic choices varying according to environments in which they have to make them.

Chiaromonte et al. (2022) investigate ESG approaches' contribution towards bank solidity, in general, and specifically in financial crises. Analytically, in their estimation, such effective ESG frameworks in such banks have augmented solidity in crises, and most importantly, through effective risk management and compliance with regulators. ESG integration-supportive policies, in their estimation, make financials secure through a forced realignment towards long-run, long-run strategies towards banking, with reduced systemic risk exposure. Regulatory interventions, such as ESG-related minimum requirements, contribute towards such strengthening through a forced realignment with philosophies of long-run investing in banking operations. Nevertheless, according to them, inhomogeneous ESG policies in geographically scattered locations can produce competitive asymmetries, with banking in high-regulation locations incurring stricter compliance costs in relation to banking in less-regulation locations. What is most significant, in such a case, is that such an interrelationship between such a policy, ESG, and financial security is a multi-dimensional one, with both a stabilising and a competitive role for regulators' transparency.

Combined, these studies expose the interconnected web between ESG and policy, and that governance frameworks have a profound role in driving ESG integration, risk management, and financial security. How closely a nation's policies will be obeyed will make ESG integration a matter of strategy or a matter of compliance, and drive investment behavior in both financials and multinational investors, and in trustees. As ESG policies unfold in nations all over the globe, its impact will stretch to its role in defining fiduciary responsibilities, financial security, and investment methodologies, and then become a field of study, and an advocacy for uniformity in terms of governance in shaping a more sustainable financial environment.

2.4. ESG and Stakeholder Perception

The ESG (Environmental, Social, and Governance) and its intersection with policy constitutes a considerable part of a review of a corporation's response to ethics and governance and its response to frameworks and demand from a base of consumers. Articles below cover a range of dimensions in terms of ESG and its role in trust in a brand, behavior in a consumer, and in terms of regulation.

Tripopsakul and Puriwat (2022) investigate ESG's role in trust in a purchaser and a brand, and, in their view, companies with high ESG integration develop deeper trust with purchasers. In their article, it is emphasized that with governments and regulators imposing stricter ESG requirements, companies adhering to such requirements gain a competitive advantage in terms of purchaser perception. It identifies harmonious circle between ESG policies and success in business: incentives for compliance at a regulative level drive companies towards environmentally friendly and social responsible behavior, and in return, such behavior deepens trust and relation with purchasers. Policies such as reporting requirements for sustainability and mandates for social responsibility in companies make it a supportive environment for companies actively working with ESG frameworks in a quest for a reward in terms of deeper relations with purchasers. It is a new practice in which ESG no longer identifies a compliance tool but a value-added asset.

Equivalently, such analysis is taken in work such as that of Hasan et al. (2024) with a consideration of ESG practice and its contribution towards shaping consumption behavior towards brands. What such analysis confirms is that ESG policies indirectly contribute towards driving market performance through shaping demand. As governments introduce stricter policies for sustainability, consumers become increasingly sensitive towards companies' ESG commitments, and demand for responsible and ethical brands strengthens. What such forms is a feedback loop in which regulative actions such as legislation for reporting for carbon, compliance with labour standards, and conservation legislation

compel companies towards championing ESG practice. In response, companies utilize ESG performance in positioning and marketing, and in a feedback loop, compel demand for responsible practice in business. What is argued in such a study is that regulative policies serve to act in a role of a catalyst for ESG-consumer behavior, and in confirming a critical nexus between regulative frameworks and market performance, a key role for ESG in shaping responsible consumption and consumption practice.

Cash (2024) deals with ESG's regulative role through an examination of ESG rating agencies and financial legislation and regulations. Analysis brings out ESG metrics' harmonization and legitimacy and companies' behavior and investors' investment decisions, shaped through interventions in terms of policies. Policies for transparency and accountability in reporting companies' performance in terms of sustainability compel ESG rating agencies' increased role. Government and financial regulators have started interventions in harmonization of ESG disclosures in compliance with harmonized requirements, less room for greenwash and investors' confidence gain. Regulatory intervention is important in securing ESG programs' integrity, with companies inclined towards taking meaningful actions in terms of sustainability when performance comes under scrutiny and judged through a harmonized mechanism. According to Cash, not only can policies for ESG rating allow investors to make effective choices, but companies are compelled to harmonize approaches with long-term objectives in terms of sustainability. This brings out an important role played through regulation in ESG frameworks' effectiveness and legitimacy improvement.

Taken together, these articles present a picture of a complex interrelationship between ESG and policy, with legislation and laws driving companies' actions towards sustainability. Regulatory encouragement towards ESG compliance not only puts a compliance burden but creates a situation in which ESG performance transforms into trust, trust, and financial integrity for companies. What is apparent is that policy frameworks become a necessity in ESG mainstreaming, and companies' actions towards sustainability become not a matter of mere voluntariness but a regulative necessity for them. As policies become increasingly developed, companies that implement ESG in operations effectively will not only comply with legislation but gain a competitive edge in an increasingly ethics-conscious and responsible investment-driven marketplace.

A synthesis of the literature review is in the Table 1.

Table 1. Synthesis of the literature review.

Macrotheme	Authors	Methodologies	Geographical Area	Results
ESG Performance and Corporate Governance	Zhu, B., & Wang, Y. (2024); Passas, I., Ragazou, K., Zafeiriou, E., Garefalakis, A., & Zopounidis, C. (2022); Moonecapen, O., Abhayawansa, S., & Mamode Khan, N. (2022); Sun, Y., & Zhu, L. (2024); Alam, A. W. (2022); Harjoto, M. A., & Wang, Y. (2024); Sun, Y., Zhu, L., & Hu, D. (2024); Wang, J. (2023); Liu, H., Wei, S., & Zhang, J. (2023); Kulova, I., & Nikolova-Alexieva, V. (2023); Fuadah, L. L., Mukhtaruddin, M., Andriana, I., & Arisman, A. (2022); Martha, H., & Khomsiyah, K. (2023); Xie, Y. (2024); Luo, Z., Li, Y., Nguyen, L. T., Jo, I., & Zhao, J. (2024); Cornell, B., & Shapiro, A. C. (2021).	Empirical analysis, statistical modeling, case studies, firm-level ESG performance assessment, econometric regression models.	Global, with specific studies on China, EU, and the US.	Strong ESG performance is positively correlated with corporate financial stability, stakeholder trust, and long-term growth, but varies by industry and region. Regulatory support enhances ESG adoption.
ESG, Politics, and Regulatory Frameworks	Blomqvist, A., & Stradi, F. (2024); Ollikainen, E. (2022); Costantiello, A., & Leogrande, A. (2023); Norman, A. L. (2024); Guedes, R., Neves, M. E., & Vieira, E. (2024); Zhang, X., Zhang, J., & Feng, Y. (2023); Pardy, B. (2023); He, X. (2024); Kubisch, M. R. (2023); Huang, X., & Yang, L. (2024); Kim, H., Macey, J., & Underhill, K. (2023); Attig, N., El Ghoul, S., & Hossain, A. T. (2024); Rajgopal, S., Srivastava, A., & Zhao, R. (2024).	Policy analysis, legal and regulatory review, econometric models, qualitative comparative analysis, case study evaluation.	Primarily US, EU, and China, with some global perspectives.	ESG policies and regulations play a key role in corporate ESG adoption; political divides and regulatory uncertainty create inconsistencies in implementation and enforcement.

ESG Investing, Financial Markets, and Risk Management	Steen, P., Rhodes, A., Carslaw, E., & Cornaglia, M. (2023); Ooi, V., & See, A. W. L. (2024); D'Souza, S. (2023); Chiaramonte, L., Dreassi, A., Girardone, C., & Piserà, S. (2022).	Quantitative financial modeling, risk assessment frameworks, market trend analysis, investment portfolio evaluation.	Europe, US, and Global Markets.	ESG investing shows mixed financial results—some studies find outperformance, while others highlight market inefficiencies and greenwashing risks. Political factors influence investor behavior.
ESG and Stakeholder Perception	Tripopsakul, S., & Puriwat, W. (2022); Hasan, M. B., Verma, R., Sharma, D., & Moghalles, S. A. (2024); Cash, D. (2024).	Consumer surveys, sentiment analysis, qualitative thematic analysis, brand perception studies.	Asia (Thailand, India), US, and Global Trends.	ESG positively impacts brand trust and consumer loyalty; regulatory frameworks and transparent ESG reporting strengthen consumer confidence and engagement.

3. Data

In the analysis we used the variables indicated in the following table 2 acquired from the ISTAT BES database.

Table 2. Variables of the model.

	Variables	Acronym	Definition
	Trust in the parties	TP	The political party trust level, averaged out, is a significant political gauge of political powers' level of confidence in citizens. Measured between 0 and 10, with 10 signifying full trust and 0 signifying full lack of trust, it is calculated through transparency, effective policies, and a lack of corrupt actions. In the past years, most countries have seen a fall in trust level, an indication of heightened political institution disbelief. It is calculated in relation to socioeconomic background, political orientation, and political party performance in a country in a relatively short span of years.
E-Environment	Historical green density	HGD	The urban environment's surface area (in m ²) of significant public-interest historic green spaces and urban parks (according to Legislative Decree 42/2004) in provincial capital municipalities is an important urban environment quality measurement. It is an expression of the density of such green spaces in relation to 100 m ² of urbanized urban and city center and inhabited lands according to 2011 Population Census statistics. It is an expression of a city's dedication to protecting cultural landscapes and providing access to urban citizens' green spaces. It is an expression of urbanity, environment, and heritage conservation, and a high value reflects increased urban livability, environment, and heritage conservation, and citizens' welfare and ecologic harmony.
	Index of duration of hot periods	IDHP	A sound forecaster of extreme temperature events is a period six days and longer when temperature is above the 90th percentile base period (1981–2010). It can monitor severity and frequency of heatwaves, and such events have important implications for infrastructure, public health, and environment. Climate change tends to cause such events to occur with heightened frequency, and it lessens agricultural yields, increases demand for coolers, and increases danger of disease through the heat. Public health preparation, urban planning, and planning for adaption to climate necessitates tracking such events.
	Consecutive days without rain	CDWR	The days in a year with a high temperature over 90th base period (1981-2010) for six days and more in succession is a strong marker for extreme temperature events. It can both monitor intensity and frequency of heatwave, and both have strong implications for public health, environment, and infrastructure. Onset of an increased trend in such events is most frequently accompanied with, and is accompanied with, augmented danger of disease through heat, lowered agricultural productivity, and augmented demand for cool, amongst many others. Monitoring such events is important for urban planning, public health preparedness, and planning for adaptations in terms of climate change.
	Availability of urban greenery	AUG	The metropolitan urban green spaces per capita in metropolitan and province level municipalities act as a significant urban and environment marker and urban living and an indicator of citizens' access to urban parks, urban gardens, and urban green spaces and its availability promotes well-being, urban air, and urban biodiversity. Greater values represent a larger access to urban leisure spaces, enhancing citizens' physical and mental well-being and urban cool islands and filtering urban pollution. Green spaces distribution can reveal urban planning inequalities. Green spaces must be monitored and extended for city development and improvement in citizens' living standards in a sustainable manner.

	Soil waterproofing by artificial covering	SWAC	The proportion of impervious soil in terms of overall land cover is an important urbanization and environment impact indicator. Roads, buildings, and paving restricts infiltration in the ground, increasing flood danger, lowering groundwater recharging, and creating urban heat islands. High proportion signifies high land sealing, most probably a consequence of urban expansion and habitat loss at a high pace. Monitoring of the marker aids in evaluation of urban and natural land cover balance in a city, and subsequently, in planning for urban development in a sustainable path. Mitigation of soil sealing via green infrastructure and permeable coverings is important for urban environment resilience.
	Internal material consumption	IMC	Domestic matter consumption is a measure of annual matter use, excluding water and air, consumed and emitted to the environment, or stored in new anthropogenic stocks, including matter embodied in emissions and in waste flows, and matter stored in infrastructure, in durable goods, and in other types of long-lasting goods and assets. Higher domestic consumption is an expression of increased extraction of matter and potentially increased environment burden, and efficient use of matter helps in enhancing sustainability. Quantification helps in comparing efficiency in use of matter, generating matter in form of waste, and transition towards a circular economy, and promotes sustainable development and reduced environment burden.
	Unauthorized building	UB	The ratio of illegal constructions out of 100 approved constructions in terms of urban planning compliance and effectiveness in law enforcement is a key performance indicator. Any high value will represent widespread unauthorized development, and in its impact, can lead to environment degradation, inefficient use of lands, and peril in terms of non-conformity with structures, and illegal constructions in such a case can go unchallenged in areas with poor regulating controls and high housing demand, and can lead to unregulated urban expansion. Monitoring such an indicator will allow for evaluation of urban policies' effectiveness and necessity for stricter enforcement actions. Mitigation of unauthorized construction helps in urban development in a sustainable manner and encourages safer living environments.
	Protected areas	PA	The proportion of safeguarded natural terrestrial spaces in the official register of safeguarded spaces (EUAP) or in Natura 2000 network is a strong conservation and safeguard gauge of environment and biodiversity. It signifies a high conservation level towards an ecosystem, protecting wildlife habitats, and a high level of ecological integrity when a high proportion is attained. It helps in protecting endangered species, curbing climate change, and improving lands' use in a sustainable manner when such spaces are effectively preserved and increased proportionately. Monitoring such an indicator enables one to evaluate conservation policies and inform strategies for increased expansion of such spaces for increased environment sustainability and adaptability towards humanity.
S-Social	Transition to university	TU	The specific cohort rate, a proportion of new high school students entering university for the first time in the same academic year in which secondary school graduation takes place, is an important post-secondary access indicator. It reflects students' immediate transition to university and can vary with such factors as financial situation, academic aspirations, and availability of educational opportunity. It excludes technical institutes, upper level artistic, musical, and coreutic schools, language mediator schools, and universities abroad. Trend analysis in post-secondary attendance and success in university access policies can be measured through following this rate.
	Young people neither in employment nor in education (NEET)	NEET	The 15-29 years not in work and in training and education (NEET) proportion is an important labour and educational disengagement youth marker. High proportion of NEET reflects school-to-work transition, financial vulnerability, and social exclusion problem. Economic performance, access to training and education, opportunity at work, and social policies shape its dimensions. Monitoring it enables one to evaluate improvement in youth work and training access programs and evaluate effectiveness in social and educational programs. Decline in its proportion is important for social integration, long-term workforce development, and overall economy development.
	Use of libraries	UL	The three years and over adults' proportion visiting a library at least one time in the 12 months preceding survey date is a key information access and cultural activity marker. It is a reading behavior, educational activity, and community use of libraries marker. A rise in proportion reflects growing use of public assets for studying, researching, and enjoyment, and a fall in proportion can represent access barriers and preference shifts towards electronic information. Trends in such a marker can inform an analysis of reading and its role in a life of learning and social cohesion, and inform cultural development policies.
	Transformations from unstable to stable jobs	TUSJ	The ratio of insecure workers at t0 (including cooperating and part-time workers) moving into secure jobs (full-time jobs) one year afterward is an important labour marker and job security indicator. High ratio reflects a healthy labour market with career opportunity, but a low value reflects a constraint in accessing long-term jobs. Economic performance, labour policies, and demand in a specific sector drive such a move. Keeping track of such an indicator enables one to evaluate trends in job security and efficient policies in securing jobs, and gain a deeper insight in workforce development and economy resilience.
	Economic situation of the family	ESF	The proportion of respondents reporting that financial position worsened a lot, or worsened, in comparison with the previous year is a significant financial welfare and financial security gauge. High proportionate values represent increased financial difficulty, and loss of jobs, living expenses rise, and financial recession can cause them. It is a measure of financial security feelings of householders and can affect consumption and social cohesion. Monitoring such an indicator can monitor economic trends, inform social policies, and identify groups at risk, and contribute to actions taken in an attempt to counteract financial inequality and living standards improvement.
	Social participation	SP	The level of civic and community activity level is an expression of a proportion of persons 14 years and older who have participated in one social activity during a 12-month period. Included in activity considered is attendance at an activity sponsored by a church, synagogue, or similar group, attendance at a group cultural, recreative, or other group meeting, and activity in an environment, a peace, or a civil rights group. Included, in addition, is attendance at a union, a professional, or a trade association, a political party, party volunteer work, or payment for a fee

			for a group of sports. Monitoring of this indicator in terms of social activity and community activity level is important.
	Civic and political participation	CPP	The level of citizens 14 years and older with at least one activity in political and civic activity mirrors social and political activity in society. Included in considered activity is discussing politics at least one week a week, staying updated about Italian political life at least one week a week, taking part in web consultation or voting about social and political life (e.g., urban planning, signatures for a petition) in the last three months, and providing feedback about social and political life through websites and social networks in the same three-month period.
G-Governance	Trust in the Italian Parliament	TIP	The average trust score in the Italian Parliament, measured on a scale from 0 to 10, reflects the level of confidence that people aged 14 and over have in this institution. A higher score indicates greater trust in the Parliament's ability to represent citizens and make effective decisions, while a lower score suggests skepticism or dissatisfaction. This indicator is influenced by political stability, government performance, transparency, and public perception of corruption. Monitoring trust in Parliament helps assess democratic engagement and institutional credibility, providing insights into citizens' attitudes toward governance and the effectiveness of political leadership over time.
	Trust in the judicial system	TJS	The average trust score in the judicial system, measured on a scale from 0 to 10, reflects the level of confidence that people aged 14 and over have in the fairness, efficiency, and integrity of the legal system. A higher score indicates strong public trust in the judiciary's ability to uphold justice, protect rights, and enforce laws, while a lower score suggests concerns about inefficiency, corruption, or bias. This indicator is influenced by factors such as trial duration, transparency, high-profile cases, and perceptions of judicial independence. Monitoring trust in the judiciary helps assess institutional credibility and democratic stability.
	Trust in the police and firefighters	TPF	The trust level in firefighters and in the police, rated between 0 and 10, gauges citizens' confidence in these groups' effectiveness, integrity, and dependability, for citizens 14 years and older. High trust is a high rating, indicative of strong confidence in them to deliver security, maintain order, and act appropriately in an emergency, and low trust a low rating, indicative of concern over efficiency, professionalism, and abuse of powers. Responses, perceived fairness, community relations, and press reporting have an impact on trust in them. Monitoring such an indicator gauges citizens' relations with security organs and informs about citizens' feelings about security and about trust in institutions.
	Mobility of Italian graduates (25-39 years)	MIG	The level of migration for Italians between 25 and 39 years with a tertiary qualification is calculated as a proportion between net migration (the difference between registrations and deregistrations for a residence change) and total citizens with a tertiary qualification (including university, AFAM, and doctorate qualifications). For national totals, values apply only to flows towards and from abroad, but for territorial subdivisions, inner migration between regions is included. It is an indicator useful for comparing high qualification citizens' mobility, and for tracking trends in brain drain and in a region's attraction for qualified professionals.
	Regular internet users	RIU	The proportion of individuals 11 years and older who have ever gone onto the Internet at least one week in the three months preceding a survey is a significant access and use marker of technology. High proportion indicates high use and high Internet penetration, and a low value can indicate restricted access, technological divide, and poor technological competencies. High-speed access availability, affluence level, and individual technological competencies affect such a marker. Trends in Internet use can assess technological policies' effectiveness, technology use in work and studies, and social and educational impact of the Internet.
	Availability of at least one computer and internet connection in the family	ACIF	The level of a household with an Internet subscription and one or more computers (desktops, laptops, notebooks, tablets, but not smartphones, gaming machines, and e-book readers, but not PDAs with phone capabilities) is an important sign of technological infrastructure and access to technology tools. Greater proportion signifies increased access and use of work, school, and communications tools via the web, and a low value can represent financial constraints and technology gaps. Incomes, infrastructure availability, and computer competency contribute to this variable. Trends in this variable can gauge improvements in closing technology gaps in access and in providing access to technology for all.
	Nurses and midwives	NM	The 1,000 citizens to nurses and midwives proportion is an access and medical system capacity marker for medical professionals access, medical care access, care for patients, and materno and infant care. Greater proportion signifies increased medical care access, increased care for patients, and increased care for materno and infant care. Lower proportion, on the other hand, can mean impending shortages, overworked medical professionals, and less capacity for proper care. Government medical care policies, medical school investments, and population trends affect proportion. Keeping an eye on proportion enables one to gauge efficiency in medical care and whether workforce and asset distribution can and must extend.

Source: ISTAT—BES.

4. Econometric models

To analyze the relationship between trust in political parties and the ESG model, we estimated three equations each for each of the three components E-Environment, S-Social and G-Governance. The three equations were estimated through the application of panel data models with fixed and variable effects, through the use of Pooled OLS and WLS models and through the application of the dynamic panel data model.

4.1 Trust in political parties and E-Environment component

We have estimated the following equation:

$$TP_{it} = \alpha + \beta_1(HGD)_{it} + \beta_2(IDHP)_{it} + \beta_3(CDWR)_{it} + \beta_4(AUG)_{it} + \beta_5(SWAC)_{it} + \beta_6(IMC)_{it} + \beta_7(UB)_{it} + \beta_8(PA)_{it}$$

Where $i=20$ and $t=[2004; 2022]$.

The equation has been estimated using the following methods: panel data with fixed effects, panel data with random effects, pooled OLS, dynamic panel data at 1 stage. The results are showed in the following Table 3.

Table 3. Econometric Estimations.

	1-step dynamic panel, using 320 observations			Fixed-effects, using 360 observations			Random-effects (GLS), using 360 observations			Pooled OLS, using 360 observations		
	Coeff.	Std. Error	z	Coeff.	Std. Error	t-ratio	Coeff.	Std. Error	z	Coeff.	Std. Error	t-ratio
Costant				-0.25***	0.09	-2.70	-0.11***	0.14	-0.83	0.15***	0.05	2.87
HGD	0.24***	0.06	4.03	0.15***	0.03	4.68	0.14***	0.03	4.60	0.06**	0.02	2.53
IDHP	0.02***	0.001	11.59	0.04***	0.002	13.60	0.04***	0.002	13.90	0.04***	0.003	14.4
CDWR	0.02***	0.002	8.73	0.03***	0.003	9.91	0.03***	0.003	10.57	0.03***	0.003	10.3
AUG	0.003***	0.0003	11.75	0.004***	0.0005	7.57	0.004***	0.0005	7.96	0.003***	0.0004	8.67
SWAC	0.027***	0.008	3.38	0.10***	0.013	7.99	0.11***	0.013	8.18	0.12***	0.01	8.33
IMC	-0.008***	0.002	-4.17	-0.009***	0.002	-3.14	-0.008***	0.002	-2.91	-0.007**	0.003	-2.34
UB	0.02***	0.008	2.43	0.028***	0.005	5.27	0.02***	0.004	4.60	0.005***	0.001	2.81
PA	-0.02***	0.002	-10.56	-0.017***	0.003	-5.38	-0.01***	0.003	-5.21	-0.01***	0.003	-3.15
TP(-1)	0.37***	0.02	16.73									
Statistics	Sum squared resid			Mean dependent var			Mean dependent var			Mean dependent var		
	70.30			1.67			1.67			1.67		
	S.E. of regression			Sum squared resid			Sum squared resid			Sum squared resid		
	0.33			87.52			139.90			115.87		
				LSDV R-squared			Log-likelihood			R-squared		
				0.87			-340.68			0.83		
				LSDV F(27, 332)			Schwarz criterion			F(8, 351)		
				84.82			734.35			217.88		
				Log-likelihood			rho			Log-likelihood		
				-256.26			0.40			-306.77		
				Schwarz criterion			S.D. dependent var			Schwarz criterion		
				677.33			1.38			666.52		
			rho			S.E. of regression			rho			
			0.40			0.63			0.48			
			S.D. dependent var			Akaike criterion			S.D. dependent var			
			1.38			699.37			1.38			
			S.E. of regression			Hannan-Quinn			S.E. of regression			
			0.51			713.28			0.57			
			Within R-squared			Durbin-Watson			Adjusted R-squared			
			0.87			1.10			0.82			
			P-value(F)						P-value(F)			
			1.0e-131						4.0e-131			
			Akaike criterion						Akaike criterion			
			568.52						631.55			

		Hannan-Quinn	611.79				Hannan-Quinn	645.45
		Durbin-Watson	1.10				Durbin-Watson	0.98
Tests	Number of instruments = 59 Test for AR(1) errors: z = -3.88129 [0.0001] Test for AR(2) errors: z = 2.79294 [0.0052] Sargan over-identification test: Chi-square(50) = 129.863 [0.0000] Wald (joint) test: Chi-square(9) = 1279.84 [0.0000]	Joint test on named regressors - Test statistic: $F(8, 332) = 284.477$ with p-value = $P(F(8, 332) > 284.477) = 1.34384e-143$ Test for differing group intercepts - Null hypothesis: The groups have a common intercept Test statistic: $F(19, 332) = 5.66064$ with p-value = $P(F(19, 332) > 5.66064) = 3.4907e-12$	'Between' variance = 0.250123 'Within' variance = 0.243122 theta used for quasi-demeaning = 0.773651 Joint test on named regressors - Asymptotic test statistic: Chi-square(8) = 2305.7 with p-value = 0 Breusch-Pagan test - Null hypothesis: Variance of the unit-specific error = 0 Asymptotic test statistic: Chi-square(1) = 47.7844 with p-value = 4.75752e-12 Hausman test - Null hypothesis: GLS estimates are consistent Asymptotic test statistic: Chi-square(8) = 13.2903 with p-value = 0.102244					

Notes: The table includes the coefficients, standard errors, and t-ratios for each model, with significance levels marked by * (P < 0.10), ** (P < 0.05), and *** (P < 0.01).

Positive relationship between trust in political parties and the density of historic green spaces. The map shows, therefore, the underlying relationship between confidence in political parties and historic green spaces density across Italian regions, therefore explaining how the urban environment shapes social and political perceptions. This might be from an untaught point of view-very loosening, yet some studies within the area of political economy and behavioral sciences have pointed out how well-maintained public spaces act to influence institutional trust. Centuries-old public historic green spaces like parks, gardens, and villas are a kind of public good-a proxy for governments' commitment to the protection of both cultural and environmental heritage. Being cared for predominantly by public authorities, they tend to be areas of direct interaction among citizens and between citizens and institutional entities. In this sense, well-managed green areas are a reflection of good governance, and therefore their beauty may be transformed into confidence in the political parties that take care of it. Apart from governance, historic green spaces are lightning rods of social cohesion, congregation points for communities. These areas permit interaction; hence, the rise in social capital-the network of relationships that underpin civil engagement. Regions where historic green spaces are high may, therefore, record stronger community ties and an active citizenry, leading to even greater institutional trust. Besides, more attention to the care of green areas secures their availability and accessibility, necessary for quality improvement in life, as well as psychic wellbeing. Therefore, evidence from behavioral economics shows that an appealing eye environment reduces perceived urban squalor and acts in favor of improved public sentiment. In those towns and cities where more historic green spaces are available to citizens, there is likely to be the appearance that residents view political institutions more positively since they could be seen doing a good job in the managerial role for commons. After all, historic green spaces contribute not only to improving life in the cities but also to shaping trust in political parties-in the case of sustaining such places, institutions are responsive to civic needs, thus contributing to a positive view of governance and further consolidating political trust (Weymouth et al., 2020; Wan et al., 2021; Ng et al., 2023).

Positive relationship between trust in political parties and the index of heatwave duration. This is a very interesting junction of the tracks where political science, environmental studies, and behavioral economics meet to posit a positive link between confidence in political parties and the length of

heatwaves in Italian regions. Whereas long heatwaves have usually come with climate change and economic strain, several factors may explain their correlate with higher political trust, such as psychological adaptation, governance responses, and economic benefits. One reason is that individuals residing in states most commonly experiencing heat waves may be becoming somewhat acclimatized, and coping in a variety of ways, each reducing any perception that extreme heat is such a critical event. In fact, this will enable political decisions to turn more towards generally universal issues of governance and away from temporary local environmental discomforts. This means the long-term politics of political parties in urban planning, providing air-conditioned public spaces, and other ways to offer financial compensation for the expenses arising due to energy are usually pursued. Once they are successful, they continue their trust into the political institutions or increase it. Even the political narratives themselves will make important contributions to molding this view of the public. Longer heatwaves across more regions have been framed as challenges to strong leadership and governance. It may, therefore, be that those political parties able to present an effective rhetoric on the management of extremes, such as responses to emergencies or through water management and investments in infrastructure, might be trusted more where these are seen to pursue proactively competent policy. This relationship is further shaped by economic urgencies. In some areas, prolonged periods of heat also correspond with tourist seasons and are tied to economic input especially in coastal or historically warm areas. If such economic benefits-the tourism through a longer period is translated into increases in revenue in the hospitality industry-can apparently outweigh the negative impacts of such extended heatwaves, especially when there is political party recognition of policies that would exploit these economic advantages while curtailing the worst effects of the extreme heat, then it enhances trust in the political system. Social cohesion plays a complementary role. It can be that shared experiences of long heatwaves collectively build community resilience and even solidify trust in the institutions managing responses to crises. In those places where people feel taken care of by governments during extreme weather conditions, political parties might benefit from such trust, too. It is essentially a symptom of deeper structural and psychological dynamics that shapes public perceptions about the nature of governance in the light of climate challenges (Buschow et al., 2024; Aboelkhair et al., 2023; Kulin and Johansson Sevä, 2021).

Positive relationship between trust in political parties and consecutive days without rain. The relationship may be somewhat counterintuitive, given the positive correlation between trust in political parties with consecutive days without rainfall for Italian regions, in that long-term dry periods tend to reflect stresses to the biotic environment and shortages of water. However, such a correlation could indicate conditions which could be expected to reinforce trust, rather than hurt it, through an examination of factors from economic, political, and social dimensions. Another factor is the economic structure of a region, especially in those dependent on tourism. Long dry periods create favorable conditions-countries travel and go outdoors, experience cultural events-to the benefit of places such as Tuscany, Lazio, and Sicily. Citizens may perceive that local governments would handle water resource management and drought-related risks effectively, but their governance, stability, and competence are crucial for political trust. Resilience from infrastructure matters equally. In such situations where there are systems for water conservation, irrigation is well conducted, and at the same time, there exist emergency plans, then sustained un-wetness may not result in people's feeling that they experience a crisis of an acute sense but may look at it only as part of nature, with which the institutional way of managing those was well known. With that type of investment, political parties have more public confidence in them because they show long-term plans and how to handle the crises. It is further perpetuated by social and psychological adaptation. In areas prone to such long periods of drought, citizens may perceive them as the normal climatic conditions-as opposed to crises of a different order of magnitude altogether. However, it normalizes the crisis and allows the political parties to retain confidence from the public, if not gain more, in those instances when adaptation strategies are well relayed to the citizenry. In fact, political narratives count even more: the use of

drought policies like desalination projects or farm subsidies by the political parties would seem to indicate that their policies have been proactive—a factor perhaps strengthening the public trust in their leadership. This, however, does not seem to be a uniform relationship across the regions. In some agricultural regions, longer droughts could mean economic losses and social discontent. Confident trust in political institutions was affected where governments' responses were perceived to be below par. Regional variation in some positive values reflects regional economic structure, successful policy interventions, and varied perceptions of environmental risk. Finally, connecting successive days of no rain with confidence in political parties underlines the fact that governance, economic benefit, and public perception in influencing institutional trust even reach as far as climate variability (Mullin, 2020; De Juan and Hänze, 2021; Ahlerup et al., 2024).

Positive relationship between trust in political parties and the availability of urban green spaces. Such a positive relation then underlines the interaction of environmental governance and social well-being with institutional legitimacy in the case of trusting political parties. Generally speaking, green areas such as parks, public gardens, and tree-lined avenues have always been identified as a sort of public good aimed at improving the quality of life, social cohesion, and sustainable development. Their presence and maintenance often depend on political decisions, making them a tangible indicator of government effectiveness and responsiveness to citizens' needs. A very important point in this relation is the perception of good governance. It means that political parties should commit to environmental and public welfare issues with regard to the development and preservation of urban greenery. This can help boost confidence on the part of the citizens since this will be an indication that political actors are truly up to the task of delivering long-term urban planning and establishing a healthier living environment. On the other hand, neglect or privatization of these areas could indicate incapacity in the management of public resources and therefore could undermine institutional trust. Moreover, the places of socialization created by urban green spaces tend to promote feelings of belonging and greater civic and community involvement. Conversely, the study of political science and behavioral economics shows the higher the quality of larger social networks, the greater the level of institutional trust since people in cohesive communities are more likely to consider political institutions to be legitimate and responsible. It is within this context that well-managed greenery instills a sense of communal ownership and participation that gradually builds up confidence in legislative leadership. Besides all, access to the green space allows improvement of psychophysical functionality with less stress in the course of an urban lifestyle; such areas allow it by stimulating optimism about the government too. Furthermore, in cities where green open spaces are available, the citizens might feel that the political institutions are acting properly in managing the urban environment, and this would again help them build trust in the political parties. This, in the end, reflects the recent role played by environmental policies in shaping public confidence in the political legitimacy and democratic governance (Sikorska et al., 2020; Kwon et al., 2021; Mattisson et al., 2022).

Positive relationship between trust in political parties and soil sealing due to artificial cover. Whatever the case, this clearly shows from this analysis that the negative correlation of trust in political parties to soil sealing by artificial cover across Italian regions definitely points to a complex relationship related to governance and urban development vis-à-vis public perception concerning political performance. Trust in political parties can also be considered one symptom of institutional stability and capacity for decision-making at the local level—factors which directly influence territorial

planning policies. It is often joined by the growth of artificial soil cover and extension of the urban and infrastructural area that is representative of the context in which the administration can act, trusting in the results of the electorate, with fewer bureaucratic obstacles and less social opposition for the realization of development programs. All these underlined critical doubts are about how decisions-very far from political ones-reach a balance within environmental sustainability or how economic development would balance the conservation of lands. Due to cementification, it reduces the capability for absorbing rainwater and increases the hydrogeological instability, the changing of the local ecosystems-this last one being a factor characteristically involved in such a nation as Italy with its hypersensitive hydrographic landscape. The correlation between confidence in political parties and artificial covering is, at the same time, conditioned by other economic and social factors that show a general greater degree of urbanization and trust in institutions among the most economically developed regions because they represent more stability and wellbeing. While a positive relation, as identified, in no way indicates direct causal nexus, the linkage indeed can well emerge from latent variables that may represent levels of investment by the public, administrative capacity, and demographic pressure. This would also prove that, through a balanced process of territorial planning, the time has come to instill trust in these institutions whose confidence should be transformed, in fact, not into greater speed in consuming land, but into greater sensitivity in all that concerns the principle of sustainability and responsible exploitation of resources. It would be of utmost importance to compare the levels of political party trust and differing rates of soil sealing between regions in a further illumination of the underlying dynamics at play in the quest for the defining of best practices that balance development with protection of the environment (Kudas et al., 2024; Peroni et al., 2022; Tóth et al., 2022).

Negative relationship between trust in political parties and internal material consumption. The inversely related disposition of trust in political parties to IMC may reflect an interesting interaction of political confidence with internal governance efficiency in resource use across Italian regions. Generally, internal material consumption is related to the total amount of raw materials used within the economy and is often linked to different economic activities: construction, manufacturing, infrastructure development. This would mean that a decline in Institutional Material Consumption, combined with heightened confidence in political parties, may indicate better governance where the stability of institutions fosters resource-optimizing policies, thereby allowing principles of the circular economy and sustainable consumption patterns to unfold. Greater confidence in political parties would, therefore, indicate more suitable institutional frameworks for responsible handling of resources in light of waste reduction, recycling, and technology innovation that diminishes material intensity. It also speaks to heightened levels of transparency and accountability within the formulation of policy in the course of such spending, with ecologically unsustainable projects avoided. Contrasting regions of low levels of trust in political parties emanate from the instances where weaker institutional capacity leads to higher material use as a result of poorly controlled economic activities, outdated infrastructure, and inefficient use of resources. This is most likely to be pronounced for the cases in which general lack of confidence in political institutions makes the long-term sustainability strategy hard to realize, with political instability discouraging investment in circular economy initiatives and green technologies. Furthermore, low trust in political parties is often related to higher public skepticism about government-led environmental policy and thus weaker regulation to reduce material consumption. It is also important to note the role of economic structure: in those regions where the service-based economy is at a more advanced stage, less material-intensive industries could

quite naturally account for low IMC and high institutional trust. Material consumption will be higher and political trust low in an economy where the dominant mode of production is strictly traditional manufacturing or extractive in nature, especially if citizens perceive that political decisions serve industrial rather than broader societal and environmental interests. The relationship is negative, meaning that reinforcement through policies-instilling further trust in the public-while encouraging the use of materials in a sustainable manner, is needed. A rise in institutional transparency could be promoted to ensure more participation by all in decision-making and to enhance practices that contribute towards a circular economy, thereby nurturing trust in political parties and a reduction in the internal material consumption to fall in line with the economic development in an environmentally sustainable manner (Caferra, et al., 2021; Lee et al., 2020; Tardieu et al., 2021).

Positive relationship between trust in political parties and illegal construction. The positive correlation between trust in political parties and illegal construction across Italian regions involves a paradoxical dynamic between governance, political legitimacy, and territorial control. While trust in political parties would normally reflect confidence in institutional stability and policy effectiveness, when it happens along with higher rates of unauthorized building, it could suggest that in some contexts, political trust might coexist with lax enforcement of urban planning rules. This may reflect a sense by citizens that when local administrations share interests with their own, illegal constructions become safe to start because they believe this is or will be legitimized through an amnesty. Past experience of government-blessed amnesties with regard to construction has, however, created a general climate in Italy: a political allegiance sometimes translates into judgments about the likeliness of illegal construction eventually enjoying legalization, or not being torn down at least. The underlying factor of a political nature as mentioned is part of local government political economy problems. However, under circumstances in which the political parties obtain much greater electoral support, administration often permits this slipping into giving greater elected consensus, along with leniency of strong law enforcement in regard to enabling illegal buildings-albeit their own encouragement indirectly through fulfilling one or more pressing needs related either economically or socially, as explained: The shortages pertaining especially to dwelling accommodation or the inefficiency and cost in relation to the bureaucratic machinery is sufficiently strong reasons convincing individuals around not availing any services in formal planning process. At the same time, this situation is well-manipulated by the political actors who position themselves as saviors of local interests, which further cements public trust in them at the very same time weakening the potential rule of law in urban development. To return, one might consider structural economic inequalities represented by the correlation that would be in illegal construction associated with trust in political parties. In those parts of the world that are less economically developed, where economic necessity pushes more people to accept makeshift, informal housing solutions, political party trust perhaps reflects a belief that elected officials can act pragmatically rather than in a strictly legal manner. With the latter, this is at the expense of huge environmental degradation, enhanced hydrogeological risks, and loss of institutional credibility in the long run. It needs a dual approach: the strengthening of urban planning practice, with the establishment of a form of governance that creates trust without tolerating illegality. This policy should focus on simplifying bureaucratic procedures related to legal building, increasing the transparency of land-use planning, and raising citizens' awareness about risks linked to unauthorized development so that political trust serves legality instead of undermining it (Nguyen, 2020; Voskresenskaya and Zhilskiy, 2023; Piškurić, 2023).

Negative relationship between trust in political parties and protected natural areas. Therefore, the negative relation of trust in political parties may indicate that the protection of natural areas across Italian regions might be inextricably linked to the difficult interrelationship that exists between governance, environmental politics, and general confidence in these institutions. Hence, normally, protected areas would feature political will and administrative bodies which reflect long-range priorities in order to appreciate a better environment. A decline in the areas of protected territory in the regions with a high degree of confidence among citizens in political parties may mean that greater institutional confidence relates to governance models that give greater priority either to economic development, infrastructural expansion, or urbanization than to the conservation task. That would be so, as with such a great a percentage confidence in political parties in those areas, the residents would vote based on policies, propitious to economic growth with at the price of environmental damages. Yet, were political stability assured, regimes have seen to implementing large projects in the shortest times, with much less bureaucratic hassle; it likely would also represent fewer new protected areas, maybe even legal reductions of existing sites for the advancement of development in various forms, including tourism real estate and local industries. Above all, since such interests drag local decision mechanisms very hard due to their ability to pay well. It is always assumed that an apparent tradeoff between economic progress and nature's protection exists and thus needs managing. Furthermore, political trust may cling to the perception that government institutions cope properly with environmental problems even without an increase in officially protected areas. It is in these settings that further conservation zones are most likely to be perceived as less needed not only because environmental policies are incorporated into other plans arising from land use and economic strategy, but also because citizens perceive them as such. That would be a dangerous assumption, given that it may well overlook the fact that the role of protected areas might have provided a critical factor for long-term biodiversity conservation and ecosystem resilience, especially in countries like Italy dealing with strong urban sprawl and conflictual land use. Regions with relatively lower levels of political party confidence could potentially see more passionate grassroots environmental activism and, therefore, their civil society or independent organizations press much more binding conservationist measures in response to perceived institutional failures. This would more than likely be expressed in a greater emphasis on extending the surface area of protected areas so as to hedge against political mismanagement or a short-term economic interest. This issue is better addressed through improved policies that incorporate economic development and ecological protection. Strengthened participatory governance, better environmental impact assessments, and more transparency in decision-making processes can secure that political trust does not necessarily need to be gained at the expense of decreased natural protection (Mangonnet et al., 2022; Araújo et al., 2022; Michel et al., 2022).

5.2. Trust in political parties and the S-Social component

We have estimated the following equation:

$$TP_{it} = \alpha + \beta_1(TU)_{it} + \beta_2(NEET)_{it} + \beta_3(UL)_{it} + \beta_4(TUSJ)_{it} + \beta_5(ESF)_{it} + \beta_6(SP)_{it} + \beta_7(CPP)_{it}$$

Where $i=20$ and $t=[2004; 2022]$.

The equation has been estimated using the following methods: panel data with fixed effects, panel data with random effects, WLS-Weighted Least Squared, dynamic panel data at 1 stage. The results are showed in the following Table 4.

Table 4. Econometric Estimations.

	WLS, using 362 observations			1-step dynamic panel, using 322 observations			Random-effects (GLS), using 362 observations			Fixed-effects, using 362 observations		
	Coefficient	Std. Error	t-ratio	Coefficient	Std. Error	z	Coefficient	Std. Error	Z	Coefficient	Std. Error	t-ratio
Constant	0.01**	0.015	0.95							0.021	0.018	1.127
TU	-0.001***	0.0006	-2.31	-0.002***	0.0008	-2.76	0.023	0.04	0.48	-0.001**	0.0007	-2.42
NEET	0.029***	0.001	16.05	0.02***	0.002	8.94	-0.001**	0.0007	-2.3	0.02***	0.001	14.40
UL	0.01***	0.002	6.35	0.02***	0.004	5.14	0.02**	0.001	14.72	0.01***	0.002	6.16
TUSJ	0.009***	0.001	5.35	0.009***	0.001	5.14	0.017**	0.002	6.08	0.009***	0.002	4.30
ESF	0.007***	0.001	6.81	0.009***	0.0009	10.12	0.009**	0.002	4.25	0.008***	0.001	6.94
00SP	-0.008***	0.001	-5.75	-0.007***	0.001	-4.91	0.008**	0.001	6.95	-0.008***	0.001	-4.86
CPP	0.036***	0.0004	74.30	0.037***	0.001	34.46	-0.008**	0.001	-4.90	0.03***	0.0006	61.27
TP(-1)				-0.008	0.021	-0.3891	0.03**	0.0006	61.44			
Statistics	Sum squared resid		341.79	Sum squared resid		16.03	Mean dependent var		1.629	Mean dependent var		1.62
	R-squared		0.98	S.E. of regression		0.15	Sum squared resid		28.90	Sum squared resid		16.45
	F(7, 354)		2702.769				Log-likelihood		-56.13	LSDV R-squared		0.97
	Log-likelihood		-503.26				Schwarz criterion		159.41	LSDV F(26, 335)		496.40
	Schwarz criterion		1053.65				Rho		0.46	Log-likelihood		45.78
	Sum squared resid		341.79				S.D. dependent var		1.34	Schwarz criterion		67.49
	R-squared		0.98				S.E. of regression		0.28	rho		0.46
	F(7, 354)		2702.76				Akaike criterion		128.27	S.D. dependent var		1.34
	Log-likelihood		-503.26				Hannan-Quinn		140.65	S.E. of regression		0.22
	Schwarz criterion		1053.65				Durbin-Watson		1.01	Within R-squared		0.97
										P-value(F)		3.9e-250
										Akaike criterion		-37.57
										Hannan-Quinn		4.19
										Durbin-Watson		1.01

Tests		Number of instruments = 54 Test for AR(1) errors: z = -2.96158 [0.0031] Test for AR(2) errors: z = -0.303456 [0.7615] Sargan over-identification test: Chi-square(46) = 92.4704 [0.0001] Wald (joint) test: Chi-square(8) = 3886.81 [0.0000]	'Between' variance = 0.036629 'Within' variance = 0.0454632 mean theta = 0.746654 Joint test on named regressors - Asymptotic test statistic: Chi-square(7) = 12909.5 with p-value = 0 Breusch-Pagan test - Null hypothesis: Variance of the unit-specific error = 0 Asymptotic test statistic: Chi-square(1) = 395.462 with p-value = 5.35545e-88 Hausman test - Null hypothesis: GLS estimates are consistent Asymptotic test statistic: Chi-square(7) = 15.8565 with p-value = 0.0264606	Joint test on named regressors - Test statistic: F(7, 335) = 1832.12 with p-value = P(F(7, 335) > 1832.12) = 9.82853e-263 Test for differing group intercepts - Null hypothesis: The groups have a common intercept Test statistic: F(19, 335) = 12.6261 with p-value = P(F(19, 335) > 12.6261) = 2.81378e-29
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Notes: The table includes the coefficients, standard errors, and t-ratios for each model, with significance levels marked by * (P < 0.10), ** (P < 0.05), and *** (P < 0.01).

Negative relationship between trust in the political parties and transition to university. An analysis of the university transition rates and the political trust of the parties in Italian regions may indicate a problematic interaction among the political confidence, educational choices, and socioeconomic factors. The university transition rate defines the probability of the determinants of transition to university, which indicates the percentage of students enrolling in higher education after secondary schooling in each country. The decline in the university transition for regions with higher confidence in political parties may thus suggest that where trust in institutions is greater, this is linked to a preference for vocational routes or other career options, or direct entry into work over continuation into higher education. One possible explanation is that in countries where political institutions command greater trust, it may be that citizens perceive government policy to be effective in providing stable job opportunities that do not require university-level education. Since political trust will reflect confidence in the mechanisms of economic stability and social mobility, students and their families will no longer make long-term investments in education if it means forgoing some immediate employment prospect. This may be all the more likely in states where the labor market is strong and technical or vocational skills are prominent and, for that reason alone, reduce any immediate need for university education. This is compared to countries in which political parties are less trusted—for instance, one might perceive that higher learning would guarantee at least personal and professional success even when the socio-political situation is not viewed as favorable. Deep-seated distrust of institutions could encourage students to invest in university degrees as a way of being less dependent on any governmental policy or volatile labor market. This relationship makes the emergence of policies that position higher education as a key driver of innovation and long-term economic growth rather compelling, regardless of political trust. Indeed, enhanced careers guidance, accessibility to university itself, and framing the value of higher education at the personal and social investment narrative level will take it somewhat in the right direction—a place in which institutions of trust will no longer serve to dampen the academic aspiration within the people (Wu and Shi, 2020; Choi, 2023; Ugur-Cinar et al., 2020).

Positive relationship between trust in the political parties and NEET. This positive relationship in the share of NEETs among young people across Italian regions and trust in political parties carries quite complex dynamics between political confidence, labor market conditions, and social expectations. Usually, trust in political parties would reflect institutional stability, good governance, and confidence on the part of the public in their ability to meet economic and social challenges. Yet, the association with higher rates of NEET would indicate that, in some contexts, political trust co-exists with either structural inefficiencies in the labour market, disengagement from education, or long-term reliance on state support mechanisms. It may well be because the higher level of trust in political parties would translate into higher trust in the state's policy that provides for social security, unemployment benefits, or public sector employment opportunities-why bother to jump into immediate jobs or seek additional education? Conversely, to the extent that citizens perceive political institutions as reliable suppliers of welfare protection, youth will have less incentive to enter the job market or higher education-particularly in cities with few available jobs or with informal economies that absorb fewer youngsters. Another contributing factor may relate to how local economies are set up. Generally, NEET rates are very high in states that have low-quality work with limited access and high unemployment of youth, along with a mismatch in education systems to the requirements of the labor market. Hence, in these cases, political trust may reflect optimism about future improvement rather than an assessment of current opportunities. In the meantime, the self-disengagement by youth from work and education is also waiting on opportunities that, over time, will only get better. Second, high political trust may reflect clientelistic, or politically patronage-based, social dependence in which job employment is seen as related to political connection rather than merit and qualifications, and this can foster passive rather than active job-searching behaviors. On the other hand, regions with lower political party trust might leave more room for individual initiative and force young people to be keen to find work or to stay on at school, college, or university as a means of securing their future without reliance on government policy. It might be expected that negative attitudes toward government institutions in this region fuel proactive involvement in work or training, given the reduced likelihood of government policies being pursued to address NEETs. Meeting this challenge requires policies that would align political trust with active labor market participation. In this respect, strengthening vocational training, enhancing job placement programs, and encouraging merit-based employment opportunities can ensure that confidence in political institutions translates into economic empowerment rather than disengagement (Amendola, 2022; De Luca et al., 2020; Odoardi et al., 2024).

Positive relationship between trust in the political parties and use of libraries. In a similar vein, the positive association of trust in political parties across Italian regions and the use of libraries would support a meaningful relation between institutional confidence, cultural participation, and the use of public services. In this respect, the library may be considered one of the crucial facilities for education, knowledge-sharing, and communication within the local community, whose frequent use very often reflects civil commitment to lifelong learning and active citizenship. It is claimed that in those countries with higher levels of political party confidence, library usage could reflect popular confidence in the publically funded cultural institutions and the policies of governments concerned with access to information and education. This may be because, within countries with high levels of political trust, the general maintenance and funding of such public institutions, like libraries, are also normally suitable. At the same time, a positive view of political leadership efficiency determines the attitude of citizens toward all public services in general: these services are more reliable and hence used more. Investments in libraries, digital resources, and reading programs are also part of more

general government investment in education and civic policies underlying the role of libraries as key community assets. Another reason may be that libraries serve and represent informed and engaged citizenship. Those who trust political institutions may also value the public rooms of knowledge, which is part of a larger culture of civic engagement and intellectual curiosity. In this way, the greater use of libraries is not necessarily the result of political confidence but can contribute to creating a well-read electorate that is very involved in social and political issues. On the contrary, in those countries where there is low confidence in political parties, this spills over into skepticism in public institutions, such as libraries. Thus, perceived inefficiency or lack of investment in public infrastructure could discourage people from approaching government-supported educational resources. Strengthening policies of library accessibility, digital literacy, and cultural engagement can further reinforce the connection between political trust and the use of libraries, making them continue to be key spaces for education and democratic participation (Lund et al., 2020; Wojciechowska, 2021; Buschman, 2021).

Positive relationship between trust in the political parties and transformations from unstable to stable jobs. The positive relation found between confidence in political parties and the transformation of unstable into stable jobs across Italian regions shows, in this direction, that strong connections do exist among institutional trust, the features of labor markets, and economic security. Stable employment—a common proxy of long-term contract work, with numerous job and career protection entitlements and a host of potential future job and earnings opportunities—implies higher levels of economic well-being and social stability. This may also imply that, in countries with higher political trust, workers perceive labor policies as supportive of job stability and, therefore, an environment where temporary or precarious jobs can more easily become permanent. A possible interpretation is that political trust relates to confidence in labor policies being supportive of employment security. Those governments that will implement policies supporting stable work conditions, such as incentives for permanent contracts, tax benefits when employers change the status of workers to stable, or greater labor protection, will be contributing to trust in institutions by increasing the strengthening of public belief in how well political leadership can perform. On the other hand, this can be a factor to contribute to businesses investing in long-term job relationships rather than exploiting temporary employment. Another factor can be the economic structure of the regions with high political trust; the economies might be more resilient, where industries are performing better, governance is good, there is less bureaucratic inefficiency that sets the grounds for firms to provide stable jobs. In addition, politically stable regions could instill confidence about the future and increase workforce participation and long-term career planning among people. On the other side, labor markets could be most precarious in the countries with comparatively low levels of political party confidence, since more feeble are institutional interventions on behalf of a job stability reinforcement. A diffidence toward their political institutions still may be held by employers that would discourage employers from making permanent employment commitments—the vicious cycle from temporary work through economic uncertainty in general. These policy areas include those that enhance job security, reduce labor market fragmentation, and promote permanent employment, hence strengthening this positive relationship so that political trust will be reflected in an improved economic stability of workers (Murphy and Turner, 2023; Festenstein, 2020; Olvera et al., 2024).

Positive relationship between trust in the political parties and economic situation of the family. The fact that the relation is positive underlines the very important relationship existing throughout the

Italian regions-institutional confidence, economic stability, and family welfare-underlines the very important relationship of confidence in political parties. Moreover, confidence in political institutions testifies quite often not only to good governance but to social protection and economic management overall. This might mean that the better the financial situation of families, the higher the level of political confidence in a region. Economic security hereby is assumed to create faith in the leaders' management and policy decisions regarding disposition of public resources with a view to household welfare. This may be because those places that have the highest level of confidence in political parties usually possess a very strong local economy in combination with low unemployment and good welfare policy; therefore, family finances will benefit. This is where people are most likely to view political institutions as effective and responsible since the population enjoys good job security, good public services, and is economically well off. This would be further reinforced in those instances when such a government proved successful in an actual policy agenda that included tax relief, family support programs, and business incentives that were seen to be effective in the economic betterment of their constituents. A second potential factor may be the psychological connectedness of economic well-being as a determinant of confidence in institutions. On the other hand, individuals who feel confident in their economic situation would not experience frustration or dissatisfaction with government policy, thus assuring higher levels of political party trust. Indeed, economic deprivation often nurtures political cynicism since the unemployed may blame the policy maker for their unemployment or inflation or lack of social care. However, that does not in any way indicate that they are in a direct relationship. Taking these arguments a notch higher may explain that the confidence in political parties and economic well-being of families alike both stem from structures, conditions in the labour markets, and patterns of governance the economy experiences historically. These reinforcement policies consolidate the general public's trust in this assurance, through trickle down, that economic prosperity reaches the household level in the Italian regions through economic stability and a reduction of income inequalities to social mobility (Giustozzi and Gangl, 2021; Lee, et al., 2020; Clench-Aas and Holte, 2021).

Negative relationship between trust in the political parties and social participation. The negative relationship between trust in political parties and social participation across Italian regions suggests a paradoxical dynamic between institutional confidence and civic engagement. Social participation, which includes involvement in community activities, voluntary organizations, and grassroots movements, is often considered a key indicator of an active civil society. A decline in social participation in regions with higher trust in political parties may indicate that when citizens have confidence in political institutions, they feel less compelled to engage directly in social initiatives, relying instead on institutional mechanisms to address societal issues. One possible explanation is that in regions where trust in political parties is strong, individuals may perceive formal political structures as effective in managing public affairs, reducing the perceived need for direct civic involvement. When people believe that institutions function well and are responsive to societal needs, they may delegate responsibility for social change to political representatives rather than engaging in grassroots activism or community initiatives. Another factor could be the nature of political engagement itself. Higher trust in political institutions may correlate with greater participation in traditional political processes, such as voting or party membership, rather than in non-institutionalized forms of civic activism. In contrast, lower trust in political parties may drive individuals to seek alternative avenues for social influence, such as protests, advocacy groups, or volunteer networks, as a way to compensate for perceived institutional shortcomings. However, a decline in social participation due to high political trust could weaken the broader fabric of civic engagement, reducing opportunities for community cohesion and bottom-up democratic participation. Encouraging a balance between institutional trust and active social involvement is essential to fostering a resilient

democracy, ensuring that political confidence does not lead to civic disengagement but rather complements an engaged and participatory society (Gaidyte and Muis, 2019; Koivula et al., 2021; Holum, 2023).

Positive relationship between trust in the political parties and civic and political participation. The latter finding suggests that, overall, trust in political parties is positively related to civic and political participation across Italian regions, possibly indicating a reinforcing dynamic between institutional confidence and active democratic engagement. Furthermore, civic and political participation can be defined as activities related to voting, party, debating, or community initiatives—things that any good democracy is based upon. People might be more interested in participating in democratic processes in countries where trust in political parties is higher because that is where they would perceive their actions yielding political and social consequences. For one thing, strong political trust creates a sense of efficacy—the belief that institutions can indeed respond to the needs of society. With confidence in political parties, citizens would vote, join political organizations, or debate on policy issues as effective ways of influencing governance. It would in turn be a source of confidence in institutions to join the various civic initiatives, believing in the collaboration of society and political actors in bringing change. More confidence in the political parties may also indicate that the political culture is one in which institutions facilitate participation through open government, inclusiveness in the decision-making processes, and transparency of political procedures. In that case, governments would also most likely invest in civic education, encourage the commitment of young people, and engage in public debate, which should further increase the participation. On the other hand, low levels of confidence in political parties are frequently characterized by political disengagement because one may feel excluded from decision-making processes or skeptical about the efficacy of their involvement. This would therefore imply that rebuilding institutional trust might be one of the most important ways of revitalizing civic and political engagement. Policies that continue to incentivize accountability on the part of governments, inclusiveness, and responsiveness will further strengthen this positive relationship so that political trust will translate into more sustained and meaningful participation in democratic life (Stals et al., 2022; Kiess, 2022; Deimel et al., 2024).

5.3 Trust in political parties and G-Governance component

We have estimated the following equation:

$$TP_{it} = \alpha + \beta_1(TIP)_{it} + \beta_2(TJS)_{it} + \beta_3(TPF)_{it} + \beta_4(MIG)_{it} + \beta_5(RIU)_{it} + \beta_6(ACIF)_{it} + \beta_7(NM)_{it}$$

Where $i=20$ and $t=[2004; 2022]$.

The equation has been estimated using the following methods: panel data with fixed effects, panel data with random effects, Pooled OLS, dynamic panel data at 1 stage. The results are showed in the following Table 5.

Table 5. Econometric Estimations.

	Fixed-effects, using 380 observations	1-step dynamic panel, using 340 observations	Pooled OLS, using 380 observations	Random-effects (GLS), using 380 observations
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	Coefficient	Std. Error	t-ratio	Coefficient	Std. Error	z	Coefficient	Std. Error	t-ratio			
Cost	-0.003	0.02	-0.15				-0.03	0.02	-1.33	-0.005	0.02	-0.23
TIP	0.6***	0.02	24.59	0.65***	0.03	20.09	0.67	0.02	23.58	0.69	0.02	25.05
TJS	0.04**	0.02	2.248	0.08***	0.02	3.133	0.05	0.02	2.63	0.04	0.02	2.343
TPF	-0.05***	0.003	-13.03	-0.06***	0.01	-5.836	-0.05	0.004	-11.19	-0.05	0.003	-13.12
MIG	0.002***	0.0007	3.36	0.002***	0.001	2.755	0.002	0.0008	3.11	0.002	0.0007	3.42
RIU	0.01***	0.001	8.17	0.01***	0.002	5.453	0.01	0.001	7.97	0.014	0.001	8.35
ACIF	-0.01***	0.001	-7.20	-0.01***	0.003	-3.604	-0.01	0.001	-6.43	-0.01	0.001	-7.30
NM	0.01***	0.002	3.78	0.01***	0.003	3.483	0.01	0.003	3.49	0.01	0.002	3.83
TP(-1)				0.04***	0.03	1.61						
Statistics	Mean dependent var		1.70	Sum squared resid		3.98	Mean dependent var		1.70	Mean dependent var		1.70
	Sum squared resid		3.42	S.E. of regression		0.07	Sum squared resid		5.23	Sum squared resid		5.26
	LSDV R-squared		0.99				R-squared		0.99	Log-likelihood		273.97
	LSDV F(26, 353)		2762.02				F(7, 372)		7057.47	Schwarz criterion		-500.43
	Log-likelihood		355.51				Log-likelihood		274.97	rho		0.40
	Schwarz criterion		-550.64				Schwarz criterion		-502.43	S.D. dependent var		1.35
	rho		0.40				rho		0.62	S.E. of regression		0.11
	S.D. dependent var		1.35				S.D. dependent var		1.35	Akaike criterion		-531.95
	S.E. of regression		0.09				S.E. of regression		0.11	Hannan-Quinn		-519.44
	Within R-squared		0.99				Adjusted R-squared		0.99	Durbin-Watson		1.14
	P-value(F)		0.00				P-value(F)		0.00			
	Akaike criterion		-657.02				Akaike criterion		-533.95			
	Hannan-Quinn		-614.81				Hannan-Quinn		-521.44			
Durbin-Watson		1.14										
Tests	<p>Number of instruments = 62 Test for AR(1) errors: z = -3.49487 [0.0005] Test for AR(2) errors: z = -0.682047 [0.4952] Sargan over-identification test: Chi-square(54) = 73.2119 [0.0419] Wald (joint) test: Chi-square(8) = 29322.9 [0.0000]</p>									<p>'Between' variance = 0.00510382 'Within' variance = 0.00901372 theta used for quasi-demeaning = 0.708374 Joint test on named regressors - Asymptotic test statistic: Chi-square(7) = 71927.2 with p-value = 0</p> <p>Breusch-Pagan test - Null hypothesis: Variance of the unit-specific error = 0 Asymptotic test statistic: Chi-square(1) = 315.086 with p-value = 1.70369e-70</p> <p>Hausman test - Null hypothesis: GLS estimates are consistent Asymptotic test statistic: Chi-square(7) = 5.55496 with p-value = 0.592563</p>		

Notes: The table includes the coefficients, standard errors, and t-ratios for each model, with significance levels marked by * ($P < 0.10$), ** ($P < 0.05$), and *** ($P < 0.01$).

Negative relationship between trust in the political parties and trust in the Italian parliament. On the other hand, the fact that trust in political parties could be negatively linked to trust in the Italian Parliament may suggest divergent paths at the level of the Italian public's perception regarding different political institutions. While they are both intrinsic to democratic representation, the Parliament and political parties differ enough in functions, as well as in their relations with the degree of public confidence. This negative relationship could be interpreted to mean that the more confident citizens are in political parties, the more they would see them as representatives of their interest, and vice-versa—they would trust less in the parliamentary system as such. One interpretation of this may be that where political parties are still highly trusted, the public may see them as the more important vehicle for making political decisions and running the country, with a consequent diminution of the perceived role of Parliament. Since political parties can be seen to be directly responsive to local and national priorities, the legislature may be viewed as secondary, bureaucratic, or incompetent at translating political priorities into policy. More than that, while confidence in political parties is usually based on personal identification with party ideology, leadership, and grassroots engagements, confidence in Parliament emerges from general institutional dynamics, such as legislative deadlock, political fragmentation, and inefficiency. In a context where party loyalty is strong, parliamentary debates and processes may be viewed as an irritant to, rather than an essential ingredient of, the democratic process. On the other hand, when trust in political parties is lower, Parliament can be trusted in its role of checking partisan politics and hence is perceived as more stable and neutral. That would suggest that people who are politically dissatisfied with parties seek reassurance in institutions in the form of parliamentary arrangements. The need is to mend this disconnect by reinforcing the credibility of the two political parties and Parliament as complementary institutions, not competing ones, in the democratic process. More transparency, institutional reforms, and political accountability could help bridge this gap (Petrarca et al., 2022; Buhachuk, 2021).

Positive relationship between trust in the political parties and trust in the judicial system. The positive correlation of the level of trust in political parties with that into the judicial system across Italian regions would hint at a wider confidence in institutional effectiveness and governance. Where citizens trust political parties, chances are that they will perceive the judiciary as fair and reliable in dispensing justice. And this underlines one important fact: that institutional trust is quite often interrelated, in that confidence in one branch of governance reinforces trust in others. One would say that in places where political parties are considered transparent, competent, and responsible, the judicial system is likewise considered to work well. Where governments adopt policies that make the rule of law work and judicial independence advances, confidence in the rule of law and confidence in government increase. Good governance, anti-corruption efforts, and consistent application of the law create the belief that political and legal institutions serve the public good. Another could relate to the facets of political stability. If elsewhere, the politico-trusts are hard and strong there, people 'simply experience institutions working against fighting each other.' A legal ambiance that gives more political suiting to effective financial support coupled with policy appreciation and respect against legal processes leads to a feeling of renewed general public trust infallibly either way: an effective political functioning system or trustworthy judiciary. In those societies in which citizens have less confidence in political parties, the skepticism toward the judicial apparatus is also felt more strongly--as if people were of opinions that the system has been politically politicized and turned out unfruitful with its undue inclinations toward popular pressures. And this lack often joins the firm conviction that it delays the procedures, that not all laws will be applied, that judicial sentences are partial, together

with decisions: It goes on to note that, in strengthening this positive relationship, policies must focus on upholding judicial independence, increasing political decision-making transparency, and introducing more institutional accountability. The operation of political and judicial institutions is not only in ensuring effectiveness but also in commanding public confidence and perceptions in how governance operates variedly across the Italian regions (Bell et al., 2023).

Negative relationship between trust in the politics and trust in the police and firefighters parties. In any case, this negative relationship indicates that, in the public confidence in these matters, Italian regions have drifted away from the political institutions of governance to forces of emergency and security. As much as political trust would indicate belief in the governance, making of policies, and institutional leadership, police and fire-fighter trusts flow out of the immediate perceived reliability, neutrality, and public service they have come to offer. This might indicate a reverse causality, such that when people have low political institutional trust, they compensate by having higher confidence levels in emergency services, perceived by them as truly dependable in enforcing safety and security. One likely explanation is that in regions where political institutions are perceived to be inefficient and unresponsive and corrupt, even, citizens' last bastion of institutional reliance is law and order and emergencies. In these very contexts, when political actors might be viewed skeptically, confidence in the police and firefighters—generally understood as apolitical and closely linked to citizen welfare—may be built up. Citizens depend more on those services for their security and aid in times of crisis because these are less vulnerable to political forces. Countries with high political trust, on the other hand, might not need strong reliance on emergency services because there is a view of governance structures as enabling processes to avoid crises and social instability. In such cases, confidence by the public could turn out to be greater in political leadership and policymaking than in security and emergency intervention. Moreover, the trend might be due to perceptions of political influence on law enforcement. In most countries, police are seen less as neutral protectors of public safety and more as instruments of political power. Hence, it makes sense for their confidence ratings to move inversely with regard to trust in politics. Transparency, institutional independence, and professionalism of the political and emergency sectors contribute to maintaining balanced levels of public confidence among institutions (DiSalvo and Nagler, 2023; Flinchbaugh et al. 2024; Fleming and Roché, 2024).

Positive relationship between trust in the political parties and mobility of Italian graduates (25-39 years). Thus, the positive correlation between confidence in political parties and the mobility rate of 25-39 year-old graduates within Italian regions suggests that high confidence in institutions should be one important determinant in fostering young people to move in seeking better jobs and/or higher quality education. Generally, human mobility is predetermined by labour-market conditions, including regional economic disparateness or perceived effectiveness in governance that assists professional growth and development. Where the people trust more in political parties, that graduate can more confidently predict more institutional support towards economic policies of different countries, relocating elsewhere more easily in Italy or abroad in order to find better career job opportunities. The other might be strong political trust—the feeling that policy at large helps mobility, with investments in transport infrastructure, incentives to move to accommodate, or a general loose labor market. Graduates living in politically stable areas may get interested in their ideas that either relocation for an job or seeking further education were the best avenues while institutions shall stick to reassuring that all attempts for relocation-mobility be supported through various career services whenever labor-market regulations were reasonable. On the other hand, another possible explanation might be given by the confidence placed in the political parties in cases of areas close to the nation

and the mobility programs within Europe. Hence, young professionals will be only for this motive willing to be supported in their mobility out of the region where they reside to other places. Somewhat relatedly, this belief in political leadership may be extended into the acceptance of meritocracy - where one thinks that relocating to another region does not mean missing out on opportunities and will not be an essentially self-defeating act on account of bureaucratic incompetence or nepotism. On the other hand, when political trust is low, skepticism of institutions can also deter mobility: young professionals feel that government policy is unsupportive, or they view relocation with skepticism. Reinforcing policies making graduate mobility easier-to cite a few examples, scholarships, housing support, and professional networks-can help solidify this positive relationship and ensure that political trust translates into more opportunities for young Italians (d'Hombres and Schnepf, 2021; Ballarino et al., 2022; Fini et al., 2022).

Positive relationship between trust in the political parties and regular internet users. In fact, the positive correlation of trust in political parties and regular users of the internet across Italian regions shows a great relationship between digital involvement and institutional confidence. It is possible to consider the internet playing an important role in building political opinion, information, or civic engagement. In countries with high levels of political trust, it is possible that citizens are more likely to use the internet either to keep up to date with political life or to use digital government services, or both, or simply to discuss public matters online. The hypothesis could be that in regions where political trust is higher, governments have also developed more serious and effective policies in the digital domain, hence improving their internet accessibility and the digital literacy of their citizens. More investment in broadband infrastructure, digital public services, and e-governance platforms improves connectivity and incentivizes the use of the internet for administrative, educational, and professional purposes. If citizens view political institutions as trustworthy and efficacious, they are likely to be more engaged with online political content, participate in any proposed digital voting initiatives, or even follow institutional communications. Another explanation may refer to the fact that digital information increases trust in institutions. Quite often, due to the usage of the internet by ordinary users, many forms of news, updates about policy issues, and government initiatives allow better enlightenment among the general public and greater trust in political leaders. Conversely, a lower degree of confidence in political parties is experienced within societies that may face disengagement in digital activity-either for a skeptical predisposition towards any official version of the facts or due to very low investment in digital infrastructure. The above relationship underlines how digital inclusion can be an important promoter of civic engagement and trust in institutions. Policies fostering internet accessibility, fighting misinformation, and improving the level of digital literacy can enhance this positive relation, making the political trust gained with regular use of the internet support an informed and participatory society in all Italian regions (Wang et al., 2023; Mari, et al., 2022; Kipkoech, 2023).

Negative relationship between trust in the political parties and Availability of at least one computer and internet connection in the family. Negative correlation can be seen between confidence in political parties and availability of at least one computer and an Internet connection in the family throughout Italian regions-an interesting interaction between technological access and institutional confidence. Usually, access to digital tools is associated with higher levels of education, economic well-being, and contact with information sources-factors themselves usually influencing political opinions. The negative relationship may perhaps indicate that household trust in political parties is lower the higher the level of access to digital means at least for some members exposed to pluralist political voices, discourses critical of governments, and scrutiny thereof. It could be that the more web and computer facilities are available for peoples in given countries, the better the access by citizens to independent news, debate via social media, and investigative journalism, all leading to the citizens becoming very skeptical of their political institutions. The internet has provided the facility

to discuss alternatives, learn of scandals, or simply discuss perspectives challenging the officially presented view of reality, hence contributing factors for lower levels of institutional trust. Another influencing factor may also be the socio-economic gap between various regions. For instance, dominant media would most likely include television or even just local newspapers within areas of low digital penetration of centralized and less-fragmented political narratives. Under such circumstances, trust might be higher with regards to political parties and leaders due only to limited media exposure to voice criticism or even opposition. Indeed, digitally wired households may come to develop either a more vigilant attitude toward authority, as reflected in their media use, specifically the reception, discussion, use, and appropriation of information concerned with policy defeat, corruption issues, or flaws in governance-related aspects. Further, this hints at the roles that digital information literacy plays critically in framing certain perceptions about everything related to state and politics-again, linking up with positive effects on personal well-being mentioned earlier. They would like to develop policymaker interests in building transparency and confidence through easy online government services, fact-based communication, and initiatives that improve the position of digitally active citizens in their preparation for responsible navigation in a digital information space where political engagement needs to be constructive without erosion of institutional confidence (Wang et al., 2023; Kipkoech, 2023; Tatarko et al., 2023).

Positive relationship between trust in the political parties and Nurses and midwives. The positive correlation between the level of trust in political parties and the intensity of registered nurses and midwives across regions would then suggest a relationship between institutional confidence and the strength of the healthcare sector. Ideally, nurses and midwives are the core of public health, providing important medical care, maternal support, and community health services. It may be assumed that, among those countries where the level of trust in political parties is high, more of these healthcare professionals are present because, among the general public, there is a feeling of confidence in government policies directed toward investment in health care, workforce planning, and service accessibility. The more plausible explanation would be that more political trust could be equated with stronger governmental commitments to the public health initiatives: citizens that believe in strong political leadership might also believe the health policies of that country would thus be more reliable and, therefore, the country would invest in training for doctors, hospitals, and other regional programs. This, in turn, could be linked to higher political party trust, translating into better funding for institutions of healthcare in the regions, which would contribute to higher needs-supplies for the population in nurses and midwives. Another reason may be that political stability encourages health professionals to remain in the public system rather than gamble elsewhere. For example, while trust in parties remains high throughout the region, policies will no doubt be worked out by most governments to offer improved working conditions, salaries, and career opportunities that are becoming attractive to professionals. On the contrary, dissatisfactions arising in the regions' healthcare system will add elements to workforce turbulence, migration processes of professionals, and underinvesting in new programs of health workforce education where trust in a country's parliaments happens to be correspondingly low. This relationship, however, highlights that on matters of health, policies have to be combined with public trusts for quality medical services to be provided. More confidence in the political institutions and the health sector about the nurses and midwives could also be ensured if the health funding is increased, professional growth is enhanced, and governance is openly made (You and Donnelly, 2023; Namathanga et al., 2023).

6. Political Implications

The political implications of trust in political parties in Italy, as examined in the document, revolve around its relationship with environmental, social, and governance (ESG) factors. Trust in political institutions plays a crucial role in determining governance effectiveness, policy compliance, and the broader democratic legitimacy of institutions. Regions with high political trust tend to implement ESG policies effectively, particularly in areas such as environmental conservation, corporate accountability, and social welfare. Conversely, a lack of trust in political institutions is often linked to weak ESG commitments, inefficient governance, and reduced corporate accountability. A key implication is the reciprocal relationship between ESG policies and political trust. When governments and businesses implement ESG policies transparently and effectively, they can foster greater confidence in political institutions. However, if ESG initiatives are perceived as mere political rhetoric without tangible impact, they may contribute to political cynicism and further erode trust. This dynamic underscores the importance of credibility in governance—where genuine ESG commitments can serve as a tool for strengthening democratic legitimacy, while performative ESG policies may reinforce public disillusionment with political institutions. The regional disparities in Italy highlight another political implication. In wealthier regions, where economic stability and institutional efficiency are higher, trust in political parties and ESG adoption tend to be stronger. In contrast, economically disadvantaged regions exhibit lower political trust, weaker ESG policies, and greater institutional scepticism (Clementino and Perkins, 2021; Bruno and Lagasio, 2021).

These disparities suggest that political strategies must be tailored to regional contexts, ensuring that ESG policies are not seen as externally imposed but rather as integral to local governance and economic development. Political trust also intersects with environmental policies in ways that challenge conventional assumptions. The document reveals counterintuitive relationships, such as the positive correlation between political trust and the duration of heatwaves or consecutive dry days. While climate change poses severe challenges, citizens in certain regions may view government responses—such as infrastructure investment, energy compensation, or economic adaptation—as indicators of effective governance, reinforcing trust in political parties. Conversely, regions where environmental risks are mismanaged may experience declining trust, emphasizing the necessity for proactive, transparent climate policies. Moreover, urban planning and governance play a role in shaping political trust. Well-maintained public spaces, such as historic parks and urban green areas, contribute to stronger institutional confidence, reflecting government commitment to quality of life and cultural preservation. However, political trust can also coexist with governance contradictions, such as a positive correlation with illegal construction. This paradox suggests that, in some contexts, trust in political parties may be linked to expectations of leniency in urban planning regulations, highlighting challenges in balancing governance, legality, and public approval. The relationship between political trust and economic policy is equally complex. A negative correlation between trust in political parties and internal material consumption suggests that regions with greater political confidence may be more inclined toward sustainable economic policies, resource efficiency, and circular economy initiatives. This underscores the potential for political stability to foster long-term sustainability strategies, whereas weaker institutional trust may be associated with short-term, extractive economic behaviors. In sum, the political implications of trust in political parties in Italy are deeply intertwined with governance quality, regional economic conditions, and environmental sustainability. Strengthening political trust requires not only effective ESG implementation but also addressing regional disparities, ensuring policy credibility, and fostering inclusive governance that aligns with both economic development and environmental stewardship (David et al., 2024; Luke, 2022).

7. Conclusions

Government political stability seems to have a critical role in underpinning long-term programs for sustainability, with governments with high public trust best positioned to enact and implement ESG legislation. What emerging is a general theme in which trust in institutions underpins governance structures underpinning ESG values in companies and state-owned entities. Perhaps most striking is a positive intersection between political party trust and high-quality public spaces, including preserved heritage green spaces and urban parks. What comes out is that observable, effectively implemented environment policies contribute to high confidence in governments, underpinning political trust. Citizens perceive efforts at environment conservation with governance, and a positive feedback loop in which effective ESG programs build trust in institutions, and high trust in institutions generates ESG practice, is generated. In regions in which governments actively underpinning programs for sustainability, including urban planning and conservation programs, citizen participation and political stability are high. In contrast, a seeming paradox in which political trust and less environment protection go together, particularly in regions in which economy development takes high prominence over environment, is emerging in analysis. In certain regions, high confidence in political institutions is accompanied with high urbanization, infrastructure development, and even illegal development. What comes out is that political trust can undergird governance efficiency but not necessarily contribute towards increased environment protection. The policymakers must, therefore, harmonise development with conservation, and political trust must then serve in a supporting role for ESG objectives and not in a destructive role for them. Analysis, in fact, sees political trust driving social and labour market performance through analysis. In high-confidence regions in political party terms, transition in jobs is less turbulent, with a larger proportion of workers moving out of insecure jobs and into secure jobs. That can mean confidence in institutions creates workforce-supporting policies, and therefore, confidence in institutions creates social ESG. Nevertheless, political trust and educational decisionmaking reveal an ironic contradiction: high-confidence regions in political structures have fewer university admissions. Perhaps in high-confidence regions in politics, citizens perceive government interventions in terms of jobs in a satisfactory manner, and therefore, no additional training through universities is considered a necessity, but in low-confidence regions, citizens desire training in a search for independence in terms of economy through governance uncertainty. Ultimately, analysis sees governance quality in driving ESG performance and, therefore, trust in political structures. In regions with strong frameworks, ESG programs have a high success probability, and trust in political structures is consolidated in such regions. Weak governance structures and political uncertainty, in contrast, inhibit ESG programs, and therefore, environment and social performance is eroded in such regions.

8. References

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