

THE OXFORD HANDBOOK OF

SOCIAL AND POLITICAL TRUST

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SOCIAL AND

POLITICAL

TRUST

Edited by
ERIC M. USLANER

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P A R T I

APPROACHES TO
THE STUDY OF
TRUST

CHAPTER 1

THE STUDY OF TRUST

ERIC M. USLANER

I came upon the study of trust by accident. In 1993 I published a book in which I linked the decline in comity among members of Congress to increasing incivility in the American public (Uslaner 1993). How to measure incivility? I used a survey question (available over time) on whether Americans believed that “most people can be trusted” or if they said “you can’t be too careful in dealing with people.” A year later I received an invitation to a conference on “social capital” organized by Robert Putnam. It was a nice opportunity. There would be a lot of interesting people, the venue was fine (on Cape Cod), I would receive a small honorarium, and my wife could join me. I had to write a short paper (turned out to be ten pages). The only problem was that I didn’t know what “social capital” was—or why I was chosen to write on it.

Solving the problem was not quite so easy back then. There was no Internet, so I went to the library, searched through *The Reader’s Guide to Periodical Literature*, and learned that “social capital” included “trust.” So I figured out how I qualified as a “social capital” scholar. I wrote a short paper on what the trust variable in the General Social Survey was correlated with and thought that would be the end of my work in this area.

Even as the paper was only available in mimeographed form, I received many requests for it and decided that I should pursue the topic further. I became convinced that trust was important in its own right—that it wasn’t part of “social capital” since it was neither the cause nor the effect of membership in civic associations. We join groups made up of people like ourselves, but trust mattered to me because it helps connect us to people who are different from ourselves. It was nice, people would say, that I trust my wife. But this is not very surprising, nor does it help us understand why we should be interested in trust as an indicator of social cohesion. Trust matters, I argued in my 1993 book, because it helps us bridge partisan and ideological divisions in Congress. If everyone agreed with each other, we wouldn’t need such a bridging mechanism.

I then began to think about where else trust would be important. Volunteering and giving to charity came to mind, but only for beneficiaries different from yourself. Being a parent volunteer at my son’s school didn’t tap any sense of trust. When he joined a youth group to help clean up houses in New Orleans a year after Hurricane Katrina,

that did reflect trust since he was aiding people very different from himself. Invitations to present my work outside the United States led me to consider how trust varied across countries and to wonder why it was so high in the Nordic lands and so low in Romania (the latter was my first foreign invitation). My initial guess was that democracies had far more trusting citizens than did authoritarian countries. Yet the data didn't support this claim. Authoritarian, especially former Communist, countries had low levels of trust. But so did many democracies such as Brazil and Turkey. Income equality was the key to understanding why some countries were more trusting than others—and it was also the key to understanding why trust fell from 58% in 1960 to a percentage in the mid-30s as the distribution of income became less equitable (Uslaner 2002).

These issues became more important to me as my research agenda switched from the American Congress to trust, both in the United States and across nations. This changing research agenda broadened my intellectual horizons as well as my social network. When David Pervin of Oxford University Press approached me to edit *The Oxford Handbook of Social and Political Trust*, I had a network working on a wide range of topics related to trust from a wide range of countries. This *Handbook* reflects the subject matter and the geographic diversity of researchers. Over the course of almost 30 years of research on trust, I had developed a distinctive argument about the basis of what has become known as social trust—the belief that most people can be trusted.

Social trust stemmed from socialization through one's parents, not from group membership or from government policies. Social trust, or generalized trust as it is also known in the literature, is distinguished from both particularized trust and political trust. Particularized trust is faith *only* in people like yourself. And political trust is confidence in institutions such as the executive, the legislature, the judiciary, the bureaucracy, and the police. Generalized trust, on my argument, is not directed at specific people for specific purposes. It is *general*—not related to anyone in particular for any specified purpose. Particularized trust is based upon ties to one's own in-group and political trust toward specific institutions, often for specific purposes.

What leads to generalized trust will be negatively related to particularized trust. My argument is that there is little relationship between generalized trust and confidence in political institutions. Generalized trust is stable over time. Bad experiences don't lead people to become less trusting. Nor do "good experiences," such as contact with others, lead to greater trust. But political trust is all about evaluations of performance. Generalized trust rests upon a psychological foundation of optimism and control: The future looks bright and I can help make it better. Short-term setbacks (including bad experiences in life, such as injury, illness, divorce, and robbery) do not lead people to become misanthropic. It is long-term optimism that matters. Political trust, on the other hand, is responsive to short-term variations in the state of the economy, among other factors.

These are my arguments. Not all students of trust, either social or political, agree with them. The rationale for this *Handbook* is to lay out a wide range of ideas. I have sought out people who take different positions on trust and have urged them to discuss both their own positions and those they disagree with.

The literature on trust has exploded and so have the approaches. The origins of trust in economics and philosophy focused on how people developed trust in each other. Trust was seen as an interpersonal relationship based upon experiences such as lending money (and getting paid back) or business ties. Rosenberg (1956) and Mansbridge (1999) later saw trust in terms of putting faith in strangers—and this could not be based upon experience. Brewer (1979), her student Rodney Kramer, and Yamagishi and Yamagishi (1994) held that we are more likely to put our faith in people like ourselves—and many people only trusted people from their own groups.

The literature on trust expanded rapidly in the 1970s and afterward. Putnam's discussion of social capital (1993, 2000) put trust at the center of a collection of positive behaviors, such as participation in voluntary associations, civic participation (including voting), and participation in informal social networks. There was debate over whether social capital was a useful concept since it included such a wide range of values and behavior, not all of which were theoretically or empirically linked to each other (Bjornskov 2013). Yet, there continues to be a debate over whether trust is related to other forms of civic participation (see the chapters by Paxton and Ressler and Newton, Stolle, and Zmerli, this volume).

The rational choice approach to trust stems from early treatments by economists. The theoretical treatment of trust in rational choice is based upon exchanges between people: Negative experiences lead to the withdrawal of trust (Cook and Santana, this volume). An extension of rational choice theory is the trust game. In these games (see the chapters by Wilson and Raub, Buskens, and Frey, this volume), people play games and decide how much to contribute to a collective good. The extent of their contributions is a measure of trust. Trust on this account is very short-lived. People may contribute in one game but not in another, depending upon the distribution of payoffs.

Accounts based upon socialization posit trust as much more stable. Some researchers see trust as based in long-standing psychological dispositions or even biological traits (Uslaner 2002; and the chapter by Cawvey, Hayes, Canache, and Mondak, this volume)—which makes trust difficult to change.

Political protests in the 1960s and the economic crisis resulting from the first oil embargo in the early 1970s led to sharp drops in political trust—and a research agenda on how such events brought about a decline in political trust, which had not been widely studied before then. Do people judge all governmental institutions using the same criteria? Are some levels of government—and some institutions such as the courts and the judiciary—more trusted than others? Is political trust just another form of trust, or is there something distinctive about political institutions? Is confidence in the state largely a function of economics (see the chapters by van der Meer and Listhaug and Jakobsen, this volume)? Or does it reflect other social divisions (Miller 1974; and the chapter by Hetherington and Rudolph, this volume)? Is political trust or distrust “normal”? How do states, especially democracies, build trust among their citizens (see the chapter by Warren, this volume)? If democracy is the key to trust, do people living in new democracies become more trusting (see the chapters by Letki and Mattes and Moreno, this volume). And are supposedly neutral institutions, such as the

judiciary, more supported than branches that are designed to be responsive to specific constituencies (Rothstein 2000; and the chapter by Bradford, Jackson, and Hough, this volume)?

Are some groups more likely to trust others or political institutions more than others? A sense of national identity makes people more likely to trust others, at least from their own group, more than others (Lenard and Miller, this volume). Minorities and immigrants are less likely to trust others but often have more confidence in government (which they see as providing them benefits). White majorities may be less trusting if they live in neighborhoods close to immigrants and minorities—but low trust levels may reflect residential segregation rather than proximity (Putnam 2007; Uslaner 2012; and the chapters by Wilkes and Wu and by Dinesen and Sonderskov, this volume).

Why should we care about trust? Political trust makes it easier to enact controversial legislation, at least when the country is not badly polarized (Hetherington and Rudolph, this volume), and leads to other “positive” outcomes such as voting participation, willingness to pay taxes, and more support for an activist role in world affairs. Social trust leads to a greater sense of well-being and better governance.

The literature on trust is marked by many perspectives, and the disputes go beyond theoretical issues. How to measure trust is also disputed. The choice of an indicator may lead to different conclusions as to whether (and why) trust leads to cooperative behavior or whether social and political trust are related or distinct.

The study of trust is perhaps more important today than in the past. Putnam (2000) called our attention to declining social capital in his book, *Bowling Alone*. Even as he warned us about a weakened social fabric, the turn of the twenty-first century now seems to be the halcyon days compared to today. Throughout the West, ethnic conflicts and hate crimes have become major sources of concern. And the historically dominant political parties have either been torn apart by insurgents such as Donald Trump (in the United States) or displaced as dominant political forces (as in France, the Netherlands, and to a lesser extent Great Britain). Our social and political lives have become increasingly polarized. We need a stronger dose of trust—both social and political trust—but it doesn’t appear to be in sight.

THE FOUNDATIONS OF TRUST

The central question is what does “trust” mean. Hardin (1992), together with others, sees trust as the perception that others are trustworthy. He sees trust as a three-way relationship: A trusts B to do X (Hardin 1992, 154). Rational choice theorists see trust as a three-way relationship (see the chapter by Cook and Santana, this volume). But so do others (Newton, Stolle, and Zmerli, this volume). My own view is rather different. Yes, there is such a form of trust, and it plays an important role in daily life. But it doesn’t resolve collective action problems. It doesn’t help us build bridges with people who are unlike us. Here is a deeper form of trust—generalized (or “moralistic”)

trust—that—does not depend upon experience and is not about any particular person or any particular thing.

The grammar of this type of trust is simply “A trusts” (Uslaner 2002, 21–22). Generalized trust is not based upon experience, either with friends or members of associations. Nor does it lead people to join organizations with people like themselves. Rather, generalized trusters are more supportive of rights for minorities (people different from themselves) and give of themselves in charitable contributions and volunteering, but only for groups that are different from their own kind. So moralistic/generalized trust connects us to people who may be different from ourselves.

Students of trust have differing positions on the foundations and consequences of trust. Newton, Stolle, and Zmerli agree that membership in voluntary associations does not lead people to become trusting. Paxton and Ressler disagree: “The power of norms and sanctions in associations to create trust among the members of the association draws from their ability to increase the predictability of interactions Social trust is generally thought to be learned through repeated interaction” (this volume). The key differences are whether: (1) interactions among people in groups can lead to trust; (2) people spend enough time in groups to learn to trust each other; and (3) civic groups are diverse enough to promote trust across a range of people with different backgrounds. Paxton and Ressler argue in favor of all three criteria. Some groups attract more diverse memberships than others, and people will join groups with few overlapping memberships so they can “spread” trust across voluntary associations.

Newton, Stolle, and Zmerli disagree with all three criteria. They argue that “the great majority of organizations attract members with the same social background. Rather than building bridges across a wide mixture of social differences, voluntary associations are typically homogeneous social groups that usually engage with other groups like themselves. This kind of segmentation of activities is more likely to generate particular than general social trust” (compare Uslaner 2002, 40–41). Newton (1997) argues that people spend little time in groups, so associations are not a particularly good vehicle for creating trust.

Warren argues that good institutions—specifically democracies—can build social trust. He writes: “There are probably three ways in which democracies support generalized trust: (1) by reducing the risks of generalized trust through security and rule of law; (2) by reducing particularistic dependencies through universal welfare supports, thus freeing individuals from clientelistic or other kinds of dependency relationships; and, (3) by increasing the likelihood that interpersonal and socially mediated warrants can spread through institutions, such as public schools and universities that cut across particularistic ties” (this volume). Yet democratic government depends upon social trust according to Warren’s account. The benefits of democracy may be elusive if strong ethnic and religious ties are more important than generalized trust in a society (see discussion in the following section).

Paxton and Ressler agree with Newton, Stolle, and Zmerli on another issue: the stability of trust. They both see trust as an estimate of the risk of dealing with other people. Good experiences can lead to more trust for Paxton and Ressler. Government policies

that promote equality or the rule of law will lead to higher levels of trust for Newton, Stolle, and Zmerli. Greater confidence in political institutions also leads to more social trust for them.

Letki and Mattes and Moreno are less sanguine about the impact of good institutions on leading to more trust. Letki examines social and political trust among new democracies. People in these countries expected the new market democracies to have higher levels of both types of trust. Yet, neither type of trust showed demonstrable increases. Letki argues: “Maladies such as corruption, grey economy, or ethnic divisions are present in authoritarian and democratic states alike, but the process of transforming a state from one type to another creates conditions under which numerous negative phenomena intensify” (this volume). The weakening of traditional institutions did not lead to the emergence of new societies: Romania did not become Luxembourg just because it adopted new forms of political and economic institutions.

Weak institutions and especially growing economic inequality depressed both social and political trust. Mattes and Moreno find essentially the same pattern for Latin America and Africa. Initially trust in government rose with the development of new institutions. Yet, their poor performance—especially in failing to reduce inequality and because of the corruption of political leaders—led to sharp declines in trust. Their findings are similar to the results of both You and van der Meer in their chapters in this volume. Van der Meer argues that both poor economic performance and rising inequality lead to lower levels of political trust. You finds that corruption lowers both social and political trust—but it also is caused by low social trust. I have also found that both poor economic performance and corruption lead to lower levels of political trust across the world (Uslaner 2017).

A central issue on trust is how to measure it. The “standard question” is: “Generally speaking, do you believe that most people can be trusted or can’t you be too careful in dealing with people?” This question was first asked in a German survey in 1948 and then by Morris Rosenberg in studies of Cornell University students in the 1950s. It has been asked periodically in the American National Election Studies from 1964 to the present and continuously in the General Social Survey in the United States since 1972, as well as in the World Values Surveys and many other studies. The Swiss Household Survey and later the European Social Survey replaced the dichotomous measure with an 11-point scale. While some see this as a distinct improvement (see the chapter by Newton, Stolle, and Zmerli, this volume), I argue that this scale leads people to choose the middle options (4, 5, and 6 on the 0–10 scale) even if they are really trusters or mistrusters.

I argue that the dichotomous measure is the best—and that it should not be combined in a scale with other measures of misanthropy, such as “most people are helpful” and “most people are fair”—since these questions correlate only modestly with trust (Uslaner 2015; but see Newton, Stolle, and Zmerli, this volume). While some people have criticized the standard question, especially when dichotomized, most seem to understand it. In a “think aloud” experiment in the 2000 American National Election Pilot Study, three-quarters of respondents interpreted the standard question as a general measure, as opposed to referring to any specific act (Uslaner 2002, 72–75). Nevertheless

Bauer and Freitag favor more specific measures of trust that distinguish between confidence in strangers (my interpretation of the question based upon American data; see Uslaner 2002, 53–55). They find lower correlations between trust in strangers and trust in specific groups and suggest a more refined set of measures.

ALTERNATIVE SOURCES OF SOCIAL TRUST

Newton, Stolle, and Zmerli favor a “top-down” approach to social trust. They see trust as stemming from good institutions and economic equality. I am more partial to a “bottom-up” foundation for social trust. The belief that “most people can be trusted” stems, on my account (Uslaner 2002, chaps. 2, 4), from optimism and control—the belief that the world is a good place, it is going to get better, and we can make it better. Socialization—learning from one’s parents—is the main source of generalized trust. But optimism and control also stem from an objective measure of economic equality. Unlike Newton, Stolle, and Zmerli, I do not see economic equality as a purely top-down measure. Government policy is the source of equality, but an egalitarian economic system itself depends upon a sense of social cohesion. So I see the relationship between equality and trust as reciprocal. Since equality is stable over time, so is trust (Uslaner 2015).

Alternative approaches to the study of trust find both more and less stability over time. Lenard and Miller see trust as emerging from a sense of identity with others in the country. We are more likely to trust others who share our sense of identification with the country. And these are likely to be people who are similar to us, our in-group (Kramer, this volume). Minorities are less likely to trust most people—probably because they have faced discrimination from the majority population and have lower levels of income and education (Wilkes and Wu, this volume). Many immigrants are minorities, and they too have lower levels of social trust (see the chapters by Dinesen and Sonderskov, this volume). Discrimination is one of the reasons for the lower trust of immigrants. Other reasons are their lower levels of economic and educational achievement. The overwhelming share of immigrants come from countries with lower levels of economic development and social trust. I argue that immigrants’ levels of trust reflect the levels found in their home countries (Uslaner 2008). Dinesen and Sonderskov believe that immigrants in Europe adapt to the social values of their new homes: “trust of first- and second-generation immigrants to a very high extent tracks that of natives in their contemporary country” (“Cultural Persistence or Experiential Adaptation?,” this volume).

Where people live also shapes their values. Putnam (2007) argues that living in diverse areas leads to lower trust because people do not want to live among people who do not look like themselves. I have argued that it was not diversity but segregation that led to lower trust levels for both majority and minority populations (Uslaner 2012). Dinesen and Sonderskov find that diversity only leads to less trust in the United States, not in Europe. However, they are able to measure diversity at a micro level and find a

strong negative relationship between diversity and trust for Danish neighborhoods. At this level, diversity and segregation are virtually identical.

If moving to a new neighborhood leads to changes in trust, there is less stability in the level of faith in others. People adapt to new environments. Another approach that posits malleability in trust is rational choice. Cook argues that trust is based “on reasoned assessments of the evidence at hand that lead one to evaluate others as trustworthy given past performance, reputational information, and the incentives at play, including those derived from network embeddedness or the institutional context Among the sources of trust are individual-level factors, such as those that allow for assessments of others’ incentives and likely trustworthiness, as well as organizational and institutional factors that facilitate trust, not only by providing relevant information (e.g., on past behavior and reputations) but also by supplying a modicum of ‘insurance’ against failed trust.” In trust games, people choose their strategies for contributing to a collective good based upon their expectations of immediate payoffs and the strategies of other players. Each player’s trust will thus vary from game to game, and this is a very different form of trust than what others (including myself) have examined. This is strategic, rather than moralistic (or generalized), trust.

Rational choice approaches to trust do not see faith in others as stable. My own analysis sees trust as mostly stable, both over time and across generations (Uslaner 2002, chaps. 2, 4, 6). Other studies, such as those focusing on immigrants, have a more nuanced argument on stability. Cawvey, Hayes, Canache, and Mondak examine two bases of trust that are much more stable. The psychological foundations of the “Big Five” values are based upon personality traits—especially openness to new experiences—that do not change readily. And the biological basis of trust and other values stresses genetic traits that are inherited from one generation to the next and thus are very stable. Genetic approaches are consistent with my argument that trust for most people is very consistent over time for most people (using panel surveys). But it is inconsistent with considerable changes over time in the United States (Uslaner 2002, chap. 6), which track growing inequality strongly but cannot readily be linked to any biological changes.

THE BASES OF POLITICAL TRUST

Political trust is fundamentally different from social trust (Uslaner 2002, chaps. 2, 7). The factors underlying each type of trust are different. Or are they? Newton, Stolle, and Zmerli argue that the weak relationships that I and others have found between the two types of trust stem from measurement issues. We have traditionally measured institutional trust on a four-point scale, asking, “How much of the time do you trust the government in (capital of the country) to do what is right?” When the Swiss Household Survey and the European Social Survey switched to an 11-point scale, they measured both social and political trust from 0 to 10. The correlations between the two types of trust dramatically increased (Newton, Stolle, and Zmerli, this volume).

Are these measures based upon some underlying framework of trust that encompasses both social and political life (Almond and Verba 1963, 285; Lane 1959, 164)? The answer is not so simple. Trust in people and trust in government are based upon different foundations. The former reflects long-term optimism, the latter short-term outcomes and the evaluations of particular leaders (Uslaner 2002, chap. 7). Trust in political institutions depends heavily on the state of the economy (van der Meer, this volume), while social trust is more stable and does not go up or down with the stock market or which party is in power.

There are also different consequences for social and political trust. When social trust is high, people are more likely have a collective sense of well-being, such as life satisfaction, and lower rates of mortality, suicide, and traffic accidents (Helliwell, Huang, and Wang, this volume). They are also more likely to have better health outcomes, ranging from physiologic stress (such as spikes in blood pressure) that will eventually result in coronary atherosclerosis to rates of childhood vaccinations (Kawachi, this volume). The strong connection between social trust and economic equality rests on the relationship between universal social welfare programs, such as education and medicine, and trust. Universal welfare programs lead to higher levels of trust, but trust facilitates such programs (Kumlin, Haugsgjerd, and Stadelmann-Steffen, this volume).

Ironically, the effects of social trust are more important in the international arena than are those for political trust. Generalized trust is the key to the establishment of negotiations in the anarchic international agreement. When there are no institutions that can ensure peace, generalized trust among a country's citizens will help establish the conditions for cooperation among nations (Rathbun, this volume). When people believe that most people can be trusted, they are also more likely to trust people of different nationalities and to favor a more internationalist role for the United States in world affairs. Political trust also leads to greater support for an activist role in world affairs (Brewer, Gross, and Vercellotti, this volume).

Political trust has distinct effects on elections. Higher confidence in government leads to greater participation and support for incumbent political leaders: "political trust tends to stimulate voter turnout, as distrustful citizens are less motivated to cast a vote. Second, low levels of political trust have been associated with an anti-incumbent vote" (Hooghe, this volume). Political trust also leads to higher levels of tax compliance. Where trust in government is strong, people are more likely to feel an obligation to pay their taxes. They pay taxes to the government, not their fellow citizens, so there is no significant relationship between social trust and tax morale (Chan, Supriyadi, and Torgler, this volume).

Strong economic growth can build trust in government, but faith in political leaders will not suffice to bring about a robust economy. Social trust, on the other hand, can lead to better performance: "as trust increases, firms and individuals will rationally be able to divert fewer resources to protective purposes because higher trust reflects a lower probability of theft, violent crime and predatory litigation" (Bjornskov, this volume).

Trust in the law is one of the few areas that depends equally on political and social trust. People's trust in the criminal justice system depends in part on their experience

with the police and the courts. Yet “people will be motivated to trust criminal justice institutions when and to the extent that they believe those institutions share group membership with themselves and/or represent social groups to which they feel they belong” (Bradford, Jackson, and Hough, this volume). The legal system holds a special place among political institutions. Legislative and executive bodies are expected to favor the voters who put them into office. They are partisan, and people’s trust in government often is based upon party ties. However, the courts are expected to be fair and nonpartisan: “Feeling that the police and courts share their values, have the right intentions, and maintain at least a baseline level of efficacy are important factors shaping not only people’s relationships with the police but also their ontological security and sense of belonging.”

WHEN TRUST FAILS

Politics in most Western democracies, most particularly in the United States, has been marked by increasing polarization between/among political parties. Hetherington and Rudolph argue: “Partisans’ increased hostility toward the opposing party helps to explain the recent emergence of polarized political trust. People are typically unwilling to trust people and institutions they dislike Polarized trust made it more difficult to obtain support for policies” (this volume).

Hetherington and Rudolph provide evidence for polarization in the United States and its negative effects on the policy-making process in the United States. The evidence on polarization, policy making, and social trust is not well developed. I did show (Uslaner 2000) a strong relationship between generalized trust and political polarization in the Senate over time, and it is likely that the polarization in today’s politics in the United States and Europe is linked to a decline in social trust. As politics has become increasingly polarized, there may be a new agenda for the study of trust, even as the conditions leading to lower trust seem to herald rough times for societies and governments.

More generally, levels of trust in other people and institutions seem to be lower today than in the past. There are tensions in our societies and in our political systems—from declining optimism for the future to weakening ties of traditional political institutions and parties. How well we weather these potential crises in trust may be one of the critical issues of our time.

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CHAPTER 2

MEASURING TRUST

PAUL C. BAUER AND MARKUS FREITAG

INTRODUCTION

THE concept of trust is regarded as one of the essential building blocks of social science theory. It has been studied across a variety of disciplines and has even been equated with the broader concept of social capital (Whiteley 2000). However, while many scholars agree on the essential role trust plays as a concept in social theory, they do not necessarily agree on its meaning (Bacharach and Gambetta 2001; Gambetta 1988; Hardin 2002; Misztal 2013; Nooteboom 2002; Seligman 2000; Uslaner 2002; Warren 1999). To the contrary, trust research has produced an impressive number of definitions that all too often diverge in important aspects (Bauer 2017; Rousseau et al. 1998). This conceptual diversity did not result in a common way of measuring the two concepts (Cook and Cooper 2003; Lyon et al. 2012). And despite the fact that most empirical work is based on a small set of measures, measurement remains a contested area. This article is guided by the following question: *How was trust measured in the past and how can or should we measure trust in the future?* In answering our research question we start, first, with a short conceptual discussion. Second, we review developments and innovations in trust measurement, starting with studies from the 1960s. Third, we summarize measurement debates that have occurred in the field of trust research. Fourth, we outline directions through which trust measurement may develop in the future, recognizing the deficiencies that characterize current measurement.

DEFINING TRUST

Measurement requires a clear conception of trust. In our view, the term “trust” first and foremost designates an expectation and not a behavior (e.g., Hardin 2002). Mixing the two conflates trust with cooperative behavior (Cook and Cooper 2003, 213). Thus, we recommend calling the latter “trusting behavior” or “behaviorally exhibited trust” (Barr 2003; Fehr et al. 2002).

Moreover, trust is situation-specific. Such situations can be parsimoniously described by using a few parameters (Baier 1986; Hardin 1992, 154; Luhmann 1979, 27; Sztompka 1999, 55). When speaking about trust, we essentially speak about a truster A that trusts (judges the trustworthiness of) a trustee B with regard to some behavior X in context Y at time t (Bauer 2017, 2–3).¹ Adding time t clarifies that trust may change, that is, a truster may adapt his expectations over time. Subsequently, we can replace these parameters with different real-life trustees, behaviors, and contexts. In principle, B may designate a group of people, e.g. a truster may interact with a group of people in a street. The discussion of such situations has to be differentiated from the discussion of trusters' considerations, i.e. trusters may categorize single trustees into certain groups (us & them) and adapt their expectations (see Kramer, this volume). Sometimes specifying one parameter makes another one redundant. For instance, Hans (A) may trust his brother (B) to return borrowed money (X), regardless of the context Y in which the interaction takes place. However, for strangers it probably matters where and at what time we meet them. In our experience, any discussion of trust becomes much more systematic when one departs from the conceptual statement above.

The reduced statement “*A trusts*” describes the idea that individuals possess some generalized situation-independent expectation. That is, independently of parameters B, X, and Y (and *t*), that is, across a wide variety of situations, some individuals are simply more trusting than others. It seems helpful to conceive it as some basic, “stable” starting level from which situational expectations may deviate in a positive or negative direction. Different accounts reflect this idea. See, for instance, Uslaner’s (2002) “generalized trust”; Erikson’s (1959, 57) concept of “basic trust”; Rotter’s (1967, 653) idea of a “generalized expectancy”; or Coleman’s idea that persons possess a “standard estimate of the probability of trustworthiness, p^* , for the average person he [or she] meets” (Coleman 1990, 104). It also seems inherent in the concepts of “trust propensity” or “trait trust” that are closely linked to the concept of personality (Colquitt et al. 2007; McCrae and Costa 2003; Mooradian et al. 2006).²

The main difference between social and political trust lies in the specification of both trustee and expected behavior. The latter concept entails that the trustee is a political actor, for example, a government. It seems rather unsurprising that expectations toward governments differ from expectations toward fellow citizens (e.g., Newton 2001, 203). Importantly, in our view, to speak of trust, it is unnecessary that truster and trustee know each other personally (see Hardin 2002 for a contrasting view). In the next section we give an overview of various significant developments and innovations in the area of trust measurement.

DEVELOPMENTS AND INNOVATIONS IN MEASUREMENT

The field of trust measurement is so extensive that it is impossible to discuss all developments and innovations. Hence, our review is forcibly selective, and we focus more

strongly on social trust than on political trust. In doing so we can draw on a set of insightful and recommendable studies that previously reviewed measures of trust (Cook and Cooper 2003; Hardin 2002; Levi and Stoker 2000; Lyon et al. 2012; Nannestad 2008; Nooteboom 2002; Sztompka 1999; Uslaner 2002).

Direct measures of the concept let subjects self-report their trust. Indirect measures try to infer trusting expectations by observing individuals' decisions, behavior, and reactions (See Buskens et al. and Wilson, this volume, for an overview of behavioral measures). Behavioral scholars have gone to great lengths to construct lab experiments that allow for capturing behavior that is caused by trust and not by alternative motivations. For instance, coining the classic trust game, Berg et al. (1995, 137) suggest that the "double-blind and one-shot controls used in this design strengthen our conclusion that self-interest alone cannot explain our results." Early on the suspicion that behavior in such games may be driven by self-interest or a competitive spirit was one of the motivations for Rotter (1967) to develop trust survey measures (Cook and Cooper 2003, 214).

Trust measurement—as systematic measurement across a large number of units—started in the first half of the twentieth century. Self-report measurement predates behavioral measurement in lab experiments and seemingly started in the 1940s. The first record of a version of the *most-people (trust) question*³—the most popular measure of trust—may be a questionnaire from 1942 (Bauer 2015a, 16).⁴

Rosenberg (1956, 690)—seemingly the first to construct a systematic measurement instrument—probably coined the balanced version of the most-people question: "*Some people say that most people can be trusted. Others say you can't be too careful in your dealings with people. How do you feel about it?*" Rosenberg (1956) combined multiple items and constructed a faith-in-people Guttman scale.⁵ In his study, Rosenberg (1956) was interested in the relationship between "faith in people" and individuals' political ideologies as well as evaluations/views of specific political questions. Later on, Rosenberg's questions were used by Almond and Verba (1963) in their seminal comparative study on the civic culture. Modified versions of these questions are still used today and have found their way into many longitudinal as well as comparative surveys.

In contrast to Rosenberg's self-report measures, Deutsch (1960) observes participants' behavior while letting them play the prisoner's dilemma in a laboratory setting. Deutsch paved the way for behavioral measurement of trust (Cook and Cooper 2003).

One of the first to measure political trust was Stokes (1962), who followed his interest in measuring basic evaluative orientations toward political actors and developed a corresponding set of questions (Levi and Stoker 2000). The concept of political trust never figured into Stokes's analysis. However, later on his questions came to be known as the "trust-in-government questions" (Levi and Stoker 2000, 477) and they were included in the American National Election Studies (ANES) starting in 1964 (Citrin and Muste 1999, 477; A. H. Miller 1974).⁶ The questions are introduced as follows: "*People have different ideas about the government in Washington. These ideas don't refer to Democrats or Republicans in particular, but just to the government in general. We want to see how you feel about these ideas. For example...*," followed by five items that measure trust in government.⁷

Thereafter the interest in political trust rose massively triggered by the works of Easton (1965) and Gamson (1968) (Levi and Stoker 2000, 477). Nowadays, many surveys

contain questions that have the following basic structure: “*Using this card, please tell me on a score of 0–10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly, the legal system?*” (European Social Survey 2012). Questions are mostly located in batteries and list a number of institutions that can be rated by the respondent.

In the same decade, Rotter (1967) developed a measurement instrument for interpersonal trust that contains twenty-five questions and fifteen filler questions.⁸ Rotter (1967, 654) (see also Rotter and Stein 1971) was dissatisfied with social psychologists’ focus on the prisoner’s dilemma and wanted to measure trust as a personality factor that predicts cooperative behavior in a wide range of settings (Cook and Cooper 2003, 214). Because Rotter was suspicious that such games measure competitive behavior, he tested the validity of his scale against sociometric ratings through student peers of the participants (Rotter 1967, 653). But in the end Rosenberg’s (1956) questions remained more popular, with the shorter length of his measurement instrument being one of the potential reasons.

Within experimental research viewed critically by Rotter, Berg et al. (1995) designed an investment game that later came to be known as the “classical trust game.”⁹ Berg et al. (1995) aimed at controlling for alternative explanations of behavior such as reputation effects, contractual precommitments, and punishment threats. The structure is the following: Truster A is given a certain amount of money. A then chooses to send all, some, or none of this amount of money to the trustee (recipient), which is called the “amount sent.” The “amount sent” is multiplied by some factor and received by trustee B. A keeps the rest to himself. B, the recipient, chooses to send all, some, or none of the received money back to the sender, which is called the “the amount returned” (Berg et al. 1995, 123). Trust is simply equated and measured with the (average) amount sent across trusters; and trustworthiness is equated with the (average) amount returned across trustees. The more A sends, the higher is A’s trust; the more B returns, the higher is B’s trustworthiness. To this day, the classic trust game is immensely popular and used extensively, sometimes with slight modifications of the original rules. While their work is seminal for behavioral measurement, it doesn’t elaborately discuss the lines of reasoning or expectations individuals may follow in their decision to trust in the game.

Integrating experiments with surveys, Glaeser et al. (2000) systematically contrast self-report measures with behavioral measures. Glaeser et al. (2000) show to what extent trusting behavior in an experiment—measured with a modified version of the Berg et al. (1995) game as well as an envelope drop experiment—is predicted by trust self-reports and self-reports of past trusting behavior.¹⁰ Thereby the authors test a wide variety of self-report measures such as the trust questions included in the General Social Survey,¹¹ the Faith-in-People Scale (Rosenberg 1956), the Interpersonal Trust Scale (Rotter 1967), and questions querying past trusting behavior. The authors find that self-report measures “of past trusting behavior are better than [the] abstract attitudinal questions in predicting subjects’ experimental choices” (Glaeser et al. 2000, 813). However, to this date evidence on which trust questions are the best predictors of trusting behavior in experiments is mixed (Capra et al. 2008; Ermisch et al. 2009; Fehr et al. 2002).

Following a different venue, Buskens and Weesie (2000) investigate a concrete trust situation, namely the situation in which a buyer wants to buy a used car from a car

dealer. Buskens and Weesie (2000) measure trust as a decision between two vignettes, that is, descriptions of situations. Relying on this and similar methods allows researchers to investigate the impact of all sorts of hypothetical scenarios on trust judgments or trusting decisions (in this case the decision to buy). One such contextual characteristic could be that the Auto Shop is a well-known garage and has many customers in the buyer's neighborhood. The authors assume that "the larger the probability that the dealer abuses trust, the smaller the probability that the buyer will take the risk of placing trust" (Buskens and Weesie 2000, 228).

Probably the first to integrate a behavioral experiment into a "representative" large-scale survey are Fehr et al. (2002). Experiments in which subjects do not interact with each other can be added to surveys more easily. However, the significant step forward provided by Fehr et al. (2002) is to develop a method suitable to implement a sequential game within a survey in a simultaneous manner without the use of the strategy method. Fehr et al. (2002) use decisions in an investment game to measure behavioral trust as well as different survey questions to measure self-reported trust.¹² Consequently, the authors can identify which survey questions correlate well with behaviorally exhibited trust (i.e., decisions in the experiment). However, and in contrast to Glaeser et al. (2000), their sample is more informative in that it is not confined to students.

Introducing the implicit-association test (IAT), Burns et al. (2006) investigate the safety culture at a U.K. gas plant. Arguing that self-report measures may be biased by respondents' motivations of self-presentation, the authors try to measure trust implicitly. Implicit measures were originally developed to measure prejudices (e.g., Fazio and Olson 2003). Participants are shown different categories of people on a screen (e.g., the word "Workmates"). These terms may or may not trigger an automatic attitude. Subsequently, participants are shown a trust-related or distrust-related target word (e.g., "Caring") and have to press a key labeled "trust" or "distrust" as quickly as possible. The idea is that the presence of an automatic attitude will impact the latency time of participants' answers. In other words, if a participant has an automatic attitude toward a certain trustee category that mirrors trust or distrust, respectively, the participant will be quicker to push the respective button labeled with trust or distrust. Burns et al. (2006, 1149f.) carefully outline various potential problems with this measurement. For instance, automatic attitudes should only matter when the motivation or opportunity to deliberate are low. In many real-life situations that require trust, individuals presumably do have time for deliberation. Moreover, it is unclear to what extent the basic motivation behind this measurement approach—self-presentation bias—matters as strongly for self-reported trust as it does for prejudices.

Contributing to classic self-report measurement, Soroka et al. (2007) develop the so-called wallet questions that mirror a field experiment conducted by the *Reader's Digest* described in Knack and Keefer (1997). In this experiment, wallets were dropped in a number of cities across the world, and Knack and Keefer (1997) find that the percentage of wallets returned in each country strongly correlates with answers to the most-people question on the country level. Soroka et al. (2007, 99) explicitly ask, "*If you lost a wallet or purse that contained two hundred dollars, how likely is it to be returned with the money in it if it was found by . . .*" and provide four different trustee categories.¹³ These

questions specify a situation—namely an expected behavior (returning the wallet)—as well as specific groups of people. Thereby, the authors make a major step toward measuring situational trust as we describe it below.

In their visual stimuli experiments, Todorov et al. (2008) use pictures of faces with previously predicted levels of trustworthiness as stimuli in a functional magnetic resonance imaging study. They use an implicit task and let participants do a face memory task in which they are presented with blocks of faces and are asked to indicate whether a test face was presented in the block. Participants did not engage in explicit evaluation of the faces' trustworthiness, but their neural response was measured. Results indicate that the amygdala response changed as a function of facial trustworthiness.

Within experimental research, Ermisch et al. (2009) publish a critique of the classical version of the trust game suggested by Berg et al. (1995). Among other aspects, they point out that the game does not properly reflect trust situations in real life. Despite the attempt to isolate trust as motivation for behavior, the observed behavior in the classical trust game may be due to different motivations such as gift-giving (Ermisch et al. 2009, 753). They develop a game—termed the “binary” trust game—with modified rules that reflects their criticism and integrate it into a survey similar to Fehr et al. (2002). The central aspect in their game is its binary nature. Truster as well as trustee have only two behavioral options (keeping vs. sending money). By giving the trustee no discretion in the amount he can return, that is, by giving him only two options, it is not left to the trustee to define which behavior can be regarded as trustworthy. In the classic game a trustee may perceive that any amount returned is a display of trustworthiness on his side. See Buskens et al. (this volume) for a thorough discussion of experimental measures.

Naef and Schupp (2009) contribute to the debate on the behavioral relevance of survey measures by developing two questions (termed “SOEP-trust”): “How much do you trust strangers you meet for the first time” and “When dealing with strangers, it's better to be cautious before trusting them.”¹⁴ They contrast these questions with a series of more specific questions and find that trust in strangers loads on an independent component. Moreover, they find that an experimental measure (a behavioral measure based on Fehr et al. 2002) of trust is significantly correlated with SOEP-trust, which is specifically aimed to measure trust in strangers.

To sum up, various self-report and behavioral measures have been introduced during the last decades. Despite some innovations, researchers today primarily use modified versions of questions that were introduced in the 1940s and 1950s for social trust and in the 1960s for political trust. The most widely used question to measure generalized trust is a modified version of the most-people question presumably introduced in 1942. Regarding lab game experiments, researchers started out with the prisoner's dilemma (see Deutsch 1960) and now mainly rely on the classic trust game (Berg et al. 1995). In contrast, the innovations introduced (e.g., vignette experiments, brain imaging, IAT) remain confined to a few studies. As discussed in the following section, the validity of our standard measures is increasingly scrutinized, and so we will outline some of the debates that have happened in the self-report tradition.

DEBATES AND QUESTIONS REGARDING MEASUREMENT

New measures should ideally remedy flaws of old measures. In this section we shortly summarize some of the debates that surround current self-report measurement. Thereby we lean on a previous discussion by Uslaner (2011). In the subsequent section we present some solutions to those problems.

The *behavioral-relevance debate* concerns the question of whether self-reports of trust (expectations) are really linked to behavior (Fehr et al. 2002; Glaeser et al. 2000; Naef and Schupp 2009; Uslaner 2012).¹⁵ This debate has to be delimited from the conceptual debate on whether trust is a behavior or rather an expectation. Following the paradigm “talk is cheap,” it is often questioned that self-reports are behaviorally relevant (Gächter et al. 2004; Glaeser et al. 2000; Uslaner 2012). Glaeser et al. (2000, 841) suggest that “standard survey questions about trust do not appear to measure [behavioral] trust”; however, self-reports of past trusting behavior seem to have some predictive power for trusting behavior (Glaeser et al. 2000). Gächter et al. (2004) find that the most-people question does not predict behavior in a public goods game. However, the General Social Survey (GSS) trust index seems to have predictive power (see also Ahn et al. 2003). In general, findings still seem inconsistent (Capra et al. 2008).

The *item-number debate* (Uslaner 2012) contrasts single-item measures of generalized trust with multi-item (or scale) measures. Multi-item measures of latent concepts are generally hailed because they allow for a correction of measurement error. A respondent’s “wrong” self-placement on one scale can be mitigated by “right” placements on other scales. Generalized trust, for instance, is often measured using the “three-item misanthropy scale,” known as the General Social Survey (GSS) index (Brehm and Rahn 1997; Zmerli and Newton 2008). Uslaner (2011, 75–76) suggests that an increase in indicators may also decrease validity if some of the indicators do not tap into the same underlying concept. Moreover, while self-reported measurement originated in psychology where researchers commonly use many items to measure latent concepts (Uslaner 2012, 76), it is precisely their length that made such measurement instruments unattractive for large-scale population surveys with limited space (e.g., instruments such as Rotter 1967, 654).

A related discussion—the *dimensions debate* or *forms debate*—concerns the question whether there are different forms of trust, that is, whether items measuring trust can be reduced to fewer latent dimensions such as generalized trust or particularized trust (Freitag and Bauer 2013; Freitag and Traunmüller 2009; Newton and Zmerli 2011; Omodei and McLennan 2000; Whiteley 2000; Wollebæk et al. 2012; Yamagishi and Yamagishi 1994). A similar debate has occurred in the subfield of political trust between Fisher et al. (2010, 2011) and Hooghe (2011). If a subset of trust scales (among a larger set) correlates with each other but not with other ones, it signals that this

subset of scales measures something different. Depending on the set of scales that are analyzed, results show that one should at least differentiate between two or three dimensions (Freitag and Bauer 2013; Freitag and Traunmüller 2009; Newton and Zmerli 2011; Wollebæk et al. 2012). However, with more scales that are more refined, we are likely to find more dimensions. Importantly, from a technical point of view both the *item-number* and the *dimensions debate* are related to the question whether respondents choose the same (or similar) scale points on groups of trust scales, that is, whether their positions correlate. If so, methods such as principal components analysis or confirmatory factor analysis will reveal that the underlying variation can be described by fewer latent factors.

The *scale-length debate* (Lundmark et al. 2015; Uslaner 2009; Uslaner 2012) concerns the use of different answer scales (e.g., dichotomous vs. longer answer scales). The topic of scale length has long occupied survey methodologists (Krosnick and Presser 2010). While the dichotomous version of the most-people question was the standard for a long time, several surveys have changed to longer answer scales when measuring generalized trust (e.g., Swiss Household Panel; Citizenship, Involvement, Democracy; European Social Survey). In what concerns the most-people question, Uslaner (2011) argued in favor of the classic dichotomous version, but new evidence suggests that longer scales may be advantageous (e.g., Lundmark et al. 2015).

The *equivalence debate* questions whether scales and concepts in questions are interpreted in the same way across respondents (Davidov 2009; Freitag and Bauer 2013; Reeskens and Hooghe 2008). In other words, finding a difference between two respondents could be related to a true difference in trust or to the fact that they interpret the question differently (referred to as *interpersonal incomparability* or *measurement inequivalence*). For instance, it is suggested that concepts such as “trusting most people” or “being cautious” may have a different meaning for different respondents (Miller and Mitamura 2003). Currently researchers use mainly two approaches to investigate this problem: they probe respondents as to what they were thinking while answering with a think-aloud approach or a follow-up open-ended question; or they use multigroup-confirmatory factor analysis.

Following the first approach, Uslaner (2002 18–19, 73, n. 7) analyzed think-aloud responses to the most-people question in the ANES 2000 pilot and concludes that the “question on trust brings up general evaluations of society.” Uslaner compares the most-people question to the two other trust questions that belong to the GSS trust index: “Would you say that most of the time people try to be helpful, or that they are just looking out for themselves?” and “Do you think most people would try to take advantage of you if they got the chance or would they try to be fair?” and argues that the most-people question, in comparison, fares best. Sturgis and Smith (2010) conduct a similar analysis for the most-people question, and a second question measuring trust in people in the local area. They conclude that differences in the interpretation of the trustee categories B—specifically most people and people in your local area—may lead to a bias in responses.¹⁶

In Figure 2.1 we replicate and illustrate this problem using two student samples that were given the classic most-people question (eleven-point scale), followed by a question



FIGURE 2.1 Associations with “most people”

probing whom they had in mind when considering the category “most people.”¹⁷ The graph illustrates that in this homogeneous sample respondents do not necessarily tend to think of strangers or people that are unknown to them. Many think of situations (e.g., meeting someone in the train/street) or of people they know (e.g., friends, family members, etc.). These results are in line with previous findings (Sturgis and Smith 2010; Uslaner 2002).¹⁸

Other scholars follow the second approach. Instead of probing questions, they use structural equation models to assess measurement equivalence of latent trust constructs (André 2013; Davidov 2009; Freitag and Bauer 2013; Poznyak et al. 2014; Reeskens and Hooghe 2008; Van der Veld and Saris 2011). Evidence is mixed with more encouraging results on the subnational level, and less encouraging results across countries. However, ultimately it seems as if the probing strategy is the preferred strategy to identify such problems in survey questions.

THE FUTURE OF TRUST MEASUREMENT

Given the debates just mentioned, we suggest that the field of trust research may benefit from a new set of differently formulated survey questions that follow the statement A trusts B to do X in context Y (see Bauer 2017).

First, questions should be more specific and contain explicit references to single trustees or trustee groups that are sufficiently precise (e.g., “your parents and your siblings” instead of “family”). There is always a trade-off between generality and specificity,

From a measurement perspective, it is an advantage if a trustee category comprises a clear set of persons. The finding that a respondent A2 has a lower level of trust in his family than a respondent A1 could be due to the wider circle of persons A2 is thinking of (e.g., uncles, aunts, and cousins).

Second, questions should be more specific in that they explicitly refer to some kind of behavior X that truster A expects of a trustee B. The level of trust depends on the content of the trust “relationship.” If left unspecified, respondents may fill in different specifications, and it makes a difference when a trustee is expected to keep a secret or to return a large amount of borrowed money. Relatedly, Hetherington and Husser (2012) find that people evaluate governmental trustworthiness considering different issues, depending on the salience of these issues. In our view their results stem from the fact that no X is specified in the classical standard political trust questions. Querying respondents’ trust in government with regard to a specific X, such as “will lower the unemployment rate,” should solve this problem.

Third, we think that measurement would benefit if questions refer to a more concrete context Y. Our probing data reveal that a considerable share of respondents think of concrete situations, such as “people in the bus or train,” “people that I ask for the time,” “people that I meet in the street,” or “strangers in the train.” In other words, holding the trustee and an expected behavior constant, the imagined context—a sunny park or a dark street—may still vary across respondents.

Finally, we suggest to elicit a subjective probability regarding whether a specified behavior by a trustee B in a context Y will or will not occur. While we are less firm on this point, it has several advantages. To start, it assures that our measure is aligned with a clearer conception of trust, namely trust as subjective probability, an idea that is behind various accounts of trust (see Bauer 2017). Besides, it assures that the scale has clear, quantitative, and balanced endpoints. Endpoint quantifiers such as “complete trust” or “you cannot be too careful in dealing with people” can be regarded as vague. In contrast, an endpoint of probability 0 means that an event will not occur; 1 means that it will occur. Such an interpretation should be understood equivalently across respondents. This idea is in line with recommendations by Tourangeau et al. (2000, 47f., 61) to use scales with absolute quantifiers. While the concepts of “probability” or “percent chance” travel much better, the term “trust” has “many and varied meanings” in vernacular application (Hardin 2002, 20) and even more so across languages. We have also seen that evidence on measurement equivalence is mixed with probing strategies warranting greater caution. Moreover, Clinton and Manski (2002, 2) argue that respondents seem to have little difficulty using probabilities to express the likelihood of future events if they are adequately introduced to the “percent chance” scale. In principle it should also be possible to give respondents test questions to see whether they understand a simple probability scale.¹⁹ Finally, using such scales may provide a solution for the conceptual controversy around trust and distrust that is linked to the endpoints we choose for trust scales (Cook et al. 2005; Hardin 2002; Lagace and Gassenheimer 1989; Lewicki and Brinsfield 2012; Wrightsman and Wuescher 1974). We would argue that mistrust/distrust is an antonym for trust with the scale reversed; for

example, a low estimated probability simultaneously reflects a low level of trust and a high level of distrust.

If we follow these recommendations, they provide a natural solution to the *behavioral-relevance debate*. It is not surprising that general survey questions (e.g., the most-people question) do not predict situation-specific behavior such as the choice of sending x dollars in a lab. If we measure trust as a specific expectation, it should be related to such behavior. Ermisch et al. (2009, 751) mention the “expectation that the trustee will do X, framed in terms of a probability” as one component that leads to trusting behavior and find that a “person’s expectation of the chances of return is strongly related to their experimental trust decision” (Ermisch et al. 2009, 760). Fehr et al. (2002, 532 and Table 4) measure a similar expectation (about the amount returned) and find that this expectation predicts behavior. Accordingly, Sapienza et al. (2013, 3) suggest that the “best measure . . . is not the amount sent, but the expectation about the amount returned for large amounts sent.” Departing from the idea that a trustee’s behavior is binary, that is, he either fulfills trust or not (Ermisch et al. 2009, 753), we suggest measuring expectations about such binary behaviors.

The *item-number debate* relates to a decision between notions of reflective or formative indicators (e.g., Diamantopoulos and Winklhofer 2001). In the former approach we test whether a latent concept is reflected by different indicators, that is, whether they correlate to a certain degree and can be reduced to a lower number of higher-order dimensions. Potentially, the more interesting approach for the future is the latter one. Here we predefine that a certain concept comprises a set of indicators and decide about some aggregation rule for the values of the single indicators. In our view we could try to measure trust as the average across situation-specific trust indicators—let’s call it cross-situational trust—following a formative measurement strategy. This idea comes close to various conceptual definitions (Coleman 1990; Rotter 1967; Uslaner 2002), and we can investigate how this measure relates to classical, generalized trust measures. However, the construction of such a measure requires an elaborate discussion of which situations (i.e., which Bs, Xs, and Ys) should be included.

Moreover, as we use a higher number of more specific questions we will be able to identify more *forms of trust* (Freitag and Bauer 2013, 41). Respondents should have consistent trust patterns for certain situations, that is, they should have consistent expectations for certain trustee categories, certain expected behaviors, or certain contexts. For instance, certain people are skeptical when it comes to money regardless of the trustee. In what concerns *scale length*, longer scales are advantageous (Krosnick and Presser 2010; Lundmark et al. 2015). However, there is a caveat. An eleven-point scale requires that respondents can count to eleven. A probability scale requires that respondents understand the concept of probability (Clinton and Manski 2002). Thus, when moving to contexts where those preconditions are not fulfilled, we should adapt our measures accordingly. Finally, we are convinced that more specific questions provide the way forward in terms of *equivalence*. They allow less variation in question interpretation on the respondent’s part.

We would like to round up our discussion by illustrating some data. In 2012 we collected survey data in Switzerland, in part, building on rationales provided above (see

also Bauer 2017) as well as inspired by Soroka et al. (2007):²⁰ “*The next questions deal with future events. Please imagine a probability scale running from 0 to 100%. 0% means that the event will not occur, 100% means that the event will certainly occur. Imagine losing your wallet (with identity card) containing, among other things, 200 Swiss Francs. On a scale from 0 to 100%, how probable is it that the wallet will be returned to you including its content, if it is found by . . . ?*” Subsequently respondents answer these questions for a series of categories: “*a relative,*” “*one of your friends,*” “*neighbor,*” “*a stranger, that you don’t know,*” “*someone who speaks the same language as you,*” “*someone of the same nationality as you,*” “*a co-worker,*” “*a friend from your association or club.*”

While these questions reflect some of the ideas above, the corresponding measures are by no means ideal. They explicitly mention a behavior X (returning a wallet with identity card and 200 Swiss Francs). Some of the trustee categories are a bit more specific but probably not specific enough, and the questions elicit a subjective probability. Besides, they do not specify a context (e.g., finding a wallet in the neighborhood vs. a train station). And they were located in a battery but asked in a random order. Before this battery of questions, respondents answered the most-people question (eleven-point scale),²¹ which allows us to compare the results we get for the new questions with results we get for the most-people question.

Table 2.1 displays summary statistics. Scales that have trustee categories that presumably encompass people known to the trustor have high means above 80 (scales 2, 3, 4, 8, and 9 in Table 2.1). In addition, the variance on these scales is lower as indicated by the standard deviation and the interquartile range. In contrast, scales that refer to categories that do not necessarily trigger the consideration of known people have lower means between 44 and 55 (scales 5, 6, and 7 in Table 2.1). Also both standard deviation and interquartile range are higher on these scales. The most-people question has a mean of 6.12 and 61.2 respectively when rescaled (to 0–100).

Figure 2.2 displays distributions. They follow a shape that we would probably expect. They are skewed to the left for trustees the respondent knows (e.g. friends, relatives, neighbors, colleagues from work, and associations). In contrast, the distributions for trustee categories such as most people, strangers, and people with another nationality are more spread out. Generalized trust is often equated with trust in strangers (Torpe and Lolle 2010). However, we find that on our trust-in-strangers scale (Question 5 in Table 2.1), which explicitly refers to strangers and a particular X, many more people locate themselves at the lower end of the scale, which contrasts answers to the most-people question.²²

As displayed in Figure 2.3 the correlation between trust in strangers and trust in most people is at 0.3. This is not a particularly high value for two indicators that are presumed to measure the same concept. At the same time, it is not surprising given that we contrast a more general question with a very specific question detailing B and X. Generally, correlations among trust scales that measure trust in categories potentially eliciting trust in people the trustor knows display a higher correlation among each other. The same is true for scales that should measure abstract categories (strangers, another nation, another language).

Table 2.1 Summary Statistics

Nr	Statistic	N	Mean	St. Dev.	Min	Pctl (25)	Pctl (75)	Max
1	Trust in most people	1,153	6.12	2.03	0	5	8	10
2	Trust in relative	1,150	93.54	15.33	0	90	100	100
3	Trust in friend	1,153	92.84	15.01	0	90	100	100
4	Trust in neighbor	1,147	83.76	21.50	0	80	100	100
5	Trust in stranger	1,135	44.24	23.81	0	25	60	100
6	Trust in s.o. w/ same language	1,122	51.85	23.42	0	40	70	100
7	Trust in s.o. w/ same nationality	1,127	52.59	23.36	0	40	70	100
8	Trust in colleague from work	1,093	85.56	18.96	0	80	100	100
9	Trust in friend from assoc./club	802	85.56	18.22	0	80	100	100
10	Trust in most people (rescaled)	1,153	61.18	20.32	0	50	80	100
11	Average (across questions 2–9)	750	74.64	13.00	5.12	67.66	83.72	100.00

We suggested measuring generalized trust as an average of expectations across a large number of situations. Consequently, we may simply take the average across our probabilistic trust scales. We calculated such an average for all our probabilistic trust scales (mean = 75, sd = 13). The problem is, however, that we did not formulate our trust questions with the aim of covering a wide variety of situations, for instance, there is an imbalance in favor of trustee categories that refer to groups potentially known to the trustor (friends, etc.). Hence, another, theoretically derived set of questions would be necessary. Finally, if we equate generalized trust with trust in strangers, we may use a set of questions that queries trust in strangers in different situations and average across this set.

CONCLUSION

In this chapter we survey the development of trust measurement and discuss ways in which we may measure trust in the future. Our contribution should not be perceived as a damning critique of past empirical research that is based on current standard

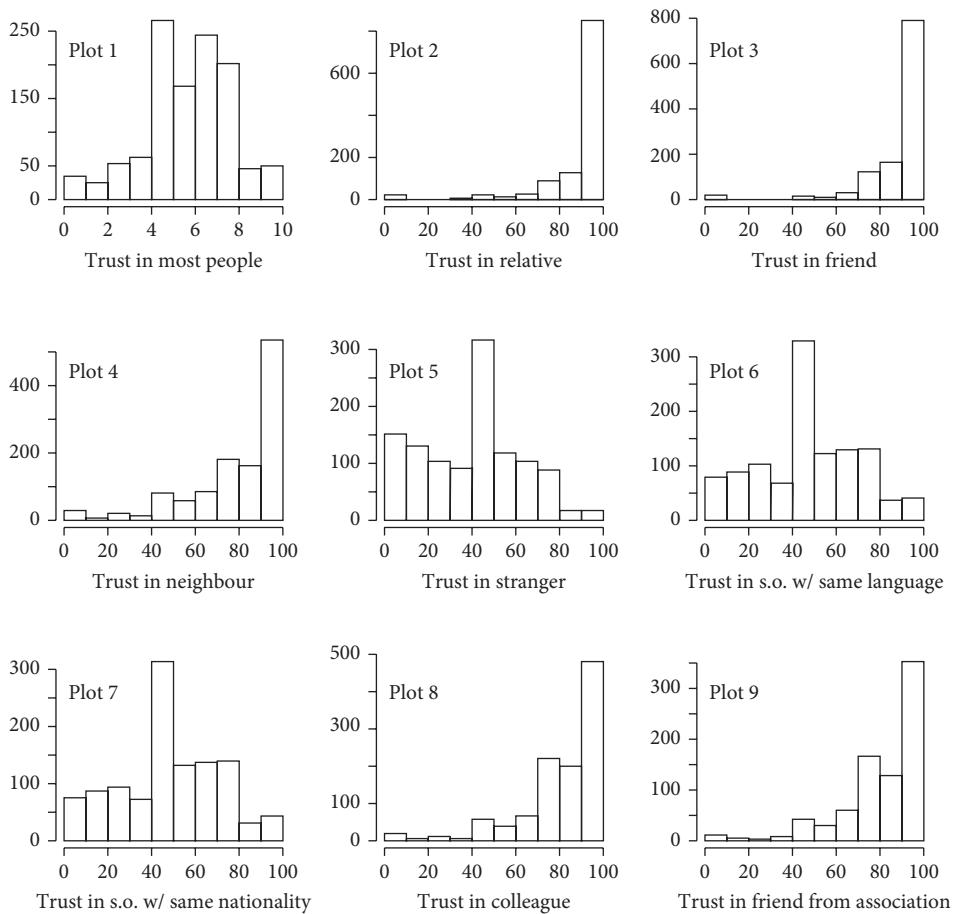


FIGURE 2.2 Distribution on trust scales

measures—including our own. Rather, it represents a careful attempt at thinking beyond the measures used so far and at incorporating the lessons we have learned.

First, we start by conceptualizing trust as a situation-specific expectation—which differentiates it from generalized trust. It is an expectation that is bound to vary depending on different situational parameters such as the trustee, the behavior we expect of him/her, and some context.

Second, we discuss various standard measures as well as more innovative measures that were used in the past. Strikingly, the lion's share of empirical research is solely based on a few measures (e.g., the most-people question and the GSS index in the case of social trust). Third, we outlined various measurement debates that have taken place with regard to self-report measurement. Among other things, we analyzed some recent data regarding the interpretation of the most-people question. A considerable share of respondents filled in situational specifications (i.e., think of concrete situations). To us,

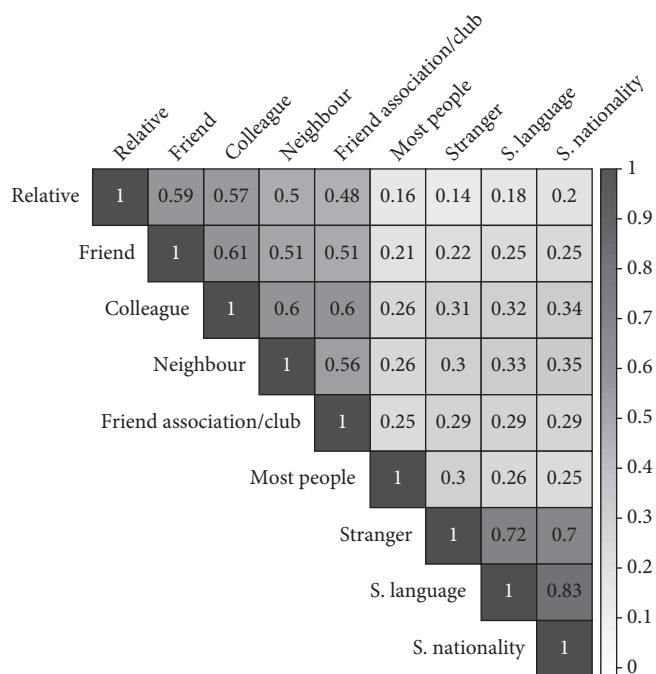


FIGURE 2.3 Correlation between trust scales

this suggests that it is a fruitful way forward to specify situations in our trust questions that are as concrete as possible.

Fourth, we suggested ways of how trust may be measured in future, namely through more specific questions that specify situations through a trustee, an expected behavior, and ideally some context. The clear advantage is that such questions should fare better when it comes to criticism that has been voiced in the various debates, such as their bad performance in predicting trusting behavior in trust games (e.g. Wilson, this volume). As an alternative to current standard measures (e.g., the most-people question), one could try to measure generalized trust as an average across many situations that entails a variety of trustees, expected behaviors, and contexts. To avoid confusion, we suggest using the term “cross-situational trust.” Arguing for the use of a bigger set of questions seems infeasible in a world in which researchers have to fight over including single items in large-scale surveys. However, we stand on the verge of a world where surveys are easily administered to millions of smartphone users with almost no costs. As a result, we are not subject to the same time and space constraints and have much more freedom regarding the length of our survey instruments. Fifth, we presented some data that were collected in Switzerland 2012. In using those questions, we realized only some of the recommendations made in this chapter; still, to us the data seem encouraging. When properly introduced, individuals seem to be able to locate themselves on such scales, but a certain level of literacy is necessary.

A potential move toward more specific questions also matters for the wider debate on the relationship between predispositions, experiences, and trust. So far we have studied the corresponding questions relying on our standard survey items. And evidence regarding the impact of experiences on generalized trust is inconclusive (Bauer 2015b; Glanville et al. 2013; Oskarsson et al. 2016; Paxton and Glanville 2015; Uslaner 2002). Experiences that humans collect are situation-specific, that is, individuals gather experiences with specific trustees, specific expected behaviors, and in specific contexts. Imagine a situation where a truster A is asked for the time in a train station and subsequently robbed of his watch. A will probably adapt his situation-specific expectations and ignore future queries for the time in this context. However, A does not necessarily generalize these expectations to other situations.

If we want to push trust research in a more policy-relevant direction—in which we explain cooperative behavior in concrete contexts such as neighborhoods or workplaces and in which we are better able to quantify the costs of low levels of trust—it seems inevitable that we use more specific questions. Studies such as Yuki et al. (2005) go into this direction. Such a move will allow us to uncover a rich variation in expectations regarding different trustees, behaviors, and contexts—expectations that are more closely linked to actual cooperative behaviors.

NOTES

1. Turning this statement around we may speak of a trustee B who is trustworthy with regard to some (non)behavior X , context Y , a truster A , and time t (Bauer 2017, 2–3).
2. Self-rated trust has long been an item within personality research, subsumed under the factor agreeableness (McCrae and Costa 2003).
3. We use the term “most-people question” to refer to the classic measure coined by Rosenberg (1956) in its various forms before and after Rosenberg.
4. The respective survey contains the question: “*Do you think most people can be trusted?*” with possible answers “yes,” “no,” “no opinion,” and giving a “qualified answer” (Opor 1942). The question does not seem to have originated with Elisabeth Noelle-Neumann or Almond and Verba (1963) (Algan and Cahuc 2013; Zmerli and Newton 2008, 709). Compare email exchange with Thomas Petersen of the Allensbach Institute founded by Noelle-Neumann (Petersen 2014).
5. Questions: 1. Some people say that most people can be trusted. Others say you can't be too careful in your dealings with people. How do you feel about it? 2. Would you say that most people are more inclined to help others or more inclined to look out for themselves? 3. If you don't watch yourself, people will take advantage of you. 4. No one is going to care much what happens to you, when you get right down to it. 5. Human nature is fundamentally cooperative (Rosenberg 1956, 690).
6. See Citrin and Muste (1999) for a review of measures tapping evaluations of political institutions.
7. Questions: 1. How much of the time do you think you can trust the government in Washington to do what is right: Just about always/most of the time/or only some of the

- time; 2. Would you say the government is: Pretty much run by a few big interests looking out for themselves/or that it is run for the benefit of all the people; 3. Do you think that people in government: Waste a lot of the money we pay in taxes/waste some of it/or don't waste very much of it; 4. Do you feel that: Almost all of the people running the government are smart people who usually know what they are doing/or do you think that quite a few of them don't seem to know what they're doing; 5. Do you think that: Quite a few of the people running the government are a little crooked/not very many are/ or do you think hardly any of them are crooked at all (Citrin and Muste 1999, 483).
8. Examples are: 1. In dealing with strangers one is better off to be cautious until they have provided evidence that they are trustworthy. 2. Parents usually can be relied upon to keep their promises. 3. Parents and teachers are likely to say what they believe themselves and not just what they think is good for the child to hear. Answer scales range from 1 strongly agree to 5 strongly disagree (Rotter 1967, 654).
 9. Butler et al. (2015, 891) suggest that the trust game literature already starts with Camerer and Weigelt (1988). See Camerer (2003) for a review of lab game research and Johnson and Mislin (2011) for a meta-analysis of research based on the classic trust game.
 10. In the envelope drop experiment, subjects can place a value in an envelope that is addressed to themselves and subsequently dropped by the experimenter. Subjects had to evaluate different conditions (e.g., different places where the envelope could be dropped) and an average was taken. The higher the amount a subject places in the envelope, the higher the level of trust.
 11. That includes the most-people question as well as questions concerning expected fairness ("Do you think most people would try to take advantage of you if they got the chance, or would they try to be fair?") and helpfulness ("Would you say that most of the time people try to be helpful, or that they are mostly just looking out for themselves?") (Glaeser et al. 2000, 825).
 12. Questions: 1. Do you think that most people try to take advantage of you if they got a chance or would they try to be fair?; 2. Would you say that most of the time people try be helpful or that they are mostly just looking out for themselves?; 3. a) In general, one can trust people b) In these days you can't rely on anybody else c) When dealing with strangers it is better to be careful before you trust them; 4. In the following you are asked to which persons, groups and institutions you have more or less trust; 5. Have you ever spontaneously benefited from a person you did not know before?; 6. How often does it happen a) that you lend personal possessions to your friends (CDs, books your car, bicycle etc.)? b) that you lend money to your friends? c) that you leave your door unlocked? (Fehr et al. 2002, 530–532).
 13. Trustee categories: "By someone who lives close by," "by a clerk at the grocery store where you do most of your shopping," "by a police officer," and "by a complete stranger."
 14. The answer scales are "no trust at all," "little trust," "quite a bit of trust," and "a lot of trust" for the first question; and "disagree strongly," "disagree somewhat," "agree somewhat," or "agree strongly" for the second question.
 15. It is also debated to what extent the classic trust game is a valid measure of behavioral trust (Ermisch et al. 2009). More generally, using sender behavior as a measure of trust has become controversial (Butler et al. 2015, Footnote 7).
 16. For another approach see Delhey et al. (2011).
 17. Students were participants at the lecture "Social Capital in Switzerland" at the University of Bern. In 2015, 67 out of 124 students answered our probing question; and in 2016, 81 out of 94 students answered the probing question. For Figure 2.1 we simply combined the data of the two student samples after some initial preprocessing of their open-ended answers.

18. See Bauer et al. (2016) for an overview of similar studies.
19. In situations in which a respondent is unable to give a precise response on the trust scale we could query an interval. In some situations this interval may even cover the complete trust scale. Pickett, Loughran, and Bushway (2015) provide a more elaborate discussion of these ideas.
20. This data was used in Freitag and Bauer (2016).
21. Question: Broadly speaking, do you think that most people can be trusted, or that can't be too careful in dealing with people. Taking a scale on which 0 means that you can't be too careful in dealing with people and 10 means that most people can be trusted. Where would you rank yourself on that scale?
22. There is indication that respondents tend to round to the next ten on such scales. This is a well-known phenomenon. See Manski and Molinari (2010) for a potential way to tackle it.

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CHAPTER 3

SOCIAL AND POLITICAL TRUST

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INTRODUCTION: WHY SOCIAL AND POLITICAL TRUST ARE IMPORTANT

THE importance of trust in government has been well recognized for some 2,500 years, at least since Confucius observed that the ability to rule rests on the foundations of weapons, food, and trust. Even autocratic rulers need to establish a modicum of legitimacy for themselves among their subjects. Weapons and full bellies can secure compliance, but trust between rulers and followers is a more effective and efficient way of holding on to political power. It took another 2,000 years for the idea to emerge that social trust between citizens is also an essential ingredient of social stability and peaceful government. Although Hobbes, Locke, and Adam Smith recognized the importance of social trust for political and economic life, it was not until the nineteenth century that theorists of liberal democracy, especially Tocqueville, introduced this view into the mainstream. It probably took the first faltering steps toward mass democracy and citizenship to make it clear that effective government rests not just on the consent of the governed, as Confucius and Hobbes pointed out, but also on the ability of citizens to rub along together with a degree of mutual understanding.

The founders of modern sociology—Comte and Saint-Simon and later Durkheim, Simmel, and Tönnies—also wrote extensively about the importance of trust and its kindred concepts, but they were interested not so much in government and politics as in the ties that bind self-interested people to form cooperative communities. Their concerns were largely divorced from those of political theorists, and the intimate intertwining of social and political trust was not confronted full-on until the behavioral approach to politics emerged in the United States in the second half of the twentieth

century. Only then were the workings of social and political trust, social and political participation, social integration, and democratic stability investigated as a single integrated whole, notably in Almond and Verba's *The Civic Culture* (1963) and Verba and Nie's research on political participation (1972). Their work was the beginning of a growing stream of research that produced Putnam's social capital theory (1993), which makes the link between social and political trust a centerpiece of healthy democracies.

This chapter is concerned not with the historical development of classical theories of social and political trust but with empirical research, which investigates claims that these two forms of trust are closely tied together in a mutually reinforcing manner that underpins social harmony, economic efficiency, and democratic government. Social trust between citizens is said to be essential for social cohesion, integration and stability, qualities that are especially crucial for modern, large-scale, multicultural societies under pressure from rapid social and economic change, mass migration, and ethnic and religious conflict. Research shows that social trust is associated with health, happiness, prosperity, long life, and a sense of social belonging. It is said to be the glue that joins society together and the oil that facilitates its smooth operation. In business relations, trust has been found to promote economic efficiency by reducing the risks of free riding and default from contracts.

Trusting societies are wealthy societies. Political and social trust promote active citizenship and the effective implementation of public services, reduce tax evasion, facilitate the consent of political losers, and help clear the path to political agreement and compromise. With such a number and range of sterling qualities to recommend them, it is important to understand whether the two forms of trust are indeed associated and, if so, how and why. We start with the modern theory and progress to the empirical evidence.

THEORETICAL APPROACHES TO TRUST

Bottom-Up and Top-Down Accounts of Trust

A psychological view of trust treats it as a core personality characteristic of individuals. Labeled by Glanville and Paxton (2007, 234) as "the psychological propensity model," it argues that trust or distrust is learned in early childhood and modified in later life only by hard experience and trauma (Allport 1961; Cattell 1965; Erikson 1950; Rosenberg 1956, 1957). Trusting individuals have a sunny and optimistic disposition and believe in the possibility of cooperation with others (Uslaner 2002).

Conversely, the distrusting individual tends to be misanthropic, pessimistic, and suspicious of others. As a variation, the nature-nurture controversy also regards trust as an individual characteristic but, in addition to attributing it to early life experiences, claims that it has a basis in the genetic makeup of individuals as well (Mondak, Hayes, and Canache 2017; Sturgis et al. 2010). For example, monozygotic twins are more likely to show similar cooperation and defection behavior in a trust situation in a lab than dizygotic twins (Cesarini et al. 2008).

Sociologists, however, note that (dis)trust is often strongly associated with social rather than psychological or genetic causes, most notably education, income, social class, happiness, work satisfaction, ethnic and religious background, majority and minority group membership, and life experiences such as divorce, unemployment, and serious illness.¹ They also point out that small, homogeneous communities with dense networks of social relations tend to be high in social trust.

In contrast to these kinds of individual bottom-up theories, others take a broader approach that focuses on the properties of whole societies or communities. They find a strong association between trust and social homogeneity, national wealth, income equality, lack of corruption, and various qualities of democratic government. These cannot be reduced to the properties of individuals but are the collective properties of social contexts, national institutions, and systems of government. Stressing a top-down perspective, it is argued that state institutions and government policies can help to create or undermine the circumstances in which social and political trust can grow or decay. For example, during the Communist era in Central and Eastern Europe, citizens trusted the small circle of people they knew well and were distrustful of others and of government (Mishler and Rose 2001; Sztompka 2000). Conversely, the small, wealthy, and homogeneous welfare states of the Nordic region and parts of Northern Europe register high levels of social and political trust.

Links between Social and Political Trust

Different approaches to trust entail, explicitly or implicitly, different associations between social and political trust. According to the psychological propensity model and, presumably, the genetic one as well, individuals will tend to either trust or distrust across all fields of social activity whether they involve family, friends, work colleagues, strangers, or political life. In this case, different forms of trust are much the same thing, and individuals will tend to be trusting in most circumstances. Some top-down theories have the same view, arguing that social and political trust will be widespread and positively associated in countries where good government, national wealth, economic equality, and cooperative social relations are found. Thus inefficient government, poverty and income inequality, and a society divided by social cleavages are likely, according to this view, to trigger low trust across the board.

For other theories, trust is context- and object-specific. Trust involves a risk that others will not betray our trust and so we develop and change our sense of trust according to experience, which teaches us whom to trust and in what circumstances. I may trust my neighbor to feed the cat while I am away but not to keep the indoor plants alive. I may trust my government to do the right things on economic policy while distrusting its social policies, or vice versa. In this way trust can be expressed in a simple formula in which A trusts B to do X in Y circumstances.

The idea that trust involves taking risks with others introduces the distinction between trust and trustworthiness (Hardin 2002). The standard trust item in social surveys asks,

“Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?” In spite of some misgivings about this question it turns out to be reasonably reliable and a valid way of tapping general trust (Delhey, Newton, and Welzel 2011). But what do respondents have in mind when they answer it? One interpretation is that they are thinking only in terms of themselves and their personal characteristics. But if an individual’s sense of trust is based on accumulated experience, then it is based on how we feel about the trustworthiness of others according to how they have acted in the past or how they might be expected to react in the future. Therefore, someone who expresses trust across various surroundings, such as in their family, friends, neighbors, or colleagues, is also saying that they trust because they have found that others are trustworthy. Thus, it is not surprising that trusting societies are marked by good government; an absence of corruption; low crime rates; and high levels of wealth, security, and equality. But it also means that an individual’s sense of trust or distrust may change when circumstances change, especially under pressure from rapid and far-reaching social, economic, and political changes. It also means that social and political trust may be decoupled if affluent, democratic, and socially cohesive societies run into serious problems. However, an alternative view states that social trust, particularly the broad, generalized kind, is shaped early in life and thus immune to further societal influence (Uslaner 2002).

SOCIAL AND POLITICAL TRUST: THE COMPLICATIONS OF RESEARCH

Different Types of Social and Political Trust

The classical theories discussed in the opening section of this chapter employ a simple, binary distinction between social and political trust; however, closer examination shows an important distinction within these types of trust. For example, personalized trust can be developed with the people we know, whereas generalized trust can be expressed in most of the people we come across in daily life, whether we know them or not and whether they are like us or not. There is also a form of trust that Yamagishi and Yamagishi (1994) call “particularized trust,” which extends to people who are like us (on the basis of ethnicity or religion), whether we know them personally or not.

Generalized or (“thin”) trust is what matters most in large-scale urban society, which entails frequent but fleeting contact with unknown others, often with different social backgrounds (Delhey, Newton, and Welzel 2011).

Similarly, political trust is not a single entity. Research has found that trust in public institutions tends to form a single, underlying dimension of political trust with two overlapping clusters within it. Trust in the more neutral and impartial institutions of the state (the courts, police, and civil service) tends to go together and to be stronger than trust in the organizations of government in the forms of cabinet, parliaments, and

political parties (Zmerli and Newton 2017; see also Rothstein and Stolle 2008). These are often separate from trust in national and international organizations such as the North Atlantic Treaty Organization, the United Nations, and the European Union (van Deth 2000). On the one hand, this makes for difficulties in studying political trust, but on the other, the use of factor and cluster analysis for data reduction simplifies things.

Static and Dynamic Associations

Levels and associations between different forms of trust may change over time. A notable example is the way that general social trust rose steadily in postwar Germany from 9% in 1948 to 45% in 1993, a change that is not easily reconciled with the psychological propensity model or the genetic theory of trust. Trust increased steadily as the country emerged from dictatorship, the ruin of war, and severe economic hardship.

In many countries social trust in the family usually remains at a high level (90% or more), but trust in political leaders, especially prime ministers and presidents, can rise and fall substantially and quickly in response to events and depends more on who is in power. Political trust in Central and Eastern Europe was low under communist rule but rose to high levels in the early period of democratization after the Berlin Wall fell, probably because people wanted to express their faith in democracy as the best form of government rather than trust in the government and its performance at the time. The financial crisis of 2007–2008 contributed to a declining political trust in the West, and the troubles of the Euro that followed had a similar effect on trust in the European Union.

Much seems to depend upon context, especially government performance that, unsurprisingly, can have a strong effect on political trust. Several publications find only weak or insignificant associations between social and political trust when controlling for economic performance (Mishler and Rose 2001; Rahn and Rudolph 2005; Rohrschneider and Schmitt-Beck). Liu and Stolle (2017) suggest that the strength of the associations between social and political trust may vary according to historical periods (e.g., they are weaker before 2000 and stronger afterward). We will pick up this point later in this chapter. There may also be an interaction between levels of social trust and government performance that affects changes in political trust. Oskarsson's (2010) study of 23 European countries finds that government performance measures had a greater effect on those with lower general social trust. The general point, however, is that levels of trust and the relationship between them may vary from one historical period to another, depending on wider social and political circumstances, especially government performance.

Problems of Cause and Effect

Perhaps the main problem with trust research is isolating clear causes and effects. Social trust is empirically associated with measures of good government. Trust between

citizens improves cooperative relations, reduces social conflict, and facilitates compromise. Moreover, general social trust makes it easier to formulate and apply public policies and to raise taxes to pay for them (Rothstein 2005). This, in turn, can solve social problems and improve the quality of life, both of which are associated with high levels of social trust. What is cause and what is effect? Do they perhaps reinforce each other in upward and downward spirals?

This chicken-and-egg problem is magnified by the fact that both social and political trust are caught up in a network of other variables that are also interdependent—such as low corruption, established democracy, class, education, ethnicity, social cleavages, national wealth, and income equality. Where many factors are involved in mutually interdependent relations of cause and effect it is difficult, perhaps impossible, to unravel the part played by any one factor. It requires cross-national studies that compile information about a great many variables over a long period of time to do this. In an effort to disentangle the causal relationship between political and social trust, Sønderskov and Dinsen have used multiple panel surveys over 18 years in Denmark to understand what came first. Their findings suggest that institutional trust shapes trust in people (Sønderskov and Dinesen 2016), which has been confirmed in other contexts as well (Seifert 2017). Although institutions seem to play a role, we conclude that a combination of factors are involved with both the causes and the effects of social and political trust.

RECENT EMPIRICAL RESEARCH

Social surveys in the last twenty years or so have thrown a good deal of light on the nature and origins of social and political trust: notably on the role of voluntary organizations in developing and sustaining them; the closeness of the associations between them; the ways in which the asymmetric nature of these correlations is dependent on different types of each form of trust; the ways in which social and political trust may be decoupled by economic and government performance; and the ways in which the “rainmaker effect” may contribute to levels of trust and distrust in society. These are the concerns of this section of the chapter.

Voluntary Organizations

Voluntary associations are said by many theorists of democracy—Locke, Tocqueville, Durkheim, Simmel, Tönnies, and J. S. Mill—to play a special role in the creation and maintenance of both social and political trust. Tocqueville (2000, 491–497) called them “free schools of democracy” because of their ability to bring together a mix of individuals with different backgrounds and interests who must trust one another in order to achieve their collective goals. Engagement in community organizations such as sports clubs, churches, and choirs bring people with different social backgrounds into close

contact with each other, an experience that fosters understanding, awareness, reciprocity, and an ability to trust and cooperate. Moreover, the ability to organize collectively to form political parties, pressure groups, and community associations of all kinds nurtures a sense that interests can be protected, voices heard, and pressure on government applied. Groups able to take collective action to defend their interests are more likely than isolated individuals to believe that the system of government will respond to their demands. In brief, voluntary associations are thought to be an essential ingredient of social capital and civil society because, among other things, they create and nurture a sense of trust in other people and in government and its leaders. Bridging associations that span the social cleavages of ethnicity, sex, generation, class, and language are particularly important, because they bring together people from very different cultures who might otherwise distrust each other (Putnam 2000).

Research, however, fails to find robust evidence to support these claims. In the first place, protest groups are brought together by the distrust of their members in political leaders, policies, and institutions. Second, some notable research finds a positive link between voluntary engagement and trust (Almond and Verba 1963; Putnam 1993; Verba and Nie 1972), but other research uncovers weak and patchy correlations or no significant ones at all (Dekker and van den Broek 1996; Hooghe 2000; Newton 1999; Rahn and Rudolph 2005; Torcal and Montero 1996; van Deth 1996; Zmerli, Newton, and Montero 2007). Some studies find that the relationship of the two variables varies according to country or type of organization (Delhey and Newton 2003; Stolle and Rochon 2001; Zmerli 2008). Third, although there is a good deal of research on the attitudes and behavior of individual members of voluntary associations, there is little on the characteristics of the organizations and how they interact with each other. One of the few studies of this kind concludes that the great majority of organizations attract members with the same social background. As a result, rather than building bridges across a wide mixture of social differences, voluntary associations are typically homogeneous social groups that usually engage with other groups like themselves. This kind of segmentation of activities is more likely to generate particular than general social trust (Zmerli and Newton 2007). Moreover, people self-select into voluntary associations based on their trust levels (Stolle 1998), that is, high trusters join associations more frequently than low trusters.

It is, perhaps, not surprising that voluntary activity is weakly related to trust. Both are closely tied into a third set of powerful variables, especially education, sex, age, and income, and when these are taken into account the correlations between trust and voluntary activity are generally reduced close to statistical insignificance. Besides, only a small stage-army of activists devotes much time to voluntary associations. By comparison, the more intensive and prolonged experiences of education, work, and family are more likely to exercise an influence on trust (Newton 2001, 228–233). There is also the suggestion that broader political circumstances may moderate the effects of voluntary engagement on trust (Foley and Edwards 1996, 47), of which more later in this section of the chapter. Another complicating factor is that different types of social and political trust may be associated to varying degrees. For example, particularized social trust may have little bearing on political trust, whereas general social trust and political trust may

have more in common. Based on these findings, most research so far has concluded that while voluntary organizations are crucially important for many aspects of social and political life, their capacity to generate trust is not one of them.

The Associations between Social and Political Trust

The classical theory that democratic stability rests on the cornerstones of social and political trust was questioned by a failure to find a correspondence between these types of trust at the individual level (Delhey and Newton 2003; Kaase 1999; Mishler and Rose 2005; Rothstein 2002). A positive correlation between the two was found at the aggregate level of cross-national comparison (Delhey and Newton 2005; Newton and Norris 2000), but contrary to social capital theory, individuals who expressed high levels of social trust did not necessarily do the same for political trust. However, later research does find a robust connection at the individual level across Europe and the United States (Freitag 2003; Glanville and Paxton 2007; Jagodzinski and Manabe 2004; Rothstein and Stolle 2003; Schyns and Koop 2010; Zmerli and Newton 2008).

The difference between the earlier and later studies is due to improved survey methods. Political trust questions usually covered a variety of political and governmental institutions, but they used only a four-point rating scale. Later, research used a more reliable, standard three-item battery of questions to measure general social trust and a six-item set of questions about political trust. Both were measured using seven- or 11-point rating scales. Batteries of questions and refined rating-scales revealed a strong association between general social trust and political trust in the United States and 23 European countries, but the same survey produces insignificant correlations when the survey methods are simplified and coarsened to replicate earlier studies (Zmerli and Newton 2008; Zmerli, Newton, and Montero 2007). The second wave of studies established that those who express social trust tend to trust politically as well.

Nevertheless, the later work lacked an important part of the trust puzzle because it ignored some other types of trust beyond generalized trust. It was often assumed that particularized trust and generalized social trust are incompatible because the in-group and out-group forms necessarily exclude each other (see the chapter by Kramer, this volume). In addition, it was also assumed that particularized trust is a form of trust that mostly applies to homogeneous communities with members of the same in-group; however, large-scale modern society is built on generalized social trust in unknown and different others.

Unlike previous cross-national surveys, the World Values Survey (WVS) of 2005–2009 and 2010–2014 asked six questions about social trust, three on general and three on particularized trust. These questions were organized from the most specific to the most general: social trust in the family, people known personally, neighbors, people met for the first time, people of other religions, and people of another nationality. Another set of six questions asked about trust in the police, courts, government, parties, parliament, and civil service. Analysis of the total sample of individuals in each of the two WVS surveys

reveals consistent patterns of positive associations between particular social trust, general social trust, and political trust and does so across countries and across time. At the same time, the WVS data reveal patterns that are more complex than those suggested by linear correlation and regression analysis (Newton and Zmerli 2011; Zmerli and Newton 2017).²

Hierarchies and Asymmetries of Trust

The most particular form of social trust (in the family) is the most common and found in virtually all individuals in the surveys (Table 3.1).³ It is correctly said that everyone must trust someone, and in Western democracies more than nine out of ten place their trust in the family. After that, different kinds of social trust, specific or general, lie on the same continuum; but, as one might expect, they decline progressively as they move from

Table 3.1 Distribution of social and political trust (in %), WVS 2010–2014

Forms of trust	%	N
Family members	96.6	34,291
People known personally	77.5	34,014
Neighbors	67.3	33,829
Other religion	46.9	31,487
Other nationality	43.9	31,527
People met for the first time	25.2	33,390
Police	58.1	33,902
Courts	50.1	33,368
Civil service	41.4	32,990
Government	38.2	33,627
Parliament	32.1	33,248
Political parties	22.3	33,368

Note: The newly released WVS integrated dataset presents equilibrated weights for the 2010–2014 survey in which N = 1,000 or 1,500. All descriptive tables in this chapter are based on equilibrated data in which N = 1,500. The percentages depicted here are based on respondents who scored 3 or 4 on the trust rating scale.

Source: Zmerli and Newton (2017, 113).

the most specific to the most general. Contrary to the assumption that particular social trust is a feature of traditional and small-scale communities, it is the most common form in advanced democracies. This is true of the most stable democracies in the world, but a broader-based study of 53 nations also finds that specific social trust is more common in more, not less, economically advanced countries (Delhey, Newton, and Welzel 2011).

As for political trust, some work has made the distinction between trust in the neutral and impartial institutions of the state (police, courts, and civil service), which is generally higher across Western societies, and trust in political institutions (government, parliament, and parties) (Rothstein and Stolle 2008). While the latter form of trust is relatively unrelated to social forms of trust, there is some suggestion that trust in neutral and impartial institutions shapes social trust (Rothstein and Stolle 2008; however, see Uslaner 2002, 46).

Various forms of social trust are also related to each other, but the associations between them are not simple. In the 2010–2014 WVS survey 92% of those with low particularized trust also had low generalized trust, but fewer than half (43%) of those with high particularized trust also had high generalized trust (Table 3.2). Conversely, virtually all of those with high generalized trust (96%) had high particularized trust, but only 27% of those with low generalized trust also had low particular trust. Since almost all of those with high generalized trust also have high particularized trust, but only half of those with high particular trust have high generalized trust, it seems that particularized trust is a necessary but not sufficient condition for generalized trust. Similarly, almost

Table 3.2 Cross-tabulations of particular social trust, generalized trust, and political trust (in percentages)

		Particular trust		Generalized trust		Political trust	
		Low	High	Low	High	Low	High
Particular trust	Low			26.7	4.2	24.1	10.5
	High			73.3	95.8	75.9	89.5
Generalized trust	Low	91.7	57.4			70.7	53.9
	High	8.3	42.6			29.3	46.1
Political trust	Low	75.4	52.8	64.0	45.2		
	High	24.6	47.2	36.0	54.8		
<i>N</i>		6,410/	27,722/	21,507/	12,625	19,674	14,846/
		6,429	28,091	21,374	12,569	19,362	14,581

Data source: World Values Survey (2010–2014) Low trust = 2.5 and less on the index score.

High trust = 2.6 or more on the index score. Source: Zmerli and Newton (2017, 115).

all of those (90%) who are politically trusting have a high score on particularized social trust, and a majority of them (54%) also have a high score on generalized social trust; but fewer than half (47%) of those with strong particularized trust also have strong political trust, and barely more of those with strong generalized trust (55%) also express political trust. It would seem that generalized social trust is built upon a platform of particularized social trust and that political trust is built on, but not a necessary consequence of, a combination of particularized and generalized social trust.

Another way of expressing these results is to say that the three forms of trust are organized hierarchically from the most common (trust in the family, 97%) to the least common (trust in parties, 22%), and that this hierarchy is asymmetrical. The hierarchy is built like a pyramid, with a broad base of trust in the family and a small peak of trust in parties. Each layer of a different kind of trust is a necessary but not a sufficient condition for the level above it, so that the associations between each are asymmetrical.

However, the asymmetry is not perfect, and some people do not conform to it (Table 3.2). Of those with high political trust, 11% express low particularized trust and 54% express low generalized trust. There must be other factors accounting for associations between the three forms of trust and that contribute toward a causal explanation of them. One of these concerns the social characteristics and backgrounds of individuals, and another concerns the wider context of society, politics, and institutions.

Micro Explanations: Winners and Losers

To draw attention to the part played by institutions and social and political circumstances in influencing levels of trust is not to deny the possible importance of individual social backgrounds and psychology. Education, class, income, age, sex, religion, and ethnicity often play a decisive role in attitudes and behavior, and so it is with trust. The winners-losers hypothesis suggests that an individual's willingness to trust depends in part on their psychological characteristics, the trustworthiness of their social environment, the risks they face in daily life, and their relationship with the main social and political institutions of their country (Zmerli and Newton 2011). By "winners" is meant those with money, high social and economic status, advanced education, happiness, health, and being on the winning side of party competition (or, to a lesser extent, supporting a major contender for power).

The evidence of the World Values Survey 2005–2007 shows that particular and general social trust and political trust are all expressed by the winners in society. Higher levels of trust are more often found among those who are rich, happy, satisfied with life, healthy, well educated, and high on the ladder of social and economic status. This is a wide and disparate range of variables, but each is usually associated with others in the same syndrome and therefore they tend to reinforce each other.

The connection between wealth and trust has been noted by others (Alesina and La Ferrara 2000; Brehm and Rahn 1997; Putnam 2000, 138) and may be ascribed to the fact that the better-offs have been materially successful, so why should they distrust

social arrangements that have served them well? They have more to risk but better means and resources to protect themselves, and they are supported by institutions—the police and the law—that exist to protect life and property.

They may be surrounded by more trustworthy people, at least in their private life. The strong link between education and trust (Paxton 2007; Putnam 2000) may be due to its close link with income and cosmopolitan ways of thinking and feeling. If majority groups are classified as winners according to their sex, ethnicity, and status, then they too are trusting because life has treated them well. Patterson (1999, 187–191) finds that anxiety and insecurity are the most powerful forces driving distrust among the poor in the United States. In simple words, is it any surprise that the wealthy in their gated communities are trusting, while the poor of the slums are not?

Macro Explanations: Institutions and the Rainmaker Effect

To draw attention to the part played by individual psychological and social characteristics in influencing levels of trust is not to deny the importance of institutions and the larger environment. The trustworthiness of citizens and political elites in democracies is embedded in a system of institutions that promote political rights, civil liberties, and the rule of law and that try to ensure the fair, equal, and just treatment of citizens. System performance indicators are also closely associated with cross-national levels of political support and trust (Inglehart 1999; Knack and Keefer 1997; Mishler and Rose 2005; Newton 2001; Paxton 2002; Putnam 1993; Zmerli, Newton, and Montero 2007). One important element seems to be the confidence that the public is able to place in the agencies of state that are supposed to be politically neutral and impartial and treat all citizens alike, namely the police, the courts, and the civil service.

The mechanisms linking institutions with individual trust are not well understood, but they seem to work at two levels. At the elite level, democracy is a “set of institutions designed for knaves” that constrain political leaders to behave in a trustworthy manner that is accountable and responsive to the electorate. These government institutions include the separation of powers, the rule of law, judicial oversight, regular elections, freedom of the press, freedom of information, and scrutiny of government. A similar set of professional and bureaucratic mechanisms tries to maintain the trustworthy behavior of a wide range of professional and public officials. At the mass level, the police and courts enforce trustworthy behavior among citizens who are given the same set of rights and duties (Levi and Stoker 2000, 493; Weingast 1998, 165). Crime and corruption in public and private life is a clear enemy of trust.⁴ The Nordic countries are notable for their high levels of social and political trust as well as for the close association of general social trust with trust in the police and the legal system (Newton and Norris 2000). To this may be added a Swedish study that finds the principles of a universal welfare state, rather than means testing for welfare services, encourage general

social trust because it treats all citizens in the same way rather than dividing them into rich and poor (Rothstein 1998).

Corruption in public and private life, a system characteristic as well as of corrupt individuals, is a clear enemy of trust. A study that looks in detail at trust in parliament finds that it is undermined by corruption, new and unconsolidated democracy, dissatisfaction with the national economy, and the belief that politicians do not care about what people think and are not interested in their opinions. It concludes that the objective characteristics of a political system provide a context in which trust may flourish or not (van der Meer and Dekker 2011).

The highest levels of general social trust in countries (not individuals) across the globe are closely associated with a tight syndrome of social, religious, economic, and political characteristics (Newton and Delhey 2005). Some forms of protestantism are one basis on which high levels of generalized trust can be built, probably because of the value they place on equality and persistently trustworthy behavior.⁵

The absence of ethnic cleavages is also important because people find it easier to trust similar others. Wealth and income equality are also positively associated with trust, with wealth, up to a point, being more important than equality. Good government is essential, especially the absence of corruption and developed democracy, which seem to create circumstances in which individuals can act in a trustworthy manner and can reasonably expect that others will do the same (Rothstein 2011).

The Rainmaker Effect

Last, the trust levels of any given individual in society may be influenced by the trust levels of the people around them. One reason is that individuals feel able to trust others if they believe others are trustworthy. Therefore, if the population of a country or a community within it expresses high levels of trust, this can be read as a sign that the population as a whole is trustworthy. A country like Brazil, which has an unusually high murder rate, also has an unusually low trust score, while the law-abiding Danes register high trust scores.

There may be a more indirect effect of one kind of trust upon another. Social trust is conducive to compromise and cooperation as well as to effective government and the efficient implementation of its policies. It also reduces the costs of social problems, antisocial behavior, crime, and tax evasion. In a phrase, social trust contributes to good government, and good government affects everyone, whatever their individual and psychological propensity to trust or distrust. Just as the gentle rain from heaven falls on the just and unjust alike, so good government has a “rainmaker” effect on social trust, whatever the individual propensity to trust or distrust (Newton and Norris 2000, 52–73; Putnam, Pharr and, Dalton 2000, 26; van der Meer 2003). The consequence is that social trust makes it possible for good government to flourish, so there is a mutual cause and effect relationship between the two. This testifies to the complex and tangled set of interactions between different

levels and types of trust, individual characteristics, institutions, and democracy and its performance.

TRUST, BREXIT, AND TRUMP

A study of four economically and democratically advanced countries (Sweden, Finland, New Zealand, and Japan) that experienced unusually sharp falls in various measures of political trust between 1970 and 1990 finds that these followed a series of acute economic and political problems—recession, tax deficits, inflation, currency devaluations, cuts in public services, corruption scandals at the heart of government, industrial conflict, or falling real incomes (Newton 2006). However, in none of the four countries were these problems accompanied by any signs of falling social trust, social participation, or voluntary activity. On the contrary, measures of trust and social capital remained constant in all four countries or even increased in some. Falling political support was the consequence of poor economic and political performance. When the economic and political problems were resolved, as much as they ever are in the modern world, political trust was restored to almost its previous level in Sweden, New Zealand, and Finland. Japan did not manage to resolve its problems (mainly because of the perseverance of political corruption and poor economic performance) and political trust remained low, while social trust remained at a medium level.

It seems that a decline in political trust is not necessarily associated with, or preceded by, a loss of social trust and social capital, at least in the short to medium term in these countries. However, the study leaves open other possibilities. While it is difficult to build social and political trust, requiring countries to pull themselves up by their own bootstraps, it is possible that a good stock of social capital may help countries to pull themselves out of economic and political problems—and if they manage this, then improved government performance may help restore levels of political trust to their previous levels.

This brings us to the most recent examples of the loss of political trust, the Brexit referendum and Trump's election to the White House. These events display similar characteristics in that both were the result of loss of political trust and a revolt against political leaders and "politics as usual," especially but not exclusively on the part of sections of the population that have suffered most from austerity politics, the financial crisis of 2007–2008, and the economic consequences of globalization and free-market policies. Shortly before the Brexit vote, for example, only 26% of the British low-income population expressed trust in government, compared to 54% of the high-net-worth population. And 40% of these low-income earners were also pessimistic about their future economic prospects.⁶ But these sectors of the population have already been the main losers in the United Kingdom and the United States in the past two decades or so, especially after the financial crisis of 2008, and in both countries they see immigration and elected leaders as major causes of their predicament.⁷ Typical Trump voters,

moreover, feel strongly alienated from their political elites and hold a deep mistrust of experts and intellectuals.⁸

The 2016 Edelman Trust Barometer for 28 countries shows that the poorest group in the United States and United Kingdom are more distrustful than the richest of the institutions of government, business, the media, and nongovernmental organizations (NGOs). The trust gap between these groups is growing faster than in 22 other countries in the survey. The Edelman survey links the trust gap to growing income inequality and the pessimism of low-income groups about their family's financial prospects in the next five years. If the needs and demands of the losers in the United States and United Kingdom (and other countries) are not met sufficiently to improve their levels of trust in political leaders and the system of government, we can expect a continuation of post-truth, right-wing populism. And if this is sustained long enough, it might result in the erosion of social trust, which, in turn, will make a political settlement all the more difficult.

CONCLUSIONS

During recent years, empirical trust research has significantly advanced our understanding about the interdependencies of social and political trust. This progress can mostly be attributed to major improvements of measurement instruments in survey research. Unraveling strong and consistent associations at the individual level between these two types of trust finally reasserted the strongly held theoretical propositions that previously could not be corroborated empirically. In addition, drawing on an enlarged scope of trust items helps to undermine the long-held belief that particular social trust is an exclusive feature of backward societies and inherently adverse to modern ones. Rather, as numerous studies could demonstrate, particular trust lays the foundation of an imaginary pyramid of social trust, with trust in the general other at the top of it. And it also seems to be similarly important for the development of political trust.

By contrast, encompassing empirical analyses provide only scarce evidence about the role of voluntary associations as sources of trust. In fact, this missing link calls into question whether socially and politically trustful societies indeed result from thriving civil societies or rather are dependent on conditions of good government. Despite growing evidence supporting the top-down approach of trust building, empirical inquiries into causes and effects are still in their very beginnings. Nonetheless, recent insights into contextual and individual-level covariates of social and political trust may hold some answers regarding their future developments and political and societal consequences.

In times of rising economic insecurities and a right-wing populism that exploits and strengthens feelings of distrust toward out-group members and political elites, those who are at the losing end of society appear to be more vulnerable than winners to endorse undemocratic demands. Good government, responsive political elites, equality, and a robust economy, by contrast, bear the potential to protect democratic societies from deepening divisions and a devaluation of democratic values and principles.

NOTES

1. Divorce has been shown to shape the trust in future partners (Franklin, Janoff-Bulman, and Roberts 1990). Unemployment and negative health status diminish social trust (Jen, Sund, Johnston, and Jones 2010; Lindström 2009).
2. The following analysis is based on Newton and Zmerli 2011 and Zmerli and Newton 2017. The 2005–2009 survey covered 29,000 respondents in the 22 most stable democracies in the world, and the 2010–2014 survey covered 35,000 individuals in 23 stable democracies. The democracies were spread across Europe, Asia, Africa, Oceania, and North and South America. Analysis of the pooled data for all countries and for each country separately produced much the same results and only small variations in a minority of country cases.
3. The corresponding social trust question wordings are as follows: “I’d like to ask you how much you trust people from various groups. Could you tell me for each whether you trust people from this group completely (4), somewhat (3), not very much (2) or not at all (1)? Your family; your neighborhood; people you know personally; people you meet for the first time; people of another religion; people of another nationality.” The WVS 2010–2014 asks the same question about political trust in a set of six political and governmental institutions as follows: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: Is it a great deal of confidence (4), quite a lot of confidence (3), not very much confidence (2) or none at all (1)? The police; the courts; the government (in your nation’s capital); political parties; parliament; the civil service.”
4. See, for example <http://www.pewglobal.org/2008/04/15/where-trust-is-high-crime-and-corruption-are-low/> (accessed December 13, 2016).
5. However, evangelical protestants are less trusting than others (Uslaner 2002, 85–86).
6. See <http://www.edelman.com/p/6-a-m/brexit-and-trust/> (accessed January 10, 2017).
7. This seems to have reversed a pattern at the end of the twentieth century in which the better-educated sections of the American population with better life chances showed the greatest drop in political trust (Dalton 2005).
8. https://www.washingtonpost.com/news/monkey-cage/wp/2016/03/09/trumps-voters-arent-authoritarians-new-research-says-so-what-are-they/?utm_term=.ef15daa2dd3a (accessed January 10, 2017).

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CHAPTER 4

TRUST AND NATIONAL IDENTITY

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THE relationship between trust and national identity is an issue that has been much discussed by both political theorists and social scientists. Underlying this interest is the thought that national identities might provide the necessary “glue” that can hold large, culturally diverse societies together and enable them to function successfully. Trust features here as the intervening variable that links national identity to positive outcomes such as democracy and social justice. The claim, in other words, is that people who share an identity are more likely to trust one another as individuals, and also to trust the institutions that govern them. This in turn motivates them to support a well-functioning democracy and to accept and comply with the policies needed for social justice. It is this assumed causal chain that has encouraged political leaders in liberal democracies to engage in nation-building programs, such as introducing “education for citizenship” into the school curriculum, and requiring new immigrants to prepare for and take citizenship tests that familiarize them with the national culture of the society they are joining. But does the causal relationship actually hold? Is sharing a national identity really an important precondition for a trusting society?

There are certainly reasons to be cautious about this assumption. There are multiple sources of both social and political trust, as the other contributors in this volume make abundantly clear. Perhaps trust among individuals depends simply on their interactions, or even on dispositions to trust or not to trust formed in the early years. Perhaps our trust in political institutions primarily reflects how well these institutions perform in delivering the services we expect from them; our national identities, then, may be largely irrelevant to trust. A second reason has to do with the character of national identity itself, which necessarily discriminates between those who belong to the nation and those who don’t—or more insidiously, between those who belong to the national “core” and those who remain on the periphery (immigrants in particular). The effect, then, of having such an identity may be positive for trusting ‘insiders’ while it is also negative for trusting “outsiders,” who might nonetheless be our fellow citizens.

So in examining the evidence from social psychology and comparative social science on the trust-related effects of having a national identity, we need to be attentive not only to the *strength* of such identities (how important does it seem to people that they belong to nation X?) but also to their *quality* (what does it mean to be a member of nation X?), which in turn determines how inclusive or exclusive the identity is and how easy or difficult it is to recognize members of different social groups as belonging to X. This analysis maps well onto the broader discussion of the distinction between generalized and particularized trust (Uslaner 2008; Kramer, this volume). Generalized trust refers to trust that extends beyond one's immediate circle of friends and family and underpins cooperation among individuals who are not personally known to each other. Particularized trust refers to trust that extends to one's friends and family; it is often also the term used to refer to the trust that extends between members of ethnic groups.¹ In the analysis that follows, therefore, we are attentive to whether the trust that appears to stem from national identities of various types is best described as generalized or particularized.

First, we look at general evidence on the relevance of identity to trust. The hypothesis here is that identities provide a foundation for extending trust by permitting those who share them to make assumptions about the motivations and intentions of others. Since extending trust requires making oneself vulnerable to the actions of others, or at least requires us to believe that others will not harm us intentionally, shared identities serve to provide cues for whether one's trust is likely to be rewarded and reciprocated, thus reducing the felt experience of vulnerability associated with extending trust to others. Having established that this hypothesis is empirically supported, we then turn to examine the trust-related effects of national identity in particular, and finally we propose a direction for policy makers concerned to generate and support inclusive, trust-building, national identities. But before beginning that review, we need first to examine the idea of national identity itself, and how we can test for its strength and quality. What does it actually mean to think of oneself as belonging to a particular nation, and how should we categorize the different forms of national identity that we find in contemporary societies?

NATIONAL IDENTITY DEFINED

Most people in the modern world think of themselves as belonging primarily to one or another nation: rootless cosmopolitans are few and far between. But what it means to have a national identity is by no means straightforward. Complexity abounds at both the individual level and the societal level. What Pierre understands himself to be saying when he identifies as French may be quite different from what Jacques understands by the same proposition. And setting aside these individual differences, the ingredients that make up French national identity may not be the same as those that single out the Japanese. As we have already noted, such qualitative contrasts may be important when it comes to determining the sources of social trust. So we need to do some disentangling

before looking at the evidence on that question. The present section explores different dimensions of national identity, with a particular focus on the contrast between *civic* and *ethnic* conceptions of nationhood.

We begin with the common elements that must be present if a national identity is to exist at all. There are five of these elements (Miller 1995, chap. 2). First, there must be a sufficiently large group of people who share the identity: if Pierre is the only human being who thinks of himself as French, there is no French nation. The boundaries of this group need not be precisely drawn: not all of the people Pierre thinks of as French need think of *themselves* as French, nor is there a need that Pierre's view about who counts as French and who doesn't coincides exactly with Jacques' view.² But there must be a substantial degree of overlap in both respects.

Second, people who belong to the group must think that what connects them is not just some random feature, like having names beginning with the same letter, but something *significant*. What they have in common are features that make them different from other nations. As we shall see later, which features count will vary from case to case: it might be a language, a religion, a cultural heritage, or a set of political values. Using the term "culture" in a broad sense, then, we can say that having a national identity means seeing yourself as culturally different, in one or more respects, from members of other nations.

Third, the identity binds you to your compatriots emotionally and morally in certain ways. You may not like many of them as individuals, but if things go badly for some of them—they are caught in a destructive flood, for example—you will empathize with them and be disposed to offer help. And you will want the group to continue to exist as a group over time; if there is some danger of the group being fully assimilated into some larger group, you will regret that this is happening, and try to resist it.

Fourth, the nation encompasses not just a group of people but also a place where the people live now, or have lived in the past, which they regard as their national homeland. So nation and territory are indissolubly linked, and in the case of nations that have been dispossessed, recovering that territory becomes a primary objective.

Fifth, national identity includes the idea that the nation should be in charge of its own destiny. The group should enjoy some kind of self-determination, ideally perhaps in the shape of a state of its own, but if that is not possible, then in the form of political autonomy within the state. The fourth and fifth features, taken together, explain the connection between *national identity* and *nationalism*. The more aggressive forms of nationalism arise when groups of people who identify as nations are deprived of territory they regard as rightfully theirs or are denied autonomy and subjected to alien rule.

These are the features that, taken together, distinguish national identities from other kinds of group or personal identities. But now we must examine important variations, focusing on dimensions two and three above. How is the commonality that holds the nation together understood? And what kind of emotional or normative attitude do individual members of the nation hold toward the group as it now exists or has existed over time? How strongly does their membership matter to them, for example? And are they more proud or more ashamed of the nation they belong to?

On the second dimension, a distinction has long been drawn between civic and ethnic conceptions of national identity. Although we will shortly raise some questions about this distinction, it is first necessary to understand it. There is no canonical formulation, but an influential version was put forward by Michael Ignatieff. According to Ignatieff, the civic conception of nationality “envisages the nation as a community of equal, rights-bearing citizens, united in patriotic attachment to a shared set of political practices and values,” whereas according to the ethnic conception “what gave unity to the nation . . . was not the cold contrivance of shared rights, but the people’s pre-existing ethnic characteristics: their language, religion, customs and traditions” (Ignatieff 1993, 3–4).³ Thus, on the civic view, a nation is held together by political bonds: its members share a commitment to the political principles and institutions that define their state, especially to a constitution if that is central to their political identity, but they need not share any “thicker” set of cultural features, nor need they regard themselves as sharing a common ancestry. On the ethnic view, by contrast, culture and descent are crucial, and the state should ideally enclose all those, and only those, who share these features. This means, among other things, that on the ethnic conception immigrants who are unable to trace their ancestry back to the homeland cannot be full members of the nation, whereas on the civic conception their inclusion simply requires that they embrace its constitutive practices and political values.

Although this civic/ethnic distinction has enjoyed wide currency, most of those who employ it immediately go on to add that few if any nations exemplify either of the pure types.⁴ As Anthony Smith puts it, “[E]very nationalism contains civic and ethnic elements in varying degrees and different forms. Sometimes civic and territorial elements predominate; at other times it is the ethnic and vernacular components that are emphasized” (Smith 1991, 13). For example, allegedly civic nations usually insist that all citizens should learn the national language—a cultural feature—and also create “stories of peoplehood” that give the nation a historical trajectory, and by implication separate those who can trace their origins back to the founding generation from those who have joined more recently.⁵ Allegedly ethnic nations, on the other hand, allow for naturalization on the basis that newcomers will in due course acquire enough of the national culture to qualify for membership. So what we find in reality is a spectrum, with most nations in the real world displaying both civic and ethnic characteristics to varying degrees.⁶ But where a nation is located on the spectrum may still matter, if we want to investigate the relationship between national identity and trust. Intuitively, at least, the bonds that hold predominantly civic nations together will be *wider* but *weaker*, whereas the bonds that hold predominantly ethnic nations together will be *narrower* but *stronger*. Civic conceptions of national identity can more easily make room for immigrants and ethnic minorities, but because they appeal to values such as democracy and human rights that are shared by many countries, they may be less able to explain what makes this nation special and distinctive, and so to foster internal solidarity. Whether this intuition is correct is something we shall explore shortly.

Alongside the qualitative distinction between mainly ethnic and mainly civic conceptions of nationhood, therefore, we have a contrast between stronger and weaker forms of national identification. How strong are people's national attachments, and do they regard their *national* identities as more or less important than other identities they might have? As with the civic-ethnic question, we can ask this about both nations as a whole and their individual members. We can distinguish between countries where people generally feel that their national identity matters to them a great deal, and others where this identity is less important; equally, we can distinguish between individuals on the same basis. And then an interesting issue arises: If national identity and trust are connected, does the connection obtain at the individual level or the collective level? Is what matters whether you yourself have a strong or weak, civic or ethnic, national identity or whether you belong to a nation where people generally score high or low on these dimensions?

To answer these questions, we need to find ways of measuring the nature and strength of national identities. Researchers wanting to explore the civic-ethnic dimension do so by looking at the answers given to questions such as "How important do you think characteristic X is to being truly a member of nation Y?" This is then followed by a list of features, some of which, such as being born in Y, being able to trace their ancestry back in Y, identifying with the "way of life" of Y people, or adhering to the historic religion in Y, are counted as "ethnic," while others, such as believing in democracy or freedom of speech, supporting Y's constitution, or feeling a loyalty to Y, are counted as civic.⁷ In their responses people typically combine features from both lists, but the relative weight they attach to "ethnic" versus "civic" characteristics is used to place both individuals and the societies they belong to at appropriate points on the civic-ethnic spectrum.⁸

To measure the strength of national identities, various techniques have been used. The most straightforward involves asking people how much the identity means to them: "How important is being a Y to you?" "The fact that I am a Y is an important part of my identity: do you agree?" A slight variant asks how *close* the respondent feels to country Y. Another variant asks respondents to rate the importance of their different identities, allowing national identity to be ranked against ethnic, occupational, and other such identities (Theiss-Morse 2009, 45–47). Somewhat more problematic are measures that ask respondents about national *pride*, for example, "How proud are you to be a Y?" or "The world would be a better place if people in other countries were more like people in Y: do you agree?"⁹ Although the answers to "national attachment" questions and answers to "national pride" questions are correlated to some extent, the correlation is not perfect, and the pride questions introduce an element that is lacking in the attachment questions, namely an *evaluation* of how the nation has performed over some unspecified period of time.¹⁰ Care is therefore needed when looking at research that tries to measure the effects of stronger or weaker national identities to see more precisely how "national identity" has been measured in the study in question.

IDENTITY AND TRUST

Having now explored the meaning of national identity, and the tools that are available to measure it along different dimensions, in this section we investigate the relationship between identity *in general* and trust, before moving on to examine the impact of national identity in particular. It is a commonplace in the literature on trust that our willingness to trust others depends on the extent to which we identify with them. As Messick and Kramer express this point, “We trust and help people with whom we are familiar, with whom we have frequent contact, whom we believe to be similar to ourselves, and for whom we have positive regard” (Messick and Kramer 2001, 100). Experimental research over a number of years has demonstrated that in a range of so-called trust games, trust is extended and rewarded in cases where the players believe that they share an identity with one another (e.g., Kramer and Brewer 1984). We report here on experiments in which identities are manipulated to reveal their consequences. What these experiments show, in line with the hypothesis above, is that when people believe that they share an identity with their partners in interaction, they are more willing to extend trust to them. So perceptions of shared identity both influence whether people extend trust to others and whether they expect that their extended trust will be reciprocated.

In one recent experiment, for example, participants (recipients) were told that they were to receive money from another participant (allocator), who had been given a sum of money and then asked to share it with a recipient. This experiment used a version of the “dictator game,” in which allocators are free to choose what proportion of a sum provided to them they will share with the other party. The game discredits claims that individuals are purely rationally self-interested, since nearly all players in the game choose to distribute at least some money to recipients, and in many cases allocate half of what they are given, even though they suffer no penalty by keeping the entire sum.¹¹ In this particular experiment, recipients were asked whether they wished to receive an allotment from someone with whom they shared an identity or from someone with whom they did not. Experimenters found that recipients who knew that identity was shared, and who believed that their allocator also possessed this information, were significantly more likely to choose to receive money from an in-group member. The explanation offered is that recipients believed that allocators would be moved by the shared identity to act fairly in allocating their resources. In other words, reciprocal knowledge of their shared identity created a situation in which recipients were willing to trust allocators to behave fairly. Where recipients knew that identity was shared, but believed that allocators lacked that information, recipients showed no statistically significant preference in choosing allocators (Foddy, Platow, and Yamagishi 2009).

A follow-up study noted, however, that the structure of the game required that players accept unconstrained allocations from *someone*, and thus only suggested the existence of relative trust; that is, at issue was only who was likely to be more trustworthy,

if extending trust could not be avoided. In examining whether the shared knowledge of common identity might operate to increase trust levels absolutely, in circumstances where there was no need to rely on trust, a modified experiment adapted the dictator-game structure (Platow et al. 2012). In this experiment, recipients were given three choices: they could choose one of two envelopes, or six dollars. Inside those envelopes was an amount of money, chosen by allocators. Recipients were told that allocators had been given sixteen dollars, and asked to share the money as they preferred. Recipients therefore faced a choice between a certain six dollars or one of two envelopes that could contain anywhere between zero and sixteen dollars. Under various experimental conditions they were told different things about their allocators: first, whether or not they shared an identity with the recipient; and, second, more crucially, whether the allocator also knew about this commonality. In a majority of the cases where recipients were told that their allocators shared with them a significant identity *and* that the allocators also knew this, recipients chose the appropriate envelope. Where they believed that the allocator did not know that identities were shared, they chose to take the six dollars. Given that the most the recipients could reasonably expect to receive by choosing the envelope was eight dollars, one half of the total, this finding is quite significant. It clearly reveals the impact of group identity on trust in strangers, in this case trust that the unknown other will behave honorably in allocating resources.

The identities that were manipulated in these experiments were local ones (in the latter case, for example, a factor was whether the allocator belonged to the same academic department). We cannot assume without further evidence that national identities can play the same role in fostering trust, either among fellow nationals (social trust) or toward political institutions (political trust). Also, as noted earlier, national identities are complex phenomena, and their effects may depend on which aspects are highlighted. So we should now begin to review the research that has been carried out on social and political trust in general, before turning our attention to these more specific questions. Social trust, sometimes termed “interpersonal trust” and at other times “horizontal trust,” is typically thought to be captured by responses to the generalized trust question: “Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with others?” Political trust is sometimes captured by asking questions that ask respondents for their views of their political leaders, but more often it is captured by questions that focus on whether respondents believe that their political leaders can be expected to do what is right or whether one had confidence in their government and associated political institutions.

Comparative research unsurprisingly demonstrates that there are significant differences in reported levels of trust, both social and political, across nation-states. In 2000, citizens in Denmark (67%), Sweden (66%), and Iran (65%) responded positively to the generalized trust question; nearly 10 of 83 surveyed countries reported trust levels at less than 10%; and, in Brazil, only 3% of citizens responded positively to this trust question (Newton 2007, 345). A similar spread of responses appears when surveys assess citizens’ confidence, or trust, in the political institutions that govern their lives (for a review, see Levi and Stoker 2000). Much evidence, furthermore, suggests that there

are often correlations between social and political trust within nation-states; although there are anomalies, in general where levels of social trust are high, levels of political trust also tend to be high (Newton 1999, 2001).¹² High levels of variance are also found in studies that track strengths of national identities; there are significant differences in how citizens understand the key components of their national identities, and how strongly they feel attached to these key components (Miller and Ali 2014).

Even taken together, however, this evidence does not tell us how and when the presence of national identity in a state correlates with levels of trust. It simply confirms what we would expect, that is, that both trust levels and the strength of national identity vary among states. Even without considering the impact of national identity or its specific content, we would predict that levels of trust in different countries would be affected by a wide range of factors, including for instance the extent of wealth inequality or of corruption (Catterberg and Moreno 2005). Similarly, contextual factors, historical or contemporary, may have impact on both the content and the strength of national identity and its corresponding ability to produce trust. For example, in nation-states where extreme forms of nationalism have produced violence in the past, or that have been governed by communist regimes, contemporary citizens often respond by expressing relatively lower levels of trust (Bjørnskov 2007; Lovell 2001; Mishler and Rose 2001). Given all of these complicating factors, is there any way to assess whether national identity plays a role in generating trust in these cases, and furthermore how generalized that trust is?

There are three rather different ways in which we might try to show that it does. First, we could remain at the collective level and look for correlations between countries where, on average, people identified more strongly with their nation, and countries where trust levels were also on average higher. Or we could ask the same question at the individual level, comparing strong and weak identifiers within each country. For example, an American study investigating levels of national commitment by asking people how strongly they identified themselves *as Americans* found a significant correlation between strong national identification and scoring highly on the standard measure of interpersonal trust; the study also found that strong identifiers were much more likely than weak identifiers to show “trust and confidence . . . in the wisdom of the American people when it comes to making choices on Election Day” (Theiss-Morse 2009, chap. 2). One drawback with these approaches is that the direction of causation remains unclear: Does identifying with your conationals make it more likely that you will trust them, or does trusting your compatriots make it more likely that you will feel able to identify with them—or indeed might there be some third factor that explains both of these phenomena?

This suggests a third approach, where the salience of national identity is manipulated, and the results observed. This technique has been applied in a number of cases where people belong to rival ethnic groups, and the question is whether introducing a superordinate national identity by means of selective cueing can induce respondents to behave more generously toward the outgroup (Kramer, this volume). Thus an American study highlighted ethnic/racial identity for one group of respondents and

national identity for the comparison group, and found that those in the second group were more likely to favor raising taxes to improve education even when the policy was couched in terms of improving education for minorities (Transue 2007). An Indian study examined whether Hindus were willing to donate a small sum of money they had been given to the victims of a fire accident, which was alleged to have occurred in either a Hindu or a Muslim neighborhood, and the manipulation involved displaying a picture of India adorned with the colors of the national flag before they had to decide. The quite striking result was that the display of the picture eliminated the bias that otherwise existed in favor of coethnic Hindus (Charnysh, Lucas, and Singh 2015). Neither of these experiments looked explicitly at intergroup trust (though it might be argued that willingness to offer support to people outside of your own ethnic group implicitly assumes that they would be willing to reciprocate should the occasion arise).

However, a third experiment, conducted on the border between Malawi and Zambia, examined willingness to trust more directly by playing a version of the dictator game described above, with individuals divided four ways by ethnicity (Chewa vs. Tumbuka) and nationality (Malawian vs. Zambian) (Robinson 2016). This enabled the researchers to measure comparatively the effects of shared ethnicity and shared nationality on trust, as shown by the quantity of resources each respondent was willing to transfer during the game to an anonymous partner drawn from one of the four categories. Introducing a further dimension, half of the respondents were primed by asking them for their views about the Malawian flag (at that time two possible versions of a new national flag were under debate) before playing the game. The results showed the effects of national identity for Malawians: “the more strongly one identifies as Malawian, especially in terms of cognitive identification, the more strongly one trusts Malawians from other ethnic groups, ultimately eliminating ethnic trust discrepancies among the strongest nationalists” (Robinson 2016, 21). Moreover, showing the flag also had an effect on those whose Malawian identity was relatively weak: “the national identity prime did indeed reduce (and even eliminate) the coethnic trust premium among weak national identifiers, who, in the absence of the national identity prime demonstrate the largest coethnic trust bias” (Robinson 2016, 22).

It appears, therefore, that the general effect of shared identity on trust that many studies have revealed applies more specifically to national identity, at least so long as those whom one is being asked to trust are included under that umbrella. But this is where doubts may begin to form. As we noted at the beginning, national identities by their very nature require discriminating between insiders and outsiders, and we cannot be confident about where, for any given person, the dividing line will be drawn. Indeed, the study we have just cited is ambiguous in one respect, since the main component of national identity that was shown to have a positive effect on interethnic trust was “cognitive identification,” measured through agreement with the statements “I see myself as quite similar to most Malawians” and “Even though there is a lot of cultural variety among Malawians, we are more the same than we are different.” These measures depict the nation as a homogenous group, whereas the more open “affective identification” expressed by simple pride in being a Malawian was less effective as a source of trust. So

the lesson that might be drawn here is that national identity “works” as a ground of *generalized* trust only for people who assume that their conationals are like them, culturally and in other ways. On the other hand, the observed motivational power of national symbols—the Indian and Malawian flags in the cases cited—might appear to point in a more optimistic direction, since such symbols can be inclusive of all citizens regardless of cultural background. So we need to take a closer look at how different strands of national identity might affect people’s willingness to trust their fellow-citizens and their political institutions.

To do so, we begin by interpreting the results of a cross-national study that uses the civic-ethnic distinction to explore the relationship between national identity and political trust (Berg and Hjerm 2012). In this study, countries were classified as having identities that were either more civic or more ethnic according to what individual respondents in those countries judged to be important in order to qualify as a true member of nation X. “Ethnic” features included being born in the country or having ancestors who lived there and espousing its religion; “civic” features included having citizenship, speaking the nation’s language, and respecting its political institutions. Overall levels of political trust varied significantly across the eighteen countries in the study, as we should expect given the large range of factors that influence them.

In general, the study suggests that in countries where the ethnic components of national identity loom larger, political trust is lower, whereas in countries where people describe their national identity in civic terms, they report higher levels of trust in their political institutions. Using attitudes toward immigration as a proxy for civic versus ethnic identities at the individual level, it also appears that in states where the predominant understanding of national identity is mainly civic, those who describe their identities in civic terms display the highest levels of trust (McLaren 2015). Conversely, in states where national identities are described in largely ethnic terms, those with the strongest ethnic identities display the *lowest* levels of political trust (Berg and Hjerm 2012, 401). However we should exercise caution in interpreting these results. In the European states from which the study is drawn, failure to control immigration is one of the main factors influencing citizens to register low levels of trust in their political institutions, so where a negative attitude toward immigrants (or xenophobia) is used as an indicator of ethnic national identity, it should come as no surprise that this should correlate with diminished political trust.

That this is so is suggested by a more recent study that also examines the interaction between collective and individual national identities, though in this case using the same criteria in both cases to determine whether identities are predominantly civic or ethnic (McLaren 2015). Comparing individuals with ethnic and civic identities, living in states in which the predominant identity is ethnic or civic, shows that those who display the highest levels of political trust are those who possess a civic identity living in a predominantly civically defined state, while those who display the *lowest* levels of political trust are those who possess an ethnic identity living in a predominantly civically defined state. In particular, these are individuals who, because they live in a civically defined state, are confronted with generally welcoming and tolerant attitudes

and policies toward immigrants, whom they believe will struggle to adopt the features of national identity that they believe are important (McLaren 2015, 100). Individuals whose identity is ethnic, and who live in ethnically defined states, display levels of trust that are lower than those whose identity is civic living in civically defined states, but not significantly lower (99). So although having a civic identity is generally good for political trust, what also matters is whether an individual person's understanding of her national identity "fits" the society to which she belongs. As McLaren (2015, 99) puts it, "trust is higher when government policy fits well with the individual's own perception of what it means to be (or become) a country-national."

Does the contrast between more civic and more ethnic conceptions of nationhood have a similar effect on *social* trust, as measured by responses to the generalized trust question? It appears so. At both collective and individual levels, civic nationalism has a (weak) positive effect on social trust, whereas ethnic nationalism has a (stronger) negative effect (Reeskens and Wright 2013). Furthermore, if one looks at the widely researched, and mainly negative, effects of ethnic and cultural diversity on levels of trust, having a civic national identity appears not to moderate these effects, whereas having an ethnic national identity exacerbates them (Reeskens and Wright 2013, 169). The reason, we may assume, is that people who understand their identity in civic terms are able to include everyone in the society, whatever their ethnic background, as part of the collective "we"—they are generalized trusters—whereas those who employ ethnic understandings are bound to differentiate between those who truly belong and those who don't and therefore to extend their particularized trust only to people in the former group. But why are the effects of ethnic national identity on trust stronger than the effects of civic identity? One reason might be that those who identify strongly with their nation are also more likely to interpret their identity in ethnic or cultural terms and to set harder boundaries between insiders and outsiders (Theiss-Morse 2009, 85–89). The motivational effects of having an ethnic identity may therefore be stronger—but only favorable toward the group that is seen as sharing that identity.

NATIONAL IDENTITY AND EXTENDING TRUST TO NEWCOMERS

Let us therefore turn explicitly to what we can learn about the content of national identity and its impact not simply on trust relations in general (whether political or social), but in particular on the ease or difficulty with which trust is extended to newcomers. Do we have reason to believe that specific elements of national identity correlate with tolerance for others, especially those who are new to the political community, as well as wide relations of trust? Put differently, do we have reason to believe that specific elements of national identity may be better poised to underpin generalized rather than particularized trust? The intuition that underpins this question is roughly this.

Civic identities, characterized as they are by a commitment to political institutions, underpinned by broadly democratic values, are thereby *also* committed to the view that these institutions can in principle be opened to any individual who shares those values. Correspondingly—recalling that shared identity is a source of trust—individuals whose identities are defined in mainly civic terms should be willing to extend generalized trust to newcomers who display a commitment to these principles, and who are thereby understood to share the relevant national identity markers. People who understand their identity in civic terms are able to include everyone in the society, whatever their ethnic background, as part of the collective “we.” On the other hand, ethnic identities, defined as they are by characteristics that cannot be adopted by newcomers, or at least that cannot be adopted as easily as can a commitment to shared political principles—including shared ancestries and thick cultural norms—are less likely to extend trust to newcomers, who in virtue of their being *new*, cannot be understood to share the relevant national identity markers. Those who employ ethnic understandings are thereby bound to differentiate between those who truly belong and those who don’t and therefore to extend their particularized trust only to people in the former group.

This is precisely the intuition that Matthew Wright attempts to capture (Wright 2011), using data collected in the International Social Survey Program (ISSP) over a period of nearly ten years. Across sixteen democratic countries, he finds strong correlation between individuals who define their national identity in “ascriptive,” that is, ethnic terms, and those who support restricting immigration as well as restricting the rights of migrants who are admitted (Wright 2011, 845).¹³ Wright hypothesizes, but does not demonstrate, a connection to trust: “it seems reasonable to expect that relatively ascriptive definitions of the national ingroup might impede bridging social networks and trust from forming between mainstream populations and immigrants” (Wright 2001, 855). The explanation, as above, can be supposed (but is not demonstrated) to run through the notion of *particularized* trust, which binds individuals who define their identities in ethnic terms, but not those who define their identities in civic terms.

More narrowly construed research confirms this finding. For example, among a sample of English adolescents, researchers found that what engenders distrustful attitudes toward immigrants is not the strength of a person’s national identification as such, but the extent to which national identity is conceived in an essentialist manner that unavoidably excludes newcomers (Pehrson, Brown, and Zagefka 2009). In this study subjects were asked to react to statements such as “It is our English blood that basically makes us who we are throughout our lives” to measure national essentialism, and a high rating on this measure was shown to have a positive effect on both their willingness to express attitudes of anger, fear, distrust, and annoyance toward asylum seekers and their willingness to support anti-asylum seeker political groups, together with a negative effect toward pro-asylum seeker groups. This research focused on attitudes and behavior at the individual level.

An associated cross-national study also looked at the effects of national identity at the collective level on attitudes toward immigrants (Pehrson, Vignoles, and Brown 2009). Using ISSP data from 2003, the study explored the effects of national identification (“How

close do you feel to your country? How proud are you of being an X?”) and of three indicators for the content of national identity on positive or negative views of immigrants in general. The content indicators were civic (having citizenship in the country), cultural (speaking the national language), and ethnic (having ancestry there). Individually, those more strongly attached to their nation were also likely to express more negative views about immigrants, though the strength of the correlation varied considerably between countries (Pehrson, Vignoles, and Brown 2009, 30). Moving to the national level, however, the relationship was reversed: “people in countries with higher mean levels of identification reported *lower* levels of prejudice [toward immigrants].” When the *content* of national identity was factored in, significant contrasts emerged, with predominantly civic conceptions leading to more favorable attitudes toward immigrants, and predominantly cultural and ethnic conceptions indicating more negative attitudes.

A Canadian experiment offers a way to understand whether shared identities can overcome the worries that citizens may have about newcomers. In this study, experimenters triggered a sense of national identity before asking respondents for their views about immigrants—what characteristics they typically possessed, whether they had positive or negative feelings toward them, and so on (Esses, Dovidio, Semenza, and Jackson 2005). Subjects were given one of four different fake editorials, one describing Canadian immigration in neutral fashion, the second highlighting the shared immigrant origins of the great majority of Canadians, the third emphasizing the common identity shared by longer-established and recently arrived citizens, and the fourth blending material from the second and third editorials; “the latter three editorials all promoted a civic/cultural conception of national identity, based on non-immigrants and immigrants being part of the national fabric and having a common allegiance to Canada” (Esses, Dovidio, Semenza, and Jackson 2005, 329). In every case, exposure to one of the “common identity” editorials had a positive effect on attitudes to immigrants, compared to the neutral benchmark, with the effect being stronger in the case of those whose social attitudes generally were likely to make them more hostile to immigrants. Interestingly, however, manipulating identity in this way had no significant effect on attitudes toward *immigration*, as opposed to immigrants as people. What the experiment suggests, along with what others we have reported, is that national identities (of the right kind) can serve as a bridge between groups whose relationships might otherwise be marred by suspicion or active hostility—ethnic or religious groups in the studies we described earlier, immigrants and nonimmigrants in the one referred to here.

GOING FORWARD: A CULTURAL ACCOUNT OF NATIONAL IDENTITY’S CONTENT

What practical conclusions might we draw from the evidence we have surveyed on trust and national identity? We take for granted, as we have throughout, that it is valuable for

societies to experience high levels of social and political trust, and that they function best when this trust is generalized rather than particularized. The more generalized the trust, the better able they are to support commitment to and participation in shared political institutions. We have found support for the general proposition that sharing a national identity is one of the factors helping to create trust of both these kinds, but we have also found that the particular form and content of the identity that is shared matters too. Where people identify more strongly with their nation, they tend to be more trusting of others, but strong identifiers are also more likely to hold an ethnic conception of the nation. This means that their trust is particularized, that is, that they are less willing to trust those who do not “belong,” whether new immigrants or settled minorities. They may also trust their political institutions less if they dislike the immigration and minorities policy that their governments are pursuing.

Yet immigration, and the cultural diversity that it brings with it, are inescapable features of modern liberal democracies, and there is some evidence that diversity of this kind can have negative effects on trust.¹⁴ To counteract these effects, it is important to find sources of unity that are open to the new perspectives that newcomers inevitably bring, in ways that preserve the capacity for national identity to serve as a source of trust among *all* citizens (Lenard 2012). This suggests that it is a legitimate aim of public policy to “steer” national identities in a civic direction, emphasizing those elements that are accessible to newcomers, and downplaying the significance of features such as ancestry and religion that cannot help but be exclusive. The historical trajectory of liberal societies has in any case been to move away from more ethnic and toward more civic conceptions of national identity, though in recent years there has been evidence of some movement in the opposite direction (Citrin and Wright 2008; Wright 2011). But the question remains whether purely civic conceptions will be powerful enough to perform the trust-enhancing role we are asking them to play. Is it enough to think of fellow citizens as sharing values like the rule of law and democracy, or do we need a stronger sense of what distinguishes us from other nations? If so, how can this be created or maintained without falling back on ethnic markers of identity, which as we saw are likely to alienate immigrants and minorities and narrow the circle of trust?

Although most research on national identity and trust continues to be framed in terms of the civic/ethnic distinction, reflecting the contrast between civic and ethnic forms of nationalism that we described earlier in this article, some contributions introduce a third alternative—a “cultural” understanding of nationality (Pehrson, Vignoles, and Brown 2009; Shulman 2002). One reason for doing so is the ambiguity of features such as language when looked at through the spectacles of the civic/ethnic distinction. On the one hand, language might be regarded as an ethnic trait, since newcomers are very unlikely to become quickly fluent in the national language. On the other hand, a new language *can* be learnt without having to abandon previously held cultural attributes, and it is also a key component of civic identity, at least in the sense that attaining proficiency in a state’s language is generally a key step toward participating in its political institutions. This suggests that it may well be worth exploring the value of “cultural”

identity markers further, as a way to support and, indeed, bolster the capacity of civic identities to underpin trust relations that are not simply wide but also deep. As we conceive them, these are markers that can easily be adopted, or learned, by newcomers—unlike key features of ethnic identities, which are effectively closed to newcomers. Such markers include shared literary and artistic traditions, key political moments, food and leisure preferences, national jokes, and so on. They form a kind of shared knowledge that explains why certain principles, values, and norms characterize “our” political community rather than another one, even as these principles, values, and norms are a subject of ongoing conversation and contestation.

This sort of proposal is likely to find critics among those who resist any form of pressure on newcomers to adapt to their new state, and will be rejected by those who worry that national identities are always objectionably homogenizing. We can imagine these critics objecting that “not all Canadians love hockey” or “not all of the English enjoy gardening.” What we are proposing, however, is not that any newcomer must adopt the loves associated with the state they are joining. Rather, we suggest it is reasonable that newcomers learn about the cultural touchstones that underpin the national, political conversations they are joining, conversations that are already in progress when they arrive. These conversations must be open to newcomers, certainly, but it is a mistake to ignore that they are steeped in traditions filled with cultural references that can be learned (and subsequently rejected in open and inclusive public discourse) by newcomers. There will be work, going forward, to identify these markers, and to think through the mechanisms by which they are both imparted to newcomers and adapted by them over time. But these markers are those that define a *particular* political culture, and distinguish it in meaningful ways from others. Ensuring its continuity—alongside its openness to newcomers with the changes they inevitably bring—may serve to sustain and support widespread and deep trust relations among citizens in increasingly diverse states.

NOTES

1. Robert Putnam offers an analogous distinction between bridging and bonding social capital, where the former binds members of heterogeneous groups and the latter binds only members of homogeneous groups. See Putnam (2007).
2. For example, Pierre might regard all Corsicans as French, while some Corsicans repudiate that identity.
3. Ignatieff was drawing in turn on a long-established contrast between “Western” and “Eastern” forms of nationalism, exemplified in works such as Kohn (1944) and Plamenatz (1976).
4. Some authors go further, and argue that the distinction itself is misleading and should be abandoned: see, e.g., Brubaker (2004). Others suggest that we need instead a tripartite distinction between civic, cultural, and ethnic conceptions of nationhood: see, e.g., Nielsen (1999); Shulman (2002).
5. The phrase comes from Smith (2003).

6. This position is persuasively defended in Yack (2012). For a cross-national study of popular conceptions of national identity that confirms the interpretive claim, see Jones and Smith (2001). The factors that explain the formation of national identities are widely debated between scholars: for a recent review, see Kunovich (2009).
7. Studies of American national identity using this methodology include Citrin, Reingold, and Green (1990); Theiss-Morse (2009), chap. 3; Citrin and Sears (2009). For an in-depth study of British national identity that distinguishes “cultural” and “civic” components, see Rothi, Lyons, and Chryssochoou (2005). For a comparative study of eighteen European countries using the civic-ethnic distinction, see Berg and Hjerm (2012).
8. A problem that needs to be addressed is that the civic components of national identity tend to be very widely endorsed, whereas the ethnic components allow much more discrimination between respondents. For a discussion of this problem, and a proposal that what should be taken into account is the *ranking* of the different components—i.e., the extent to which a respondent regards ethnic features as more important than civic features, or vice versa—see Wright, Citrin, and Wand (2012).
9. A variation of this approach invites respondents to take pride in specific national achievements such as economic performance or sporting success. For discussion of the merits of different national pride measures, see Smith and Kim (2006).
10. For a fuller discussion of the relationship between these and other ways of measuring the strength of national identity, see Miller and Ali (2014).
11. The “dictator game” is not strictly a game, since the recipient has no strategic choices to make in response to the allocator’s decision. In the experiments we describe, the choice the recipient has to make is which allocator to be paired with, or, in the second variant, whether to join the “game” at all.
12. Note that Newton does not claim that one form of trust causes the other, or even that their foundations are the same; rather his claim is that there are certain conditions (e.g., economic prosperity) that tend to support both political trust and social trust.
13. It is worth noting that Wright also finds that, across these countries, most people nevertheless adhere more to civic than ethnic national identities.
14. Whether and under what conditions ethnic and cultural diversity stresses trust relations is a subject of ongoing research. See Hooghe et al. (2009); Dincer (2011); Dinesen and Bjørnskov (2015); Uslaner (2011); Stolle, Soroka, and Johnston (2008).

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CHAPTER 5

TRUST AND DEMOCRACY

MARK E. WARREN

INTRODUCTION

THIS chapter conceptualizes trust from the standpoint of democratic theory.¹ Ideally, what kinds of trust does a democracy need? To what extent does a democracy require distrust? And what kinds of trust and distrust corrode democracy? By *democracy*, I mean the institutions and associations that enable people to engage in collective self-government (Warren 2017b). By *trust*, I mean an individual's judgment that another person, whether acting as an individual, a member of a group, or within an institutional role, is both motivated and competent to act in the individual's interests and will do so without overseeing or monitoring (Baier 1986, 235; Norris 2011, 19; Warren 1999, 311).

A *trust relationship* is established when trust judgments are met with *trustworthy* responses by those who are trusted. Trust relationships come with benefits for individuals and their societies. They are building blocks of social cooperation: every warranted trust relationship expands collective capacities, since trust enables cooperative divisions of labor and does so by capturing positive incentives and by avoiding coercive or other kinds of negative sanctions. As a medium of social cooperation, trust relationships are highly efficient, since they do not involve the high costs of monitoring and sanctioning. Trust relationships can capture, build upon, and expand the goodwill, knowledge, and creativity of individuals. Existentially, trust relationships provide security and certainty: they allow individuals to take the goodwill of others for granted. Indeed, humans can hardly be conceived of as social beings without trust, nor is it easy to conceive of societies that could function without trust relations (Luhmann 1982; Sztompka 1999). Nor, without trust, can we imagine collective actions that people experience as extensions of, rather than burdens upon, their existential securities and freedoms.

Democracy, whatever its many complexities, is the kind of political system that should protect and build upon these benefits of trust relationships for the simple reason that trust expands domains of collective self-rule (Warren 1999). But democratic political systems cannot build upon trust relationships in a straightforward way. Here is the dilemma: trust relationships inherently expose individuals to the ill will of others. When

individuals trust, they are judging that those they trust have goodwill toward them. Democratic systems are, however, ways of responding to *politics*: contexts in which there is conflict over the purposes, ways, and means of organizing collective powers within nonvoluntary contexts of states or statelike organizations. Political relationships are not naturally conducive to trust. Indeed, democracies emerged from *distrust*, particularly of elite power-holders. Jeremy Bentham (1999 [1816]) asked: “Who[m] ought we to distrust, if not those to whom is committed great authority, with great temptations to abuse it?” (37). Benjamin Constant ([1829]1992) noted, “every [good] constitution is an act of distrust” (53, cited in Rosanvallon 2008, 7; see also Bruno 2017). When it comes to politics, the basic conditions of warranted trust relationships—convergent interests or institutional roles that predict the goodwill of others—cannot and should not be taken for granted. And yet democratic systems can and should protect and build trust relationships while limiting relationships of distrust. That they can do so is basic to the reasons that democracies are, on average, better able to capture the cooperative energies of their citizens than nondemocratic systems. The relative density of trust relationships in democracies is a key reason why, on average, these relationships tend to be freer, more creative, wealthier, happier, healthier, and less corrupt than nondemocracies.

The relationship between trust and democracy thus appears to be paradoxical: a political system built on distrust is nonetheless one within which trust relationships are both essential and pervasive (Tilly 2007, chap. 4). The paradox is, however, only apparent—the result of overly general categories that require conceptual parsing. In this chapter I shall identify the distinct conceptual elements of the relationship between trust and democracy, providing a theoretical set of answers to the question of what kinds of trust a democracy needs. In the first section, I comment generally upon how democratic institutions structure trust relationships. In the second section, I develop an account of what citizens in a democracy should be able to expect from differing trust domains, focusing especially upon the differences between trust and political engagement. In the remaining sections, I distinguish three very different kinds of trust relationships: social trust, first-order trust in government, and second-order trust in political institutions. Each domain involves distinct kinds of trust-democracy relationships. Identifying each kind will enable us to identify not only democracy-supportive relationships but also the several kinds of trust relationships that can undermine democracy. I conclude by reinforcing the idea that warranted trust relationships, supported in ways appropriate to the kind, are essential to democracy and should be understood as common-pool resources that are both hard to build and easy to despoil.

HOW DEMOCRATIC INSTITUTIONS STRUCTURE TRUST AND DISTRUST

We can develop a first cut at the relationship between trust and democracy by observing that all constitutional democracies organize and support trust in some domains

while channeling distrust and mistrust into others. By *democracy* I mean the institutions and associations that enable people to engage in collective self-government with respect to matters that affect their self-determination. For purposes of this chapter, I will consider “democracy” as political systems bounded by states—that is, nonvoluntary associations within which governments control the means of coercion, organized through constitutions that structure the sites of political decision-making. While there is, of course, considerable variation across countries, democracies have broadly similar institutional features. These structure trust relationships in four ways: (1) they *protect* trust in society; (2) they *separate* the “political” domains of government from service and regulatory agencies and ministries; (3) they *channel* mistrust and distrust into these “political” domains; and (4) they empower *monitoring* by citizens and as well as by specialized oversight bodies of political relationships.

Protecting Generalized Trust

As Tocqueville (2000 [1835, 1840]) famously observed, democracies do well when people can associate for common purposes. People who can associate get things done: they can start enterprises and solve common problems; they can represent their interests to others, including governments; and they will tend to have the confidence to use the powers of democratic citizenship. A key precursor of these associative capacities are trust relationships, particularly those that generalize from family, clan, or congregation to extensive relationships among compatriots (Putnam 2000; Uslaner 1999, 2002; Warren 2001). Democracies protect these relationships through actionable rights, especially the rights that protect association, speech, conscience, and petition, as well as due process rights against arbitrary or discriminatory actions by the state or other entities with public roles or functions. Rights do not, of course, directly produce trust relationships among people—these kinds of relationships require individual agency. But they protect social spaces for associating and, in this way, underwrite trust relationships within society. Where such rights exist, horizontal trust relations can grow.

Separating Political Institutions from Those That Hold a Public Trust

Constitutional democracies also separate the “political” parts of government designed to manage conflict—particularly legislatures, elected executives, and those parts of the judicial branches involved in judicial review—from those agencies and ministries responsible for providing broadly agreed public goods. These parts of government are organized by function, professionalized, and protected from political agendas and patronage. Ideally, these parts of government serve public purposes such as security, welfare, and regulation of markets in ways that fulfil the requirements of trust—that is, convergences of interests between citizens and government. Tellingly, those who hold

positions within these parts of government—civil servants, judges, appointed regulators, and the like—are said to hold a “public trust.” In contrast, the *political* parts of government—legislatures, elected executives, and parts of judiciaries—typically do not satisfy the general requirements for trust, just because they are political and partial. Democracies universally separate and insulate these parts of government from those that hold a public trust. This general idea is supported by findings that “trust in government” varies by institution: trust in the less political functions and branches (such as the police, public education, and the judiciary) tends to be higher than trust in the more political institutions—legislatures and politicians in particular (Norris 2011, 2017; Van de Walle, et. al. 2008; compare Marien 2011).

Channeling Distrust

Following directly from such separations, democracies channel *distrust* into the political branches of government: those institutions designed for decision making under conditions of conflict—especially legislatures, but also those parts of the judiciary involved in judicial review. From a theoretical perspective, for the explicitly political branches of government, the conditions of trust cannot be taken for granted, precisely because these branches are “political.” Democracies, in other words, *institutionalize distrust* (Braithwaite 1998; Sztompka 1999), ideally by containing and channeling distrust in ways that keep distrust from generalizing, particularly to those parts of government with the mandate and capacities to provide generally agreed goods for a society. Democracies affirm distrust by acknowledging conflicting interests and providing them spaces for expression. If distrust is not contained—if it is generalized—a society will not have the collective action capacities necessary to provide for itself. Thus, normatively speaking, we should not worry if citizens have low trust in the political institutions of a government, as trust would (on average) be misplaced. But we should worry if citizens generalize, distrusting even those parts of government that are designed to hold a public trust.

Publicity and Empowered Monitoring

Because politics works at the frontiers of consensus, in a democracy citizens should oversee their representatives, monitoring their words and deeds. As republican political theorists have long emphasized, democracies require citizens that are vigilant in overseeing those areas in which interests diverge (Pettit 2012; Rosanvallon 2008). A key achievement of democratic institutions is that they provide citizens with the means of vigilance. They neither suppress conflicts nor deny the distrust that accompanies them. Rather, democracies empower partisans to pursue their interests and values through arguments, advocacy, and voting, while denying them nondemocratic powers such as coercion or economic blackmail. Competitive elections help to empower distrust through the

possibility of removing and replacing political elites. All democracies make extensive use of oversight, particularly by independent auditors or agencies. And, finally, democracies make public most information about decision making, so that citizens can obtain the information they need to monitor. Within these relationships of distrust, however, are two other key elements that depend upon trust. First, and most importantly, the procedures that enable publicity and empower monitoring must be trustworthy. Second, political representatives must be trustworthy in the limited and specific sense that their actions are publicly knowable in ways that are sufficient for citizens to make the judgments that motivate their votes. Distrust can only be institutionalized if there is a high trust in the institutions that enable politics to be channelled into voting and talking (Marien 2011). In elections, citizens need to know that votes will be counted credibly; that campaign spending does not beholden politicians to deep-pocketed donors; and that politicians reveal their interests and intentions so that voters might judge them.

If these ways and means are working, then over time the interests of citizens and elites should tend toward alignment, thus tending to produce the conditions of trust as issues are settled, *but only because distrust is empowered and then channeled into the democratic media of public discourse and voting in ways that push toward interest and value alignment of political elites and citizens*. Democracies tend to be associated with *more* trust both within society and toward government relative to nondemocratic systems, and it is almost certainly because they recognize distrust and channel it into public politics (see Jamal and Nooruddin 2010; Nannestad 2008). There are exceptions: new electoral democracies tend to be low-trust, both among citizens and between citizens and governments (Uslaner 2002, 219–223), almost certainly because the full range of trust-supporting institutions that typify high-functioning developed democracies—strong civil societies, independent judiciaries, and noncorrupt public services—have not yet developed. In addition, there are at least two cases of authoritarian governments, China and Singapore, in which populations express high trust in government, probably because these are cases of responsive governments that seek to tie their legitimacy to performance rather than democratic mechanisms (He and Warren 2011).

TRUST AND DIVISIONS OF POLITICAL LABOR FROM THE PERSPECTIVE OF CITIZENS

Let us now consider trust relationships from the standpoint of citizens in a democracy. What immediately stands out is that they solve an economic problem with respect to political participation. While democracies have high expectations of citizens, none can be involved in but a few of the decisions that affect their lives. The activities of each citizen are limited by the scarcities of time, attentiveness, and knowledge.

Ideally, representative democracies solve this problem through divisions of labor in politics and governance. Electoral democracy enables citizens to hand the job of

making laws and policies to elected representatives. Professional civil servants manage the day-to-day business of governing and provide both governments and societies with expert information. Citizens can join associations to represent them on specific issues or sometimes to partner in governing. These divisions of labor enable democracies to manage complexities that far exceed the capacities of any individual or group of individuals.

Most of these divisions of labor involve trust relationships. In a general way, we can say that the democracy-underwriting features of trust reside in their support for these divisions of labor, which dramatically expands the collective powers of individuals under conditions of scarce time, attention, and knowledge. This said, every division of labor introduces principal-agent relationships, each with their own problems of management. As principals, citizens should, ideally, be selecting and monitoring their agents and ensuring that their interests and values are served. The institutional devices that comprise democratic systems should support such monitoring: transparency and press freedom help to provide information; competitive elections provide regular opportunities for the selection and removal of political representatives; and independent bodies scrutinize the civil service, providing rules, auditing, and oversight.

But even in an ideal world with ideal citizens, the demands on citizens to monitor are more extensive than any can manage. This is another reason why trust matters even to organizing distrust. Ideally, citizens are not monitoring *every* agent. Rather, they would trust most agents—forgoing the costs of monitoring—while focusing their participatory resources (voting, resisting, advocating, deliberating, joining, etc.) on those agents where the conditions of trust are weak or absent. Decisions about when to participate (and monitor) and when to trust also require judgment as trust decisions, like any other decision, can be made well or badly (Mackenzie and Warren 2012; Warren and Gastil 2015).

Good trust decisions by citizens are thus necessary in large-scale, complex democracies, just so they can direct their scarce participatory resources to those areas where distrust is appropriate. That is, political participation is necessary where interests or values between citizens and their agents conflict or diverge. What democracies require of citizens is that they should be able to distinguish relationships in which trust is warranted from those in which it is not. They should be able to take those trust relationships for granted that are made for good reasons. They should then direct their participatory resources toward the remaining “political” relationships—those that are important to them, but for which they do not have trustworthy agents to represent them. In other words, democratic participation should involve *engaged distrust* (or skepticism: Norris 2011, 19; see also Fisher, van Heerde, and Tucker 2010). It follows that citizens’ decisions to trust or distrust are fully consistent with an active, critical citizenry, provided that decisions are part of a strategy to maximize scarce participatory resources and that trust decisions are made for good reasons—a point to which I return below (Mansbridge 2009).

But citizens often make poor trust decisions, placing their trust in agents who fail to hold their interests in view or otherwise abuse or betray the trust placed in them. Or, they may distrust agents who in fact have their best interests in view, thus misdirecting

or squandering their scarce participatory resources. Or, worse, they may generalize distrust to such a degree that they withdraw from politics into alienated cynicism, concluding that all government officials and politicians are corrupt and none are to be trusted. Such generalized distrust is one of the most corrosive forces within the politics of democratic countries today, particularly when exploited by outsider, populist politicians who ask for the personalized trust of their followers.

DEMOCRACY-SUPPORTING TRUST: WARRANT AND PUBLICITY

It should be clear from the analysis so far that the concept of “trust” has a general form as well as many different subtypes. Moreover, not all trust relationships are democracy-supporting: some kinds of trust, for example, can support authoritarian politics, sectarian factionalism, and corrupt conspiracies. For these reasons, we need to conceptualize trust more closely, identifying the democracy-relevant kinds, as well as what can go wrong with each. As a general matter, all trust relationships are composed of three elements: A trusts B with good X, in which A has an interest (e.g., Hardin 1999, 24–26). If A *trusts* B with good X, A allows B *discretion* over X. In a trust relationship, A (the truster) does not monitor B’s (the trustee) stewardship over X. A simply judges that B’s stewardship over X will be consistent with her interest in X and consents to B’s discretion over X.

As I have argued elsewhere (Warren 2017a), two features of trust relationships, *warrant* and *publicity*, are important for identifying democracy-supporting trust relationships, as well as to distinguish them from those kinds of trust that undermine democracy. The question of the *warrant* for a trust relationship takes the perspective of the truster A: How does A know that B is trustworthy with respect to good X? It is essential to trust relationships, of course, that A does not need to know how B conducts stewardship over good X. What A does need to know, however, are those things that support a trust judgment while mitigating its inherent riskiness: that B is competent in her stewardship over X and has goodwill with respect to A’s interests. We can thus theorize one dimension of kinds of trust according to the kind of knowledge, the *warrant*, necessary for a good trust judgment. As I shall note below, warrants can range from the close and interpersonal (A has direct knowledge of B’s competence and motivations) to the distant and institutional (A knows that B holds a role in an institution that predicts competence and incentivizes alignment between A’s and B’s interests).

A second feature of trust relationships, whether they could be *publicly justified to those they affect*, allows us to distinguish normatively those kinds of trust relationships that are supportive of democracy from those that harm democracy. Trust relationships are not morally or politically good in themselves (compare Mansbridge 1999). We should not expect every kind of trust to be good for democracy. Indeed, some kinds

are incompatible. Trust is involved in the personalized appeals of authoritarian politicians. Trust relationships provide the social glue for clans, ethnic and racial groups, and sectarian religious communities (Zmerli and Newton 2017). Trust holds together criminal conspiracies and corrupt exchanges. And trust is involved in “bad social capital”: relationships of mutual social investment that have broader divisive or corrosive social effects, such as organized crime (Warren 2008; see also Fukuyama 1995; Putnam 2000, chap. 1; Uslaner 1999).

So how can we theorize the differences between good and bad forms of trust—in particular, forms of trust that are likely to be consistent with or enhance democracy from those that are democracy-corroding? A simple and robust way is to expand Annette Baier’s well-known test for the morality of trust relationships. Trust, Baier writes, “is morally decent only if, in addition to whatever else is entrusted, knowledge of each party’s reasons for confident reliance on the other to continue the relationship could also be entrusted—since mutual knowledge of the conditions for mutual trust would be itself a good, not a threat to other goods. To the extent that mutual reliance can be accompanied by mutual knowledge of the conditions for that reliance, trust is above suspicion, and trustworthiness a nonsuspect virtue” (Baier 1986, 259–260). We can expand Baier’s test from morality to democracy by redefining the scope of mutual knowledge to track externalities that go beyond the trust relationship itself. Mutual knowledge should be conceived as *publicity* and the relevant consequences should include all those affected, directly or indirectly, by the trust relationship. If those who are affected or potentially affected find (or would find) the trust relationship acceptable, then it is consistent with democracy. Thus, *a trust relationship is democratically legitimate just to the extent that it could be justified to those affected by its externalities.*

What this kind of publicity test would mean in practice is that, as affectedness extends outward, the reasons for the relationship should be available and justifiable to those affected. So, for example, what is wrong about the trust involved in parties to political corruption is that the relationship negatively impacts others, who, if they knew of the reasons supporting the trust relationship, would not approve. Indeed, the reasons for corruption almost always involve externalities such as channeling public goods toward private benefit (Uslaner 2008; Warren 2004b, 2006). This is why the interests served by covert deals involving public money, vote buying, crime rackets, race-based secret societies, or religious cults *must* remain covert if trust among the participants is to be maintained.

The publicity test enables us to distinguish better and worse kinds of trust from a democratic perspective. It maps roughly onto the common and important distinction between generalized and particularized trust (Uslaner 2002; Zmerli and Newton 2017). But it does so in a way that links conceptually to democratic consequences. Of course, not *all* particularized trust relationships undermine democracy. Some are, simply, socially specific without negative externalities, and thus they are quite consistent with generalized trust (Zmerli and Newton 2017). But those that could not be justified to those they affect are *prima facie* unsupportive and often corrosive of democracy.

These two features of trust relationships—the warrant for a trust judgment and the extent to which trust relationships could be publicly justified—provide us with tools we

need to identify conceptually and assess a variety of democratically relevant kinds of trust. Using these conceptual tools, I distinguish three general kinds: *social trust*, *first-order institutional trust*, and *second-order institutional trust*, as well as their good and bad variants from a democratic perspective.

SOCIAL TRUST

The most basic form of trust is social, based on interpersonal relationships that provide the truster with information about the trustee's motivations to hold her interests in view. All other forms of trust are derivative, as I shall discuss in the following sections. Within the class of trust relationships built on interpersonal warrants we can further distinguish two kinds, one of which undermines democracy. *Direct social trust* is a basic, unproblematic building-block of social life. To be sure, the kinds of warrants that support these relationships may be quite complex, based on numerous thick social relations, cues, and consistency between words and deeds. But from the point of view of democratic theory, as long as anyone affected by a trust relationship would not object, the trust is not problematic. Indeed, because the benefits of most social trust relationships are internal to the relationship, there are good grounds for others to protect them without interfering.

It is a different matter, however, with interpersonal trust relationships that I call *direct protective trust*, the kind of trust involved in clientelism and protection rackets. Direct protective trust depends upon personal relationships, but often in such a way that the interests shared by truster and trustee are collusive. If these relationships unequal, then the trust relationship is *exploitive*: the relationship could not be justified in the absence of dependency of the truster on the trusted. In the case of dependency relationships such as clientelism, it is just *because* trusters do not have alternatives that they "trust" their protector or patron. If the trust relation is more equal but generates negative externalities for those not a part of the relationship, then it is *corrupt*. In corrupt trust relationships, each party relies on the (protective) confidence of the other.

Social trust can be extended through warrants provided by others: a truster may not know the trustee but knows someone who can warrant the trustee's trustworthiness. Social mediation in this way extends the reach of interpersonal warrants, producing *associative trust*. This form of trust has long been theorized within democratic theory, dating from Tocqueville's *Democracy in America* (2000 [1835, 1840]). More recently, associative trust has been conceptualized as *social capital*, which predicts citizens' capacities to engage in horizontally organized collective action (, Lin 2002; Putnam 1993, 2000; Uslaner 1999; Warren 2001). These capacities in turn predict people's capacities to do things for themselves, including representing their interests to governments. Ideally, the purposes of associations are relatively open and public, even if they are not widely shared.

But like protective trust, trust built on socially mediated relationships is not necessarily good for democracy. What I call *socially mediated protective trust* can extend the pathologies of direct protective trust. These kinds of trust relationships generate nonpublic subcultures that develop and reinforce in-group and out-group cleavages. In politics, this kind of particularized trust can even form the associative basis for covert influence over collective decisions. The postwar Italian system of political corruption was based on a refined version of socially mediated protective trust that often worked through Masonic lodges (Della Porta and Vanucci 1999). While the Italian case is perhaps extreme among the developed democracies, most include some subcultures built on socially mediated protective trust. Groups that contribute to political campaigns, for example, may not ask for specific favors in return, but they do expect special access in the future. While fund-raising and lobbying are part of the normal advocacy culture in a democracy, groups built on socially mediated protective trust gain access that they expect to be protected from public discussion and exposure (Rose-Ackerman 1999, 133–135; Thompson 1993; Warren 2004a).

Social trust may also be built through warrants provided by *shared norms*. The truster may not know the trustee or even anyone who does. But the truster may know that the trustee belongs to a group or community defined by a shared normative identity: an ethnic group, a religious congregation, a social movement, or even a nationality. Such norms can be relatively exclusive, as in sectarian religions, or relatively universal, such as a general ethic that one has a moral duty to care for others. On the basis of their mutual allegiance to shared norms, the truster concludes that the trustee can be trusted.

Whether trust mediated by shared norms supports or undermines democracy depends on the kinds of norms that are shared. Are they encompassing and generalizable? Or are they particular, defined by the codes of a group that defines itself in opposition to other groups? *Generalized trust* describes the situation in which people hold norms that motivate them to be generous and even altruistic toward strangers (Uslaner 2002). Indeed, I might even give up on an explicit normative warrant. I may have no reason at all to trust you, but I believe I should set a good example by risking trust (Mansbridge 1999; Uslaner 2002). Generalized trustees will assume, all other things being equal, that their interests are congruent with others, and even that most interests are plus-sum: if we trust one another, we can cooperate in ways that will benefit both of us. For these reasons, it is now widely held that generalized trust is good for democracy (Putnam 2000; Uslaner 2002; Warren 1999). In a society populated with generalized trustees, people will find it easier to associate for common purposes. Generalized trust is probably a precursor of *associative trust*, as well as the democracy-supporting forms of social capital that follow. Even in political relationships defined by conflict, small expressions of generalized trust, even when reciprocation is risky, can generate the trust necessary to further interactions that may lead to deliberations, negotiations, and agreed bargains (Warren and Mansbridge 2015).

All other things being equal, democratic political systems not only will depend upon generalized trust but also should function to encourage it. There are probably three ways in which democracies support generalized trust: (1) by reducing the risks of generalized

trust through security and rule of law; (2) by reducing particularistic dependencies through universal welfare supports, thus freeing individuals from clientelistic or other kinds of dependency relationships; and (3) by increasing the likelihood that interpersonal and socially mediated warrants can spread through institutions, such as public schools and universities, that cut across particularistic ties.

Generalized trusters will, of course, have particularized trust relationships with close friends, family, and groups. Particularized trust is not, in itself, antithetical to democracy. Rather, what undermines democracy are people who *only* trust in particularized ways. Particularized trusters will assume, all other things being equal, that they should not, or could not, justify the interests embedded in their particular trust relations to affected publics. It may be that specific interests are simply too particular, as interests in ethnic or religious identity will tend to be. Or it may be that particularized trusters tend to generalize an attitude that interests are zero-sum: whatever we gain for ourselves through our (particularized) trust relationships is your loss. In such cases, particularized trust provides fertile grounds for ethnic, racial, and religious factionalism, clientelistic protection, and corruption. Clearly, trust built in this way will either block or undermine democracy. At best, it leads to a rigid modus vivendi in social life, within which democracy is unable to do its creative work. At worst, it can reinforce downward leveling norms and vicious cycles of the kind famously described by Banfield in *The Moral Basis of a Backward Society* (1958; see also Rothstein 2005). Banfield tells the story of Montegrano, a fictitious composite of several real towns in southern Italy. Inhabitants of Montegrano regard those outside their families with distrust, envy, and suspicion, so much so that they are unable to organize even the most basic collective actions for common benefits, leaving them locked into social isolation and poverty. More generally, low levels of generalized trust undermine democracy by providing opportunities for political entrepreneurs to organize politics of resentment, religious division, nativism, and racism that feed distrust of any democratic procedures or inclusive collective provisions.

EXTENDING SOCIAL TRUST IN MASS SOCIETIES THROUGH THE MEDIA

Can trust scale beyond social relationships and their proxies to strangers, particularly those in positions of power and authority? Beyond the ethics that underwrite generalized trust, there are two ways in which specific trust judgments scale to mass societies. One way is through mass-mediated scaling of social trust, which I discuss in this section. The other is through institution-based trust, a concept I develop in the next two sections below.

The mass media can scale social trust by providing specific warrants, especially for visible public figures (Newton 2017). The truster may not know trusted public figures

or anyone who knows them. But within the information-saturated media environment of today, the truster can have some confidence that much is known about those subject to media attention. In principle, media scrutiny of the trustee's finances and sources of income, the relationship between words and deeds, competence, and other such information can be revealing of the trustee's incentives, interests, and capacities, thus providing warrants for trust or distrust. Ideally, the mass media can provide incentives for public officials to behave in trustworthy ways: reputation provides officials with symbolic power, which can be destroyed by conflicts of interest or scandal (Thompson 2000, 245–251). In this way, the media can underwrite (or undermine) public confidence in public figures.

When the media provides good information, citizens may place *selective trust* in individual representatives or advocacy groups. Indeed, citizens often place trust in their own representative or party, not surprisingly, as elections increase the chances of interest convergence (Keele 2005). So if we are looking for warranted trust relationships within political institutions, we should expect to find them between citizens and their representatives. Because campaigning conveys the values and interests of the trustee, at least in theory, the truster seeks to select the trustee by using this information to infer trustworthiness (Mansbridge 2009; van der Meer 2017). There are other political actors, however, for which selective trust judgments are easier. Citizens can selectively trust informal representatives—advocacy groups such as Earthjustice or the Southern Poverty Law Center, for example—because their interests in their public reputations and missions are easily knowable and can be sanctioned through membership. Where these conditions hold, citizens can maximize their participatory resources by using these kinds of information to select a trustee, and then forgo monitoring.

Relative to informal representatives who are easily chosen through joining and exiting, selective trust deficits are most likely to attach to elected representatives and will be driven by three factors. First, because information about candidates is usually media-based, it often comes to citizens packaged in sound bites, from which citizens must infer interest alignment. Independent voter pamphlets, candidate debates, extended interviews, public vetting—indeed, any device that adds information—would help to ensure that selective trust judgments are warranted. Second, selective trust judgments are likely to be sensitive to electoral system design. All other things being equal, relative to proportional representation systems, single-member plurality systems reduce choice and thus reduce the chances that citizens will find a representative or party that shares their interests. We should thus expect that adversarial, low-choice systems will place relatively larger burdens on citizens for participation and monitoring. But because relatively few citizens will devote the participatory resources, it is likely that these contexts will produce higher degrees of generalized distrust of politicians. Third, and perhaps most troubling, in the developed democracies, broad global forces that are producing economic polarization are separating the interests of elites, including elected elites, and broad sectors of the populations. In these cases, the interest-convergence conditions of trust are coming unglued (Gilens 2012). Particularly when combined with the first two factors, the (mediated) selective trust that citizens should achieve through

voting is increasingly difficult, leaving distrustful sectors of the population vulnerable to populist outsider political appeals. This said, trust in the media itself is declining, driven by increasing segmentation of media markets, saturation coverage of political entrepreneurs who specialize in spin, and the media's own discourse of distrust (see also Arceneaux and Johnson 2013; Levendusky 2013; Newton 2017). Trusters often use media selectively, trusting only those media sources that confirm their opinions, which will reinforce partisan hostilities much like other particularized trust relationships. Of particular concern from a democratic perspective are those trusters who treat mediated warrants in exactly the same ways they would treat social cues, focusing on a trustee's demeanor, dress, eye contact with cameras, appearance with family or at church, race, gender, or social cues. There are cognitive incentives to do so: deeper understandings of the interests of trustees are costly. While image-based warrants are not necessarily bad for democracy, when they serve as cognitive shortcuts, they are not very reliable indicators of interest convergence and may often produce unwarranted trust relationships. George W. Bush's rhetoric in the 2000 presidential campaign exemplified the dangers: "There's a big difference in philosophy between my opponent and me. He trusts government. I trust you" (CBSNews.com 2000). Bush promised to provide, with the full force of his character, protection against a corrupt federal government. In doing so, he cued a long history of distrustful populism: he sought to replace trust in institutions with a mediated personal trust, encouraging particularized trusters to read visually mediated cues as if they were interpersonal. The US president Donald Trump has taken this personalized style of mediated trust to an extreme, arguing that he alone is to be trusted, while every other source of information, particularly the media but also opposition groups and politicians, should never be trusted.

The result might be called a *mediated clientelism*, in which a strong public figure promises personal protection against an untrustworthy and exploitative government as well as numerous special interests and foreign powers that have "betrayed" and "suckered" the people. Information about policy, ideology, and conflicts of interest tend to be submerged by claims for personal protection. This kind of trust, and the distrust with which it is paired, is directly corrosive of democracy. Even more alarming, these are the kinds of trust claims used by fascist leaders from Mussolini to Father Ned Coughlin in the American context. Mediated clientelism is particularly corrosive of those kinds of institutional trust essential to a functioning democratic polity, the topic to which I now turn.

INSTITUTIONAL TRUST

Institutional trust is more complex than the several varieties of social trust I have been discussing. But it is extremely important: without trust in institutions, not only is mass democracy unworkable but also most of those features of the developed democracies that citizens take for granted: personal security and freedom, welfare supports and

protections, banking and pensions, extensive economic divisions of labor that generate wealthy societies, and so on. When trust is institutionalized, it can occur among strangers; it can extend across time and space; and it can be transferred among people as one person inherits obligations for trustworthiness from another. When institutionalized trust is intact, these kinds of collective capacities are multiplied through associative relationships and can expand to mass, even globalized, societies.

But “trusting an institution” is not straightforward, either conceptually or as a kind of trust judgment. Following Claus Offe’s formulation, the idea of trusting an institution is shorthand for trusting a person who holds an office defined by the rules that comprise the institution (Offe 1999, 65–76). Persons remain the entities that are the objects of trust judgments. What distinguishes institutional trust from social trust, however, is that the trustee is (typically) an anonymous other and may be replaced at any time by another anonymous trustee. The truster will typically know nothing about the trustee except that the trustee holds an office within an institution. Individuals must infer the trustworthiness of individuals from features of institutions.

For good institutional trust judgments to be possible even when interpersonal, social, and media-based warrants are not available, however, three features of an institution must be knowable to the truster. First, institutions define the roles and offices within them *normatively*. Some norms attach explicitly to the role or office; others are embedded in the norms of a profession. Both the truster and the trustee can know these norms—they are typically well-known mandates, for example, that the role of members of the Federal Aviation Administration is to regulate aviation for purposes of safety. Such knowledge enables a truster to know about the trustee’s duties with respect to the truster’s interests. Second, a truster must have knowledge about the motivations of the trustee to infer trustworthiness. Institutional trust often builds on professional norms and the incentives that follow from professional identities. But, third, because the truster usually does not have any direct knowledge of the trustee’s normative attachment to his office, it is essential that the institutions have sanctions that are knowable to the truster through purpose-built oversight bodies, through the media, or through watchdog groups. So even if the trustee has not internalized the norms of an office, she still has incentives to behave consistently with them. That is, institutional trust requires effective means and mechanisms for risk reduction: individuals must be able to resort to effective monitoring if necessary if they distrust, or to know that there are others who are monitoring, even if they do not do so themselves. To summarize, (warranted) institutional trust judgments depend on a congruence of three elements: (a) knowledge of institutional norms shared between truster and trustee, (b) the truster’s knowledge of the trustee’s motivations, which can be inferred from (c) professional role identities combined with sanctions that render officeholders accountable to the norms of office. Generally speaking, when these elements of warranted trust judgments are publicly available and knowable, institutional trust will be democracy-supporting (Hakhverdian and Mayne 2012; Van Ryzin 2011).

Theoretically, however, we can also identify *nonpublic* institutional trust, in which norms of office are institutionalized but known primarily to insiders, and so fail to be

justifiable to those affected—a pattern sometimes termed *institutionalized corruption* (Lessig 2011; Thompson 1995). One example, mentioned earlier, was the Italian political system in the postwar period until the mid-1990s, in which corruption was systematic and regularized, with virtually every politician, party operative, and government contractor following a highly institutionalized system of kickbacks from contractors to political parties (Della Porta and Vanucci 1999). Another example is the legal institutional corruption ingrained in the United States system of campaign finance (Lessig 2011; Thompson 1995). In both examples, the systems of exchanges are based on particularized trust and usually spread to other insiders through associative means. But the norms regulating the exchanges are institutionalized in ways that spread beyond social contacts.

Conceptualized in this way, however, it should be clear that, as a general matter, those with roles in *political institutions* (such as legislatures or politically appointed offices in executive agencies or ministries) do not meet these conditions of institutional trust—not necessarily owing to corruption, but simply because the interests that political officials serve are partial or political. What *defines* a political institution within a democracy is not that political officials share interests with everyone; rather, their job is to represent some partial collection of interests. What a political institution accomplishes in a democracy is the conduct of conflict through public talking and voting. And what citizens need is to trust that, in fact, conflict is being conducted in public. Conceptually, then, we need yet another distinction: between first-order institutional trust, based on convergent interests, and second-order institutional trust in rules and norms that govern the democratic conduct of conflict.

FIRST-ORDER INSTITUTIONAL TRUST

Well-functioning democracies are able to provide common goods for themselves, which requires high levels of *public trust* in those parts of government with missions to provide these kinds of goods. Most of government is composed of these kinds of executive ministries and agencies: institutions with broadly agreed public purposes, such as providing national security, a judicial system, social security, and other kinds of income supports; providing health care; offering reliable information and statistics; managing public goods such as air, water, and fisheries; overseeing consumer protections; and regulating markets in labor, banking and securities, transportation, communications, energy, and other areas in which markets are imperfect or tend to generate extensive negative externalities. The higher-functioning democracies insulate most of these functions—those carried out by executive agencies and those parts of judiciaries not involved in judicial review—from electoral politics and interest group pressures (Rosanvallon 2011, pt. II). Individuals in democracies should be able to trust that they will be treated impartially and fairly, just like any other citizen. They should be able to demand and receive equitable treatment and support from public

entities. In all such cases, we view those with roles in these parts of government as “holding a public trust.”

Public trust is a kind of *first-order institutional trust* because it follows straightforwardly from the three conditions of institutional trust outlined in the preceding section. The warrants for public trust are institutional in nature: the norms of public entities need to be knowable to the people they affect, and those who hold public offices must be subject to sanctions if they depart from the norms. Like institutional trust more generally, public trust judgments operate at a distance from most individuals, so that public transparency is essential. And because most public entities operate in complex ways and utilize complex forms of expertise, it is also important to have knowable and transparent systems of oversight, so that experts are overseeing experts on behalf of the relevant publics.

In contrast, there are many forms of missing or betrayed public trust. What patronage, clientelism, corruption, captured agencies, and iron triangles have in common is that they build particularistic forms of trust, secured in nonpublic ways. These forms of public trust betrayal are not difficult to identify. The more recent challenges to public trust (and its essential role in democracies), however, are coming from political entrepreneurs, especially from the populist right, who seek political gains by attacking the trustworthiness of public bodies that are particularly vulnerable to distrust owing to the strategic or sophisticated nature of their functions. In such cases, public trust is derivative of professional standards and oversight, as well as insulation from electoral and advocacy politics. But because information cannot become public, or because information is difficult for publics to grasp, these kinds of institutions make easy targets for political entrepreneurs. Such attacks on public trust are part of the same syndrome as *mediated clientelism*: “trust me, not the government.” These political strategies represent a clear and present danger to the collective capacities of democratic systems to provide common goods.

SECOND-ORDER INSTITUTIONAL TRUST

Political institutions such as legislatures do not meet the conditions of first-order institutional trust, nor—as a general matter—do those who hold offices within them. Political institutions in a democracy function to channel conflict into the media of talking and voting. They provide alternatives to conflict resolution through coercion, tradition, or economic dependency. Yet they are “political” in the sense that interests between the institution and citizens do not necessarily align. So, as a general matter, citizens should monitor and participate rather than trust. Theoretically, we should expect distrust; normatively, we should want *engaged* distrust, with citizens using their powers of talking, advocating, and voting to ensure that political bargains and compromises are as close to their interests as possible.

But the political institutions in a democracy *do* depend upon a *second-order trust* in the institutions that channel conflict into democratic media of talking and voting. Citizens need to know that their representatives are pursuing goals *only* through these

media. They need to know that what representatives say and how they vote are actually producing political decisions. Otherwise, citizen powers of advocating and voting are undermined, as citizens have no way of connecting these democratic means of influence to their representatives.

Warrants for this kind of trust will be institutional and indirect, focused on limiting the extent to which the *partial* and *strategic* (and hence untrustworthy) motivations of representatives are able to pursue their agendas outside of the media of talking and voting. What citizens can know, of course, is that the rules that comprise democratic institutions set out these expectations. They can also know something about representatives' motivations, inferred from preventative rules that seek to curb inappropriate or corrupt influences. This is why campaign financing regulations, rules about conflicts of interest, and ethics oversight bodies are so important (Stark 2000; Thompson 1993; Warren 2006).

Yet is it not surprising that citizens often have little confidence in the motivations these rules supply. While it is in the interest of representatives to *appear* trustworthy, the partiality of interests and ideologies will often push toward covertness and public dissimulation. These conflicting role motivations distinguish politicians from the professionals in the agencies and ministries that hold public trust. There are no good reasons for citizens to trust politicians in general. But citizens should be able to trust the institutions that discipline politicians to conduct conflict through talking and voting. Here there is also trouble: in the United States, deficits in second-order trust are pronounced, no doubt driven by the flood of money from special interests into political campaigns, unleashed in part by the 2010 *Citizens United v. Federal Election Commission* Supreme Court decision. The few institutional devices aimed at second-order institutional trust—ethics committees in the US House and Senate—are notable mostly because they are weak and lack visibility (Thompson 1995). In part owing to the weakness of institutional warrants, publicity (or transparency) has become all the more important: so-called sunshine laws that dictate that public business be conducted in public have become almost universal among the developed democracies. But when transparency is made to carry the weight of institutional norms, there are also costs. Politicians whose words are *always* public will always speak strategically, making negotiated compromises difficult. Thus an important cost of low public confidence with weak institutional rules is that it is increasingly difficult for political actors to talk and vote within representative bodies, making it ever more difficult to get anything done (Warren and Mansbridge 2015). These effects will be exaggerated in constitutional systems that separate powers, such as that of the United States.

CONCLUSION

The relationship between trust and democracy is complex. Citizens should be distrustful of state powers and the political elites who wield the power. Yet citizens who generalize distrust—of political elites, of political institutions, and of one another—will

find themselves collectively disempowered. Democratic systems must, therefore, channel engaged distrust into political institutions that deal with conflict through talking and voting. And they must underwrite the conditions of trust elsewhere, most of all in society and in the government institutions that provide societies with their capacities to collectively provide for themselves. By sorting out the many different kinds of trust necessary for a democracy, we can also identify the many possibilities for trust deficits—and, ideally, design institutions that can overcome them. Warranted trust relationships, testable for their alignment with democracy by whether they could be approved by those affected, should be understood as common-pool resources that are both hard to build and easy to despoil.

NOTE

1. This chapter incorporates and builds upon ideas developed in Warren (1999, 2004a, 2017a) and Warren and Gastil (2015).

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CHAPTER 6

INGROUP-OUTGROUP TRUST

Barriers, Benefits, and Bridges

RODERICK M. KRAMER

SOCIAL scientists have long recognized the central and constructive role trust plays in shaping the course of intergroup relations, particularly with regard to facilitating more cooperative, harmonious, and stable intergroup relations (Brewer 1981; Deutsch 1973; Dinesen and Sønderskovb 2015; Ross and Lacroix 1996; and Uslaner 2002). Despite the frequent assertion of its importance, however, comparatively little attention has been afforded to explicating the foundations of trust in intergroup contexts. Prominent reviews of the intergroup relations literature in social psychology (Messick and Mackie 1989; Stephan and Stephan 1996; Taylor and Moghadam 1987), for example, have routinely affirmed the importance of trust, but have devoted little space to articulating how its oft-asserted benefits might be secured.

This lack of systematic attention to the role of trust in intergroup relationships is unfortunate for at least two reasons. First, although research suggests the benefits of such trust might be substantial, it also suggests that those benefits are far from easy to secure. Even a cursory survey of research on intergroup relations is sufficient to document how difficult it often proves to create and sustain mutual trust, especially in situations where a long history of intergroup enmity or friction exists (e.g., Friedman 1994). Second, because of a resurgence of interest in the study of trust over the past several decades (e.g., Barber 1983; Hardin 1992; Kramer 1999; Uslaner 2002), we possess a much deeper understanding of both the antecedents of trust and the numerous, often subtle benefits it confers (e.g., Bachman and Zaheer, 2015).

Despite these substantial conceptual strides, the literature on intergroup relations has yet to systematically and fruitfully engage this important body of research. A primary aim of the present chapter is to review and assess the scholarly literature on trust as it pertains to, and might inform our understanding of, how intergroup relations manifest themselves. In particular, this chapter focuses on several fundamental questions regarding trust in intergroup contexts. First, how should trust be conceptualized in the specific context of ingroup-outgroup relations? Second, what are some of

the barriers to the development of trust between groups? Third, what are the benefits that accrue from such trust? Finally, how might these barriers be overcome—or their deleterious consequences at least attenuated—especially in situations where a climate of distrust and suspicion already prevails? In short, how might the benefits of trust be more reliably harvested?

CONCEPTUALIZING INGROUP-OUTGROUP TRUST

Providing a single and satisfactory characterization of trust applicable to intergroup contexts presents some difficulties because of the diverse range of disciplinary lenses (and concomitant divergent levels of analysis) that have been brought to bear on this problem (e.g., Barber 1983; Hardin 1992; Lewis and Weigert 1985). As a consequence, even today the term *trust* is still used in a variety of distinct and not always compatible ways within the various social science disciplines.

In part, this conceptual difficulty reflects long-standing differences in preferences among scientists from different disciplines for emphasizing psychological versus social and structural facets and foundations of trust. At one end of the definitional spectrum are conceptions of trust that emphasize its purely calculative or expectation-based foundations. As Burt and Knez (1995) suggested in this regard, trust can be defined as simply “anticipated cooperation” (70). Along somewhat similar lines, Pruitt and Rubin (1986) defined trust as simply one individual’s belief that another is positively concerned about his or her interests. This concern, moreover, need not be a presumed result of genuine positive feelings, but might stem simply from the expectation or calculation that the other has sufficient incentives to perform in a trustworthy fashion.

At the other end of the conceptual spectrum are formulations that highlight the role played by individuals’ explicit beliefs and tacit understandings about trust, as well as normative underpinnings of such beliefs (e.g., Barber 1983; Lewis and Weigert 1985). For example, Barber (1983) characterized trust as the set of “socially learned and socially confirmed expectations that people have of each other, of the organizations and institutions in which they live, and of the natural and moral social orders that set the fundamental understandings for their lives” (164–165). Other conceptions explicitly highlight the ethical and moral foundations or underpinnings of trust. Uslaner (2002), for instance, argues that “presuming that strangers are trustworthy can’t be based on evidence. So it must have a different foundation, and I maintain that it is a moral foundation” (2). In unpacking this argument, he goes on to propose, “Trust in other people is based upon a fundamental ethical assumption: that other people share your fundamental values” (*ibid.*). Such conceptions reflect the notion that trust in others is often independent of personal experience interacting with them, but also constitutes a sort of “generalized trust” (Uslaner 2008), which is more stable and enduring.

Researchers have also differed in terms of whether they portray trust primarily as an individual cognition, or instead as an aspect of the relationship between two or more interdependent parties. Thus, trust has been treated by some researchers primarily as a dispositional variable or personality characteristic (Rotter 1971; Wrightsman, 1991; Yamagishi and Yamagishi 1994). However, others have construed trust as an *emergent relation* between two or more interdependent parties (Lewis and Weigert 1985).

Whether viewed as a dispositional property of social actors or an emergent feature of their relationship, however, these diverse conceptions converge with regard to the fact that, whatever else it encompasses, trust can be viewed as a psychological state or orientation of one social actor (a trustor) toward other people (prospective trustees) and the situations in which they find themselves (Hardin 1992). When conceptualized as a psychological state or orientation, trust has been further defined in terms of several interrelated cognitive processes. First and foremost, trust entails a state of perceived vulnerability or risk that is derived from individuals' uncertainty regarding the motives, intentions, and prospective actions of others with whom they are interdependent. As Lewis and Weigert (1985) observed in this regard, trust can be characterized as the "undertaking of a risky course of action on the confident expectation that all persons involved in the action will act competently and dutifully" (971).

In the context of intergroup relations in particular, when individuals are interacting on the basis of the explicit awareness or psychological salience of their respective group identities, trust entails a variety of group-level perceptions and expectations. These include, for example, the belief by members of one group (the so-called ingroup members) that members of another group (the so-called outgroupers) are (or are not) open-minded and receptive to the other's trust initiatives when trying to manage their interdependence (Carnevale and Pruitt, 1992). Thus, when intergroup trust is (contingently) present, the presumption is that members of one group are ready and able to engage in trusting behavior if members of the outgroup manifest a like readiness or propensity.

Extrapolating from these various distinctions, and for the purposes of the present chapter, I thus conceptualize trust between groups in terms of the set of assumptions, beliefs, and expectations held by members of one group (specifically, the *ingroup members*) regarding the likelihood that the actions of another group and/or its individual members (the *outgroup*) will be beneficial, favorable, or at least not detrimental to their group's interests; in other words, trust is contingent on the belief or predication that *they* are trustworthy and/or are likely to behave in a trustworthy fashion. Group-based trust is thus a form of category-based trust grounded specifically in the awareness and/or salience of the target group's membership or status (Brewer 1981).

BARRIERS TO INGROUP-OUTGROUP TRUST

While appreciating the myriad benefits that trust presumably confers within the context of intergroup relationships, social scientists have also recognized the

substantial difficulties that attend the creation and maintenance of such trust (Brewer 1981; Lindskold 1978; Sherif et al. 1961; Uslaner 2012). The question of *why* trust between groups might be so problematic to produce and sustain, in particular, has attracted considerable attention. In attempting to untangle this conceptual knot, researchers interested in this question have generally focused on a variety of factors that impede trust development and maintenance within the context of both experimental settings and real-world contexts. To facilitate the organization of my review of studies on this issue, I will discuss these factors in terms of, first, *psychological* processes that undermine trust and, second, *social* impediments to trust.

Psychological Barriers

Social scientists have afforded considerable attention to identifying the psychological processes that impair the development of trust. Of particular relevance to the context of intergroup relations is an impressive body of research that has shown that a basic cognitive process called *social categorization* can have a variety of deleterious effects on social perception and judgment in intergroup situations (see Brewer and Kramer 1985; Kramer 1991; and Messick and Mackie 1989 for literature reviews). Early and influential ethnographic research on ingroup bias, for example, demonstrated the existence of a pervasive tendency for individuals to display favoritism toward other ingroup members, coupled with derogation of outgroup members (see Brewer 1981). All else equal, this research demonstrated, individuals tend to hold relatively positive views of their own group and its members and comparatively negative views of outgroups and their members.

Subsequent laboratory research showed that even the process of “mere categorization” of individuals into arbitrary, artificial, and transient groupings is sufficient to produce systematic judgmental distortions that are deleterious to intergroup relations (Tajfel 1970). On the basis of such evidence, Messick and Mackie (1989) concluded that “the trivial or random classification of groups of people into two subgroups is sufficient to induce people in one of the subgroups to favor others in that group relative to those in the other group” (59). In a particularly strong demonstration, Brewer and her colleagues (Brewer 1979; Brewer and Silver 1978; Kramer and Brewer 1984), demonstrated in particular that categorization of a set of individuals into two distinct groups resulted in individuals viewing people outside their group boundary as less cooperative, less honest, and less trustworthy compared to those included within their group boundary.

Several follow-up studies in this vein provided additional support for these effects of “mere categorization” on intergroup relations (Kramer and Brewer 1984; Kramer, Pommerenke, and Newton 1993; Kramer, Shah, and Woerner 1995; Robert and Carnevale 1997).

Insко and Schopler’s research on the so-called *discontinuity effect* (reviewed in Insко and Schopler 1997) points to a similar dispiriting conclusion (see also Smith 2010). In particular, this research provides strong evidence regarding the existence of a negative

outgroup schema, which can lead disputants to be distrustful and suspicious of outgroup members and also to expect, all else equal, more competitive behavior from them (see also Biernat, Vescio, and Manis 1998). According to Brewer and Brown (1998), this negative outgroup schema has two important components. The first is *schema-based distrust*, which represents “the learned belief or expectation that intergroup relations are competitive and therefore the outgroup is not to be trusted and the ingroup’s welfare must be protected” (569). Second, this anticipated competition generates a self-fulfilling dynamic because of defensive or preemptive noncooperation. As Brewer and Brown noted in explaining this dynamic, “When one believes that the other party has competitive intent, the only reasonable action is to compete oneself in order to avoid potential loss” (569).

In elaborating on the origins of such negative outgroup stereotypes, other research has focused on generational influences. Uslaner (2008), in particular, has posited that there exists a more general and enduring belief that “most people can be trusted,” which he characterizes as *generalized trust* (726). Using data from the General Social Survey, he documents variations in such generalized trust as a function of the home country of respondents. Among other results, he shows that individuals living in America who are of Swedish, Norwegian, Danish, or Finnish ancestry are more likely to be trusting, independent of their neighbors per se. In contrast, Latinos and blacks are less likely to have comparable generalized trust. In interpreting these results, Uslaner (2008) notes, “Generalized trust is rather stable over time because it has deep social roots and does not shift with each new experience” (739). In other words, it is not contingent on a history of specific personalized interactions, but is rather in a sense inherited from one’s parents and grandparents (see also Algan and Cahoc 2010).

Viewed in aggregate, one implication of such findings is that individuals from one group may have diminished expectations regarding the other group’s willingness to reciprocate concessions or respond in kind to similar unilateral trust-building initiatives. This may result in greater inhibition about initiating cooperation, and may also enhance their vigilance regarding the others’ intended (and/or perceived) failure to reciprocate. As a result, they may react strongly to the hint or even mere suspicion that the other side is not reciprocating fully (Bendor, Kramer, and Stout 1991). Another manifestation of such diminished expectations surrounds the parties’ beliefs regarding the responsiveness of the other party to specific cooperative or conciliatory gestures.

Along these lines, Rothbart and Hallmark (1988) found that one consequence of social categorization processes is that individuals tend to believe that ingroup members will be more responsive to conciliatory influence strategies, whereas outgroup members will be more responsive to coercive strategies. Such presumptions are likely to lead negotiators in intergroup contexts to foreclose prematurely on the effectiveness of conciliatory alternatives and, in their place, to opt for overly coercive strategies when trying to influence a presumably recalcitrant opponent. Since the other side is judging this other’s motives and intentions by his or her actions, the result is a cycle of destructive action-reaction as each side responds in what it construes as a justified, defensive

way to the threatening and provocative actions of the other side (Jervis 1976; Kramer 1989; Kramer, Meyerson, and Davis 1991).

All else equal, it might seem as if the various judgmental distortions described thus far would be difficult to sustain, especially as disconfirming evidence becomes available to negotiators. A considerable body of theory and research on history-based forms of trust suggests that, when making judgments about others' trustworthiness, people act much like intuitive Bayesian statisticians who recalibrate or update their judgments on the basis of their personal experiences. From this perspective, one might expect that such misperceptions and errors should, over time, be self-correcting. Unfortunately, there are a number of psychological dynamics that may contribute to difficulties in correcting such misperceptions, especially in the context of intergroup relations. These self-sustaining characteristics of distrust and suspicion arise, arguably, from both the distrustful perceiver's difficulty in learning from trust-related experiences and their difficulty in generating useful (diagnostic) experiences.

One problem that the suspicious individual confronts is that, because of the presumption that the other party is untrustworthy and that things may not be what they seem, the perceived diagnostic value of any particular bit of evidence regarding the others' putative trustworthiness is, from the outset, tainted. As Weick (1979) noted in this regard, all diagnostic cues are inherently corruptible. He cites an interesting historical example to illustrate this problem. The day before the Japanese attack on Pearl Harbor, an American naval attaché informed Washington that he did not believe a surprise attack by the Japanese was imminent because the fleet was still stationed at its home base. As evidence for this conclusion, he noted that large crowds of sailors could be observed casually walking the streets of Tokyo. What the attaché did not know was that these "sailors" were in actuality Japanese soldiers disguised as sailors to conceal the fact that the Japanese fleet had already sailed. From the perspective of the Japanese, this ruse was a brilliant example of what military intelligence experts call *strategic disinformation*. Such strategic misrepresentations can be used in relations and other conflict situations to mislead an adversary about one's capabilities or intentions (Kramer, Meyerson, and Davis 1991).

In elaborating on the implications of this incident, Weick noted that the very fact that the attaché had searched for a foolproof cue made him, ironically, more vulnerable to exploitation. Quoting a passage from Goffman (1969), Weick reasoned that "the very fact that the observer finds himself looking to a particular bit of evidence as an incorruptible check on what is or might be corruptible, is the very reason he should be suspicious of this evidence; *for the best evidence for him is also the best evidence for the subject to tamper with . . . when the situation seems to be exactly what it appears to be, the closest likely alternative is that the situation has been completely faked*" (172–173, emphases added). For the already suspicious or distrustful individual, of course, the attaché's experience dramatically illustrates what happens when one's vigilance is too lax or when innocence regarding others' motives and intentions is naïve.

Other research suggests additional cognitive barriers to trust that may plague and exacerbate intergroup disputes or conflicts. Slovic (1993) has noted, for example, that it

is easier to destroy trust than create it. To explain this so-called fragility of trust, he suggested that a variety of cognitive factors contribute to asymmetries in the trust-building versus trust-destroying process. First, he proposed that negative (trust-destroying) events are more visible and noticeable than positive (trust-building) events. Second, he proposed that trust-destroying events carry more weight in judgment than trust-building events of comparable magnitude. To provide evidence for this general asymmetry principle, Slovic evaluated the impact of hypothetical news events on people's trust judgments. In support of his general thesis, he found that negative events had more impact on trust judgments than positive events. Slovic noted further that asymmetries between trust and distrust may be reinforced by the fact that sources of bad (trust-destroying) news tend to be perceived as more credible than sources of good news. In the context of intergroup relations, and especially those in which a climate of distrust or suspicion already exists, seemingly "good news" (evidence of the other side's trustworthiness) is likely to be discounted, whereas "bad news" (confirmatory evidence that distrust is warranted) is augmented or, at the very least, easily accepted as credible.

In addition to impairing individuals' ability to learn about others' trustworthiness from their experience, situations that induce distrust may also impede their ability to generate the kind of diagnostic information needed to accurately calibrate the other party's trustworthiness. Learning about trustworthiness entails risk-taking (Hardin 1992; Pruitt 1981). In other words, people must engage in trust-building experiments or initiatives if they are to generate the diagnostic data necessary to learn who among them can be trusted and how much. Such experiments require that individuals expose themselves to the prospect of both misplaced trust and misplaced distrust. Any systematic bias in the generation of data samples can, of course, influence the validity of the inferences that result from those experiments. Along these lines, trust theorists such as Hardin (1992) and Gambetta (1988) have argued that asymmetries in the presumptive trust of low and high trustors may differentially impact the frequency with which they generate useful learning opportunities. These asymmetries can also affect their ability to extract reliable cues from those opportunities that they do generate. As Gambetta (1988) noted in this regard, distrust is very difficult to invalidate through experience, because it either "prevents people from engaging in the appropriate kind of social experiment, or, worse, it leads to behavior which bolsters the validity of distrust itself" (234).

Because of their heightened suspicion of the other group's motives and intentions, distrustful individuals approach situations with an orientation of presumptive distrust. An instructive parallel can be drawn from research on the dynamics of hostile attribution among aggressive children (see Dodge 1985). Such children approach social interactions prepared for the worst. They are, in a sense, almost "pre-offended." They thus elicit, through their own anticipation-driven behaviors, the very outcomes they most dread. Much like the stance of these overly aggressive boys, who are perceptually vigilant when it comes to detecting hostility, so the presumptively distrustful ingroup member is perceptually prepared for distrust from the outgroup (Kramer 1998).

Gilovich (1991) provides another argument that can help us understand why ingroup members may be able to sustain erroneous or exaggerated beliefs in the efficacy of

their questionable interpersonal influence strategies when dealing with outgroupers. Because a given strategy is initially thought to be effective, he notes, only that strategy is likely to be employed. As a consequence, an ingroup negotiator never learns what would have happened had a different approach been taken when dealing with an outgroup member, and thus cannot assess or discern the true effectiveness of the strategy. “Because no single failure serves to disconfirm the strategy’s effectiveness (after all, nothing works all the time),” Gilovich argues, “the only way it can be shown to be ineffective is by discovering that the rate of success is lower with this strategy than with others. Given that the alternative strategies are not employed or not systematically evaluated, however, the person never discovers the strategy (and theory behind it) are wrong or ineffective” (41). This can be aided and abetted, Gilovich goes on to note, by a self-fulfilling prophecy. Like someone who believes the only way to get ahead is to be competitive or come on strong, such people will consistently push for what they want. The occasional success will “prove” the wisdom of the rule, and the individual never can learn that an alternative strategy might have been even more effective.

Social Barriers

In addition to these psychological factors, there are a number of social dynamics that potentially contribute to asymmetries in judgments regarding trust and distrust in intergroup relationships. For example, several intragroup dynamics may impede trust development. Insko and his associates investigated, in this regard, the effects of ingroup discussion on trust-related judgments (Insko, Schopler, Hoyle, Dardis, and Graetz 1990). They asked individuals to code tape-recorded discussions for both explicit and implicit statements of outgroup members that could be construed as evidence that distrust in them is warranted. The results showed that there were significantly more distrust statements in discussions between groups compared to discussions between individuals. There was also a strong negative correlation between the level of distrust recorded in these conversations and subsequent cooperative behavior.

Third parties involved in intergroup relations may further exacerbate such tendencies. In a demonstration of how this might happen, Burt and Knez (1995) examined how social network structures, and the social dynamics they create, affect the diffusion of distrust information and its effects of trust judgments within a group of managers’ networks. They found that, although both trust and distrust were amplified by third-party disclosures, distrust was amplified to a greater extent than trust. As a result, judgments about distrust had a “catastrophic” deleterious effect. In explaining these findings, Burt and Knez posited that third parties are more attentive to negative information and often prefer negative gossip to positive information and gossip. Consequently, indirect connections amplify the distrust associated with weak relations much more than they amplify trust among strong relations.

Another potential social barrier to generating trust-building experiences derives from various self-presentational predicaments that negotiators, as representatives for

their groups, face. As Kressel (1981) noted, “negotiators may be pressured by their constituents into presenting the constituents’ demands vehemently and without backing down, while their opposite numbers across the bargaining table may expect these same negotiators to adhere to norms of moderation and compromise” (227). Thus, when individuals feel accountable to others, they are more likely to be concerned not only about the objective outcomes they obtain but also on how those outcomes are perceived and evaluated by those to whom they feel accountable (Pruitt 1981). In most intergroup contexts, negotiators are accountable to constituents to the extent that their constituents are perceived to have power or authority over them, or are affected by the outcomes/consequences of their negotiations. If the other party is viewed as being accountable to a tough constituency, the other is unlikely to be trusted. Kimmel et al. (1980) found, to this point, that trust and information exchange were both lower when negotiators did not know what instructions the other had received than when they knew that the other had received problem-solving instructions.

Research on the effects of perceived accountability suggests that such self-presentational concerns exert a particularly important influence on negotiator’s judgment and behavior (Carnevale 1985). Carnevale, Pruitt, and Seilheimer (1981), for example, reported that accountability to constituents engenders a competitive atmosphere in between-group relations, which then diminishes the use of explicit information exchange and increases the likelihood of noncooperation and poor agreements as a result. Interestingly, under high accountability, negotiators who did well tended to rely on indirect information exchange, such as the use of heuristic trial and error tactics, and making and then remaking offers within a close range of value.

BENEFITS OF INGROUP-OUTGROUP TRUST

One reason researchers have regarded trust as so vitally important in intergroup contexts is because it has been shown to facilitate the attainment of more harmonious and stable social relations, as well as more cooperative outcomes between groups. Much of the empirical research supporting this point has focused on situations involving negotiations or other conflict-resolution contexts, perhaps because negotiation and conflict resolution have been viewed as one of the primary mechanisms for resolving intergroup conflicts. When trust is present, according to these perspectives, mutually beneficial outcomes are more likely to be obtained, whereas the absence of trust in such outcomes will remain elusive (Butler 1985). For example, conflict theorists have long been cognizant of the fact that integrative (i.e., mutual gain or “win-win”) potential is present in many conflict situations, but that trust is central to discovery of such integrative potential (Lewicki and Polin 2013, 2014; Pruitt 1981, 1983). After all, to fully realize or extract the integrative potential within an intergroup negotiation, it is essential that negotiators from both groups exhibit considerable cognitive and behavioral flexibility (Pruitt and Carnevale 1993). Among other things, they must be willing to seek useful

information regarding the other group's interests, preferences, and concerns. As well, they must be willing to reveal information regarding the interests, preferences, and concerns of their own group. Such disclosures are facilitated by trust, and undermined by its absence. Discovering the integrative solution to their conflict depends, therefore, on the negotiating parties' willingness to assume the personal risks themselves, as well as their effectiveness at persuading the other party to incur such risks—and this is where trust-building initiatives become important (Lewicki and Polin 2014).

Support for the general proposition that trust facilitates cooperative outcomes between groups comes from a variety of studies. First, there is evidence that trust encourages the exchange of information regarding disputants' respective values and priorities (Kimmel, Pruitt, Magenau, Konar-Goldband, and Carnevale 1980). Trust also makes it easier to reach agreements on offers once proposed or proffered (Lindskold and Han 1988).

Trust can also affect social influence on behavior during intergroup negotiation processes. To see how, it is helpful to recognize that negotiation constitutes a form of influence in which representatives from different groups attempt to shape or modify the attitudes, goals, values, feelings, beliefs, preferences, and/or behaviors of the representative(s) of other groups with whom they are interdependent. In fact, the term *strategic choice* has been used by negotiation theorists to refer to the specific influence strategies that negotiators use when trying to exert such influence (Greenhalgh and Kramer 1990; Solomon 1960). Such influence strategies vary along several important dimensions, such as their positivity or negativity. Rothbart and Hallmark (1988), for example, drew a distinction between conciliatory versus coercive bargaining strategies used to manage intergroup relations. Conciliatory strategies entail the use of positive inducements (e.g., rewards) to elicit cooperative responses from a potentially recalcitrant or noncompliant opponent. Coercive strategies, in contrast, entail the use of threats and deterrents and are aimed at inducing compliance from such an opponent. Negotiators' trust in the other parties with whom they are negotiating can play an important role in strategic choice because the selection of an influence strategy will be affected by a negotiator's assumptions regarding the other party's receptiveness or responsiveness to a given influence strategy. For example, negotiators are more likely to engage in cooperative or conciliatory bargaining approaches when their trust in the other's reciprocity is high (Lindskold 1978). Similarly, negotiators are likely to employ positive influence strategies, such as engaging in good-will disclosures of information, when their trust in the other's responsiveness to sharing such information is high (Pruitt and Carnevale 1993). In contrast, they are likely to resort to more coercive strategies if their trust is low and they believe the other party will exploit their open, cooperative, or conciliatory gestures (Lindskold, 978).

Other social psychological research suggests that trust can affect not only negotiators' expectations prior to and during negotiations, but also the attributions they make about a conflict resolution process after it is completed. In particular, when trust is high, individuals are more likely to give the other party the "benefit of the doubt," reflecting what Brewer (1981) characterized as a *leniency bias*. In contrast, when trust is low, they are likely to construe the same behaviors and outcomes in very different

and more sinister terms, including casting aspersions on the outgroups' social motives, personal dispositions, and/or character (Brewer and Brown 1998; Kramer 1994, 1998; Kramer and Messick 1998). Finally, in another line of research involving the negotiation strategy known as *compensation*—which entails one party (the offending party) indemnifying the other for their loss—the success of this strategy has been shown to be contingent on the suffering party trusting the offending party to actually deliver or make good on the promised compensation (Pruitt 1981).

UNTYING THE KNOT: CREATING AND SUSTAINING TRUST BETWEEN GROUPS

The numerous psychological and social barriers to intergroup trust identified in the previous section, especially when viewed as operating in concert, might seem to mitigate against the prospects of trust between groups ever gaining a toehold, let alone flourishing for long. To be sure, the problem of creating and sustaining trust between groups, especially against the backdrop of a history of mutual enmity or wariness, has proven daunting both in practice and theory. The difficulty, as experienced by negotiators themselves, was nicely captured in a personal communiqué sent by Soviet Premier Nikita Khrushchev to President John F. Kennedy at the height of tensions during the Cuban Missile Crisis. Khrushchev cautioned Kennedy that the escalating conflict between their countries could be likened to a rope with a knot in the middle of it “the harder you and I pull, the tighter this knot [of war] will become,” he suggested. “And a time may come when this knot is tied so tight that the person who tied it is no longer capable of untying it” (cited in Kennedy 1969, 81).

Although formidable, there is evidence that the barriers to building trust are not insurmountable. Accordingly, I turn now to a discussion of the literature that addresses the question of how trust can be created and how the knot of distrust, if not untied completely, can at least be loosened. I organize the discussion of these approaches in terms of (1) *unilateral initiatives* that can be undertaken by the parties themselves, (2) interventions involving *third parties*, and (3) *structural approaches* to building trust.

Unilateral Behavioral Initiatives

Individuals from one group can attempt to influence the perceptions and motivations of outgroup members by using a variety of behavioral strategies and tactics. This can include efforts to create a climate of mutual trust both by trying to elicit cooperative behavior from the other party and by attempting to communicate one's own trustworthiness and willingness to cooperate. Much of the literature on this trust-building process has been motivated by recognition of the circular relation between trust and

cooperation (Deutsch 1973): trust tends to beget cooperation, and cooperation breeds further trust. Therefore, if a cycle of mutual cooperation can be initiated and sustained, trust will develop (Lindskold 1978). This trust, in turn, will spur further cooperative acts.

Perhaps the simplest and most direct way to initiate such constructive change in the relationship between two wary negotiating groups is for one of the negotiators to make a gesture that disrupts the status quo. Such an effort is direct in that it immediately alters the pattern of interaction and simple in that it requires no third-party interventions or elaborate structural changes. Early studies pursuing this idea examined the use of unconditional pacifism to elicit cooperative responses. The experimental evidence regarding the efficacy of this strategy was discouraging. At least in the context of laboratory settings, unvarying or unconditional cooperation is puzzling to recipients and the tendency is to exploit it (Deutsch 1973; Solomon 1960).

Although strategies of unconditional cooperation yield disappointing results, initiatives that involve contingent cooperation have proven effective in eliciting and sustaining cooperative behavior. Early studies on this issue involved simple mixed-motives games in which a confederate made an initial cooperative move, inviting a reciprocal act of cooperation (Deutsch 1973; Swingle 1970). Subsequent studies in this vein identify specific patterns of reciprocation that are efficacious in such situations. Osgood's (1962) strategy of graduated reciprocation in tension reduction (GRIT) was an early model of such patterns. Osgood's core insight was that a sequence of carefully calibrated and clear signals might initiate a sustainable process of mutual trust and cooperation. One of the appeals of this strategy, and perhaps one reason it attracted so much attention, was that it seemed to offer a mechanism for reducing distrust and suspicion between the nuclear superpowers. Thus, Etzioni (1967) used the GRIT framework to interpret the series of progressively conciliatory exchanges between President Kennedy and Premier Khrushchev in the early 1960s.

Drawing on this theory, Lindskold and others undertook a sustained program of laboratory-based research on the dynamics of trust development (Lindskold 1978, 1986). Several practical recommendations emerged from this work. First, it is useful for negotiators from one group to announce what they are doing ahead of time, and to carry out the initiatives as announced, so that intentions and credibility are established and ambiguity reduced. In addition, it has been suggested that conciliatory initiatives should be irrevocable and noncontingent, so that they will be understood as efforts to resolve the conflict rather than to gain a quid pro quo. Also, they should be costly or risky to one's self so that they cannot be construed as a cheap trick or trap. Moreover, they should be continued for a period of time so as to put pressure on the other party to reciprocate and also to give the other party time to rethink (hopefully creatively and cooperatively) its own policies and stances.

Lindskold's GRIT strategy adopts the logic of starting small in order to "jump start" a trust-building process. An alternative strategy, and one that reverses this logic, involves an attempt by one party to "break the frame" of distrust and suspicion by making a large, dramatic conciliatory gesture. Because it entails such obvious and severe political costs to the ingroup member making such a gesture, its significance is hard to discount or ignore

by the outgroup. An example is Egyptian President Anwar Sadat's trip to Jerusalem in 1978, which paved the way for peace between Egypt and Israel. Sadat stated the purpose of the trip was to improve Israeli trust in Egypt. Kelman (1985) has reported that most Israelis viewed this event as a genuine effort to improve relations. This strategy is not, however, unconditionally effective and may produce other than intended effects. For example, such initiatives risk alienating important constituents and may undermine a negotiator's credibility and effectiveness with constituents. And, as Sadat's experience demonstrated, sometimes this estrangement may even have fatal consequences, for the individual making the gesture is viewed as having "defected" to the other side, betraying the ingroup.

Other studies indicate, not surprisingly, that cooperative acts lead to improved intergroup relations. In early and now classic studies on this topic, Sherif and his associates (Sherif, Harvey, White, Hood, and Sherif 1961) first produced animosity between two groups of boys in a summer camp by having them compete with and exploit each other. They were then able to dispel this animosity in a second phase by having them cooperate on "superordinate goals." Additional research suggests that even the anticipation of cooperation can also lead to improved intergroup relations (Ben-Yoav and Pruitt 1984). There are many possible explanations for the positive trust-building effects of cooperation on relationships. Cooperation may lead to reward at the hands of the other party. It may provide favorable information about the other party that would not otherwise be available; and it may also enhance perceived similarity and break down the conceptual boundary between groups (Gaertner, Mann, Murrell, and Dovidio 1989). Helping the other party may also induce positive attitudes, another dissonance-reducing effect.

Such findings suggest that another route negotiators from one group can employ to build trust through their own actions is via *relationship-building activities* (Friedman 1994). Most experienced, professional negotiators recognize that it is often useful to attempt to create a positive personal bond with another party, even if doing so entails some scrutiny by constituents. This approach builds on the recognition of the fact that trust is a central characteristic of mature and secure relationships, where people are likely to exhibit a combination of problem solving and concession making, which can lead to mutually beneficial, win-win agreements.

In a nice stream of research, Carnevale and Pruitt (2000) have termed these sorts of relationships "working relationships." Working relationships are often found between people with emotional ties, such as friends, relatives, or married couples. Working relationships also are common between people with instrumental ties, such as colleagues whose jobs require them to cooperate and negotiators in counterpart relationships. An example of the latter would be a salesperson and a regular client. Working relationships involve three related norms for dealing with mixed-motive settings: (a) a norm of *problem solving*, which specifies that if both parties feel strongly about an issue, they should try to find a way for both of them to succeed; (b) a norm of *mutual responsiveness*, which specifies that if only one party feels strongly about an issue or if problem solving fails, the party who feels less strongly should concede to the other's wishes; (c) a norm of *truth in signaling*, which specifies that the parties should be honest about the strength of their feelings. Truth in signaling is a necessary adjunct to the norm

of mutual responsiveness, preventing people from exaggerating the strength of their needs. In the absence of this norm, neither party will trust the other's statements about issue importance, and the norm of mutual responsiveness will collapse.

Third-Party Interventions

It has long been appreciated that third parties can play a significant role in the process of both creating and repairing damaged trust in relationships between ingroups and outgroups. Mediators have a variety of approaches at their disposal, including the ability to inject cooperative norms, routines, and procedures into frictive relationships. The effects of such interventions can be direct in terms of leading to better exchange of information and consideration of more integrative offers, but also modeling skills that the negotiators may then use themselves. Third parties often take even more active roles in trying to influence the negotiation and/or exchange processes between groups. In a study of labor mediators, for example, Carnevale and Pegnetter (1985) found that trust in the mediator was one of the best powerful predictors of whether or not an agreement was eventually achieved.

In a study investigating the efficacy of different third-party interventions, Keashly, Fisher, and Grant (1993) proposed that such interventions can be distinguished by their fundamental assumptions regarding the sources and dynamics of intergroup conflict. Specifically, they argued, third-party interventions involving mediation can resolve a conflict by focusing the parties' attention more creatively on how to address whatever substantive *issues* exist between them. In contrast with this focus on substantive issues, third-party consultation focuses on altering the *relationship* between the parties, including their attitudes and perceptions (and misperceptions) in the hope of producing a higher-trust, more cooperative climate of exchange and problem solving. Using an exercise called the *Intergroup Conflict Simulation*, these authors demonstrated that both mediation and consultation produced comparable success with respect to resolution of the simulated dispute (a land settlement). However, consultation resulted in groups expressing more positive attitudes toward each other and also perceived the ingroup-outgroup relationship itself as more collaborative. With respect to trust building, therefore, it may be the case that consultation can enhance perceptions of the outgroup that contribute to higher perceptions of trustworthiness, including heightened perceptions of credibility, reliability, benevolence of motives, and so on.

Structural Approaches to Creating and Sustaining Ingroup-Outgroup Trust

A large, impressive body of theory and research now exists examining the efficacy of various structural approaches to creating and sustaining trust among groups. These contributions encompass contributions from disciplines as diverse as political science,

behavioral economics, and sociology to experimental social psychology and organizational theory (Uslaner 2002; Zucker 1986). These substantive approaches range from addressing the design of the conducive conditions for optimal contact to institutional design and incentives (Sztompka 1999). Because of space constraints, and the fact that many of these approaches have been treated at length elsewhere, I focus my attention here selectively on a few of the more prominently studied structural approaches.

Within the tradition of social psychological research on intergroup relations, by far the most work has been done on the effects of intergroup contact on improving trust and cooperation between groups (Pettigrew 2006). In an extensive meta-analysis of extant research on the benefits of such contact, Pettigrew (2006) notes that intergroup contact can lead to significant reductions in prejudice and that these effects can generalize beyond the specific individuals involved in the actual contact. On the basis of empirical research, Pettigrew (2006) has argued, moreover, that these positive benefits of intergroup contact are more likely to be secured when some or all of the following conditions obtain: (1) groups share equal power and status in the contact situation, (2) groups share interdependence with respect to common goals and cooperative work practices, (3) the potential for the emergence or development of cross-group friendships exists, (4) the positive interactions run counter to and undermine prior negative group stereotypes, and (5) group authorities or leaders sanction the intergroup contact. Other recent research indicates that intergroup contact can facilitate the development of trust (Tam et al. 2009; Vezzali et al. 2012) and that, under some conditions, depersonalized forms of trust can develop “swiftly” if conducive conditions prevail (Meyerson, Weick, and Kramer 1996).

Another way of thinking about structural mechanisms for solving dilemmas of trust focuses on the efficacy of incentive systems at inducing trust and cooperation (Yamagishi 1986). In these cases, an outside agency (e.g., a government) is implemented that either reinforces cooperation (by providing a bonus to those who are most cooperative and trusting in their actions), or punishes noncooperation (by imposing a penalty on those who are least cooperative and untrustworthy in their behavior). There is evidence that reward systems are more effective in inducing cooperation than penalty systems, which are more effective than no system (McCusker and Carnevale 1995).

Reducing Reliance on Trust

Even when the necessary and sufficient conditions for complete trust between them do not readily exist, interdependent groups may be able to make some progress in trust-building by reducing their initial dependence on trust. Noting that it is hard for people to cooperate in the absence of trust, Carnevale and Pruitt (2000) have argued that, when there is a desire or necessity to engage in exchange relationships between groups, but trust between them is low, it may be possible to reduce reliance on trust by making decisions reversible or subject to renegotiation. In effect, an escape from any particular commitment is made possible should the other party prove untrustworthy. In a perhaps

ironic or paradoxical sense, having an *alternative* to trust paves the way for individuals to begin to “trust”—even if it is the case that initially that trust is really trust in the efficacy of the alternative to trust. In effect, by having a substitute or proxy for trust building, trust can be built. In support of this logic, Deutsch (1973) observed higher levels of cooperation in a Prisoner’s Dilemma when both parties were free to reverse their decisions again and again until mutually satisfactory outcomes were obtained. By not having to bet all of their chips on trust alone, they could, in effect, take the risks that trust normally allows in such mixed-motive situations. In the context of intergroup relations, such reversibility might be manifested as a rule, either explicitly stated or tacitly assumed, that no agreements are final until all points of contention have been mutually agreed upon by the leaders or representatives from both groups. This rule makes it possible to concede on some issues without full assurance that the other side will concede on all of the others that await resolution. Importantly, invocation of the rule by one group or the other will not be attributed to bad faith. In other words, backing out of a previous agreement or asking that an issue be revisited will not be viewed as a defection, but rather a legitimate and agreed-upon part of a process for conflict resolution—and, perhaps, a helpful signal that something is missing in the current agreement or relationship.

Another strategy for reducing dependence on trust is to *fractionate* a conflict by decomposing complex, multi-issue relations into many small issues, so that the risk associated with reaching agreement on any one issue is relatively low (Fisher 1964). A representative from one group can usually make a tiny cooperative move or gesture even if trust is low, and then wait to see if the other reciprocates before taking the next tiny move. Representatives can sometimes move toward settlement using this strategy by each making small concessions that are reciprocated by the other until they arrive at a common position. Much like GRIT, this strategy greatly reduces the perceived risk of misplaced trust. It has the additional benefit, as with “piecemeal reciprocity,” that the parties learn over time that reaching agreement is possible (i.e., that it is possible to trust the other along at least some dimensions or, especially with respect to reliable compliance with mutually agreed-upon, even if suboptimal, procedures). Success on these early and comparatively easy issues may then build momentum and increase confidence on subsequent, more thorny issues, leading over time to greater trust between the groups.

INGROUP-OUTGROUP TRUST IN PERSPECTIVE: SOME CONCLUSIONS AND DIRECTIONS FOR FUTURE RESEARCH

A primary aim of the present article has been to review and assess recent theory and empirical research on the role of trust in ingroup-outgroup relations. I suspect the research optimist, encountering this large and burgeoning literature for the first time,

might easily see the glass as impressively half-full. Intergroup relations theorists interested in harvesting the benefits of trust can draw on a much broader set of tractable ideas regarding the origins and bases of such trust than were available even only a few years ago. Viewed in aggregate, this body of theoretical and empirical work amply attests to the fact that trust-building efforts, when properly understood and implemented, might play a vital and productive role in improving intergroup relations. Equally impressive has been progress with respect to innovative methodologies for studying trust across the social science disciplines (see Kramer 2013, 2015 for reviews of this literature).

Although acknowledging these gains, the research pessimist might be more likely to perceive the glass as half-empty. Although their efficacy has so often been demonstrated in the relatively benign environment of the experimental laboratory, much remains unclear as to the real efficacy of such approaches in more challenging and complex real-world contexts. There remain, for instance, a dearth of studies that have examined intergroup trust in specific real-world contexts. Trust researchers remain unduly fond of simple experimental trust games that offer only severely decontextualized venues for studying the richness of trust-related phenomenology and behavior. Clearly, much more can and need be done in terms of developing more comprehensive and integrative theory regarding the role of trust in real-world intergroup relationships. Such a concerted effort would contribute to the development of a more truly interdisciplinary conception of trust in intergroup relations.

To elaborate a bit on this point, it is worth noting that much of the social psychological theory and research on intergroup relations has focused primarily on the role that cognitive processes play in intergroup perception and judgment (see Sedikides, Schopler, and Insko 1998 for a representative overview of this approach to the study of intergroup relations). In exploiting and extending basic social cognitive theory and method so energetically, the social contextual bases of judgment and decision processes have been largely pushed to the sidelines.

In many respects, such artificial bracketing is exemplified in extremis in many of the prominent experimental paradigms in which strangers come into the laboratory; are presented with a stylized conflict situation and set of abstract numerical payoffs; and are asked to attempt to reach agreement. In such situations, there is little social relational past, nor does the shadow of the future loom large. Not surprisingly, therefore, the processes observed in these settings tend to resemble precisely the sort of purely cognitive, strategic, calculative, rational, and asocial activity portrayed in most economic and game-theoretic models of bargaining.

In concluding, I would argue that a more complete and multidisciplinary theoretical account of the historical, social, and cultural bases and consequences of ingroup-outgroup trust would go a long way toward addressing the limitations of extant theory and research. In particular, such a multidisciplinary account might help shift attention to more systematic appraisal of the broader social, structural, and institutional bases of trust between groups.

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P A R T I I

WHERE DOES SOCIAL TRUST COME FROM?

CHAPTER 7

BIOLOGICAL AND PSYCHOLOGICAL INFLUENCES ON INTERPERSONAL AND POLITICAL TRUST

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LEVELS of interpersonal and political trust undoubtedly ebb and flow in response to external stimuli. Despite the variability in one's environment, there is good reason to believe that interpersonal and political trust also originate from individual characteristics. In this chapter, we focus on the impact of biology and personality on trust. Biological factors and personality traits constitute relatively stable individual differences that influence perceptions, evaluations, and orientations toward the social and political world. Research on trust has examined both factors, and we review this literature in our chapter. The first section considers the role of biology in shaping trust, and the second examines trust as a dimension of personality and as an individual orientation that can be shaped by personality. In response to the personality literature, we then present a brief statistical analysis of the impact of personality traits on interpersonal and political trust. The last section summarizes the discussion and suggests avenues for future research.

BIOLOGY AND TRUST

Biology provides an important source of interindividual variation in attitudes and behavior, with approximately 20,000 genes contributing to individual differences. At the same time, a person's biological composition does not fundamentally change from

situation to situation, so biological traits can serve as an intraindividual anchor for one's attitudes and behavior. Hence, as a general matter, biology can be conceived of as a source of variation in trust across individuals, and also as a source of consistency over time within a given person.

Biology's role as an anchor for attitudes and behavior has begun receiving attention in the social sciences, and researchers have started to investigate the relationship between biology and trust. This approach has been multifaceted due to the inherent complexities of studying biology and human behavior. The literature acknowledges that such factors as genes, hormones, and the brain may all be connected to generalized and political trust. Research outside of the trust literature also implies that involuntary physiological responses may be associated with trust attitudes. This section reviews the extant work in all of these domains.

For biology to influence trust, the latter must be heritable. Heritability estimates indicate the portion of variation across individuals in any construct that traces to biology, as opposed to environmental factors. Importantly, baseline heritability estimates do not tell us how or why biology matters for the phenomenon under consideration, only how much. If trust is at least partially heritable, then further research could demonstrate the processes by which genes and other biological factors influence trust.

To study the heritability of trust, several scholars (Cesarini et al. 2008; Hiraishi et al. 2008; Oskarsson et al. 2012; Sturgis et al. 2010; Weber et al. 2011) have turned to twin studies, which compare MZ (monozygotic, or so-called identical) and DZ (dizygotic, or fraternal) twins. Because MZ twins share 100% of their genetic content while DZ twins share an average of 50%, any differences in trust between the former and the latter would facilitate an estimate of heritability, assuming MZ and DZ twins are comparable apart from variation in shared genes.¹ The twin studies show that a significant amount of the variation in interpersonal trust is heritable, with estimates ranging from 14% to more than 30% for survey-based measures of trust (Hiraishi et al. 2008; Oskarsson et al. 2012; Sturgis et al. 2010) and from 10% to 32% for trust measured behaviorally in the trust game (Cesarini et al. 2008).² These findings appear to be consistent across many economically developed countries, with respondents coming from Australia (Sturgis et al. 2010), Japan (Hiraishi et al. 2008), Sweden (Cesarini et al. 2008; Oskarsson et al. 2012), and the United States (Cesarini et al. 2008). In contrast, a study of twins and other relatives in the Netherlands found only 5% of the variation in interpersonal trust to be heritable (Van Lange et al. 2014).³ If only twins are considered, the heritability estimate rises to 16%, which is more consistent with the other findings.

We are aware of only one twin study (Weber et al. 2011) that investigates the heritability of political rather than interpersonal trust.⁴ For all respondents, Weber et al. find heritability estimates of 24%, 26%, and 18% for trust in federal, state, and local government, respectively. The heritability of federal and state trust is marginally significant ($p < 0.10$), whereas the heritability of local trust is insignificant. When Weber et al. separate male and female respondents, interesting patterns emerge. For men, the heritability of political trust is significant ($p < 0.01$) across all three levels, with estimates ranging from 39% to 53%. Although the direct genetic influence for women is

not significant, Weber et al. report a significant gene–environment interaction that shows a greater amount of genetic expression for women when they live in states with high average female incomes.⁵ This evidence suggests that the impact of genetic factors on political trust is higher for women in environments with more opportunities and resources for economic success.⁶ This study reinforces the idea that biology can serve as an anchor for levels of trust, which can then be bolstered or undermined by environmental factors.

If trust is partly heritable, the next logical question is *how* biology influences interpersonal and political trust. This is where studies on genes, hormones, the brain, and involuntary physiological reactions take center stage. Most of this research has investigated the biological roots of interpersonal trust, but several studies have explored political trust or closely related concepts. We now turn to this literature, starting with work on genes.

Researchers have used two options to study the connection between particular genes and trust. The first is the candidate-gene approach, which highlights the impact of variation in specific genes on interpersonal trust and other prosocial decisions, attitudes, and characteristics. Scholars have investigated several genes that might be related to trust, including hormone receptors and the monoamine oxidase A (MAOA) gene.

Recognizing that the hormone oxytocin promotes affiliative behavior in mammals, scholars have examined whether particular variants, or alleles, in the oxytocin receptor gene influence trust (Apicella et al. 2010; Krueger et al. 2012; Reuter et al. 2009; Tabak et al. 2014); third-party perceptions of trustworthiness, kindness, and compassion (Kogan et al. 2011); a prosocial temperament (Tost et al. 2010); and generous responses in the dictator game (Apicella et al. 2010; Israel et al. 2009) and the social values orientation task (Israel et al. 2009).⁷ Aside from the weak results of Apicella et al., these studies find that variation in the oxytocin receptor gene is associated with variation in prosocial decisions and characteristics. Researchers also have investigated the impact of the arginine vasopressin 1a receptor (AVPR1a) gene (Knafo et al. 2008), the dopamine D4 receptor (DRD4) gene (Zhong et al. 2010), and the MAOA gene (Mertins et al. 2011) on prosocial decisions and attitudes. Knafo et al. identify a connection between AVPR1a variation and allocations in the dictator game, as well as self-expressed altruism; and Zhong et al. show that DRD4 variation influences a person's fairness preference in the ultimatum game.⁸ Mertins et al., meanwhile, find that men and women with low-activity MAOA alleles respond differently to the opportunity to voluntarily contribute to public goods provision. Because these attitudes and behaviors relate only indirectly to trust, we encourage researchers to focus on the connection between these genes and trust in future work.

The second approach to studying the connection between genes and trust is a genome-wide search for potential candidate genes to investigate in future hypothesis testing (Hatemi et al. 2011). Benjamin and his colleagues (2012) employ this technique in their study of interpersonal trust and other attitudes. This study reports that common single nucleotide polymorphisms (SNPs) explain a significant portion (24.2%) of the variance in trust.⁹ It should be noted that genome-wide research is controversial,

and it is prudent to interpret such research cautiously. With some 20,000 genes under consideration, many statistically significant effects may be substantively trivial, and even may arise due to chance. To guard against false-positive results, replication of initial tests with multiple independent samples is to be encouraged.

The existing literature using candidate-gene and genome-wide approaches sheds some light on the link between biology and trust. Results suggest that variation in certain hormone receptors and other genes can be linked to trust and other prosocial attitudes. Genome-wide research also indicates that variation in trust can be partially explained by genes. However, these studies have focused primarily on interpersonal trust. We therefore recommend that future research also investigate the genetic correlates of political trust.¹⁰ Although incomplete, this literature has demonstrated a general link between genes and prosocial attitudes such as trust. In addition, candidate-gene studies have highlighted the relevance of certain hormones to trust.

Scholars also have investigated the direct effects of hormones on prosocial responses outside of candidate-gene and genome-wide research. Studies have examined several hormones, namely oxytocin (Barraza and Zak 2009; Baumgartner et al. 2008; De Dreu et al. 2010; Kosfeld et al. 2005; Merolla et al. 2013; Mikolajczak et al. 2010; Rilling et al. 2012; Zak et al. 2005; Zak et al. 2007), arginine vasopressin (Rilling et al. 2012; Thompson et al. 2006), cortisol (Takahashi et al. 2005), estrogen (Zak and Fakhar 2006), and testosterone (Bos et al. 2010).

Oxytocin is one of the most well-researched hormones linked to prosocial responses such as interpersonal and political trust. Studies have found higher levels of oxytocin to be associated with greater reported interpersonal trust (Merolla et al. 2013), more money provided to the trustee in the trust game (Kosfeld et al. 2005), more money returned to the investor in the trust game (Zak et al. 2005), more generous offers in the ultimatum game (Barraza and Zak 2009; Zak et al. 2007), more cooperation in an iterated Prisoner's Dilemma game compared with subjects administered arginine vasopressin (Rilling et al. 2012), and a disinclination toward distrust in the trust game after being informed about trustee shirking in previous rounds (Baumgartner et al. 2008).¹¹ Zhong et al. (2012) also show that the relationship between baseline plasma levels of oxytocin and investor behavior in the trust game is curvilinear, with individuals at medium levels exhibiting the least amount of trust.¹² Furthermore, oxytocin interacts with the potential target of trust, resulting in more money provided to trustworthy trustees in the trust game (Mikolajczak et al. 2010) and encouraging intragroup cooperation but discouraging intergroup cooperation (De Dreu et al. 2010).¹³ Lastly, Merolla and her colleagues (2013) report that oxytocin encourages political trust primarily among Democrats and individuals with low pretest levels of generalized trust.¹⁴ These results indicate that the impact of oxytocin on trust depends on the characteristics of the "investor" and the "trustee."

Although oxytocin is the best-studied hormone linked to trust, scholars have also examined cortisol, testosterone, estrogen, and arginine vasopressin. Studies find that stress-induced cortisol reduces reported interpersonal trust (Takahashi et al. 2005); sublingually (i.e., under the tongue) administered testosterone decreases generalized

trust, especially among those with high baseline levels of trust (Bos et al. 2010); societies that consume more plant-based estrogens exhibit greater interpersonal trust (Zak and Fakhar 2006); and arginine vasopressin increases the perceived friendliness of unfamiliar female faces for women but decreases the perceived friendliness of unfamiliar male faces for men (Thompson et al. 2006).¹⁵

In addition to genes and hormones, researchers have investigated the roles of various regions of the brain during trust decisions. These studies explore whether trusting responses are associated with activity and activation in several areas of the brain, including the anterior cingulate cortex, the septal area, the midbrain regions, the orbitofrontal cortex, and the parietal lobe (Adolphs et al. 1998; Baumgartner et al. 2008; Bos et al. 2012; Boudreau et al. 2009; Dimoka 2010; King-Casas et al. 2005; Krueger et al. 2007).

The methodological approaches used in this literature are diverse. To measure brain activity and activation, most of these studies employ neuroimaging techniques, namely electroencephalogram (EEG) (Boudreau et al. 2009) and functional magnetic resonance imaging (fMRI) (Baumgartner et al. 2008; Bos et al. 2012; Delgado et al. 2005; Dimoka 2010; King-Casas et al. 2005; Krueger et al. 2007; Rilling et al. 2004; Stanley et al. 2012). These techniques allow investigators to display, track, and analyze the levels of activity within distinct regions of the brain. The methods have been used to study trusting responses of one individual at a time (Baumgartner et al. 2008; Delgado et al. 2005; Dimoka 2010; Rilling et al. 2004) and to gather such data from participants in a dyadic interaction (King-Casas et al. 2005; Krueger et al. 2007).

Brain studies also differ in their measurement of prosocial responses. One study inquires about the trustworthiness of unfamiliar faces (Adolphs et al. 1998), a second asks subjects about fictitious sellers on eBay that vary in their trustworthiness (Dimoka 2010), a third uses a series of single-shot Prisoner's Dilemma games (Rilling et al. 2004), a fourth asks respondents to agree or disagree with a fictitious person's report of a coin flip in another room (Boudreau et al. 2009), and still others employ a variant of the trust game (Baumgartner et al. 2008; Delgado et al. 2005; King-Casas et al. 2005; Krueger et al. 2007; Stanley et al. 2012). Even the studies in this last category differ in terms of the number of actual human participants, the roles subjects play in the trust game, and the nature of the reputations of potential targets of trust.

These methodological differences contribute to some discordant results about the role of certain brain regions in trust decisions. Results on the role of the striatum, a brain region associated with regulation of movement as well as behavioral responses to external stimuli, are decidedly mixed. Dimoka (2010) reports that trustworthy, rather than untrustworthy, eBay sellers trigger activation in the caudate nucleus and putamen, the two sectors of the dorsal striatum associated with anticipating rewards. Baumgartner et al. (2008) show that caudate nucleus activation is actually higher for subjects in the placebo group after they learn about trustee shirking. Studying the striatum more generally, Stanley et al. (2012) detect higher activation for this region in trust game interactions with individuals from the racial group perceived as less trustworthy. By contrast, Delgado et al. (2005) find that caudate nucleus activation is higher only

for investors interacting with trustees that possess neutral reputational credentials. Replication of these studies might enable scholars to determine whether the striatum responds to reputations in the same way across multiple contexts, or whether activation of this brain region varies from situation to situation.

Although results on the striatum are somewhat mixed, findings in the trust literature about other regions of the brain are more consistent. For instance, studies indicate that individuals typically respond to a target's reputation by using the amygdala, the septal area more generally, and the anterior cingulate cortex to make trust decisions (Adolphs et al. 1998; Baumgartner et al. 2008; Dimoka 2010; King-Casas et al. 2005; Krueger et al. 2007). The primary exception occurs for individuals subject to increased levels of oxytocin, who actually experience less amygdala activation (Baumgartner et al. 2008).¹⁶ Testosterone administration also reduces the link between the orbitofrontal cortex and the amygdala while increasing amygdala activation during the evaluation of faces viewed as untrustworthy (Bos et al. 2012). These results are sensible, given that the amygdala, orbitofrontal cortex, septal area, and anterior cingulate cortex are associated with fear processing (Baumgartner et al. 2008), assessment of facial trustworthiness (Bos et al. 2012), social attachment behavior (Krueger et al. 2007), and predicting others' actions (Dimoka 2010), respectively. These studies provide insight into the portions of the brain that govern decision-making in trust situations.

Finally, scholars interested in the link between biology and trust could investigate the connection between involuntary physiological responses and trust. To our knowledge, no one has used this approach to examine interpersonal or political trust, but the technique has been employed for other dependent variables, such as political ideology and policy positions (Oxley et al. 2008; Smith et al. 2011). In a study closely related to political trust, Wagner and his associates (2015) collected physiological (i.e., electrodermal activity) and self-reported emotional responses to being presented with an image of U.S. President Barack Obama. Both the physiological and the self-reported variables helped to explain variation in job approval and attitudes about health care reform. Given that job approval and political trust are forms of political support,¹⁷ the study by Wagner et al. suggests that future research would detect a link between involuntary physiological responses and political trust.

The extant literature has used several techniques to examine the relationship between biology, broadly conceived, and trust. At the most basic level, scholars have investigated whether trust has a genetic component, and is thus heritable. Twin studies have shown that interpersonal and political trust both appear to have some genetic component. Taking this analysis further, scholars have used candidate-gene and genome-wide studies to investigate which portions of the human genome are most responsible for explaining differences in trust across individuals. Given that much of this explanation involves the reception of hormones, other scholars have explored the direct effect of various hormones, such as oxytocin and cortisol, on trust. Studies have also used neuroimaging techniques to identify which portions of the brain are most associated with regulating trust decisions. The bulk of this literature has focused on interpersonal trust and other prosocial relations, but a limited number of studies have turned to political

trust. The methodologies and findings employed in the research on interpersonal trust may be informative in future work on biology and political trust. Further trust scholarship in both domains is to be encouraged.

PERSONALITY AND TRUST

Like biology, personality represents a stable source of individual differences. We define personality as a relatively enduring and internal psychological structure that promotes patterns in attitudes and behaviors. Psychologists differ on some of the particular elements constituting personality, but most would agree that traits are basic units of personality (e.g., John et al. 1988; Kreitler and Kreitler 1990).¹⁸ Traits refer to general behavioral tendencies, such as an extravert being more likely than an introvert to attend social gatherings and to interact with strangers. Individuals' scores on personality batteries tend to remain fairly stable in longitudinal studies (Costa and McCrae 1988; Digman 1989; Rantanen et al. 2007). Talkative and gregarious people rarely become extreme introverts; in fact, a six-year study (Costa and McCrae 1988) reports a stability coefficient of 0.82 for extraversion. Recent research (Bloeser et al. 2015) also has found that the effects of personality on political attitudes and behaviors are consistent over time, suggesting that personality produces an inertial effect on political behavior.

Because biology and personality are temporally stable and because the former precedes the latter, a natural question is whether personality mediates the relationship between biology and trust. The mediation hypothesis dates back to Eysenck (e.g., Eysenck 1954; Eysenck and Wilson 1978) and was recently updated by Mondak and his colleagues (2010). According to this framework, biology constitutes the primary antecedent of personality traits, which then influence political behavior via mediation and interaction with environmental factors (Mondak et al. 2010). Two strands of empirical research corroborate this theoretical perspective. First, studies have shown that a sizable portion of personality traits is heritable (Eaves et al. 1998; Heath et al. 1992; Jang et al. 1996; Lake et al. 2000; Pilia et al. 2006; Riemann et al. 1997). For example, Riemann et al. (1997) report heritability estimates as high as 0.81 based on peer-report measures of personality. Second, studies have concluded that personality mediates the relationship between biology and interpersonal trust (Hiraishi et al. 2008; Oskarsson et al. 2012). Hiraishi and his colleagues, for example, find that the genetic influence of extraversion and agreeableness together accounts for 15% of the variation in interpersonal trust. Meanwhile, Oskarsson et al. reveal a significant genetic influence of extraversion on trust that differs between men and women: Among men, extraversion explains only 6% of the genetic variance in social trust, whereas this figure is 20% for women.

As noted in the previous section, researchers have measured biology by turning to heritability, genes, hormones, activation of brain regions, and involuntary physiological responses. Unlike the methodological diversity present in biological studies, most

personality literature uses self-reports from a personality battery to measure an individual's trait structure (e.g., Bernardin et al. 2000; Caspi et al. 2006; Hibbing et al. 2011). Strong correlations of self-reports with observer reports (Connolly et al. 2007) imply that most individuals provide honest and accurate assessments of their own personality characteristics.¹⁹ Therefore, measuring personality is no more complicated than inserting personality items on a survey.

Scholars interested in personality and trust have taken two basic paths. The first conceptualizes generalized trust as a personality trait and estimates the relationship between this form of trust and political trust. The second approach utilizes a broader personality framework to understand the impact of psychological characteristics on political trust and interpersonal trust. We explicate each path in the following section.

Generalized Trust as a Personality Trait

The heritability of generalized trust (e.g., Oskarsson et al. 2012; Sturgis et al. 2010) implies that some individuals are more naturally inclined than others to expect strangers to treat them in good faith. Since individuals act on their trust or distrust, one could conclude that interpersonal trust fits the definition of a trait as an enduring and internal psychological structure that manifests itself in behavioral patterns. Further support for this perspective comes from three sources. First, scholars often refer to generalized trust as a component of personality (Aberbach and Walker 1970; Ambler 1975; Couch et al. 1996; Couch and Jones 1997; Cole 1973; DeNeve 1999; DeNeve and Cooper 1998; Mishler and Rose 2001; Mooradian et al. 2006; Newton 1999; Newton and Norris 1999; Rosenberg 1956, 1957). Second, interpersonal trust and other measures of personality exhibit high levels of longitudinal stability. Using multiple panel surveys from the United States, Uslaner (2015) reports that as many as 80% of respondents provided the same answer over time to the same interpersonal trust item; and Rantanen et al. (2007) find that nine-year test–retest correlations for the Big Five personality traits ranged from 0.55 to 0.81 for women and 0.64 to 0.81 for men. Third, scholars have incorporated trust or distrust into extant personality measures, such as the agreeableness dimension of the Big Five (John et al. 2008) and the vigilance factor of Cattell's Sixteen Personality Factor Questionnaire (16PF) (Cattell 1957; Cattell and Mead 2008).

With the personality classification in mind, researchers have argued that high levels of interpersonal trust increase a person's confidence in political actors and institutions. Referring to generalized trust as a personality trait, Aberbach and Walker (1970, 1202) cite Lane's (1959, 164) classic articulation of this hypothesis: "If one cannot trust other people generally, one can certainly not trust those under the temptation of and with the powers which come with public office. Trust in elected officials is seen to be only a more specific instance of trust in mankind." Other studies exploring the link between interpersonal and political trust have classified the former as a personality trait (Ambler 1975; Cole 1973; Mishler and Rose 2001; Newton 1999; Newton and Norris

1999). Researchers also have investigated this relationship without referring to generalized trust as a component of personality (Lühiste 2006; Yang and Tang 2010).

The empirical literature generally concludes that the correlation between interpersonal trust and political trust is positive but modest in magnitude. Newton and Norris (1999), for instance, find that interpersonal trust is positively and significantly related to trust in public institutions in 17 countries in the postindustrial West, but the magnitudes of the correlations do not surpass 0.09. Meanwhile, Mishler and Rose's (2001) study of 10 post-Communist countries reports that the relationship between interpersonal and political trust switches from being positive and significant in the zero-order correlation to being negative and insignificant in the multivariate regression.²⁰

These findings suggest that generalized trust provides only limited insight into the influence of personality on political trust. Although this research contributes to the literature by showing that a general predisposition influences specific attitudes in the same domain, such a conclusion is not particularly surprising. Moreover, the modest results imply that other aspects of personality could influence political trust, and focusing exclusively on interpersonal trust would harm theory-building by foreclosing opportunities to identify other means by which personality affects confidence in political actors and institutions. From this perspective, a broad-scale personality framework—such as the Big Five framework—may generate more fruitful and interesting results while also allowing personality scholars to integrate their research with other findings that rely on the same set of traits. This approach promotes cumulative theory-building and avoids the temptation to turn to a different personality trait for each dependent variable. A broad-scale personality framework thus would enable political scientists to resist the ad hoc inquiry in the field of personality and politics described more than 40 years ago by Paul Sniderman (1975, 16):

[T]he field of personality and politics has acquired a jerry-built appearance. Observation suggests that political scientists inspect the array of psychological hypotheses, personality theories, and experimental findings like single-minded customers at a bargain counter, each bent on obtaining whatever suits his or her immediate purpose. The upshot is a melange of ideas, borrowed from disparate sources, sometimes tested but more often intuitive and anecdotal in character.

In addition to weak results, problems in operationalization plague the literature on generalized trust as a personality trait. Personality batteries typically instruct respondents to assess themselves on characteristics such as extraversion or emotional stability (e.g., Goldberg 1992; Gosling et al. 2003), so if scholars want to measure personality, they ideally would use interpersonal trust questions that ask respondents to rate themselves on the extent to which they trust others. Instead, generalized trust items typically focus on the trustworthiness of other people (Aberbach and Walker 1970; Cole 1973; Newton 1999; Newton and Norris 1999; Uslaner 2002).²¹ These questions, in other words, are directed outward at other people instead of inward at the respondent. One partial solution would be to validate these measures against standard personality batteries about

trust, such as Big Five items, on the trust facet of agreeableness (Costa and McCrae 1995; Goldberg 1992).

Trust and the Big Five Personality Framework

The Big Five trait dimensions of openness, conscientiousness, extraversion, agreeableness, and emotional stability address many of the concerns associated with employing interpersonal trust as a personality trait.²² First, the Big Five framework offers a relatively comprehensive and efficient summary of an individual's trait structure. The broad scope of the five-factor model enables scholars to explore multiple avenues by which personality may influence interpersonal and political trust, as opposed to a route centered on one trait. In spite of this breadth, the Big Five traits are not so numerous as to become unwieldy. Whereas Allport and Odbert (1936) identify 4,504 personal traits, researchers in the Big Five tradition (e.g., McCrae and Costa 1987; McCrae et al. 1998; Tupes and Christal 1958, 1961) have used factor analysis to demonstrate that responses to personality batteries typically produce an orthogonal, five-factor solution with the trait dimensions listed above.²³ This finding indicates an efficient organization of trait structure and facilitates proficiency and cumulative theory-building in empirical research on the impact of personality on attitudes and behavior. Instead of studies including a vast number of closely related traits (e.g., talkativeness and shyness), they can group responses to these items into the relevant dimension of the Big Five framework (in this case, extraversion).²⁴ Furthermore, different studies can examine the impact of the same trait dimension, rather than emphasizing different facets of the same factor and possibly failing to highlight how their findings connect (or fail to connect) to one another.

Second, Big Five personality batteries ask respondents to evaluate themselves on the various trait dimensions. The Ten-Item Personality Inventory (TIPI), for example, instructs respondents to "rate the extent to which the pair of traits applies to you" (Gosling et al. 2003, 525). This inward focus contrasts with the outward focus of most measures of generalized trust.

Due to the advantages of the five-factor model, scholars have used the Big Five to investigate the influence of personality on a variety of attitudes and behaviors, including interpersonal and political trust.²⁵ In the remainder of this section, we describe the characteristics associated with the Big Five, discuss why each might be related to interpersonal and political trust, and summarize evidence from extant research.

People high in openness to experience are creative, adventurous, perceptive, inquisitive, and attracted to ideas (John et al. 2008). These individuals prefer novel to mundane experiences and are therefore less attached to their current employer (Moss et al. 2007) and are more willing to switch jobs (Timmerman 2006) and emigrate to another country (Canache et al. 2013). This constant search for innovation also influences the political opinions of open individuals, who tend to hold a left-leaning ideology (Gerber

et al. 2010; Mondak 2010). As noted by van der Meer et al. (2009), leftist ideologies challenge the status quo and promote political protest.

These characteristics have implications for interpersonal and political trust. Due to their willingness to engage in new experiences, individuals high in openness may be inclined to trust other individuals to reap the benefits associated with successful novel relationships (Yamagishi et al. 1999). Such opportunities involve risk with unknown individuals, but high levels of openness are positively associated with risk taking (Ben-Ner and Halldorsson 2010; Booth-Kewley and Vickers 1994; Schmitt et al. 2004) and with social intelligence (Shafer 1999), a broad concept including social competence, objectivity, and an inquiring intellect.²⁶ Dinesen et al. (2014) also suggest that individuals high in openness will exhibit greater levels of interpersonal trust because of their penchant for tolerance and open-mindedness. These findings and arguments collectively indicate that openness is positively associated with interpersonal trust, and multiple studies uncover exactly such a relationship (Couch et al. 1996; Dinesen et al. 2014; Dohmen et al. 2008; Freitag and Bauer 2016; Hiraishi et al. 2008; Montoro et al. 2014).²⁷

Although openness to experience has often been linked to behaviors that should be positively associated with interpersonal trust, multiple factors suggest that openness and political trust may be negatively related. First, individuals high in openness are inquisitive and thus may refuse to blindly trust public officials and institutions. Second, the personal and political preferences of open individuals reveal their affinity for perpetual innovation and their high expectations for government performance (Voortman 2009) rather than acceptance of the status quo. Political trust may be a rare attitude among citizens who value improvement. Third, research indicates that the negative relationship between openness and trust is due to the greater amount of political knowledge held by open individuals (Mondak 2010). The perceptive and inquisitive nature of individuals high in openness readily explains the relationship between this trait dimension and political knowledge, but the connection between knowledge and political support deserves further explanation. Research in the United States (Mondak et al. 2007) and the Netherlands (Grimmelikhuijsen 2010) indicates that less knowledgeable individuals evaluate a political institution more positively on the basis of questionable criteria, such as evaluations of noninstitution political actors. Therefore, openness may produce greater knowledge and thereby reduce trust by shifting evaluative criteria to more pertinent, and negative, considerations. Findings in the personality literature support these arguments, as studies have identified a negative relationship between openness and trust in political actors and institutions (Anderson 2010a, 2010b; Mondak and Halperin 2008; Mondak et al. 2017).²⁸

The next personality trait we consider is conscientiousness. High scores on this trait dimension are associated with orderliness, self-discipline, and competence (John et al. 2008). As might be expected, the highly conscientious tend to (1) excel in their occupations due to their penchant for industriousness (Barrick and Mount 1991) and (2) possess conservative or right-leaning ideological preferences due to their concern for caution and order (Gerber et al. 2010; Mondak 2010).

These findings imply that high levels of conscientiousness reduce interpersonal trust. The highly conscientious may be aware that others are not as hard-working and dependable as they are, and their inclination toward caution may motivate low levels of generalized trust. Moreover, the connection between this trait dimension on one hand and achievement-striving and high aspiration levels on the other (Costa and McCrae 1995; John et al. 2008) may reduce the inclination of the highly conscientious to inflate ratings of other people (Bernardin et al. 2000). Consistent with this logic, Dinesen et al. (2014) and Dohmen et al. (2008) report negative relationships between conscientiousness and generalized trust, and Freitag and Bauer (2016) find that conscientiousness is associated with less trust in both friends and strangers.

Insignificant findings in the literature suggest that conscientiousness is unrelated to political trust (Anderson 2010a, 2010b; Mondak et al. 2017; Mondak and Halperin 2008).²⁹ These results may be due to contradictory forces. On one hand, we might expect the highly conscientious to trust political actors and institutions out of a sense of duty. On the other hand, the tendency of individuals high in conscientiousness to be cautious and to provide lower peer ratings may reduce political trust.³⁰ Freitag and Ackermann (2016) also report null results in their test of the direct impact of conscientiousness on political trust in Switzerland. However, they find a significant negative interaction between conscientiousness and direct democracy, suggesting that conscientiousness reduces political trust in cantons with higher levels of direct democracy. This is a sensible effect given the negative relationship between conscientiousness and interpersonal trust; if conscientious individuals tend to distrust others, they will react negatively when those others have a greater say in government.

Next, we consider the trait dimension of extraversion. Extraverts are sociable, assertive, and adventurous (John et al. 2008) and therefore likely to make more friends (Asendorpf and Wilpers 1998), have larger political discussion networks (Mondak et al. 2010), and engage in political protests and community political involvement (Mondak et al. 2011).

The extravert's sociable character forms the basis of our expectations for the impact of this trait dimension on trust. Because extraverts thrive on social interaction, we anticipate that extraversion will encourage generalized trust. Furthermore, Hiraishi et al. (2008) and Oskarsson et al. (2012) argue that the desire for interpersonal engagement will motivate extraverts to trust strangers to benefit from successful new relationships. Although some studies report null findings for this hypothesis (e.g., Anderson 2010b; Dohmen et al. 2008; Freitag and Bauer 2016; Mondak and Halperin 2008), most of the significant results are consistent with this argument (Anderson 2010a; Dinesen et al. 2014; Hiraishi et al. 2008; Mondak et al. 2017; Oskarsson et al. 2012).³¹ Research on gregariousness (Couch et al. 1996) and shyness (Couch and Jones 1997) also reveals positive and negative relationships with generalized trust, respectively.

Whereas the extravert's interest in interpersonal interaction could facilitate generalized trust, the distant and somewhat impersonal character of political actors and institutions may attenuate political trust among the highly extraverted. Political institutions, by definition, are impossible to integrate into an individual's social network,

and extraverts are much more likely to interact with the mass public than with political elites. Results from Freitag and Ackermann (2016) and Mondak et al. (2017) are consistent with this argument.

The fourth trait we discuss is agreeableness. Facets of this trait dimension include affection, modesty, generosity, and compliance (John et al. 2008). These prosocial attributes imply that agreeableness and interpersonal trust would be positively related, and research generally has found this to be the case (Anderson 2010a, 2010b; Dinesen et al. 2014; Dohmen et al. 2008; Freitag and Bauer 2016; Hiraishi et al. 2008; Mondak and Halperin 2008; Mondak et al. 2017; Montoro et al. 2014).³² However, one of the facets of agreeableness is often interpersonal trust (John et al. 2008), so the relationship between these two factors is virtually assured to be positive when the personality battery measures this characteristic.³³ Recognizing this fact, Dinesen et al. and Hiraishi et al. have examined the relationship between trust and agreeableness without the trust facet and found a positive association between the two factors. Research also indicates positive relationships between generalized trust and the agreeableness facets of altruism, compliance, and tender-mindedness (Couch et al. 1996).

Higher levels of interpersonal trust could encourage trust in groups and institutions, and so we should see an association between agreeableness and political trust.³⁴ Individuals high in this trait also may appreciate the compromises often required to achieve elite agreement on public policy.³⁵ Consistent with these lines of reasoning, researchers (Anderson 2010a, 2010b; Mondak and Halperin 2008; Mondak et al. 2017) have found agreeable individuals to exhibit more political trust. An interesting caveat is offered by Freitag and Ackermann (2016), who find that agreeableness is strongly positively associated with political trust in Swiss cantons with fewer direct democracy initiatives, but this effect is muted in cantons where direct democracy is more common.

Finally, we consider emotional stability, which is characterized by low levels of anxiety, impulsiveness, irritability, and hostility (John et al. 2008). Furthermore, individuals high in emotional stability are more likely to report experiencing positive affect (Costa and McCrae 1980; David et al. 1997; Schimmack et al. 2002a, 2002b).

The attributes and effects of emotional stability easily lend themselves to high levels of interpersonal trust. Due to their positive affect and low levels of anxiety, irritability, and other antisocial attitudes, emotionally stable individuals face few barriers to trusting other people in their personal lives (Dinesen et al. 2014). Empirical findings support this argument (Dinesen et al. 2014; Dohmen et al. 2008; Hiraishi et al. 2008; Mondak et al. 2017; for a study with null results, see Freitag and Bauer 2016).

Positive effects also are expected when the focus turns to political trust. Individuals high in emotional stability perceive government employees and institutions as partners for success, rather than as potential threats to their well-being. Freitag and Ackermann (2016) and Mondak et al. (2017) report evidence consistent with this logic.³⁶

In sum, we expect interpersonal trust to be positively related to openness, extraversion, agreeableness, and emotional stability, and negatively related to conscientiousness. For political trust, we anticipate negative effects for openness and extraversion, positive effects for agreeableness and emotional stability, and insignificant effects for

conscientiousness. The next section presents a brief and original empirical assessment of these hypotheses.

Assessing the Impact of the Big Five on Trust

This section builds on our previous work on biology, personality, and political trust (Mondak et al. 2017). Due to the paucity of evidence on personality and political trust, that article used the 2010 AmericasBarometer to explore the impact of the Big Five on confidence in a variety of political institutions in 24 countries in the western hemisphere. We also briefly reported the effects of personality traits on generalized trust. The previous section of this chapter mentions these findings, but a brief summary would be helpful at this point. In the 2017 article, we found that (1) interpersonal trust was positively related to extraversion, agreeableness, and emotional stability; and (2) political trust was negatively associated with openness and extraversion and positively related to agreeableness, emotional stability, and (in one model) conscientiousness. These results are consistent with the hypotheses mentioned in the last section.

To expand on our previous work, we turn to an alternative dataset, the 2012 American National Election Study (ANES). This survey includes an item on interpersonal trust and thus allows us to replicate the results in the 2017 chapter and other works in the trust literature. Furthermore, the 2012 ANES asked about trust in political actors and institutions. We focus on the political trust battery in the preelection wave, which consists of the following items: trust in the government in Washington, expectations about government officials wasting tax money, beliefs about political corruption, and beliefs about the government being run for the benefit of all citizens. These questions thus tap into alternative types of trust without naming specific actors or institutions; the trust battery in the 2010 AmericasBarometer, meanwhile, identifies particular institutions, such as the national legislature. We thus have the opportunity to replicate our previous findings with different measurements of political trust.

We coded each of these variables so that higher values indicate more trust. Dependent variables had two, three, or five response options, and we used logistic regression for the outcome with two response options and ordinal logistic regression for the others.

The “trust the government in Washington” item warrants further explanation. Slightly more than half of the respondents were asked about their level of trust on a five-point scale while the other half used a four-point scale. The five-point scale included an option for “about half the time”, which the four-point scale omitted. We coded the four-point scale so that scores align with the appropriate ratings on the five-point scale. The combined measure ranges from 1 to 5.

In addition, we combined the four political trust items into a single dependent variable that provides a general summary of the impact of personality on political trust. The number of response options differs across the four constituent items, so we decided against a simple additive measure. Instead, we found that the four questions load on a single factor and thus used principal factor analysis with rotation. The numerous

response options prompted us to estimate the regression model for this outcome with ordinary least squares.

Our main independent variables are the Big Five, which were measured with the TIPI (Gosling et al. 2003).³⁷ The two items for each trait were combined so that higher scores refer to greater levels of openness, conscientiousness, extraversion, agreeableness, and emotional stability. Values range from approximately 0 to 1, and the means vary from 0.37 for extraversion to 0.64 for conscientiousness.

The models reported below also include several control variables, namely age, sex, wealth, partisanship, external efficacy, and internal efficacy.³⁸ With the exception of age, which is measured in years, all controls range from 0 to 1. Higher scores refer to being female, greater wealth, stronger affiliation with the Republican Party, and more external and internal efficacy. We also have specified appropriate variables for weight, stratum, and primary sampling unit (PSU) in order to employ the Taylor series method for conducting significance tests. The ANES recommends this method because of the complex design of the survey (De Bell 2010).

The results from these regression models are reported in Table 7.1. We start with interpersonal trust, which we expected to be positively related to extraversion, agreeableness, and emotional stability. The results in Table 7.1 support these hypotheses. In fact, the coefficients for these three variables are larger than the coefficients for age, sex, and internal efficacy.³⁹ We also find a negative effect for conscientiousness, which implies that the caution characteristic of people high in this trait results in less confidence in strangers (see also Freitag and Bauer 2016).

Meanwhile, we expected political trust to be negatively related to openness and extraversion, positively related to agreeableness and emotional stability, and insignificantly related to conscientiousness. The results in Table 7.1 support each of these hypotheses. Across the political trust models, we see a consistent negative relationship between openness and trust. This corresponds with the idea that people high in openness are less likely to blindly trust public officials and might have higher expectations and/or knowledge of the workings of government. The coefficient for extraversion, likewise, is negative and significant at the 0.10 level or better in two of the five models, which indicates that individuals high in this trait view distant political actors in a negative light. Meanwhile, the positive and consistent effects for emotional stability suggest that individuals high in this trait are not anxious about the actions of public officials or the workings of political institutions. The Washington and corruption models also indicate that the generosity characteristic of the highly agreeable encourage high levels of political trust. Finally, we expected insignificant conscientiousness effects, and the coefficient for this trait dimension is significant in only one of the four single-item dependent variables on political trust.

One additional note is that personality is not the dominant force in the political trust models. Instead, external efficacy and, to a lesser extent, partisanship take center stage. These results may be due to reverse causality (e.g., a lack of trust may lower perceived efficacy),⁴⁰ but they nevertheless remind us that personality is just one correlate of political trust.

Table 7.1 Personality and Trust in the 2012 ANES

	DV: Interpersonal trust	DV: Trust Washington tax money	DV: Not waste tax money	DV: Officials not corrupt	DV: Benefit of all citizens	DV: Combined political trust measure
Age	0.00* (0.00)	-0.00 (0.00)	-0.002*** (0.00)	0.01*** (0.00)	-0.00 (0.00)	-0.00* (0.00)
Sex	-0.21** (0.07)	-0.04 (0.09)	0.13 (0.09)	-0.19* (0.08)	0.26* (0.12)	0.01 (0.03)
Wealth	1.79*** (0.19)	-0.48* (0.19)	-0.30 (0.24)	0.53** (0.18)	-0.62* (0.26)	-0.11+ (0.06)
Partisanship	0.51*** (0.10)	-0.93*** (0.12)	-1.59*** (0.14)	-0.70*** (0.11)	-0.71*** (0.16)	-0.44*** (0.04)
External efficacy	0.67*** (0.14)	2.16*** (0.17)	2.14*** (0.18)	2.59*** (0.17)	2.35*** (0.20)	1.05*** (0.05)
Internal efficacy	0.39** (0.13)	-0.19 (0.16)	0.03 (0.18)	-0.02 (0.15)	-0.20 (0.20)	-0.00 (0.05)
Openness	-0.11 (0.19)	-0.41+ (0.21)	-0.44+ (0.23)	-0.75*** (0.20)	-0.68* (0.26)	-0.26*** (0.07)
Conscientiousness	-0.35* (0.17)	-0.27 (0.19)	-0.81*** (0.19)	0.08 (0.17)	-0.33 (0.23)	-0.17** (0.06)
Extraversion	0.57** (0.20)	0.32 (0.20)	-0.43+ (0.23)	-0.35* (0.18)	0.20 (0.25)	-0.02 (0.07)
Agreeableness	0.95*** (0.19)	0.41* (0.20)	-0.21 (0.23)	0.43* (0.19)	-0.25 (0.26)	0.06 (0.06)
Emotional stability	0.58** (0.19)	0.25 (0.18)	0.52* (0.21)	0.36+ (0.18)	0.48* (0.23)	0.16** (0.06)
Number of cases	5,200	5,187	5,182	5,134	5,109	5,040
Estimation method	Ordinal	Ordinal	Ordinal	Ordinal	Logistic	OLS

Notes: Cell entries are regression coefficients, with standard errors in parentheses. All models use the Taylor series method, which does not report pseudo R-squared statistics. As a result, model fits for all regressions are not reported but are available upon request. Likewise, information on constants, thresholds, and the number of strata and PSUs is omitted but is available upon request.

*** p < .001

** p < .01

* p < .05

+ p < .10.

CONCLUSIONS

This chapter has addressed the biological and psychological origins of interpersonal and political trust. A common link between these independent variables is the longitudinal stability of an individual's biological characteristics and personality traits. Indeed, personality is highly heritable, suggesting that psychological motivations may partially mediate the relationship between biology and trust. This finding provides ample reason to explore the impact of personality traits on generalized and political trust, but researchers also have investigated the biological roots of trust from several other angles. Heritability, candidate-gene, genome-wide, hormonal, and neuroimaging studies have provided the academic community with a wealth of information about trust. From this research, we know that trust is heritable, that particular genetic variations and common single nucleotide polymorphisms explain variation in interpersonal trust, that oxytocin and other hormones influence political and generalized trust, and that trusting situations activate particular regions of the brain. Meanwhile, the personality literature has found a modestly positive relationship between interpersonal and political trust. Studies utilizing the five-factor framework report that (1) generalized trust is positively associated with extraversion, agreeableness, and emotional stability; and (2) political trust is negatively related to openness and extraversion and positively related to emotional stability and agreeableness.

Our discussion in this chapter suggests three ways in which trust scholars can build on these findings in the biology and personality literatures. First, research on the biological correlates of political trust is much rarer than investigations on interpersonal trust. Multiple heritability, candidate-gene, hormonal, and neuroimaging studies have examined generalized trust, but we are aware of only one heritability study (Weber et al. 2011) and one hormonal study (Merolla et al. 2013) on political trust. Biological research on political trust not only could model its methodological approach after the interpersonal trust studies but also could determine whether the findings generalize to the political realm. Second, we highlighted research on involuntary physiological reactions as a potentially fruitful avenue for work on political and interpersonal trust. Such work would provide the scholarly community with a more comprehensive account of the biological antecedents of trust. Third, personality researchers should utilize twin studies to determine the extent to which personality mediates the relationship between biology and political trust. Scholars have already conducted such work on interpersonal trust (Hiraishi et al. 2008; Oskarsson et al. 2012), and we encourage political trust researchers to follow suit in order to identify observable behavioral factors that connect biology and political trust. These avenues of research should facilitate further progress in the scholarly inquiry into biology, personality, and trust.

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NOTES

1. In addition to estimating heritability, twin studies on trust help to assess the impact of socialization by estimating the importance of the common environment shared by the two siblings (e.g., Oskarsson et al. 2012). For examples of nontwin studies that examine the role of socialization in trust, see Mishler and Rose (2001) and Uslaner (2002).
2. In the trust game, an investor decides how much money to give to a trustee. The money then appreciates, and the trustee must decide how much, if any, to return to the investor. Trust, therefore, is measured by the amount of money provided to the investor in the first phase of the game (Cesarini et al. 2008).
3. Van Lange et al. (2014) incorporated nontwins in response to concerns about the assumptions of twin studies (e.g., the absence of nonadditive genetic influences and assortative mating). It is important to note, however, that assortative mating would produce a conservative bias on heritability estimates in twin studies (Alford et al. 2005).
4. For studies on the heritability of a related concept, external efficacy, see Klemmensen et al. (2012a, 2012b).
5. The inclusion of a gene–environment interaction is consistent with the advice of Alford et al. (2005), who encourage political scientists to understand how genes respond to environmental conditions. Research on the impact of particular genes on ideology (Settle et al. 2010) and turnout (Fowler and Dawes 2008) has followed this advice.
6. For this analysis, Weber et al. (2011) combine federal, state, and local trust into a summary scale.
7. A few clarifications on these dependent variables are in order. First, Tost et al. (2010) measure prosocial temperament with the reward dependence subscale of the Tridimensional Personality Questionnaire. Second, Apicella et al. (2010) and Israel et al. (2009) employ two different versions of the dictator game, with the first study asking individuals to distribute money between themselves and a charity and the second allowing individuals to divide points between themselves and a fictitious player. Third, the Social Value Orientation task utilized by Israel et al. (2009) involved subjects making choices about how many points they and a fictitious player will receive. Subjects could be equitable, be spiteful, or help themselves while creating a moderate amount of inequality.
8. In the ultimatum game, one player decides how much to share with a second player, who then decides whether to accept the offer. Players receive the proposed amounts if the offer is accepted and nothing if the offer is rejected.
9. A SNP (pronounced “snip”) refers to a single variation in a DNA sequence.
10. For examples of candidate-gene and genome-wide approaches in political science that are outside the domain of trust, see Dawes and Fowler (2009), Fowler and Dawes (2008), Hatemi et al. (2011, 2014), and Settle et al. (2010).

11. It is important to note that Kosfeld et al. (2005) do not find that oxytocin increases generosity. The different results on this point between Kosfeld et al. on one hand and Barraza and Zak (2009) and Zak et al. (2005) on the other could be due to alternative methodologies, as the first study involves intranasal administration of oxytocin or a placebo and the latter studies use a blood sample to measure oxytocin.
12. By contrast, Zhong et al. (2012) report that the direct effects of plasma levels of oxytocin are insignificant.
13. A recent meta-analysis by Van IJzendoorn and Bakermans-Kranenburg (2012) has found that oxytocin administration increases in-group trust but has no effect on out-group trust, a result that qualifies the findings reported by De Dreu et al. (2010).
14. To explain why Democrats might be more responsive to oxytocin, Merolla et al. (2013, 759) point to studies that connect liberals, eye gaze cues, and the influence of oxytocin.
15. The impact of hormones on trust does not mean that the latter fluctuates wildly over time. Instead, trust is highly stable (Uslaner 2015). Changes in hormone levels may influence a person's level of trust temporarily, but differences in average hormone levels across individuals may help explain why some people are typically trusting and others are typically distrustful.
16. Baumgartner et al. (2008) also find that activation of the anterior cingulate cortex does not increase or decrease significantly in response to information about the target's reputation.
17. For example, Norris (1999) would classify approval and trust in the current executive as forms of actor support.
18. In addition to traits, researchers have associated such characteristics as values (Caprara et al. 2006; Caprara and Vecchione 2013), temperament (Tost et al. 2010), and mood (Voortman 2009) with aspects of an individual's personality. Other scholars (e.g., Guilford 1959), however, conceptualize personality exclusively in terms of traits.
19. Utilizing the five-factor framework, a meta-analytic review (Connolly et al. 2007) has found mean correlations between self-ratings and observer ratings of 0.59 for openness to experience, 0.56 for conscientiousness, 0.62 for extraversion, 0.46 for agreeableness, and 0.51 for emotional stability.
20. Newton (1999) also reports a negative correlation between trust in people and trust in government. On the other hand, Lühiste (2006) finds a positive and strong relationship between interpersonal and political trust.
21. An exception is Ambler (1975), who uses a question about whether it is best to trust or mistrust people. Meanwhile, an ambiguous example is the trust item in Mishler and Rose (2001, 40): "How much do you trust most people you meet?" On one hand, the question refers to the respondent's level of trust, but on the other hand, the inclusion of "most people" suggests that the item refers to the perceived trustworthiness of others.
22. Although other models of personality are available, we focus on the Big Five framework because it has become the dominant approach in the field of trait psychology in recent years, with five-factor publications in psychology journals outnumbering publications based on Catell's and Eysenck's models (John et al. 2008).
23. Evidence of a five-factor solution was identified first with data from Air Force Officer Candidate School subjects in the United States (Tupes and Christal 1958, 1961), but subsequent work has validated this trait structure with other data from English-language personality batteries (e.g., Goldberg 1990; McCrae and Costa 1987) and with data from batteries administered in several other languages, including Chinese (McCrae and Costa 1997), Filipino (McCrae et al. 1998), French (McCrae et al. 1998), Japanese (Bond et al.

- 1975; McCrae and Costa 1997), Korean (McCrae and Costa 1997; Piedmont and Chae 1997), and Portuguese (McCrae and Costa 1997).
24. This approach enables scholars to avoid the “semantic nightmare” (John and Robins 1993, 219) of including all of the possible trait descriptions in a single study.
 25. Examples of nontrust personality research include studies linking the Big Five to such attitudes as self-efficacy in work groups (Thoms et al. 1996) and political ideology (Gerber et al. 2010; Mondak 2010) and to such behaviors as job performance (Barrick and Mount 1991) and political participation (Gerber et al. 2011; Mondak et al. 2010, Mondak et al. 2011).
 26. See Dahlen and White (2006) for contrary evidence on the connection between openness and risk taking.
 27. More precisely, Couch and her colleagues (1996) highlight the impact of two facets of openness on interpersonal trust, and the relationship between openness and trust in Montoro et al. (2014) is significant only for women.
 28. One exception is the insignificant result from Anderson’s (2010a) context survey. In addition, Freitag and Ackermann (2016) find neither direct nor conditional effects of openness on political trust.
 29. The insignificant finding applies to one of the two trust models reported by Mondak and his colleagues (2017). Voortman (2009) also finds an insignificant association between conscientiousness and political trust, but this result could be due to the strong correlation between satisfaction with government performance and political trust in the Netherlands (as high as 0.60). This contextual factor may limit the impact of personality in Voortman’s study.
 30. Likewise, Walczuch and Lundgren (2004) identify reasons why conscientiousness would be positively and negatively related to trust in e-retailing.
 31. The significant result in Anderson (2010a) is only for the context survey. For an unexpected and significant finding limited to male respondents, see Montoro et al. (2014).
 32. The agreeableness coefficient is significant in Anderson’s (2010a) telephone survey but not in her context survey.
 33. Not all Big Five batteries include the trust facet of agreeableness; for example, Gosling et al.’s (2003) TIPI asks about being “critical, quarrelsome” and “sympathetic, warm.”
 34. For example, Mooradian et al. (2006) show that agreeableness and its trust facet are positively related to interpersonal trust in peers in the workplace, which in turn facilitates sharing within a work team.
 35. The relationship between agreeableness and compromise is not yet well understood. Frey (2010) describes an agreeable engineer who favors political compromise over social action. However, Mondak (2010) does not find agreeable citizens to prefer compromise over principles.
 36. Couch et al. (1996) also find a negative relationship between a facet of neuroticism, anger-hostility, and interpersonal trust. (Neuroticism is the inverse of emotional stability.)
 37. Because we measure personality with the TIPI, our agreeableness variable includes no items on interpersonal trust. We thus offer a conservative test of the relationship between these two variables.
 38. We omitted education in order to be consistent with the 2016 chapter. For wealth, we combined items about investing in a business and owning stocks, rental property, undeveloped land, and a vacation home.
 39. This statement remains true if age is recoded to range from 0 to 1.

40. An additional consideration is that the Big Five influence both forms of efficacy (Mondak 2010), meaning that the significant effects for the efficacy variables in Table 7.1 suggest indirect effects of personality on trust.

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CHAPTER 8

TRUST AND PARTICIPATION IN ASSOCIATIONS

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TRUST is a critical component of a healthy society. Understanding how trust develops is important because trust helps foster positive democratic governance (Paxton 2002; Putnam 2000; Uslaner 1999), economic growth (Dearmon and Grier 2009; Fukuyama 1995; Knack and Keefer 1997; Tolbert, Lyson, and Irwin 1998; Whiteley 2000), and efficiency in exchanges (Bradach and Eccles 1989; Coleman 1988; Sako 1992).

What do we mean by trust? Trust is the idea that we can expect others to operate with our best interest in mind. Barber (1983: 164–165) defines trust as a set of “socially learned and socially confirmed expectations that people have of each other, of the organizations and institutions in which they live, and of the natural and moral social orders that set the fundamental understandings for their lives.” Here, we focus on trust in *generalized* others. That is, trustors can form an estimate of the trustworthiness of the average person—someone who is not a friend or even an acquaintance (Robinson and Jackson 2001). Yamagishi and Yamagishi (1994: 139) call this “a belief in the benevolence of human nature in general.” Other authors call it “depersonalized trust” (Yuki, Maddux, Brewer and Takemura 2005: 50). Generally, researchers see trust as a crucial component of cooperative behavior, and therefore try to understand ways we can predict trust.

There is a rich body of theory and research on how participation in social life leads to increased trust. Voluntary associations such as sports associations, neighborhood groups, and women’s associations are ways for people to participate and, accordingly, have been investigated extensively. For example, Tocqueville considered voluntary associations to be schools of democracy that influence the civic characteristics, including trust, of their members (Tocqueville [1835, 1840] 1990). Indeed, some argue that trust is an unintentional byproduct of associational life: “Individuals join groups they find interesting, but then develop civic skills, attitudes and behaviors as a by-product” (Baggetta 2009: 176).

In this chapter, we provide an overview of theory relating participation in voluntary associations to increased levels of trust. We stress theory that explains how trust is

generalized beyond the members of a particular association to encompass those outside the association. We next discuss theory that distinguishes among types of associations in their ability to produce generalized trust and introduce new theory that combines the two most common distinctions—bridging versus bonding associations and connected versus isolated associations. Though some research takes voluntary association membership as inherently benefiting generalized trust, we discuss additional theory that views this as naïve. We document how each of the theories and mechanisms have been supported, challenged, or neglected in existing empirical evidence. Finally, we conclude with recommendations for how to test theories on trust and participation.

How Do Associations Build Trust?

Trust involves a conscious or unconscious decision to place trust, arrived at through an assessment of the trustworthiness of a potential trustee. In making an assessment of the trustworthiness of individuals not directly known, generalized others, a trustor likely focuses on predictability (Glanville 2016; Paxton 2007). If a trustor views the “average” person as predictable, then their assessment of generalized trust should be higher. Predictability in one’s interactions with others allows “civil inattention” to others, or generalized trust (Goffman 1963).

Trust within an Association

Why is trust expected to develop between the members of a voluntary association? There are two main explanations for the relationship. First, members of voluntary associations experience group norms about cooperation. Norms, attitudes, and behaviors are spread among individuals in all kinds of groups through networks (Marsden and Friedkin 1993). Associations, as one type of group, are no exception. For example, when individuals engage in conversations with other members of their association, they begin to adopt patterns of thought and speech similar to those of other members (Perrin 2006). Important for the spread of trust is that associations require cooperation and trust for their very continuance:

because membership in the organization is voluntary, exit is comparatively costless. If doubts about others’ trustworthiness become too great, therefore, members will take their trust elsewhere and the organization will die. Thus, the organization’s survival depends upon its ability to successfully instill and sustain perceptions of mutual trustworthiness among its members.

(Kramer 1999: 579; see also Rousseau 1989)

Thus, norms of cooperation and trust will be particularly salient and are likely to be spread in associations (Putnam 2000).

Second, voluntary associations have mechanisms for sanctioning untrustworthy members. Routine meetings ensure that a potential trustor will engage in repeated interactions with the other members of the group, which allows future sanctions against any broken trust (Axelrod 1984). Even if trustors do not themselves repeatedly interact with all members of the group, associations provide the presence of a stable network of people who can also sanction. That is, third parties watch exchanges and can communicate negative information and damage reputations through gossip (Burt and Knez 1995; see also Cook and Santa this volume).

The power of norms and sanctions in associations to create trust among the members of the association draws from their ability to increase the predictability of interactions (Paxton 2007). Social trust is generally thought to be learned through repeated interaction (Coleman 1990; Lahno 1995; Paxton and Glanville 2015; Welch et al. 2004). People update their expectations of trusting interactions based on whether prior trust expectations were met (Citrin 1974; Gamson 1968; Glanville and Paxton 2007; Keele 2007). Thus, through norms and sanctioning processes, associations internally create a “virtuous circle” (Putnam 1993)—as trust situations are repeatedly and successfully navigated, members can better predict the behavior of others in their group and the trust between members is increased.

It is important to note that these explanations are focused on increasing trust of *other members* of the association. Some studies extend the argument for how an association can create trust among its members by focusing on the depth of membership. The argument is that the simple fact of membership is insufficient and that instead the amount of time and energy spent in the association is more critical (Andersen, Curtis, and Grabb 2006; Stolle 1998; Stolle and Rochon 1998). As explained by Putnam (2000: 58), “An individual who ‘belongs to’ half a dozen community groups may actually be active in none. What really matters . . . is not merely nominal membership, but active and involved membership” (see also Skocpol 2003). However, evidence for the unique benefits to active membership is mixed. Stolle (1998) finds that members who are most involved are also the most trusting of other group members. Howard and Gilbert (2008) also find that active involvement creates more trust in the United States and Europe. Other research on Norway and Europe finds no differences in social capital (as measured by trust, social networks, and civic engagement) between active and passive members (van der Meer and van Ingen 2009; Wollebaek and Selle 2002; Wollebaek and Stromsnes 2008). Even when research focuses on a potential mechanism through which involvement may increase out-group trust—the ethnic diversity of the organization—the relationship does not vary among individuals who are more frequently or more actively involved (van der Meer 2016).

Generalized Trust beyond the Association

An unsophisticated theory would stop at the arguments above, and imply that membership alone would, as a matter of course, generalize trust to those beyond the association. But understanding the creation of generalized trust from association membership

requires understanding not only whether belonging to an association increases trust toward members of that group but also how membership in a voluntary association could increase trust toward those outside the group (Paxton 2007; Stolle 1998). How can we understand, as stated by Welzel (2013: 99), the way that “generalized trust derives from close others and then extends to unspecified others to eventually include even remote others.”

Little theory has addressed this issue. Instead, authors arguing for a generalized effect of voluntary associations tend to skirt the issue: “social capital theory does not specify how in-group trust relates to generalized trust, only that it does” Stolle (1998: 503). The situation is exacerbated by the fact that many of the processes that increase trust in small groups (third parties, influence processes, etc.) lose their efficacy in moving to larger groups:

What happens then to trusting behavior as we move from direct to indirect exchange? In direct exchange, the trusting actor is also the beneficiary of any potential reciprocation. In the indirect conditions in this research, the trusting actor is not the beneficiary of direct reciprocation, but rather any reciprocated amounts will go to someone in the trustees “group” or to a “stranger.” Following the logic of rational choice, if the chance of receiving direct reciprocation is absent, the motivation to trust is decreased in indirect exchange

(Buchan, Croson, and Dawes 2002: 174–175).

In fact, the shared values that lead to in-group trust can be built up at the expense of trust in the out-group “other” (Granovetter 1973; Lawler 2001; Putnam 2000; Wuthnow 1998, 2002). Trust can build up behind the boundaries of the group rather than extending beyond them (Putnam 2000). Indeed, many theorists and researchers recognize that not all associations are positive in their effects (e.g., Beyerlein and Hipp 2005; Browning, Feinberg, and Dietz 2004; Gambetta 1996; Paxton 2002; Stolle 1998; Stolle and Rochon 1998; Warren 2001).

To understand how associations can produce trust that generalizes beyond the association itself, we need to focus on in-groups and out-groups. Social psychological research has demonstrated that individuals categorize others into groups of “we” and “they” (Hogg 1992; Tajfel 1978). The groups that we see ourselves a part of receive positive feelings, trust, and commitment. Individuals perceive members of their groups in positive terms, as more honest and more trustworthy than outsiders (Brewer 1979; Foddy, Platow, and Yamagishi 2009; Kramer 1999; Rotenberg and Cerda 1994; Uslaner 1999; Yuki et al. 2005; see also Kramer this volume). Buchan, Croson, and Dawes (2002) show that even when groups are created simply by giving experimental subjects their instructions on differently colored pieces of paper, those subjects will trust members of their “group” more than other groups.

Categorization is powerful. People feel positively about the “minimal groups” created in minutes by experimenters between strangers. While many social categories are possible including racial groups, an individual’s identification with “we” can also be a

family, a company, a city, or a nation (Bollen and Hoyle 1990). Association memberships create “opportunities for positive experiences with others under the ‘controlled’ circumstances of shared interest” (Anheier and Kendall 2002), and they are quite likely to create a sense of “we” and therefore increase trust among members.

How then is trust created among association members extended beyond the in-group to those outside the association? Intergroup contact theory suggests that contact across in-group boundaries can reduce negative views of out-groups and foster out-group trust (Allport 1954; Pettigrew and Tropp 2006; Stolle, Soroka, and Johnston 2008; Uslaner 2012). What features of associations create contact across in-group boundaries and extend the boundaries of trust beyond the group? Two separate theoretical approaches argue that trust is generalized or transferable beyond an association only in certain types of associations. Some types will increase trust outside the group, while others will retain trust within the group. The first distinction made between associations is the bridging/bonding distinction. Some associations expose individuals to dissimilar others while others do not. Introduced by Putnam (2000: 22), the distinction is between associations that “are, by choice or necessity, inward looking and tend to reinforce exclusive identities and homogenous groups” (bonding associations) and others that “are outward looking and encompass people across diverse social cleavages” (bridging associations). Bridging associations are more likely to create generalized trust that extends beyond the association itself. The second distinction made between associations is the connected/isolated distinction (Paxton 2007). Park and Subramanian (2012: 5–6) provide a concise distinction between the two: “Connected types refer to voluntary associations whose members have many ties to other associations, whereas isolated types refer to those associations whose members tend to stay within their own associations.” We discuss each distinction in turn below and then introduce new theory combining the two.

Bridging versus Bonding Associations

Social psychology research has repeatedly found that interactions with dissimilar others in a structured environment leads to greater tolerance and trust of people with differing viewpoints and backgrounds (Allport 1954; Pettigrew 1998; Pettigrew and Tropp 2006). The diversity of one’s network may create generalized trust due to its role in expanding an individual’s sense of the in-group and expectations of shared ideas and rules across diverse actors (Cook 1984; Gaertner et al. 1994; Pettigrew 1997). Yet, modern American life actually features very few interactions with dissimilar others (DiPrete 2011; Uslaner 2012): we continue to document race, sex, and class segregation in schools (Clotfelter 2004) and friendship networks (Moody 2001), for example. But, though voluntary associations are often homogenous by education, age, sex, or race (McPherson and Smith-Lovin 1987; Popielarz and McPherson 1995), they sometimes offer members the unique ability to connect with dissimilar others who they wouldn’t otherwise meet (Baggetta 2009). Indeed, while groups may share a few similar characteristics, they

are often diverse on others, which leads to greater exposure to diversity (Farkas and Lindberg 2015; Glanville 2004; Son 2013; Tindall, Cormier, and Diani 2012). A recent study finds that connections created within voluntary associations are more diverse with respect to education, occupation, age, and sex than social connections created in other settings (Farkas and Lindberg 2015).

In instances where associations promote contact with diverse others, voluntary associations serve as “bridges” that extend across “diverse social cleavages” (Putnam 2000: 22). Robert Putnam juxtaposes bridging associations with bonding associations that “reinforce exclusive identities” (though he is careful to note that the difference is more of a spectrum than a dichotomy). Unlike bridging associations, bonding associations feature members who share characteristics. Bonding associations bolster our identities and are crucial for social support; however, they often turn their members inward, leading to in-group loyalty so strong that it prevents the generalization of trust to out-groups.

So bridging groups are considered more likely to lead to the externalization of trust. What exactly is the process by which this happens? Glanville (2016) uses intergroup contact theory and research to explain how diverse associations lead to an extension of the in-group (see also van der Meer 2016). First, if the cooperation that naturally occurs in associations is with diverse others, then it creates a broader identity for the in-group that expands to include others previously viewed as out-group members (Cook 1984; Gaertner et al. 1994; Marschall and Stolle 2004; Uslaner 2012). Second, diverse connections lead to a “deprovincialization” of the in-group (Pettigrew 1997). With deprovincialization, a friendship with someone different along some dimension “can provide insight about in-groups as well as out-groups. In-group norms, customs, and lifestyles turn out not to be the only ways to manage the social world. This new perspective not only individualizes and ‘humanizes’ out-group members but serves to distance you from your in-group” (Pettigrew 1997: 174). This humanizing process is shown to extend widely: friendships that cross race, for example, promote tolerance of other out-groups, not just of other members of the friend’s race (Pettigrew 1997).

As Glanville (2016: 33) concludes,

cooperative experiences with diverse others should positively influence the perception that the people in general are trustworthy because it increases the expectation that other actors share the same basic set of ideas about the rules for interaction and exchange which is fundamental in the placement of trust. Accordingly, positive exposure to a diverse set of others, which often occurs in voluntary associations, should facilitate the sense that more types of people are trustworthy and expand even more generally beyond the specific categories of intergroup cooperation.

To further clarify the process, see how Theiss-Morse and Hibbing (2005: 230) describe the process of generalization among those with diverse political views:

People join groups for a variety of reasons and interact with others in pursuit of the group’s goals. Since most people do not automatically talk about politics when in

a nonpolitical group, and often actively avoid it [see, e.g., Eliasoph 1998, chap. 2], they become friends with fellow members before learning that these new friends hold different political views. Since they now like these people, they become more tolerant of these different views. This tolerance then spreads to people who are not members of the group.

Trust may also generalize through associations through a “representative bridging” process by which members act as representatives of their neighborhoods (Baggetta 2015).

Connected versus Isolated Associations

Another explanation of how trust is generalized beyond association members depends on whether an individual belongs to an association that is connected through social networks to other associations or one that is isolated. Connected associations are voluntary associations that are highly linked to other voluntary associations through the multiple memberships of their members, while isolated associations are less linked (Audia and Teckchandani 2010; Park and Subramanian 2012; Paxton 2002, 2007).

At the individual level, multiple memberships create more trust than single memberships do (Glanville 2016; Rosenblum 1998; Stolle 2001; Wollebaek and Selle 2002; Wollebaek and Stromses 2008; see also Alexander et al. 2012). But the multiple memberships of individuals also connect associations (Paxton 2002, 2007). That is, an individual who belongs to two associations creates a network connection across those associations (Breiger 1974; Moody and White 2003). Associations differ in how many of their members have multiple memberships and therefore in how connected they are through networks to other associations. Proponents of the connected/isolated distinction argue that voluntary associations that are connected through these networks to the larger community should be more beneficial for the promotion of generalized trust than associations that remain isolated.

Theoretically, the argument builds on in-groups and out-groups and the expansion of networks beyond a single association. It is network ties across voluntary associations that allow individuals in an association to transfer the trust gained within their association to individuals outside the association. Overlapping association memberships help to create acquaintances, or knowledge of acquaintances, across groups. Through the “voicing” of the member who is better known and better trusted, a third party can become trusted (a friend of my friend is also my friend). As Coleman (1990: 180–196) argues, if a friend tells you to trust a friend of hers that you have never met, you are likely to do so.

Remember that social psychology shows individuals categorize others into groups of “we” and “they” (Hogg 1992; Tajfel 1978). Similar to the processes described above for diversity, a membership in an association with network connections outside the association can extend the boundaries of category membership and increase trust beyond the group (Wright et al. 1997). Those who were originally “they” become “we” for the

purposes of trust. In the Tocquevillian sense, membership in connected associations broadens one's sphere of influence and concern.

As explained by Paxton (2007: 53):

[N]orms, attitudes, and behaviors are transferred through social networks. When voluntary associations are linked, even weakly, the networks of interaction created by these connections help to pass and solidify morals and assumptions across groups, increasing predictability of interaction across society and therefore, trust. Joining a voluntary association that is linked to other associations makes the generalized other slightly more knowable and should therefore increase trust. In contrast, people with limited or closed social experiences would feel less capable of making such predictions. Their social world, as defined by their relatively more isolated associations, might have distinct norms, making others' attitudes and behaviors less predictable.

Figure 8.1, a simplified version of Paxton (2007: 52), illustrates the process through which individuals learn or do not learn generalized trust in connected and isolated associations. The left side of the diagram (stage 1) presents five individuals in three groups. Individuals A and B are members of the dotted line group, individuals B and C are members of the dashed line group, and individuals D and E are members of the solid line group. The dotted and dashed line groups are connected through the joint membership of individual B. Stage 2 illustrates how individuals come to trust members of their groups. So A and B learn to trust each other, as well as B and C, as do D and E. In stage 3, individual A can learn to trust C through the "vouching" of B. Likewise, C comes to trust A through the vouching of B. However, for D and E, trust remains isolated

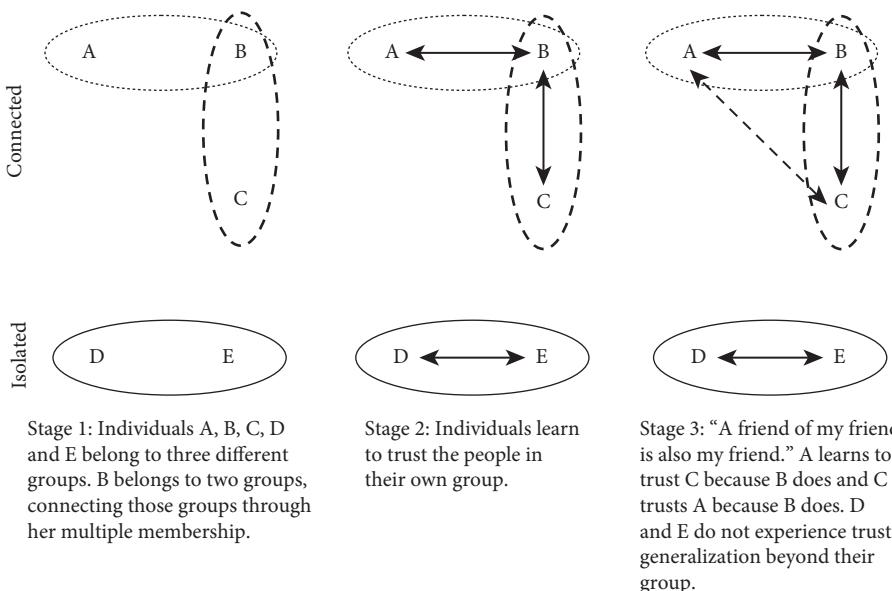


FIGURE 8.1 Trust Generalization through Connected Associations

within their group. That is, generalization for D or E should be difficult—although trust is created within their group, there is no further trust creation beyond stage 2. See Paxton (2007: 52) for an extension of this process with more multiple memberships.

Combining Bridging and Connected

Both the distinction between bridging and bonding associations and the distinction between isolated and connected associations attempt to articulate how trust expands beyond the members of an association. The connected/isolated distinction is a distinction based in network ties—in the *form* of social connections. The bridging/bonding distinction is concerned with issues of diversity—in the *content* of social connections. Bridging or connected associations are argued to generalize trust better than bonding or isolated associations. But how do the form of associations (network connections) and content of associations (diversity) combine? Does membership in a single, diverse association produce trust benefits similar to membership in a connected association? Are associations connected to a homogenous group of other associations less trust-producing than associations connected to diverse others? In this section we provide new theory suggesting that a combination of form and content is most beneficial for trust creation.

Remember that both theories relate to how association members can be connected to the wider community—to an expanded group. The key question is: Do you keep trust reserved for certain types of people? Or is your trust expanded to include different groups or people different from you? If there is no network connection to other associations, then members of an association cannot feel embedded in a larger community network. There will be no expansion of the category “we.” Similarly, if there is no diversity across social cleavages, there is no expansion of the category “we” to those who are different from the members of an association.

Others have previously noted that the two dimensions, form and content, are likely to combine. Some recognize that multiple memberships foster diversity-spanning social networks because even when associations are homogenous on one characteristic, they are likely to be heterogeneous on other characteristics (Putnam 2000). As Glanville (2016: 32) states, “it is important to consider the full array of involvements, rather than focusing on the characteristics of single associations.”

Figure 8.2 offers a 2 x 2 matrix portraying how member diversity and group connectedness could interact in producing generalized trust. Each cell can be understood as a group of associations. The triangles and squares represent members with differences along some sociodemographic characteristic. For example, squares may represent men and triangles women, squares may represent Republicans and triangles Democrats, and so on.

In Figure 8.2, circles represent associations, and we see clusters of members (shapes) within the circles. Some associations are more diverse than others.¹ Lines between associations represent a connection between associations via a multiple membership of a member. That is, some groups are connected to other groups through the multiple memberships of their members, while others remain largely isolated.

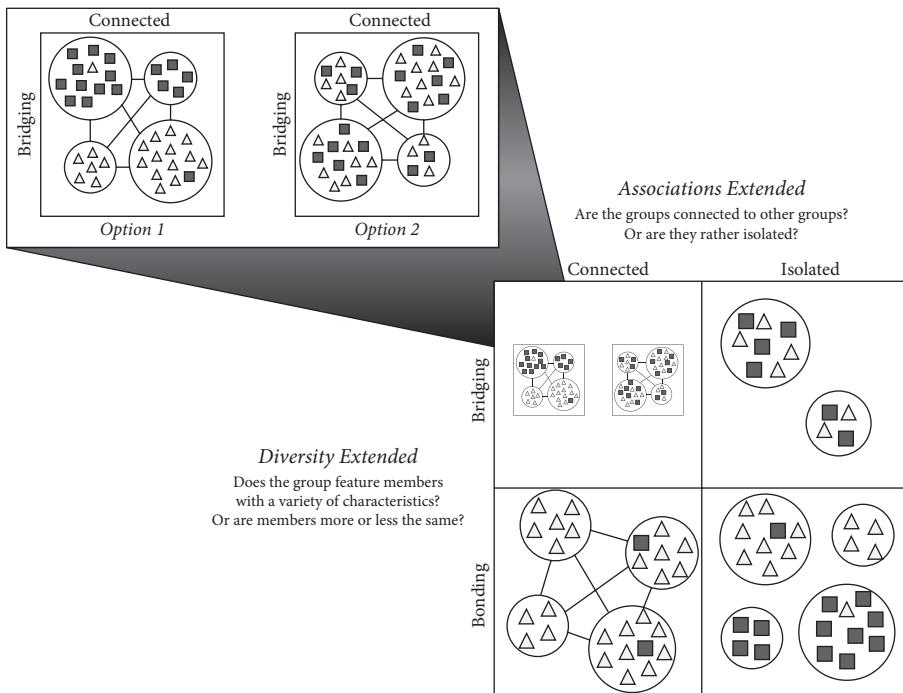


FIGURE 8.2 Combining the Bridging and Connected Approaches to Distinguishing Associations

Of course, this figure oversimplifies matters. Race and ethnicity categories would require many more shapes. And Putnam (2000) rightly notes that bridging and bonding social ties fall along a spectrum, rather than into a dichotomy. Groups that are homogenous among one characteristic may be diverse along another (Popielarz 1999). For instance, a neighborhood book club may consist entirely of members of the same social class and race, but feature members with different religious and political beliefs. Nevertheless, Figure 8.2 provides a useful tool for understanding how group memberships and association ties help (or hinder) trust extension.

We now turn to the potential for trust expansion. The bottom-right cell of the matrix represents groups that are isolated from other groups and feature relatively homogenous memberships (bonding). In these associations, members tend to belong to only one group, and that group's members predominantly or entirely share sociodemographic characteristics. Such groups might even build strong in-group bonds at the expense of out-group others. Extreme examples like the Ku Klux Klan (Cunningham 2012; McVeigh 2009), or right-wing militias (Shapira 2013) whose members consist predominantly of white, middle-aged Christian men, could be placed into this cell. A more benign example would be a knitting circle whose members are educated, liberal women within a certain age range and who belong to no other association. Such groups would leave little room for different viewpoints and would therefore not be expected to generalize trust beyond the scope of its members (Gambetta 1996).

Turning to the upper-right cell of the matrix, we see groups that are isolated from other groups but feature bridging social ties among members (i.e., higher internal diversity). We would expect trust to generalize to the diverse types of people represented within the group; however, trust might not generalize quite as broadly since members of these associations would not have access to the experiences of other groups for comparison. A similar situation would be the bottom-left cell of the matrix, where groups are connected to other groups, but feature generally homogenous memberships across groups. Though members' trust would expand beyond a given association, it would also not generalize as broadly as it could since members do not have access to the experiences of those who differ on some sociodemographic characteristic. An example of the bottom-left cell could be a group of associations in a highly liberal city. Individuals may have multiple memberships in myriad churches, book clubs, parent-teacher associations, hobby groups, and so on, and therefore network connections through associations. Some trust could be expected to extend to strangers in this case. But we would not expect trust to extend to strangers with more conservative political leanings.

The most potential for trust extension occurs in the upper-left corner, which actually features two scenarios (magnified and expanded out for easier reading) that would both be expected to increase generalized trust significantly. Groups of associations that are both bridging and connected can occur in two ways. First, the group of associations can feature associations that are relatively homogenous, but are connected to groups that feature diverse members. An observation of Girl Scout troops fits this type of bridging and connected association as represented in the upper-left cell (Weisinger and Salipante 2005). While each individual Girl Scout troop was racially homogeneous, the leadership committee purposefully facilitated intergroup interactions in the form of camps and sleepovers that helped to bring diverse scouts together and build bridging social capital. Second, the group of associations could feature groups whose members are dissimilar, connected to groups whose members are also dissimilar. Such a scenario is, perhaps, the ideal association situation for generalizing trust. In this scenario, association members belong to multiple diverse groups. These members can therefore develop interpersonal trust with numerous people who have dissimilar characteristics from their own. Time and again, members see that people who are different from them are predictable, and therefore learn to generalize trust to a wide range of others.²

SKEPTICISM OF THE RELATIONSHIP BETWEEN ASSOCIATIONS AND TRUST

While we have just spent considerable time reviewing theories explaining why voluntary association membership may create generalized trust, there are several important

counterarguments. First, individuals who join voluntary associations may already be more trusting than those who do not. Second, there may be some other factor that remains unmeasured and unexplored in theory but leads to both trust and voluntary association membership. Third, trust may be an inherent characteristic that is unlikely to change over time. In this section we consider each of these arguments in more detail.

There is no question that membership in voluntary associations involves some degree of trust *a priori*. After all, we need a minimal level of trust to even feel comfortable leaving the house in the morning without a weapon (Luhmann 1988), let alone join an association. Thus, scholars have raised the concern that people who join associations are already significantly more trusting than their counterparts (Nannestad 2008; Stolle 2001; Sturgis et al. 2012). The observed differences in trust between joiners and nonjoiners, the argument goes, are therefore explained by the level of trust inherent in the act of joining an association. It may also be that trusting people are the ones most likely to remain in their groups over time (Bekkers 2012).

If more trusting people join organizations, then a reciprocal relationship might exist (Sønderskov 2011). In other words, trust would predict membership as well as the reverse. Modeling the reciprocal relationship using instrumental variables is one way to empirically assess these claims (Paxton, Hipp, and Marquart-Pyatt 2011). Or, longitudinal data could be used to untangle the causal association between membership and trust.

A related argument against the claim that association memberships increase levels of trust argues that the relationship may be spurious. That is, some unmeasured characteristic of individuals or the social context might generate both group membership and generalized trust and therefore explain away the observed association between the two. While there are relatively few suggestions for what these unmeasured characteristics might be, education, personality traits, pro-social values, and pre-adult socialization experiences are among those proposed (Ingen and Bekkers 2015; Sturgis et al. 2012). Proponents of this theory argue that the inclusion of fixed effects are necessary to ensure that unobserved characteristics are not truly responsible for the observed association between membership and trust.

Finally, all of the theoretical attention given to the potential for voluntary association membership to increase generalized trust would be largely irrelevant if generalized trust was an individual characteristic that does not change. Individuals who support this idea contend that trust is not malleable to current events or individual actions. These scholars see trust as a psychological trait or predisposition of an individual that is either innate or learned early in life through interactions with the primary caregiver (Becker 1996; Bowlby 1969; Couch and Jones 1997; Erikson 1964; Jones 1996; Uslaner 1999, 2002, 2008). Longstanding debate continues on this theory (see Glanville and Paxton 2007; Hardin 2002; Paxton and Glanville 2015; Bauer 2015; Rotter 1971; Stack 1978; Van Lange, Vinkhuyzen, and Posthuma 2014; Yosano and Hayashi 2005).

EVIDENCE FOR AND AGAINST AN EFFECT OF ASSOCIATIONS ON TRUST

The majority of research on association membership and generalized trust has considered associations in general, rather than distinguishing between types of associations. Research has also tended to be cross-sectional and to not explicitly model possible reciprocity in the relationship between trust and memberships. In this section we will review the evidence for and against an effect of associations on trust, paying particular attention to the use of different methods and when research attempts to distinguish among association types.

When using cross-sectional data and investigating all types of associations, studies tend to find an effect between associational membership and trust (e.g., Newton 1999; Paxton 2007; Stolle 1998). But cross-sectional designs do not allow causal arguments and, as previously mentioned, may fail to address reciprocal relationships, selection, or endogeneity (Nannestad 2008). So what do we know about the relationship between associational membership and generalized trust when other designs are considered? We will discuss designs that model reciprocal relationships in a cross-sectional and longitudinal framework, and designs that include fixed effects.

To begin, some research explicitly models a reciprocal relationship between trust and association membership, allowing the direction of influence to flow in both directions. Shah (1998) models a reciprocal relationship between trust and voluntary associations with the *DDB Needham Lifestyle Survey*, and finds that membership leads to trust but not vice versa. Brehm and Rahn (1997) use another dataset, the *General Social Survey*, and find that the path from voluntary associations to trust is much larger than from trust to associations. Glanville (2016) uses the *Social Capital Benchmark Survey* and finds a cross-sectional reciprocal effect between trust and associations, but the effects are fairly small. Most recently, Paxton, Hipp, and Marquart-Pyatt (2011) used the *General Social Survey* to model the reciprocal relationship between associations and trust as a methodological example illustrating the use of instrumental variables. With TV viewing and having children less than six years of age as instruments of association memberships, and experiencing a recent burglary or the divorce of one's parents as instruments of trust, they find that trust does not influence association memberships but that association memberships do influence trust.

Does utilizing longitudinal data and a reciprocal design add to our understanding? Aside from modeling the reciprocal relationship, longitudinal data time-orders the cause-and-effect measures to strengthen directional claims. Claibourn and Martin (2000) analyzed data from the *Michigan Socialization Study*, spanning a considerable period of time (1965–82). The authors found a weakly positive effect of membership on trust while no effect of trust on membership was found. With a cross-lagged model, Quintelier and Hooghe (2012) also suggest that associational membership socializes

individuals into increased trust. While the authors found a reciprocal relationship does exist, they demonstrated that the relationship between participation (at time 1) and attitudes (at time 2) was significantly stronger than the relationship between attitudes (at time 1) and participation (at time 2).

In comparison to cross-sectional and random effects models, most studies that employ a fixed-effect modeling strategy fail to demonstrate an association between group membership and trust. With fixed effects models, time-invariant characteristics drop out of the model so that unmeasurable, persistent characteristics are differenced out. Sturgis et al. (2012) use measurements of formal social networks that include associational memberships and demonstrate that the coefficients for these social network variables are reduced in magnitude and are insignificant in fixed effects models. This finding leads them to conclude that changes in formal and informal social networks have no causal relationship to changes in levels of trust. This conclusion is also supported with fixed-effects modeling on data from Switzerland (van Ingen and Bekkers 2015). Van Ingen and Bekkers, using a Swiss sample with comparisons to Britain, the Netherlands, and Australia, find that modeling with fixed effects produces no effect of membership on trust. Interestingly, the 10% of their sample that enters into membership over the time period considered does have higher levels of trust in the first year (using a first difference regression). But the effect does not continue in the second year.³

In sum, empirical evidence on the relationship between associations and trust produces somewhat mixed results. Selection and endogeneity are clearly serious concerns. Models that account for reciprocity usually show weaker effects, and the most conservative models, fixed effects models, remove the effect completely.

There is little question that not all associations are alike (Theiss-Morse and Hibbing 2005). One way to continue to refine our understanding of the relationship between associations and trust is by utilizing theory that draws distinctions between various forms of associations and how these influence the relationship between membership and trust. We know much less about the distinctions that are made among associations in their ability to generalize trust. We turn to what evidence there is concerning these group differences below.

We also have evidence that some associations do perform bridging better than others. Coffe and Geys (2007) study Flemish joiners, and find that groups such as hobby clubs, humanitarian organizations, and arts groups offer the most opportunities for bridging across various demographic divides among members. And there is evidence that such bridging increases trust. Stolle (1998) and Stolle and Rochon (1998) find limited support for the idea that diversity within an association promotes trust (relatedly, see van der Meer 2016). Most recently, Glanville (2016) investigates whether the influence of multiple memberships on trust is mediated by network diversity (measured by other's race and occupations) and finds that involvement in voluntary associations creates ties to dissimilar others and that this network diversity increases trust. Indeed, although the predicted influence of associational involvement on trust is relatively small, the association is nearly completely explained by the indirect pathway of membership to network diversity to trust.

One test of connected versus isolated associations can be found in Paxton (2007). The author's results indicate that above and beyond membership in a voluntary association predicting trust, memberships in connected associations produce greater increases in trust than membership in isolated associations. This association is repeated at the county and the country levels. Higher county-level averages of multiple memberships in a society produce trust benefits, and countries with high percentages of connected memberships have citizens who trust more, while countries with high percentages of isolated associations have citizens who trust less. An important component in understanding the differences between connected and isolated associations involves the contextual factors that might facilitate the creation of different associations. Park and Subramanian (2012) discovered that the effect of associational membership is dependent upon the context of income inequality in a county.⁴

Research on bridging and bonding associations or connected and isolated associations do not employ models of reciprocal relationships or fixed effects models. So future research should do so. It is also essential to recognize that no research on associations and trust (using any method) has adequately considered the growing problem of non-response bias (Tourangeau and Plewes 2013). Nonresponse bias is a growing concern in research on pro-social behavior considering the declining response rates for surveys (Prewitt, Mackie, and Habermann 2014). The impact of the nonresponse rate on non-response bias is especially likely in studies looking at associations and trust because an individual's willingness to be interviewed may be influenced by the same factors that influence membership or trust (Abraham, Helms, and Presser 2009). In regards to association membership and trust, selective survey participation likely inflates descriptive statistics and suppresses explanatory models, which may contribute to the inconclusive body of evidence we have discussed.

SUGGESTIONS GOING FORWARD

We have reviewed theory and evidence on whether associational membership may produce generalized trust. In this final section we outline two recommendations for future research to address some of the fundamental theoretical and methodological challenges in the area.

Theorize Process

We need to better understand the process(es) by which trust can be generalized. Uncovering if, when, where, and how trust generalizes to an abstract other is essential. We argue that the key to unpacking these processes is by distinguishing among associations. Previous theory and empirical research tends to treat all voluntary associations the same. That is, a bird-watching group is as likely to promote trust as the American

Association of Retired Persons. But voluntary associations are not equivalent, and it is highly likely that certain types of voluntary associations will do better in promoting pro-social outcomes such as trust (Glanville 2016; Park and Subramanian 2012; Paxton 2007; Putnam 2000; Warren 2001).

We have reviewed and attempted to build some theory on the dimensions along which associations may be distinguished, and how these differences might influence the creation of generalized trust. The formulation outlined in Figure 8.2 may help us ask more precise questions. Although we have some evidence that connected associations are better than isolated and that diversity (bridging) is also better for some outcomes, it remains an absolutely open question which is the “best” configuration of bridging and connected groups to produce generalized trust. For example, are the two off-diagonal cells in Figure 8.2 equivalent in producing trust? Only future research can address such questions.

Expand Our Methodological Toolkit

As our discussion of the limitations and benefits of cross-sectional and longitudinal modeling has foreshadowed, we believe an important next step in unpacking the association between membership and trust is to expand the methods we use to research these questions. We already highlighted the importance of longitudinal data and modeling. Here, we offer three additional methodological alternatives: experiments, simulations, and qualitative data. In an attempt to provide a starting point for researchers interested in these methodologies, we briefly summarize exemplar articles that employ them.

To truly uncover the causal relationships between social experiences and generalized trust, we need an experiment. Experiments are ideal for isolating causal mechanisms and eliminating selection bias through random assignment (Gerber and Green 2012). In their exploration of anonymous, one-shot exchanges among neighbors and among strangers in four countries, Buchan, Croson, and Dawes (2002) use experimental methods. The authors employ and extend the experimental investment game devised by Berg, Dickhaut, and McCabe (1995) but manipulate a sense of group membership to determine whether greater trust is created among “neighbors” versus “strangers.” They conclude that social identity as a group member does influence the propensity to trust and reciprocate. Paxton and Glanville (2015) recently suggested an extension to the standard trust game to simulate a high- or low-trust environment for participants.

While social scientists are often concerned with observing the lives and behavior of individuals, computer simulations can offer an artificial alternative to answer theoretically interesting questions. Macy and Skvoretz (1998), for example, use a computer simulation of the prisoner’s dilemma to manipulate interactions between simulated players along three dimensions (1) the relative cost of exiting the game, (2) neighborhood size, and (3) embeddedness of interaction. Through this simulation the authors demonstrate that trust and cooperation between strangers can evolve without formal

or informal social control. Another contribution the authors make is by determining that these norms of reciprocity emerge locally and then are diffused through “weak ties” to outsiders. Macy and Willer (2002) have since argued for using agent-based models in computer simulations to answer social scientific questions.

Qualitative data collection and analysis can account for the complexities of the human experience that are sometimes excluded or concealed when using quantitative data. Qualitative data yield detailed descriptions, map meanings and processes, and are open to the analysis of emergent concepts (Ritchie and Lewis 2003) that would be ideal for uncovering the nuance likely involved in the production of generalized trust in a range of settings. Using participant observation and in-depth interviews, Fine and Holyfield (1996) offer a dramatic example of the development of trust between members of an amateur mushroom-hunting organization, the Minnesota Mycological Society. Through direct observation of mushroom hunting activities, the authors link theory with actual lived practices. In this association, members find and cook mushrooms, which could lead to illness or death if the wrong mushroom is consumed. Trust between members is expected and enforced through rules, norms, and pressure. Initially, new members trust in the web of expertise that the organization represents; but over time trust becomes more personalized and based in positive experiences with other individuals in the organization. Novice members are encouraged to mushroom hunt with veteran members to learn more about mushrooms and avoid dangerous ones. During these interactions, they not only learn about different kinds of mushrooms but also build ties with more experienced members, who feel obligated to help since they, too, were once novices. More qualitative investigations centered on the construction of trust in a myriad of situations will lead to a more generalizable theory regarding association membership and trust. For other examples of qualitative studies that uncover important processes underlying associations and/or trust, see Eliasoph (1998) and McAdam (1990).

We also recommend that researchers consider multilevel influences on both association membership and trust. There needs to be increased attention to the community characteristics, institutions, and policies that influence this relationship. Associations are embedded in communities and in nations, and the characteristics at these larger levels (e.g., economic inequality) may influence trust through associations. As one example, Park and Subramanian (2012) investigate inequality and racial homogeneity. But other macro-level characteristics such as overall education (or educational inequality) might influence this relationship as well (see also Gheorghiu, Vignoles, and Smith 2009).

To conclude this section on future directions, we would like to echo the three questions proposed by van Ingen and Bekkers (2015): (1) To what extent does participation in associations enhance generalized trust? (2) Does the increase of generalized trust occur immediately, or does it need some time to emerge? (3) Is the effect of association membership on generalized trust different across countries and types of voluntary associations? Answering these questions theoretically and empirically will advance our understanding of a critically important societal resource.

NOTES

1. In this simplified diagram, only two sociodemographic characteristics are considered at a time.
2. Uslaner (2012) describes a similar process with friendships in segregated communities—individuals with diverse friendships in more diverse communities experienced a boost in trust. See also Marschall and Stolle 2004; Stolle, Soroka, and Johnston 2008.
3. Some researchers have used fixed effects modeling to investigate questions that do not directly address associational membership but may have relevance in regards to how associational membership may create generalized trust. Glanville, Andersson, and Paxton (2013) find that social connections increase trust in a fixed effects model in the United States. Bekkers (2012) uncovers an association between volunteering and generalized trust in the United Kingdom but the relationship is not present in four other countries investigated.
4. In related research, Mutz (2002) demonstrates that cross-cutting, heterogeneous networks of political discussion increase political tolerance; and Paxton (2002) finds that connected associations benefit democracy, while isolated associations do not.

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P A R T I I I

HOW DIFFERENT
GROUPS DEVELOP
SOCIAL TRUST

CHAPTER 9

ETHNIC DIVERSITY AND SOCIAL TRUST

*A Critical Review of the Literature and Suggestions
for a Research Agenda*

PETER THISTED DINESEN
AND KIM MANNEMAR SØNDERSKOV

INTRODUCTION

In the volumes of research on social trust, no question has received more attention than that of the potential consequences of ethnic diversity for social trust. The cause of this attraction is arguably straightforward: the effect of ethnic diversity on social trust is a key derivative of the larger question of the consequences of immigration—the main driver of ethnic diversity in most countries—for social cohesion. Or put in starker terms: Does increased ethnic diversity come at the cost of weaker social ties and ultimately less well-functioning societies?

Perhaps unsurprisingly, the debate over this question has been contentious to say the least. Scholars continue to discuss the evidence on the relationship between ethnic diversity and social trust—with repercussions in the public debate. For example, Putnam’s (2007) provocative findings regarding the negative impact of residential ethnic diversity on social trust and other aspects of social cohesion in the United States were featured in the *New York Times*—and so were the findings in the follow-up study by Abascal and Baldassarri (2015).

While such coverage is a telling indicator of the importance and contentiousness of this topic, it says little about the general status of the literature vis-à-vis the effect of ethnic diversity on social trust. That is what we strive to do in this chapter. In taking stock, we highlight key findings from the literature but do not provide an exhaustive overview of the empirical evidence—this has been done relatively recently in reviews covering diversity effects on indicators of social cohesion more generally (Schaeffer

2014, chap. 2; Van der Meer and Tolsma 2014) or out-group attitudes (Kaufmann and Goodwin 2016). Instead, the chapter has a dual focus on both elucidating what we believe to be key theoretical, empirical, and methodological insights from the existing literature as well as highlighting the boundaries of previous studies in this regard with an eye to areas that can be fruitfully explored in future studies.

Before proceeding with the review, a couple of delimitations and clarifications are in order. First, given the focus of this anthology, and to make for a stringent review, we focus on (*generalized*) *social trust*, that is, the disposition to trust unknown others by default. This is important because it separates the focus of the chapter from a larger number of studies of the effect of ethnic diversity on other measures of social cohesion and more particularized forms of trust (e.g., trust in neighbors or specific in-groups or out-groups). Second, we focus on diversity caused by factors closely related to ethnicity and immigration. Third, we primarily (but not exclusively) review studies of *ethnic diversity in residential contexts*. The first studies on the topic primarily used country-level indicators of ethnic diversity (and also trust) (e.g., Knack and Keefer 1997), but an increasing share of subsequent studies, starting with Alesina and La Ferrara (2002), Costa and Kahn (2003), and Marschall and Stolle (2004), employ subnational-level indicators of diversity based on the respondents' place of residence. This development probably reflects a combination of enhanced availability of subnational data on diversity, increased methodological sophistication (e.g., the proliferation of multilevel modeling), and, not least, a growing theoretically motivated interest in the consequences of individuals' actual exposure to diversity, which can hardly be captured using country-level measures. Residential diversity is thus the primary focus of our review, but we do include studies that measure diversity at the national level when relevant (e.g., when discussing heterogeneous effects of diversity across countries), and we subsequently also review the few studies using other contexts than those related to residence (e.g., diversity in school or in the workplace). In fact, one of our suggestions for future research is that more studies should focus on such extraresidential contexts.

In the following section, we first outline and discuss what we perceive to be the main theoretical mechanisms put forward to explain the relationship between ethnic diversity and social trust as well as what is arguably the main confounding explanation for a negative relationship between ethnic diversity and trust: ethnic segregation. Secondly, we provide a condensed—and arguably selective—overview of what we think are key empirical findings vis-à-vis the relationship between ethnic diversity and social trust. Finally, we pinpoint and discuss theoretical and methodological shortcomings of existing studies and sketch the contours of a future research agenda on the relationship between ethnic diversity and social trust.

THEORETICAL MECHANISMS

In the topography of explanations of social trust, ethnic diversity must be counted as an “experiential” explanation (Dinesen 2012; Dinesen and Sønderskov, this volume;

Glanville and Paxton 2007). That is, it should be viewed as an explanation emphasizing the plasticity of trust based on personal experiences—here, with interethnic others—as opposed to “cultural” or genetic explanations, which see trust largely as a stable predisposition that is formed early on in life with little subsequent change due to experiences (Hirashi, Yamagata, Shikishima, and Ando 2008; Uslaner 2002). In the following, we highlight the main theoretical mechanisms proposed to explain the relationship between ethnic diversity and trust. Overall, we argue that previous theoretical perspectives—despite some variation—can be subsumed under a smaller number of interrelated mechanisms.

Why Does Ethnic Diversity Erode Trust in Strangers?

At a basic level, familiarity—in terms of ethnic background or otherwise—is expected to breed trust. For a number of reasons—including higher empathy, ease of communication, and norm enforcement—it is easier to trust those who are (more) ethnically similar to oneself (Adams et al. 2010; Habyarimana et al. 2007; Miguel and Gugerty 2005). Trust in generalized others is therefore less likely to develop in more heterogeneous contexts, the argument goes (Alesina and La Ferrara 2002). This argument has typically been made with reference to “conflict” theory or the related “group threat” theory. In the original formulation, conflict theory posits that exposure to out-groups—especially groups with different ethnic background—spurs conflict and competition over scarce resources with ensuing out-group prejudice and in-group favoritism (Blumer 1958; Bobo and Hutchings 1996; Quillian 1995). In the diversity-trust literature, the consequences of exposure to out-groups for out-group attitudes have been extended to encompass social trust, which is expected to be eroded in the face of ethnic diversity (e.g., Gijsberts et al. 2012). While both the familiarity-breeds-trust argument and conflict theory are well suited for explaining a negative relationship between contextual ethnic diversity and trust in out-groups (e.g., Gundelach 2014; Rudolph and Popp 2010) or trust in neighbors (e.g., Guest, Kubrin, and Cover 2008; Koopmans and Schaeffer 2015; Koopmans and Veit 2014), it is less obvious why ethnically heterogeneous surroundings should depress *generalized* social trust. Given that social trust refers to trust in the generalized other and thus includes both in-groups and out-groups as the target of trust, one cannot straightforwardly apply explanations of out-group trust or trust in specific groups to this outcome (Dinesen and Sønderskov 2015). Highlighting this problem, Freitag and Bauer (2013) show that social trust is conceptually and empirically distinct from trust in out-groups and in-groups as well as trust in specific others, such as neighbors.

In his much-discussed alteration of the familiarity-breeds-trust argument, Putnam (2007) argues that ethnic diversity erodes trust not only in ethnic out-groups but also in in-groups (as well as social capital and pro-social behavior more generally). This proposition, sometimes referred to as the “constrict” or “anomie” argument (van der Meer and Tolsma 2014), is better suited for explaining a negative relationship between ethnic diversity and social trust. Proximity to interethnic others leads to a lowering of trust in

both in-groups and out-groups—that is, social isolation or anomia—and therefore also erodes generalized social trust. While the argument provides a coherent explanation for a negative relationship between ethnic diversity and social trust, a constituent part of this argument needs further elaboration, namely why ethnic diversity erodes trust in in-groups—a hypothesis running counter to much existing evidence (e.g., Schmid, Ramiah and Hewstone [2014]; Abascal and Baldassarri 2015, but see Tolsma and van der Meer 2017). Putnam refers to this as an empirical matter, which is of course true, but a firmer theoretical underpinning would obviously strengthen this argument's face validity.

A third line of reasoning also extends the familiarity-breeds-trust argument but combines it with an idea of saliency of cues gleaned from experiences in everyday life (Dinesen and Sønderskov 2015). More specifically, building on previous work on the contextual sources of trust (Glanville and Paxton 2007; Ross, Mirowsky, and Pribesh 2001), Dinesen and Sønderskov (2015) argue that people use the local cues available to them when evaluating the overall trustworthiness of others. One readily available—and often highly salient—cue is the ethnic background of others in one's social environment, including place of residence and other contexts. When the importance on contextual cues is seen in combination with the general finding of ethnic out-group aversion (e.g., Mendes et al. 2002; Olsson et al. 2005)—that people display negative biases, including mistrust, toward individuals from other ethnic groups—this together predicts a negative effect of contextual ethnic diversity on social trust. That is, in social environments heavier on members of ethnic out-groups, toward whom one is (more) negatively disposed and less trusting, individuals are exposed to contextual cues that make them infer that the generalized other is less trustworthy.

Another mechanism sometimes purported to explain the negative effect of ethnic diversity is the so-called homophily principle (e.g., Tolsma, van der Meer, and Gesthuizen 2009), which states that humans prefer to interact with people like themselves. From our understanding of the general phenomenon of homophily (McPherson, Smith-Lovin, and Cook 2001), this argument is superfluous at best. If it is taken to imply that “similarity breeds connection” (McPherson, Smith-Lovin, and Cook 2001, 415) it is reduced to the familiarity-breeds-trust argument presented above. However, more commonly, homophily is taken to descriptively refer to the empirical regularity that individuals prefer being surrounded by people like themselves—that is, according to the proverb “birds of a feather flock together” (see McPherson, Smith-Lovin, and Cook 2001, 417). As such, this argument can be seen as describing the *selection process* taking place vis-à-vis choice of ethnic context—residential and otherwise—rather than an explanation for any effect of this context on social trust. Homophily is thus, at least in our understanding, better reserved to refer to selection processes potentially confounding the effect of ethnic diversity on trust and not an alternative account for this effect.

An alternative account: Segregation and contact as confounding explanations of the diversity effect. After the first wave of studies of the relationship between ethnic diversity and trust—of which many showed negative effects—an alternative,

confounding explanation for the observed relationship was proposed: ethnic segregation. The argument draws on contact theory (Allport 1979) and posits that ethnic segregation inhibits—or indicates a lack of—meaningful ethnic contact, which could potentially break down ethnic stereotypes, foster a broader conception of “we,” and ultimately result in higher trust in the generalized other (Stolle, Soroka, and Johnston 2008; Uslaner 2012). The key prediction of the “segregation argument” is that the negative effect of ethnic diversity on social trust stems from ethnic segregation rather than a negative effect of exposure to ethnic diversity per se. In other words, when ethnic segregation is properly taken into account, the effect of ethnic diversity on trust should disappear—or even turn positive (Stolle, Soroka, and Johnston 2008; Uslaner 2012).

In sum, the literature offers a number of different theoretical explanations for the relationship between ethnic diversity and social trust. However, with the exception of the alternative account on contact/segregation, few studies have tried to empirically test the various theories of the effect of ethnic diversity on trust and the potential different observable implications they carry. We will return to this later in the chapter. We now turn to a review of empirical findings.

A REVIEW OF EMPIRICAL FINDINGS

As noted above, there have been recent efforts to summarize the abundant empirical literature on the relationship between ethnic diversity and social trust in the form of a meta-analysis (Kaufmann and Goodwin 2016; Schaeffer 2014, chap. 2; Van der Meer and Tolsma 2014). While these analyses overlap with the aim of this review, they focus on the consequences of ethnic diversity for larger or different classes of outcomes, such as social cohesion in general or out-group attitudes. Given the broader or slightly different focus, they only indirectly speak to the relationship between ethnic diversity and social trust because trust only forms part of, or is related to, these aggregates. Nevertheless, we will use the existing meta-analyses as a basis for summarizing the overall findings in the literature, and the important variations herein, along a number of dimensions, while supplementing the conclusions from these analyses with studies focusing specifically on social trust.

Overall Patterns: Evidence from Meta-Analyses

As a main conclusion, the meta-analyses show substantial variation in the relationship between ethnic diversity and social trust. Schaeffer’s meta-analysis (2014, chap. 2), which speaks most directly to this relationship, reports that 48% of the reviewed studies find a significant negative relationship, while 52% fail to do so. Interestingly, this contrasts with stronger support for a negative relationship for most other indicators

of social cohesion and public goods provision, including other “trust-related sentiments.” Van der Meer and Tolsma’s (2014) analysis does not speak exclusively to social trust, but the overall results across dimensions of social cohesion related to this form of trust (e.g., attitudinal as opposed to behavioral measures of social cohesion) similarly suggest an inconsistent relationship with ethnic diversity, with the evidence weighting further toward the lack of a relationship compared to Schaeffer’s study. Whether the 48% of studies showing a statistically significant relationship in Schaeffer’s study is evidence for or against the negative relationship between ethnic diversity and trust is a question of the glass being half-empty or half-full—or rather, what the hypothesis being tested is. If the hypothesis is that there is a universally negative relationship, then this result of course speaks against it. Yet, as always, showing no significant relationship is hardly strong evidence for the null hypothesis as this could reflect an underpowered statistical test due to insufficient observations or random measurement error in the dependent variable. Moreover, random measurement error in the independent variable—which is likely to be substantial regarding the relationship in question—would, *ceteris paribus*, bias the estimated relationship toward zero. In discussing potential improvements on previous research, we return to promises and pitfalls in utilizing meta-analyses to generate aggregate evidence on the relationship between diversity and trust.

National Variations in the Relationship: American Exceptionalism or General Trend?

One of the most discussed contingencies regarding the effect of ethnic diversity on social trust relates to the national context in which the relationship is studied across subnational units. Early prominent analyses showed a negative relationship across localities within the United States (Alesina and La Ferrara 2002; Putnam 2007). This in turn led scholars to ask whether this was representative of other societies or yet another case of American exceptionalism. Perhaps the high levels of ethnic diversity paired with an idiosyncratic pattern of adverse race and ethnic relations has formed a national backdrop particularly conducive to conflictual local interactions eroding social trust in the US setting.

None of the meta-analyses focus exclusively on social trust as an outcome in their analyses of national variations in the effect of ethnic diversity, but they show that a negative relationship between diversity and social cohesion prevails more often in the United States than in other national settings (Schaeffer 2014, chap. 2; van der Meer and Tolsma 2014). The preponderance of negative relationships in the US context resonates with our reading of empirical studies focusing on trust, which generally point toward a significant negative relationship (Alesina and La Ferrara 2002; Marschall and Stolle 2004; Putnam 2007), although with important exceptions (e.g., Abascal and Baldassarri’s [2015] reanalysis of Putnam’s data).

Studies conducted outside of the United States—almost exclusively in other developed Western countries¹—generally provide weaker evidence for a negative relationship between ethnic diversity and social trust. However, while less often *statistically significant* than studies in the United States, most studies point toward negative relationships. Too few studies are conducted within each country to discern systematic patterns, but there are indications of cross-country variations in the relationships. For example, previous analyses (Dinesen and Sønderskov 2012, 2015) have suggested significant negative effects of residential diversity on trust in Denmark (but not for diversity in school, see below). Conversely, a negative relationship has not been found in the Netherlands (de Vroome, Hooghe, and Marien 2013; Gijsberts, van der Meer, and Dagevos 2012; Tolsma, van der Meer, and Gesthuizen 2009). In Canada (Kazemipur 2006; Phan 2008; Soroka, Helliwell, and Johnston 2007; Stolle, Soroka, and Johnston 2008; Uslaner 2012, chap. 4), Germany (Gundelach and Traunmüller 2014; Levels et al. 2015; Stolle et al. 2013; Traunmüller 2011), and the United Kingdom (Bécares et al. 2011; Demireva and Heath 2014; Sturgis et al. 2011; Uslaner 2012, chap. 5), the results are more mixed.

The apparent differences in the effect of ethnic diversity between countries—including that between the United States and other Western countries—obviously beg for an explanation. A few studies have tried to explain such differences by examining heterogeneous effects of ethnic diversity across countries (i.e., studying if the effect of diversity varies according to country-level variables). Focusing on ethnic diversity at the national level, Helbling, Reeskens, and Stolle (2015) show that the negative relationship between *national* ethnic diversity and trust is only significantly negative in countries where the immigration issue is relatively high on the political agenda, which might suggest that political elites and their rhetoric play a role in connecting citizens' experiences with diversity to their perception of the generalized other. Kesler and Bloemraad (2010) also report heterogeneous effects; they find that the negative impact of diversity is numerically smaller (i.e., closer to zero) in more economically equal countries and in countries where minorities are officially recognized and accommodated. Studies using subnational-level variation in immigration policies (Gundelach and Manatschal 2017) and economic growth (Ziller 2015) as moderators of the relationship between regional-level ethnic diversity and trust also indicate that economic and policy conditions may moderate the relationship.

While these between-country differences may plausibly explain some of the differences in the observed effects of ethnic diversity, we would like to highlight the possibility of a more mundane methodological explanation for these apparent differences relating to statistical power. As noted in the preceding discussion, many studies from European countries point toward a negative relationship, but contrary to studies from the US setting it does not reach statistical significance. This finding has typically—including in the noted meta-analyses—been interpreted as absence of an effect. This is problematic because statistical significance only speaks to the certainty of an estimate, which is a function of not only the strength of the relationship but also the number of observations and variation in the independent variable. This is important vis-à-vis the comparison

between the United States and other Western countries because the US-based studies tend to have higher statistical power, thus increasing the likelihood of detecting a statistically significant (negative) relationship in this setting, which may then explain the apparent differences between the countries. More specifically, analyses from the US setting tend to be based on a substantially larger number of observations (individuals and contexts) than those in other countries, probably reflecting the greater availability of large-n datasets in this context. To take one example, the US-based studies by Alesina and La Ferrara (2002) and Putnam were based on 7,209/23,260 respondents and 955/41 contexts, while the three studies from the Netherlands cited above (de Vroome, Hooghe, and Marien 2013; Gijsberts, van der Meer, and Dagevos 2012; Tolsma, van der Meer, and Gesthuizen 2009) were based on 4,222/4,089/2,949 respondents living in 35/1,250/503 contexts. Furthermore, being a substantially more ethnically diverse country than most (Alesina et al. 2003), the United States will plausibly also have higher variation in ethnic diversity between local contexts, which yield higher statistical power for detecting a relationship. Our point is thus that due to a higher number of observations and a likely higher variance in ethnic diversity across contexts, a *statistically significant* negative relationship between diversity and trust is more likely to emerge in analyses based on data from the United States than elsewhere *even if* the effect were uniform across countries. In other words, the conclusion that a negative relationship between ethnic diversity and trust is more likely to emerge in the United States may in fact be attributed to greater statistical power paired with a narrow focus on statistical significance in the literature, rather than substantive differences between the national contexts.

Do Contact and Segregation Moderate the Relationship?

As noted in the review of theoretical mechanisms, several scholars have argued that the relationship between ethnic diversity and trust may be contingent on (i.e., moderated by) residential segregation and/or interethnic contact. This potential moderation is motivated by the contact and conflict arguments presented. Interethnic exposure may, under the right conditions—for example, meaningful and extended contact between ethnic groups of equal status—have positive consequences for social trust (the contact argument), but will, on the contrary, lead to conflict, and consequently less social trust, if these conditions are not met (the conflict argument). In other words: the consequences of ethnic diversity for trust depend on the nature of interethnic interactions. As one of the first articulations and tests of this idea, Marschall and Stolle (2004) showed that the relationship between the frequency of neighborhood socializing and social trust is more positive in mixed (white/black) neighborhoods than in all-black neighborhoods, which they see as an indication of the importance of meaningful contact in generating trust in ethnically diverse settings. Several studies have elaborated on this idea and provided more direct tests of the moderation by testing if the relationship is dependent on whether one talks with/knows one's neighbors (Stolle, Soroka, and Johnston 2008;

Sturgis et al. 2011), speaks the same language as the out-group (Buzasi 2015), has immigrant colleagues (Dinesen and Sønderskov 2015; Kokkonen, Esaiasson, and Gilljam 2014), or has contact with immigrants in general (Dinesen and Sønderskov 2015; Phan 2008; Stolle et al. 2013). Most studies report interaction coefficients in the expected direction—that is, they all indicate that the estimated effect of diversity becomes less negative/more positive under contact—but far from all interaction coefficients are significantly different from zero.

Building on a similar logic regarding the moderating role of contact, Uslaner (2012) focuses on a more structural indicator, namely that of residential segregation (or its inverse, integration). In essence, Uslaner's argument is that people may live in ethnically diverse aggregate contexts but at the same time, at a more local level, live in homogeneous ethnic enclaves with few interethnic interactions (see also Dinesen and Sønderskov [2015] on this point). In such areas, there is thus little opportunity for meaningful interethnic contact, while the presence of other ethnic groups in the greater vicinity—with whom one does not have actual contact—fosters feelings of threat and ultimately lowers trust. Thus, according to Uslaner, it is segregation in combination with diversity that undermines trust. Diversity in itself does not undermine social trust, and if it occurs in nonsegregated areas, where people of different backgrounds interact, it may even increase trust. Uslaner (2012) tests this argument, using an impressive array of survey data from Australia, Canada, Sweden, the United Kingdom, and the United States, and generally finds support for his argument. Dinesen and Sønderskov (2015) implicitly test the argument regarding the interplay between ethnic diversity and segregation by examining the relationship between ethnic diversity and social trust in micro-contexts with a radius down to 80 meters of the place of residence, where some form of interethnic exposure is inevitable in practice, and thus where segregation can hardly take place. They find a negative effect of ethnic diversity in micro-contexts, thereby providing evidence for a negative effect of ethnic diversity in itself—i.e., when it is not confounded by segregation.

Overall, previous studies have produced a good deal of empirical support for the contact/integration argument but also some dissenting voices. This indicates that this is a fruitful avenue for further research into the contingencies of the effect of ethnic diversity on trust. Yet, as we elaborate on in our review of future paths for the literature, the contact/integration argument should be put to a harder empirical test to establish its merits.

Findings for Other Moderators

A host of other moderators of varying theoretical relevance have been proposed in the literature. As one of the more theoretically pertinent moderators, scholars have examined whether the relationship between ethnic diversity and trust varies by individuals' ethnic group or status as native or immigrant. The question of whether ethnic diversity—especially when measured as out-group concentration—has similar effects on members of all ethnic

groups potentially speaks to the question of which mechanisms (out-group threat, etc.) that link ethnic diversity with trust. A number of studies of residential contexts have explored heterogeneous effects across ethnic groups or being native as opposed to being an immigrant. Some report significantly different results across groups (e.g., Abascal and Baldassarri 2015), while others fail to find a substantial difference (e.g., Soroka, Helliwell, and Johnston 2007). Moreover, the pattern is not consistent across groups; some studies report that diversity matters most—or exclusively—for whites (e.g., Abascal and Baldassarri 2015), while others find that diversity matters more for other groups (e.g., Marschall and Stolle 2004). There is thus no consensus about whether the effect varies across ethnic groups and between natives and immigrants, and more research on this is clearly needed. Yet, as a word of caution, it is important to pinpoint that, as a practical matter, a credible test of heterogeneous effects across ethnic groups requires sufficient respondents from each group as well as sufficient within-group variation in contextual diversity, which might be difficult to find.

The literature has also looked at other moderators at both the individual level and the context level. Costa and Kahn (2003) report stronger negative effects for older people,² while Tolsma, van der Meer, and Gesthuizen (2009) find stronger positive effects for more educated individuals. Dinesen and Sønderskov (2015) also test for the moderation by education and age as well as a host of other individual-level moderators, including length of residence in neighborhood, gender, victimization, income, and unemployment, and do not find any (statistically significant) evidence for moderation. Similar null findings are reported by Putnam (2007). A few studies have looked at economic moderators at the neighborhood level (e.g., inequality or income/deprivation) but have not found any statistically significant evidence for such moderators (Dinesen and Sønderskov 2015; Putnam 2007; Sturgis et al. 2011). Heterogeneous effects at the country or regional level have also been examined as we already discussed. The results suggest that the effects of aggregate diversity vary as a function of regional/country-level inequality, elite rhetoric, integration policies, ethnic polarization, and economic growth, but not unemployment, poverty, population size, level of democracy, and political climate (Bjørnskov 2008; Gundelach and Manatschal 2017; Helbling, Reeskens, and Stolle 2015; Kesler and Bloemraad 2010; Ziller 2015).

Looking across the various moderators examined in the literature, it is arguably fair to say that they have been chosen somewhat eclectically and have rarely been very firmly theorized. Perhaps this also explains the lack of a clear pattern in the empirical analyses. In the directions for future research, we discuss how the literature may move forward by more systematically theorizing and empirically testing moderators of the relationship between ethnic diversity and trust.

Findings for Different Measures of Contextual Diversity

Any study examining the consequences of contextual ethnic composition on social trust must define what constitutes a theoretically meaningful social context in which to measure ethnic diversity. Within the strand of the literature that focuses on residential

diversity, the vast majority of studies use a predefined administrative unit (e.g., a census tract) as the point of departure. Other than that, however, the measurement of social context varies tremendously across studies. This variation is quite striking given their ostensible similarity in purpose. As we see it, the variation can be characterized along (at least) two important dimensions: the *size of the context* (how geographically large the contexts are or, as a proxy, how many people reside in them) and the *content of the context* (how diversity is measured within the context).

Size is arguably the most apparent dimension along which studies differ. The geographical size of context varies enormously in previous studies; from very local contexts, such as the immediate neighborhood (e.g., Dinesen and Sønderskov 2015; Sturgis et al. 2011); over census tracts/larger neighborhoods (Putnam 2007; Tolsma, van der Meer, and Gesthuizen 2009; Uslaner, 2012), postal districts (de Vroome, Hooghe, and Marien 2013; Leigh 2006), and cities/municipalities/metropolitan areas (Alesina and La Ferrara 2002; Dinesen and Sønderskov 2012; Ivarsflaten and Strømsnes 2013); to states, regions, and countries (Dincer 2011; Finseraas and Jakobsson 2012; Gundelach and Traunmüller 2014; Koster 2013; Ziller 2015). As argued by Schaeffer (2013) and Dinesen and Sønderskov (2015), the choice of contextual size speaks directly to the underlying theoretical explanation. Most accounts seem to presume, if not explicitly state, that exposure to interethnic others in everyday life is what links ethnic diversity and social trust. Thus, to measure contextual exposure to interethnic others, a context should capture an area in which individuals spend time and therefore, by implication, are exposed to other people in the area. This implies that smaller contextual units should, *ceteris paribus*, better reflect individuals' daily experiences (Dinesen and Sønderskov 2015). Conversely, highly aggregate contexts such as countries or large regions would, at best, be noisy proxies for individuals' actual interethnic experiences.

The existing meta-analyses (Kaufmann and Goodwin 2016; Schaeffer 2014, chap. 2; van der Meer and Tolsma 2014) all deal with the importance of context size by comparing the effect of diversity across studies using contexts of different sizes. With some variation in the firmness of this conclusion, the meta-analyses indicate that a negative relationship is more prevalent in smaller/more local settings. The same conclusion is reached in two within-study comparisons, Dinesen and Sønderskov (2015) and Putnam (2007); both explore the relationship between individual-level social trust and contextual diversity at different levels of aggregation for the same individuals. Using data from Denmark and the United States, respectively, they both find that the (negative) relationship is stronger the smaller the context. Illustratively, Dinesen and Sønderskov (2015) find a significant negative relationship between ethnic diversity and trust in contexts with a radius up to 180 meters (approximately 0.1 square kilometers or less than the size of 19 American football fields), and a waning insignificant negative relationship in more aggregate contexts (e.g., a circle with a radius of 250 meters or more). The relationship ceases to exist (the coefficient is essentially zero) in the most aggregate context they examine (defined as a circle with a radius of 2,500 meters—approximately 20 square kilometers or a third of the size of Manhattan—that is, smaller than the contexts used in most studies). This suggests that the negative consequences of

diversity for trust is indeed tied to local experiences and substantiates Schaeffer's (2013) prediction regarding the absence of strong relationships in more aggregate settings. It also highlights the importance of correspondence between conceptualization and measurement of social context as this may impinge greatly on the empirical results. We will return to this issue later in the chapter.

As a second dimension, the literature varies substantially in how diversity within the chosen context is measured. The measurement of diversity concerns at least two different aspects: the definition of ethnic out-groups and how they are counted in a given context. Firstly, studies vary in their delimitations of outgroups (e.g., immigrants [Stolle et al. 2013], non-Western immigrants [de Vroome, Hooghe, and Marien 2013], or visible minorities [Stolle, Soroka, and Johnston 2008]) and how ethnic groups are defined in the first place (e.g., if it is based on race [Abascal and Baldassarri 2015], continent of origin [Ivarsflaten and Strømsnes 2013], or country of origin [Dinesen and Sønderskov 2015]). Secondly, studies vary in how ethnic categories are aggregated to reflect contextual diversity. Often-used measures are concentrations (e.g., the share of people with a different ethnic background than the respondent) or (the reversed) Herfindahl-Hirschman Fractionalization Index (i.e., the probability that two randomly chosen individuals belong to different ethnic groups; see Alesina et al. 2003). Both of these aspects are of obvious theoretical importance. If the share of non-Western or visible immigrants is stronger negatively related to trust than the share of immigrants more generally, this may tell us something about the mechanisms connecting ethnic diversity to trust (Dinesen and Sønderskov 2012). However, as a reflection of reality, such diversity measures will often be very highly correlated in a given sample, which implies that we should expect to see limited variation in effects across measures in empirical applications (Schaeffer 2013). This is also the general picture emerging from the many studies that employ different measures in the same study. Only under rare circumstances, where the data is unusually rich with respect to variations in diversity across contextual units, would it be possible to empirically differentiate and hence to test different explanations by means of various measures of ethnic diversity. As such, using different measures of ethnic diversity should in most studies be considered a way to assess robustness of a relationship with trust rather than adjudicating between different explanations (Dinesen and Sønderskov 2015; Schaeffer 2013).³

Findings from Extraresidential Contexts

To this point, we have focused on studies of the impact of ethnic diversity in the residential context, which reflects the focus in the literature. However, a smaller set of studies have focused on diversity in other social contexts. Four studies examine the effect of ethnic diversity in the *school context* (measured at the school, grade, or classroom level) on social trust among children/adolescents in primary/secondary school (Bădescu and Sum 2015; Dinesen 2011; Janmaat 2009, 2015). Based on data from various Northern European countries and Romania, these studies primarily find negative,

but not always statistically significant, relationships between diversity and trust. In the domain of *voluntary organizations*, Achbari (2016) finds no significant relationship between ethnic composition and trust among members. Relatedly, Stolle and Harell (2013) find a negative (positive) relationship between the ethnic composition of elder (younger) Canadians' *social networks* and their social trust.

Two papers study the effect of ethnic diversity in the *workplace* on social trust (Dinesen, Sønderskov, and Thuesen 2016; Kokkonen, Esaiasson, and Gilljam 2014).⁴ What distinguishes these studies from the other studies of extraresidential contexts is that they simultaneously explore the role of both residential and extraresidential contexts (the workplace). Beyond comparing effects of different types of contexts, this enables them to establish whether interethnic exposure in each domain uniquely influences trust rather than simply proxying for the same generic "ethnic context" of an individual (Dinesen, Sønderskov, and Thuesen 2016). Using adults from 22 countries (mainly European), Kokkonen, Esaiasson, and Gilljam (2014) find opposite effects for the two contexts. Residential diversity relates negatively to trust, like in many of the studies reviewed above, whereas workplace diversity has a positive effect on trust. Conversely, Dinesen, Sønderskov, and Thuesen (2016) find that both workplace and residential diversity are negatively associated with trust in Denmark using both cross-sectional and individual-level panel data.

Presently, there are too few extraresidential studies to draw any firm conclusions about the impact of ethnic diversity on social trust outside the residential context. As such, more research is warranted on how the diversity of nonresidential contexts can influence trust.

TOWARD A FUTURE RESEARCH AGENDA: SUGGESTIONS FOR THEORETICAL AND METHODOLOGICAL INNOVATION

As a logical extension of our review of previous studies, we will now look forward and propose a number of paths that we believe could advance the literature. As we see it, the literature would benefit from both theoretical and methodological innovations. In short, this implies asking why we observe a relationship between ethnic diversity and trust and how we can be sure that it is of a causal nature.

Theoretical Elaboration and Empirical Assessment

The theoretical foundation of the relationship between diversity and social trust appears relatively underdeveloped and immature, especially vis-à-vis the vast number of empirical studies and massive interest in this topic in both the academic

and the public debate. The majority of studies in passing list a couple of overlapping explanations for a causal impact of diversity on trust without further reflection on the explanations' logical consistency, or their standing based on past evaluations, before proceeding to examine the relationship empirically (e.g., Dinesen and Sønderskov 2012). To be fair, there is good reason to be sympathetic to the idea of generating more empirical evidence on the matter—especially if it is of a more qualified causal nature—even despite the absence of a strong theoretical underpinning. At the same time, theoretical complacency is unfortunate for our understanding of the relationship between diversity and trust because it inhibits accumulation of knowledge in terms of weeding out inconsistent and empirically unsubstantiated theories. Therefore, whenever possible, scholars should strive to derive observable implications from various theories, which could then help distinguish empirically between them. Koopmans and Schaeffer (2015, 2016) and Schaeffer (2013) are instructive in this regard. Focusing on a related outcome—trust in neighbors—they derive implications of different explanations for a relationship between diversity and trust gauged by different measures of diversity, and then subsequently test these empirically (this strategy can, however, be challenging empirically as we discuss shortly). In the next sections, we turn to alternative strategies for gaining leverage over different explanations—for example, by way of moderators or a tighter correspondence between concepts and empirical measurement.

Developing and Testing Moderators of the Relationship between Ethnic Diversity and Trust

As highlighted in our review of the status of the literature, previous studies have dedicated significant efforts to study moderators of the relationship between ethnic diversity and trust. Moderators related to intergroup contact have been studied most systematically, but other moderators at both the individual and the contextual level have also been scrutinized. As noted, the empirical evidence for moderated effects is mixed. Yet, we believe that a continued focus on moderators would be fruitful. However, greater theoretical creativity in formulating hypotheses about moderators, and methodological stringency in testing them, is needed in order to bring the literature forward.

It is arguably fair to say that, in some previous studies, the choice of moderators examined have been somewhat unfocused. While we may learn something from a more eclectic approach (perhaps especially when no moderation can be shown; see Dinesen and Sønderskov 2015; Putnam 2007), we would argue that researchers should instead focus their theorizing of moderators so that it provides maximal leverage for understanding when and how ethnic diversity influences trust. The line of research focusing on interethnic contact as a moderator is a good example to follow in this regard (although it is plagued by methodological issues as we discuss later in this section), because it seeks to understand the conditions under which ethnic diversity lowers trust (or increases it).

The list of potential moderators is obviously very long, but let us briefly highlight a few, which to us seem like fruitful starting points in this regard. At the *individual level*, examining whether people with different personalities, cognitive resources, or previous personal experiences respond differently to ethnic diversity seems relevant. For example, are less politically sophisticated individuals more prone to base their trust on personal experiences (i.e., cues from the local context) rather than on more generalized information such as the media, as some related research would imply (Danckert, Dinesen, and Sønderskov 2017)? At the *contextual level*, continuing previous efforts (Dinesen and Sønderskov 2015; Putnam 2007; Sturgis et al. 2011) to study how the effect of ethnic diversity may be compounded by various negative socioeconomic characteristics of the context (e.g., deprivation or income inequality)—which might magnify ethnic tensions—would be highly relevant for policymakers as well as academics. Finally, we would like to allude to a somewhat overlooked source of variance that can fruitfully be coupled to moderators, namely *temporal variation* in survey responses. More specifically, employing timestamped survey data (ideally individual-level panel data or pooled cross-section data for more over-time variation) allows researchers to link these with macro-level variables that vary over time (e.g., the media focus). The fruitfulness of this approach is best illustrated by Hopkins's (2010) pathbreaking study showing that local changes in immigrant concentration only generate opposition toward immigration when immigration is a salient topic in the national news media. Tests of hypotheses inspired by this finding and other hypotheses utilizing intertemporal variation would be a highly welcome addition to the ethnic diversity-trust literature.⁵

In tandem with greater theoretical refinement, scholars should test moderators with greater care and exercise caution in interpreting their effects. Presently, the effect of ethnic diversity conditional on the moderator is typically presented as if the moderator was experimentally manipulated (i.e., exogenous to both the independent and the dependent variable). This is hardly ever the case. Conversely, moderators are observational in nature, which in turn means that they are not immune to concerns over endogeneity (reverse causality) vis-à-vis both the independent and the dependent variable as well as potential confounding from alternative moderators. This issue may be illustrated with interethnic contact—one of the primary moderators examined in the literature. Since contact is typically measured by some type of interaction (e.g., talking to members of different ethnic groups) or personal relationship (e.g., acquaintance or friendship), it may itself be the outcome of living in ethnically diverse contexts—research indeed points to a correlation in this regard (Martinovic 2013)—as well as social trust (the intuitive notion that more trusting individuals are more likely to form bonds with interethnic others). Due to its inherently endogenous relationship with both ethnic context and social trust, estimating the moderating role of interethnic contact is very complicated, and the association cannot straightforwardly be interpreted as the “simple” moderated effect of ethnic diversity on trust. Furthermore, even if one assumes that contact is independent of trust and contextual diversity, it may be confounded by other potential moderators. To take just one example, people who score higher on personality traits

such as “openness to experiences” in the Big Five personality model (McCrae and Costa 1999) may be more likely to develop such contact, which in turn implies that it is a potential confounder of the hypothesized moderation by contact. This implies that testing contact as a moderator “bivariately” is problematic—one needs to control for other influences potentially confounding the moderation. While problems of endogeneity and confounding are highly pertinent with regard to the moderating influence of interethnic contact, many other moderators suffer from similar issues. Yet, rather than abandoning this enterprise altogether, this should lead researchers to test moderation hypotheses more rigorously (e.g., by trying to rule out alternative moderators statistically or using quasi-experimental variation in moderators) and to be more conscious and upfront about the limitations of their results.

Improving the Conceptualization and Measurement of Contextual Diversity

As noted in the review, the size of contexts shows substantial variation across studies. In principle, the choice of the proper context is straightforward: the context should correspond with the proposed mechanism. If residential exposure to diversity is expected to influence social trust, the context should reflect the respondent’s “area of exposure.” In reality, however, the choice of context seems less driven by concerns over measurement validity and theory testing and more by data availability.

Many studies measure a respondent’s exposure to diversity by using the level of diversity in a given administrative unit in which the respondent resides. In some instances, administrative units may overlap fairly well with a likely area of exposure (e.g., the geographically small units used in Sturgis et al. 2011 and in some other neighborhood studies), but all too often analyses rely on administrative units that are likely to be relatively poor reflections of the respondents’ areas of exposure. Findings from the broader context literature illustrate why using such administrative units can be problematic. These units are only very rough representations of the areas in which people actually spend most of their time (Moore and Reeves forthcoming), and people’s own perceptions of their community rarely correspond with preexisting administrative borders (Wong et al. 2012).

The poor correspondence between conceptualization and measurement of context is unfortunate because it may impinge dramatically on the conclusions drawn as shown in the study by Dinesen and Sønderskov (2015)—they only find significant negative effects in small contexts presumably resembling areas of exposure, not in more aggregate contexts. Using too aggregate contextual units to gauge exposure effects may therefore lead us to systematically reject a relationship between ethnic diversity and trust. Yet, previous research using more aggregate contextual units have actually found significant—typically negative—relationships. This may mean one of two things. To the extent that the results by Dinesen and Sønderskov generalize, we would, ceteris

paribus, expect an even stronger negative relationship between ethnic diversity and trust to emerge if studied at a more appropriate contextual level. Conversely, the negative relationship found in more aggregate contexts may be an indication that other mechanisms than interethnic exposure are driving the relationship. Substantiating this, Bisgaard, Dinesen, and Sønderskov (2016) find, examining a related question, that the unemployment rate in even relatively small contexts correlates much higher with municipality-level unemployment than with the unemployment rate in the respondents' immediate neighborhood. They take this to be an indication that relationships between individuals' economic perceptions and more aggregate contextual unemployment reflect municipality-level economic conditions that are primarily communicated through the mass media rather than personal experiences in the neighborhood. Applying a similar logic to the ethnic diversity-trust literature, one may conjecture that the negative relationship observed in more aggregate contexts reflects political conflict taking place within these (or overlapping) administrative units rather than actual interethnic exposure—or perhaps a mix of the two. More research to parse out how residential ethnic diversity may influence trust in different ways would be of immense value to the literature.

The measurement of ethnic context remains one of the key challenges in the ethnic diversity-trust literature. Innovative solutions to this problem—such as those by Wong et al. (2012) and Moore and Reeves (forthcoming) in related literatures—is warranted. Yet, this sets a too-high bar for doing relevant work in the field. So what should researchers concerned with the theoretical mechanisms linking ethnic diversity and trust, but with suboptimal data on residential diversity at hand, do? Data imperfections are of course a fundamental condition of doing science, and we believe that such studies could still contribute to knowledge. Yet, we want to stress the importance of scholars being more conscious about the pitfalls of measurement of contextual diversity in future studies. As a minimum, they should be clear and upfront about the limitations of their choice of contextual unit vis-à-vis the theory they are testing, as well as the implications this may have for their conclusions. More concretely, future studies should include descriptive information about the contexts (e.g., their size and the number of residents) as a way for the reader to gauge measurement validity. Furthermore, the troubles of measuring residential context seen in conjunction with the paucity of studies examining diversity in other types of contexts suggest to us that future efforts could fruitfully be directed to extraresidential contexts. In addition to an inherent interest in understanding the role of various social domains, studying extraresidential context could potentially carry substantial theoretical and methodological leverage. For example, studying workplaces may be a good way to uncover the potential moderating role of interethnic contact, as this context is more likely to be characterized by such interaction than residential surroundings (Kokkonen, Esaiasson, and Gilljam 2014). Similarly, the workplace may plausibly be less subject to (although not free of) self-selection compared to the residential context (Dinesen, Sønderskov, and Thuesen 2016).

Strengthening Causal Inference through Alternative Research Designs

Ultimately, researchers are interested in identifying the causal effect of ethnic diversity on trust. As always, experiments in which units are randomly assigned to a treatment and a control group (in casu, individuals being randomly assigned to more or less ethnically diverse contexts) are the strongest device for identifying causal effects. Yet, randomly assigning individuals to ethnic contexts is rarely an option, and the vast majority of extant studies on the nexus between ethnic diversity and trust fall far from the experimental ideal, instead relying on (cross-sectional) observational data (i.e., observing units' values on a given variable instead of experimentally manipulating it) with concomitant problems of drawing causal inference (Angrist and Pischke 2009, chap. 3). More specifically, threats to causal inference in observational studies of the effect of contextual ethnic diversity on social trust primarily stem from selection into ethnic context based on social trust (i) (*reverse causality*) or other unobserved variables (e.g., personality traits, values, and beliefs) simultaneously influencing choice of context and social trust (ii) (*confounding*).

Given the observational nature of previous studies, one may be tempted to discard all previous evidence as well as discourage future research falling short of the experimental benchmark. Such conjectures would obviously be unfortunate and premature. Instead, we wish to make a plea for strengthening the potential for drawing causal inference—even if not of a definitive kind—through more appropriate research designs and better use of data. In this section, we review a number of approaches organized roughly in the order of their potential for drawing causal inference.

Experiments: While experimentally manipulating ethnic context may on the surface seem farfetched to those used to working with observational data, this has actually been done very creatively in neighboring literatures looking at related attitudes. In impressive field experiments, Enos (2014), Finseraas et al. (n.d.), and Sands (2017) generate random (short-term) exposure to out-groups (ethnic and otherwise) to study its causal effect on either attitudes toward out-groups or attitudes toward redistribution. Lab experiments have also been put to use to study the impact of various forms of diversity on cooperation and related behaviors through behavioral economic experiments (Alexander and Christia 2011; Koopmans and Rebers 2009). Even if working within a traditional survey framework, experiments can be conducted by way of survey experiments as exemplified by Koopmans and Veit's (2014) study, which randomly assigns different primes about ethnic heterogeneity to study trust in neighbors. While these experimental approaches come with their own issues (e.g., potential low ecological validity, short-term vs. long-term effects, or primed diversity vs. actual diversity), they represent new and innovative ways to provide much needed causal leverage in the study of ethnic context. As such, we believe that they should serve as inspiration for the literature on the relationship between ethnic diversity and trust.

Natural experiments: An important drawback of some of the experimental approaches discussed in the preceding section—lab experiments in particular—is the artificial nature of treatment. For example, induced ethnic diversity in a laboratory setting (e.g., in economic games) may resonate poorly with actually experienced diversity in everyday life and therefore holds low ecological validity. As a means to combine high ecological validity with a strong potential for causal inference, social scientists have increasingly turned to natural experiments. The idea behind natural experiments is to use as-if random variation in treatment (here, ethnic diversity) stemming from naturally occurring phenomena in order to estimate causal effects (Dunning 2012). We are only aware of one study using such a design to examine the consequences of diversity for social trust. Williamson (2014) exploits a sudden and sharp influx of Somalis in a small American town, which prior to the influx had very few nonwhite residents. Using a difference in difference estimator, and thus comparing the town-level development in social trust with the development in otherwise similar towns, we obtain a less biased estimate of the causal effect of diversity, Williamson argues. However, natural experiments have to a larger extent been applied in neighboring fields. Enos (2016), for example, exploits the exogenous variation in diversity created by large-scale demolition of public housing in Chicago to study changes in turnout among white Americans living next to the demolished public housing in an instrumental variables (IV) approach. Dahlberg, Edmark, and Lundqvist (2012) also employ an IV estimator to identify the effect of diversity on attitudes toward redistribution in Sweden using the quasi-random variation in ethnic diversity stemming from the influx of refugees. Berinsky, Karpowitz and Rodden (2016) exploit the as-if random assignment of young Mormon missionaries to missions around America and the rest of the world as a source of exogenous variation in missionaries' exposure to diversity in order to study its consequences for social and out-group attitudes. It is obvious that the ethnic diversity-social trust literature would stand to gain a lot from emulating related fields and leveraging natural experiments to a much higher extent. This would strengthen causal inference without necessarily compromising mundane realism.

Individual-level panel data: Experiments and natural experiments are rarely easy pickings and may also be very costly to conduct. Therefore, carefully designed work based on observational data would arguably still have a place in the literature. Yet, using observational designs, researchers can improve substantially on causal leverage compared to traditional cross-sectional designs. One straightforward approach is to use individual-level panel data, as this can reduce some of the bias from self-selection through individual fixed-effects estimation. More specifically, by relating over-time changes in ethnic diversity to changes in social trust, one can bypass all time-invariant confounding pertaining to the individual. This is far from trivial as it removes a host of likely individual-level confounders that are generally stable, such as personality and core beliefs, which clearly strengthens the potential for causal inference. Individual fixed effects has to our knowledge only been applied in studies on the relationship

between diversity and trust in three instances (Dinesen, Sønderskov, and Thuesen 2016; Gustavsson and Jordahl 2008; Levels et al. 2015).⁶ However, this method has been applied in several studies of the effect of diversity on outcomes related to trust (e.g., Danckert, Dinesen, and Sønderskov 2017 [attitudes toward immigration]; Gallego et al. 2016 [general political orientations]; and Laurence and Bentley 2016 [attachment to the community]) as well as in studies of other causes of trust (e.g., Bauer 2015; Laurence 2016; Sønderskov and Dinesen 2014, 2016). Despite the merits of individual-level panel designs, it is important to stress that they are no panacea. While this design removes time-invariant confounding, it does not eliminate time-variant confounding—that is, confounding from variables that change over time and therefore may influence both choice of ethnic context as well as trust (e.g., various life events). Researchers would therefore still have to account for potential time-variant confounders in this design. Furthermore, studies using individual-level panel data often face limited within-person variation in diversity, because the ethnic composition of neighborhoods and many other contexts do not change rapidly over time. This implies reduced statistical power (and hence lower precision and greater risk of type-II errors) when examining the relationship with other variables (including trust). Notwithstanding these reservations, we believe there is a big, yet unfulfilled, potential for further use of individual-level panel data designs in the study of effects of ethnic diversity on trust, especially given the increasing availability of various panel datasets in the public domain (e.g., the British Household Panel).

Pooled cross-sectional data with contextual-level panel data: Individual-level panel datasets are still scarce commodities and researchers are therefore well advised to consider alternative designs—especially in settings where such data do not yet exist. One such way is to get further mileage out of existing cross-sectional datasets by pooling them (when compatible) and thereby obtaining several observations from the same contextual unit over time (contextual panel data) enabling contextual fixed effects.⁷ While the contextual-level fixed-effects estimator does not reduce bias from individual-level confounders (as opposed to the individual-level fixed effects) or time-variant contextual confounders, it does remove bias from time-invariant confounders at the contextual level, and should therefore—*ceteris paribus*—be preferred over simple cross-sectional designs (Koopmans, Lancee, and Schaeffer 2014). Furthermore, an important added benefit of using pooled cross-sections is that it adds observations and increases variance in ethnic diversity, both of which serve the purpose of increasing statistical power with the desirable consequences for hypothesis testing (see our point above regarding some previous studies potentially being underpowered). The pooled cross-section approach, employing contextual-level fixed effects, has been used in a number of existing studies of the relationship between ethnic diversity and trust (e.g., Dinesen and Sønderskov 2012; Kesler and Bloemraad 2010; Ziller 2015), and as such this will not revolutionize the field. Yet, we believe that a further application of this design would be a step in the right direction, at least partially alleviating some of the concerns raised regarding causal inference.

Improving on Traditional Designs: Making the Most of Cross-Sectional Data

Despite the move toward causal inference-oriented designs in the social sciences reflected in the previously discussed recommendations for improvements in research designs, it seems likely that the literature on the relationship between ethnic diversity and trust will continue to be dominated by regular cross-sectional analyses in years to come—due to data availability if nothing else. While cross-sectional designs may be suboptimal for drawing causal inference, we do not want to suggest that employing such designs would be fruitless. On the contrary, under the right circumstance they can be very informative. For example, in considering a new national setting, introducing a new type of contextual unit, or scrutinizing a hypothesis about a specific moderator, cross-sectional data may often be the only data available. As such, cross-sectional data may oftentimes provide important first tests of hypotheses that can then subsequently be tested using more causally powerful designs. This is how many experimental sciences work, and a similar division of labor would be fruitful in the literature on the relationship between ethnic diversity and trust. However, with the continued use of cross-sectional designs, scholars should be more upfront about their limitations. At a minimum, scholars should be clear about the assumptions under which their estimates can be given a causal interpretation—or its inverse, to explain which types of confounding may exist and how that would affect the estimate of interest.

In all observational studies—and in cross-sectional designs in particular, given the lack of “control by design” compared to panel data—it is paramount to condition on (control for) potentially confounding influences. This practice has been followed more or less unanimously in the literature. However, the use of control variables has been exercised inconsistently. While this may in part be explained by the availability of control variables in a given dataset, this probably also reflects the lack of a clear idea about what the relevant control variables in fact are. This is easy in theory: one should control for confounding variables influencing both ethnic diversity and trust. In practice, it is a lot harder to pin down these variables. For example, should contextual crime rates or unemployment be considered antecedents of ethnic diversity (and trust) and thus included as control variables? One could plausibly argue that the control variables are themselves consequences of ethnic diversity and that controlling for them could therefore lead to post-treatment bias—that is, a downward-biased estimate—in the independent variable (Angrist and Pischke 2009, 64–68). And this does not even consider the major potential problem of reverse causality with regards to trust (in casu, selection in or out of contexts with these characteristics)—something that is also likely to plague a number of attitudinal individual-level control variables such as life satisfaction and institutional trust.

Given the lack of robust causal evidence on the relationship between a host of potential control variables and ethnic diversity and social trust, researchers are essentially left

to their own devices in choosing among available conditioning variables. This imparts a high level of discretion on the part of researchers, which may have severe implications for the results obtained. This problem is further aggravated by the highly contentious political nature of the relationship between ethnic diversity and trust. As pinpointed by Zigerell (2017), the choice of research design may be based on the results they produce through political biases of the authors. This makes it all the more important to provide a strong rationale for including a given set of control variables and presenting different models. As a solution, some may resort to an “err on the side of caution” strategy (we are ourselves guilty of having pursued this strategy), thus providing a conservative estimate of the relationship between ethnic diversity and trust. While tempting—especially if a given result is robust to this specification (the motivation behind our own wrongdoing)—this is problematic for at least two reasons. First, as in any observational study, we can never be certain that we have controlled for the right variables and hence whether the effect is in fact conservative or not. Second, there is nothing inherently better about a downward-biased estimate resulting from post-treatment bias (“false negative”) than an upward-biased estimate resulting from omitting relevant control variables (“false positives”).

The problem of which control variables to include is inherent to observational research, and no magic bullet exists. Yet, by exercising caution in specifying their models, and presenting the results of several models in a systematic and transparent fashion, scholars can to some extent bypass the challenge of including the “correct” control variables. This allows readers to assess which control variables influence the estimated relationship and which do not—as well as to decide for themselves what model they find most appropriately specified. To be a bit more specific, we suggest that authors present models progressively introducing different control variables even to the point where some of these variables may be considered endogenous (e.g., contextual crime or various attitudinal variables at the individual level). This does *not* imply that the authors should be forced to put equal weight on each coefficient reported. Rather, they should argue for which estimate they consider most credible as well as interpret the variation in the estimate between models more substantively with regard to potential confounding. So, in summary, traditional cross-sectional designs are still worthwhile for examining the relationship between ethnic diversity and trust—especially when breaking new theoretical or empirical ground—but researchers should pay far more attention to modeling this relationship in a stringent way as well as to report the results of their efforts in this regard.

Meta-analytical Evidence on the Relationship between Ethnic Diversity and Trust

Throughout this review, we have presented an abundance of findings vis-à-vis the relationship between ethnic diversity and trust as well as highlighted a number of variations herein based on national setting, measurement of context, and so forth. Exercising

great caution, we do believe it is fair to say that the main finding from the literature is a negative—albeit not always significant—relationship between ethnic diversity and social trust. However, summing up the evidence from a narrative review like this is bound to be impressionistic and therefore suboptimal. Following directly from this, the logical next step would be to follow the lead of analyses of related questions (Kaufmann and Goodwin 2016; Schaeffer 2014; Van der Meer and Tolsma 2014) and conduct an actual meta-analysis. This would enable a statistical summary of the overall relationship between ethnic diversity and trust as well as uncover potential systematic variations herein due to specific features of the studies such as those we discussed in this review (e.g., national setting, conditioning on moderators, choice of research design, type and measurement of context, etc.). Furthermore, a meta-analysis would also allow us to gain purchase on some of the outstanding issues in the literature that we have raised in the review. One example regards our conjecture regarding the importance of the number of observations for the conclusions drawn about the relationship between ethnic diversity and trust in different national settings. Similarly, the influence of choice of control variables could be scrutinized systematically using a meta-analysis.

Compared to the previous meta-analyses on social cohesion and out-group attitudes, we would suggest a number of refinements in line with conventional meta-analyses within related fields (Pettigrew and Tropp 2006). Most pertinently, and directly related to our recurring point regarding the importance of statistical power for detecting a relationship, it is paramount that a meta-analysis incorporates the size and precision (i.e., standard errors) of estimated coefficients for diversity on trust rather than simply counting significant coefficients (which is itself a function of several features as noted previously). This would safeguard against a downward bias in the overall relationship by utilizing all the relevant information rather than a subset of it. Similarly, a meta-analysis would potentially also allow for weighting the evidence obtained from different studies based on the strength of the research design employed for drawing causal inference. This would bypass the problem of letting all studies—*independent* of the strength of the research design—count equally when weighing in on the evidence of the relationship between diversity and trust. In other words, a meta-analysis of the relationship between ethnic diversity and trust would be of indispensable value for sorting out some of the intricacies of the literature that we have alluded to in this review.

REPRISE

In the first part of this chapter, we critically reviewed the expansive literature on the relationship between contextual ethnic diversity and social trust. Several conclusions emerged. First, in contrast to the massive attention it has received, the relationship between ethnic diversity and trust is rather weakly theorized, and various theoretical conjectures are rarely tested empirically. Second, on the empirical side of things, the—perhaps underwhelming—conclusion is that no consensus is reached as to whether

ethnic diversity influences social trust. That said, we believe it is fair to say that most evidence points toward a negative relationship, but oftentimes without the desired statistical certainty. Furthermore, systematic variations in the relationship seem to exist across various features of studies. The negative relationship seems to be more prevalent in the United States than in other contexts, although this may also be due to greater statistical power in studies from the former setting. Similarly, a stronger negative relationship seems to emerge in smaller contextual units that presumably better capture individuals' everyday experiences and thus more validly tests a frequently articulated mechanism linking contextual diversity and trust. There is also evidence for various factors moderating the relationship—most systematically, that of interethnic contact.

In the second part of the chapter, we suggested—based on our condensed review of the literature—a number of future directions for a research agenda for the diversity-trust literature. Given the relatively immature state of existing explanations for the relationship between ethnic diversity and trust, further theoretical development and derivation of observable implications of theories to enable empirical testing are warranted. Relatedly, more systematic theorizing and testing of plausible moderators, as well as a tighter correspondence between conceptualization and measurement of context (residential or otherwise), would also contribute to our understanding of when ethnic diversity may (or may not) undermine trust. Finally, we concluded by urging for a move toward employing research designs with greater leverage for drawing causal inference. Fighting a war on many fronts can be difficult, and as such, some scholarly division of labor is probably the most realistic way forward in this regard.

NOTES

1. The vast majority of analyses outside of the United States use samples of individuals from other developed Western countries (i.e., Western Europe, Canada, Australia, and New Zealand). We are only aware of five within-country studies that use data from non-Western countries (Buzasi 2015; Mavridis 2015; Posel and Hinks 2012; Tatarko et al. 2017; Wang et al. 2017).
2. Stolle and Harell (2013) report similar results with respect to the impact of network diversity.
3. For completeness, it should be mentioned that the measurement of diversity also varies in other regards including the source of data on ethnic diversity (official statistics vs. self-reported, subjective measures) and whether ethnic diversity is measured in stocks/levels or changes in various ethnic groups in a given context. We do not go into detail on these due to their somewhat more marginal position in the diversity-trust literature at present.
4. While their dependent variables (trust in neighbors and trust in colleagues, and trust in people from the same city and interethnic trust, respectively) fall outside of the scope of this review, the studies by Öberg, Oskarsson, and Svensson (2011) and Rydgren, Sofi & Hällsten (2013), which also examine ethnic diversity in the workplace and in the neighborhood, deserve mentioning in this regard.
5. It is worth mentioning that Helbling, Reeskens, and Stolle (2015) test a comparable argument using cross-national variation in political rhetoric.

6. Bădescu and Sum (2015) and Janmaat (2015) also use individual-level panel data, but do not estimate individual fixed effects. Instead they include a temporally lagged measure of social trust, which can also in some instances help reduce selection bias.
7. Here we consider individuals as the level-1 (lower) unit and the given context as the level-2 (higher) unit, which is arguably the most common set-up. However, the level-1 unit could in principle also be comprised of smaller contextual units nested within the larger contextual unit.

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CHAPTER 10

CULTURAL PERSISTENCE OR EXPERIENTIAL ADAPTATION?

*A Review of Studies Using Immigrants
to Examine the Roots of Trust*

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INTRODUCTION

SOCIAL trust is the inclination to trust unknown others in situations, where little information exists about their trustworthiness. Social trust is important for the human cooperation that underpins successful societies because most humans will cooperate only if they trust others to do the same (Kocher et al. 2008; Levi 1988). The importance of social trust naturally begs the question of how social trust is formed and sustained, particularly from the perspective of societies low in this precious resource.

As highlighted by the topics of several chapters in this handbook, a large number of explanations have been put forward to explain the emergence and reproduction of social trust. Viewed through a broader lens, crosscutting these explanations is the question of whether social trust is, on the one hand, a deeply held disposition socialized early in life that remains relatively immune to subsequent experiences or, on the other hand, an impressionable outlook shaped continuously throughout life by an individual's experiences. The first perspective is often termed the *cultural perspective* with reference to trust being a persistent cultural trait (Dinesen and Hooghe 2010; Uslaner 2008); while the second perspective is often referred to as the *experiential perspective*, given its emphasis on the experiential conditioning of trust (Dinesen 2012a; Glanville and Paxton 2007; Uslaner 2008). Most of the research on more specific trust-generating mechanisms implicitly speaks to these two broader perspectives, for example by examining the role of parental socialization and/or subsequent stability in social trust (Dinesen 2012b; Uslaner

2002) or by scrutinizing how specific experiences—for example, victimization (Bauer 2015)—shape trust. However, there is also another line of research, which seeks to examine these two broader perspectives—the cultural and the experiential perspective—in toto. More specifically, it does so by studying immigrants or descendants of immigrants living in a different country than where they or their parents were born. In this chapter we review this second line of research.

How does studying immigrants and descendants of immigrants contribute to our understanding of the roots of trust?¹ As a minority group, immigrants are an interesting subgroup to study in their own right, and this has been done extensively (as eloquently summarized by Wilkes and Wu in their chapter in this volume). However, beyond that, immigrants—because they hold ties with both their ancestral and their contemporary country—also prove to be a highly useful test case for studying trust formation. The logic of the immigrant-based research design for untangling the causes of trust is straightforward: If immigrants' social trust continues to reflect the culture of (mis)trust in their ancestral country, this indicates that trust is marked by cultural persistence. If, on the other hand, immigrants have adapted to the level of trust of their contemporary country, this suggests that trust has been updated based upon what they have experienced in this context. In short, studying trust of immigrants is useful for deciphering the extent to which trust is subject to cultural persistence or experiential adaption.

The chapter proceeds in the following way. First, we review existing evidence of the roots of social trust based on studies of immigrants. We also briefly review the few studies focusing on political and institutional trust. Second, we take a critical look at the existing immigrant-based studies of social trust and highlight fruitful avenues for further research. Third, we follow some of these directions and provide new evidence on the question of cultural persistence versus experiential adaptation of trust by means of analyzing new data on Swedish immigrants residing in destination countries across the globe. Finally, we wrap up by reiterating the main conclusions from the chapter.

EXISTING EVIDENCE

A substantial number of studies have examined trust of immigrants from various ancestral and destination countries. Here, however, we only review studies with an explicit focus on cultural persistence or experiential adaptation in social trust. Specifically, we review studies that statistically compare trust of immigrants and descendants to that of natives in their ancestral country and/or natives in their contemporary country. Studies that focus exclusively on trust of immigrants without this aim (e.g., Dinesen 2010) are thus excluded, which also helps to avoid overlaps with the Wilkes and Wu chapter in this volume. Most of the cited studies focus specifically on cultural persistence of trust, whereas fewer take up the question of experiential adaptation, so the primary emphasis will be on the former.² Initially, most studies focused on immigrants in the United States, presumably due to a combination of the country being a common immigrant destination

and the existence of survey data allowing for identification of the ancestral countries of immigrants and descendants. Subsequently, studies of trust of immigrants and descendants have branched out geographically to include other countries and even a global perspective. Table 10.1 summarizes the studies reviewed in terms of relevant characteristics.

Table 10.1 Overview of immigration-based studies of the sources of social trust

Study	Population	Immigrant origin	Destination country	Main focus
Gitelman (1982)	Immigrants	US and USSR	Israel	Experiential adaptation
Rice and Feldman (1997)	Descendants of immigrants	11 European countries	US	Cultural persistence
Guiso, Sapienza, and Zingales (2008)	Descendants of immigrants	All countries	US	Cultural persistence
Soroka, Helliwell, and Johnston (2006)	Immigrants and descendants	All countries	Canada	Cultural persistence
Bagno (2006)	First-generation Immigrants	CIS/Former Soviet Union countries	Israel, Germany	Cultural persistence, experiential adaptation
Tabellini (2008)	Third-generation immigrants	Selected countries (based on availability in GSS)	US	Cultural persistence
Algan and Cahuc (2010)	Descendants of immigrants	24 countries from across the world	US	[Economic growth]
Uslaner (2008)	Descendants of immigrants	Selected countries	US	Cultural persistence, experiential adaptation
Dinesen and Hooghe (2010)	First- and second-generation immigrants	Non-Western countries	15 European countries	Cultural persistence, experiential adaptation
Dinesen (2012a)	First-generation immigrants	Turkey, Poland, Italy	Northern Europe, Germany	Cultural persistence, experiential adaptation
Dinesen (2013)	First-generation immigrants	90 countries from across the world	18 Western European countries	Cultural persistence, experiential adaptation
Bjørnskov and Svendsen (2013)	Descendants of immigrants	46 countries from across the world	US	[Size of the welfare state]

(continued)

Table 10.1 Continued

Study	Population	Immigrant origin	Destination country	Main focus
Nannestad et al. (2014)	First-generation immigrants	Turkey, Pakistan, Palestine, Former Yugoslavian countries	Denmark	Cultural persistence, experiential adaptation
Moschion and Tabasso (2014)	Second-generation immigrants	27 countries from across the world	US, Australia	Cultural persistence, experiential adaptation
Ljunge (2014)	Second-generation immigrants	87 countries from across the world	29 European countries	Cultural persistence
Voicu (2014)	First-generation Immigrants	87 countries from across the world	47 European countries	Cultural persistence, experiential adaptation
Bilodeau and White (2016)	Recent first-generation immigrants	An unidentified number of countries from across the world	Canada	Cultural persistence, experiential adaptation
Dinesen (2016)	Immigrants	Sweden	Global	Cultural persistence, experiential adaptation
Helliwell, Wang, and Xu (2016)	First-generation immigrants	130 countries from across the world	130 countries	Cultural persistence

Note: The term "Descendants" is used when the specific immigrant generation(s) studied is not specified.

Studies Focusing on the United States

The first study to our knowledge to examine the persistence of social trust among immigrants to the United States—and one that inspired much of the subsequent work on this topic more generally—is that by Rice and Feldman (1997), which links data on trust of descendants of immigrants (identified in the General Social Survey [GSS]) to contemporary (aggregate) data on trust from their ancestral countries (from the World Values Survey [WVS]). The study found that trust of various immigrant groups in the United States strongly mirrors present-day trust in their ancestral countries. For example, descendants of immigrants from high-trusting Northern European countries—Scandinavian countries in particular—are more trusting than descendants of immigrants from low-trusting Southern European countries. More

formally, Rice and Feldman observe a strong bivariate correlation ($r = .72$) between the aggregate level of trust in the ancestral country and the aggregate immigrant-group trust of descendants of immigrants from these countries in their study of individuals in the United States with ancestry in eleven European countries. This result *a priori* suggests social trust to be strongly persistent. Moreover, Rice and Feldman also found a strong link between a composite index of civic attitudes (which includes social trust) in the ancestral country and individual-level trust of descendants of immigrants in the United States in multivariate models controlling for a range of sociodemographic predictors including region of residence. Further substantiating the persistence of trust, Rice and Feldman find only limited evidence suggesting that trust varies among descendants of immigrants whose families have a longer or shorter history in the United States. For example, the level of trust among Italian immigrants, whose grandparents were all born in the United States, is essentially the same (equally low) as for Italian immigrants who had no grandparents born in the United States. Taken as a whole, Rice and Feldman's results strongly support the notion of trust being an enduring cultural trait.

Subsequent studies of descendants of immigrants in the United States have generally found patterns similar to that reported by Rice and Feldman (1997), albeit typically using more sophisticated research designs and/or looking at a more diverse group of immigrants. In an analysis paralleling that of Rice and Feldman (1997), Guiso, Sapienza, and Zingales (2008) show a strong bivariate correlation ($r = .60$) between trust in the ancestral country and descendants of immigrants' present-day trust (again based on the GSS and WVS, respectively). Tabellini (2008) replicates this finding in a multivariate analysis at the individual level using similar data sources, but restricts the sample to third-generation immigrants that have at least two grandparents born outside of the United States in ancestral countries well-represented (≥ 25 respondents) in the sample. Importantly, the analysis includes a rich set of control variables including sociodemographic predictors such as education, income, and religion as well as fixed effects for place of residence. Finding a strong correlation between immigrants' present-day trust and trust in their ancestral countries (measured contemporaneously), despite controlling—perhaps overcontrolling—for these variables, strongly indicates persistence of trust among various ethnic groups in the United States. Finally, Bjørnskov and Svendsen (2013) replicate this finding using a larger sample of ancestral countries.

In another take on the persistence of trust among descendants of immigrants in the United States that provides further nuance to the previous studies, Uslaner (2008) also finds that descendants of immigrants' trust mirrors that of their ancestral country (measured contemporaneously). In an analysis with trust aggregated to the group level for immigrants' ancestral country (with comparable groups being collapsed for statistical power), he finds a very strong correlation ($r = 0.73$). In an individual-level analysis he observes corresponding differences between groups coming from different ancestral countries (e.g., people of Nordic descent are the most trusting and people of African descent are the least trusting). As an interesting addition to the previous studies, the analysis also

includes—in addition to a set of sociodemographic control variables—state-level population figures of people of various ethnic descent (e.g., the share of the population with Nordic or British heritage). This is to assess an alternative *experiential* explanation of the observed patterns in trust, namely that trust diffuses socially by interacting with high-trusting individuals one lives around. He finds some support for this conjecture as living among people of Nordic descent has a positive impact on trust similar to that of actually being of Nordic descent. No other statewide population of different ethnic groups significantly influences trust. Moreover Uslaner finds that the effect of living among different ethnic populations varies substantially across ethnic groups. For example, it is only for people who are themselves of Nordic descent that living among co-Nordics rubs off on trust. Conversely, living among people of German descent both rubs off on those of German descent themselves as well as others. He also finds effects of living among people with British descent, but only significantly so for those who do not share that background. As a whole, Uslaner concludes that “[O]verall, there is evidence for both culture and context. Where you live shapes your level of trust. But the evidence is far stronger that where your grandparents came from shapes your values” (Uslaner 2008, 739).

Finally, in a very innovative approach to studying causal effects of trust on economic growth by using differences in trust between descendants of immigrants having migrated to the United States at different points in time (under the assumption that trust is “inherited” from one generation to another), Algan and Cahuc (2010) show significant differences between different ethnic groups in the United States. Furthermore, they show that “inherited” trust among descendants of immigrants in the United States in 2000 is strongly correlated with trust in the ancestral country in 2000 in multivariate models controlling for sociodemographic variables. Conversely, an equivalent relationship is not observed between “inherited” trust in 1935 and trust in the ancestral country in 2000, although in the reported models, the partial correlation (regression coefficient of trust in the ancestral country) is quite similar to the model using “inherited” trust in 2000. Interestingly, Algan and Cahuc’s results provide support for both the cultural and the experiential perspective on trust. On the one hand, the correlation with trust in the ancestral country among descendants of more recent immigrants to the United States indicate that there is cultural persistence in trust. However, at the same time the results show that trust changes over time in the countries of origin (due to various experiential factors, the authors suggest), which is then reflected in differential trust in immigrants having emigrated from these countries at different point in time.

Whereas most of the previous studies focus on immigrants with more distant roots in their ancestral countries (e.g., third-generation immigrants), Moshcion and Tabasso (2014) study second-generation immigrants. They substantiate the results from the other US-based studies by finding strong cultural persistence in trust. Interestingly, they contrast this result with second-generation immigrants in Australia and find substantially lower persistence here (see the following section). Moreover, they also study first-generation immigrants and again find cultural persistence in trust, but less so than for second-generation immigrants, which runs against evidence from Europe (see again the following section).

On balance, the quite elaborate literature focusing on (descendants of) immigrants in the United States mostly shows evidence of cultural persistence of trust. However, this is likely a consequence of the focus of most of these studies, namely to scrutinize cultural persistence in trust (and often other traits). With the notable exception of Uslaner (2008), most of them do not speak directly to the question of experiential adaptation of trust. As Uslaner's study shows—along with studies from the European context discussed in the following section—it is perfectly possible (in fact very likely) that immigrants' trust is shaped by both cultural heritage and contemporary experiential factors. As we highlight in the section "Critical Look at Previous Studies" further scrutinizing of both cultural persistence *and* experiential adaptation of trust of immigrants would clearly be worthwhile in the US-centered literature.

Studies Focusing on Europe

Following the findings of the US-based studies, the literature has expanded to include other destination contexts, including, most prominently, Europe. The reason for this delayed focus on other contexts can at least partly be attributed to the later availability of suitable data. In the European case, the European Social Survey (ESS) conducted from 2002 onward marks the—to our knowledge—first cross-national European dataset that includes the key variables necessary to study cultural persistence and experiential adaptation based on immigrants: identification of the country of origin of immigrants and descendants of immigrants (the latter from wave 2) as well as measures of social trust. An important feature of the ESS is that it holds data on immigrants and descendants in multiple European destination countries. This enables a direct comparison of cultural and experiential perspectives on trust by examining whether immigrants primarily retain the level of trust of their ancestral country as the former would predict (and as has been done in the American studies) as well as whether immigrants adopt the level of trust of their contemporary country, which would be a clear indication of experiential adaptation.

The first studies that, to our knowledge, study trust of (descendants of) immigrants cross-nationally in Europe are those by Dinesen and Hooghe (2010) and Dinesen (2013). In contrast to the studies from the American setting, these studies mainly point to experiential adaptation to the level of trust of natives in the contemporary country. Specifically, Dinesen and Hooghe (2010) find—in a descriptive analysis as well as in a multivariate analysis at the individual level—that trust of first- and second-generation immigrants to a very high extent tracks that of natives in their contemporary country. Moreover, they find that the alignment with natives' trust is stronger for second- than for first-generation immigrants. Trust in the ancestral country also predicts trust, but only for first-generation immigrants.³ Interestingly, length of stay in the destination country does not influence trust for first-generation immigrants. Taken together, the study thus indicates that there is some cultural persistence in trust for first-generation immigrants but that trust is to a larger extent shaped by contemporary

experiences, especially for immigrants further temporally removed from—and therefore presumably with weaker ties to—their ancestral country. In a parallel analysis, Ljunge (2014) examines cultural persistence in trust for second-generation immigrants in Europe (using ESS 2–5). In contrast to Dinesen and Hooghe (2010), he finds indications of strong cultural persistence for second-generation immigrants when taking various forms of confounding into account, including all features of the contemporary country, by means of country-by-year fixed effects. However, similar to Dinesen and Hooghe (2010), and thus highlighting the dominance of the experiential over the cultural explanation, he finds a substantially stronger adaptation to the level of trust in the destination country than persistence of trust of the ancestral country when including both variables simultaneously. In a number of auxiliary analyses, Ljunge examines the conditionalities of the observed cultural persistence. Most strikingly, by dividing the ancestral country by each of the parents (Dinesen and Hooghe [2010] takes an average), he finds that the persistence is only statistically significant for the mother's country of origin, not for the father's. Using Round 4 of ESS, Voicu (2014) also finds support for both the cultural and the experiential perspective, with equally sized correlations between immigrants' present-day trust and trust in the host and in the ancestral country, respectively. The study also examines heterogeneous effects and finds that the cultural explanation trumps the experiential explanation for immigrants originating in countries that receive high levels of remittances from migrants ("a rough indicator for the average tendency of those born in the respective country to maintain contact with their homeland," p. 213).

Finding a strong immigrant adaptation to the level of trust of natives in their new country begs the question as to which specific experiential explanations may account for this process. Dinesen (2013) attempts to answer this question and hypothesizes—in line with institutional accounts of trust (e.g., Rothstein and Stolle 2008)—that this can be accounted for by institutional quality, specifically incorrupt institutions. He finds strong support for this notion—immigrants living in less-corrupt destination countries are more trusting—even when taking alternative explanations at individual and destination country level into account. The analysis also shows significant cultural persistence in trust, but again the effect of trust in the ancestral country is weaker than that of the destination country factors. Finally, the study shows that the effect of destination country corruption is stronger for Western than for non-Western immigrants (the effect is significant for both groups, though), whereas a similar differential effect is not found for trust in the ancestral country.

As should be evident from the above, the general strategy to study persistence of trust using data on immigrants—in the United States as well as in Europe (but see Bagno 2006 regarding Israel in the next section)—has been to examine the relationship between immigrants' present-day trust and aggregate trust of their home country across ancestral countries. While informative, this approach suffers from the problem that the immigrants in question may differ significantly from the ancestral population that they are taken to represent, thereby inducing the problem of self-selection with associated problems of obfuscating the relationship between variables. For example, if

immigrants who decide to emigrate from a given country are more trustful than the population at large in this country, using aggregate levels of trust from the latter as a proxy for ancestral trust of immigrants from this country is problematic (see note 3 regarding a partial solution of this issue). In an attempt to solve this problem, Dinesen (2012a) makes an individual-level comparison between *emigrants* (first-generation) from low-trust countries of origin (Turkey, Poland, and Italy), who have migrated to a high-trust destination country (both Northern European countries in general and Germany more specifically), and comparable *residents in the ancestral country*. This is possible because the ESS holds data on trust from residents in the ancestral countries as well as a sufficient number of immigrants in high-trust destination countries originating in these countries. Using propensity score-matching based on a relatively rich set of covariates, the analysis shows that trust of all three immigrant groups are significantly and substantially higher than among observationally comparable natives in their ancestral country. Furthermore, the impact of the destination-country environment is most pronounced for Turkish immigrants, who come from the least trusting country of origin. At the same time, some cultural residue seems to remain as variation in trust among immigrants in the destination countries still exists and no complete catch-up to the level of trust of natives in these countries is observed. Nevertheless, the effect of the destination-country environment seems stronger than that of cultural persistence, thus further substantiating the dominant role of experiential adaptation over cultural persistence in the European context.

Using a strategy comparable to that of Dinesen (2012a), Nannestad et al. (2014) compare trust of four immigrant groups in Denmark to natives in their ancestral country. They find a substantively (and significantly) higher level of trust among immigrants residing in Denmark than among natives in their ancestral country, taking various confounders into account. Moreover, consistent with Dinesen (2013), they show that higher institutional quality—manifested in higher levels of perceived institutional fairness and institutional trust—is a plausible explanation for the higher level of trust among emigrants than among natives in their former country.

Finally, Dinesen (2016) reverses the logic from the US-based studies and instead focuses on Swedish immigrants who have migrated to different destination countries. He shows that immigrants living in more trustful regions of the world tend to have higher levels of trust than those living in less trustful regions, which indicates experiential adaptation. He also compares trust of immigrants in different regions with that of Swedes residing in Sweden. These results are more ambiguous. He finds that trust among immigrants in low-trusting former communist countries is lower than in Sweden, which indicates some experiential adaptation. However, more distinctly so, he also finds that Swedish immigrants in the other Nordic countries as well as in Western countries more generally (levels of trust are lower in the latter than in Sweden) are more trusting than Swedes in Sweden, which is difficult to explain by both the experiential and the cultural perspective. He suggests that this may partly be explained by self-selection.⁴ We will return to these new data and put them to a number of additional tests.

Taken together, the studies from the European context suggest—perhaps partially as a consequence of focusing more specifically on destination-country adaptation—that trust is mainly experientially formed and, to a lesser, albeit nonnegligible extent, culturally persistent—especially for first-generation immigrants. As such, the results from the US and European contexts seem to be not in contradiction, but rather contributing differential importance to the two sources of trust.

Studies Focusing on Other Destination Countries

A number of studies focus on other destination countries than the two main empirical settings reviewed in the preceding sections. In the first study to examine cultural persistence versus experiential adaptation in trust to our knowledge, Gitelman (1982, 314–316) analyzes the development in social trust for US and Soviet immigrants in Israel and finds that the initial differences in trust (American migrants having higher average trust than immigrants from the USSR) persist from the time of immigration in 1972 and for the next three years, and hence that trust is stable despite exposure to a new environment. Soroka, Helliwell, and Johnston (2006) examine trust of immigrants and descendants in Canada, linking individual-level survey data on trust to average trust levels in the ancestral countries (from WVS). Interestingly, they observe a large and statistically significant “footprint” of trust in the ancestral country (i.e., cultural persistence) for first-generation immigrants, but not for descendants. As such, the result very accurately matches those from Europe. As an interesting aside, they find that once ancestral country trust is taken into account, the initially observed trust deficit for immigrants is no longer found (actually a small surplus, although not statistically significant, emerges). Focusing on immigrants who arrived in Canada within the last decade, Bilodeau and White (2016) find a strong cultural persistence in social trust. Moreover, in discord with the results reported from Denmark and Europe more generally, they show that experiences with institutional fairness matter little for immigrants’ trust. In fact, their economic situation is the only experiential factor shaping trust among this group of immigrants. As an interesting contrast, they find that immigrants’ *trust in Canadians* is much more experience-based (including by fair treatment by the government) and not influenced by the level of social trust in the ancestral country.

The study by Moschion and Tabasso (2014), noted previously, addresses cultural persistence and experiential adaptation in trust among first- and second-generation immigrants in Australia in a comparison with the United States. The comparison is very revealing, showing higher cultural persistence in trust in the United States than in Australia for second-generation immigrants. This confirms the impression conveyed above that the United States seems special in the extent to which immigrants here retain the level of trust in their ancestral country. However, they do not find a similar differential pattern for first-generation immigrants (at least not in multivariate models) in the two countries. Finally, in line with their finding regarding lower cultural persistence in trust among immigrants in Australia, they also show that various features of

the destination country matter more for trust of immigrants in this country than in the United States (with the notable exception of perceived racial inequality).

In a study combining some of the features of the studies from Europe, Bagno (2006) compares (bivariately) Jewish immigrants from the former Soviet Union now residing in Germany and Israel, respectively, to Jews living in Ukraine. She finds that trust among Jewish immigrants in Germany is significantly higher than those of Jews in Ukraine. Trust among Jewish immigrants in Israel is also higher than among Jews in Ukraine, but not significantly so. Finally, the differences between Jewish immigrants in Germany and Israel is also insignificant. Bagno's results thus provide mixed evidence for the plasticity and persistence of trust.

Generally speaking, then, the evidence from countries other than the United States or those in Europe is somewhat scattered. However, some of the more rigorous studies seem to—parallel to the results from Europe—provide indications for a stronger experiential adaptation than cultural persistence in trust, especially for descendants of immigrants.

Finally, as a logical conclusion of the review of immigration-based studies on the roots of social trust, Helliwell, Wang, and Xu (2016) conduct a global analysis of the relative importance of the two generic explanations of trust based on immigrants located in around 130 destination countries (the exact number varies by model) based on the Gallup World Poll. They find evidence for both persistence in and experiential updating of trust. However, the effect of trust in the destination country is around three times stronger than trust in the ancestral country, suggesting a much stronger experiential component than a cultural component in trust.

PERSISTENCE AND ADAPTATION IN POLITICAL AND INSTITUTIONAL TRUST

Given the focus of this handbook, it is relevant to note that a few studies have explored whether individuals' political and institutional trust are also subject to change when migrating to a new country. Based on the broader literature on the foundations of political and institutional trust (see Listhaug and Jacobsen in this volume), which finds that both types of trust are highly influenced by performance and fairness of the relevant institution, the expectation is that immigrants' institutional and political trust are primarily shaped by the institutions experienced in their new country—that is, experiential adaptation. We have been able to locate five immigrant-based studies of the roots of political and institutional trust. First, Helliwell, Wang, and Xu (2016) find strong support for experiential adaptation based on data from 132 countries. Immigrants' trust in the judiciary, the police, and government are highly correlated with the average level of trust among natives in the contemporary country, while the correlation with the level of trust in their ancestral country is essentially zero. Secondly, Maxwell (2010)

reports similar levels of political trust for natives and second-generation immigrants based on data from 24 European countries. Interestingly, first-generation immigrants have higher average levels of political trust than the two other groups, which Maxwell explains with lower initial expectations. Thirdly, Gidron and Superti (n.d.) find that immigrants in Israel converge to natives with respect to their trust in legal institutions, again substantiating the process of experiential adaptation. Finally, studies of Russian (Shaleva 2016) and Swedish immigrants (Dahlberg and Linde 2016) report lower political/institutional trust among immigrants in countries with lower institutional performance compared to their former compatriots in countries with better-performing institutions, which again corroborates the experiential perspective. In conclusion, the few studies focusing on political and institutional trust of immigrants strongly indicate that those two types of trust are almost exclusively the product of experiential factors in terms of institutional fairness and performance. The contrast with social trust, which to a much larger extent appears to be rooted in both culture and experience, is striking, and at the same time squares well with the literature.

A CRITICAL LOOK AT PREVIOUS STUDIES: LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

Having reviewed the existing studies of cultural persistence and experiential adaptation in trust based on immigrants and descendants, we now engage in a critical discussion of the limitations of these studies—conceptually, theoretically, substantively, and methodologically. We do this with the aim of elucidating shortcomings of these studies and at the same time allude to avenues for future research that will push the literature forward.

Clarification of Key Strengths of the Research Design: Decomposing Sources of Trust

While studies of immigrants have been very fruitful for decomposing various generic sources of trust, the explanatory dichotomy that this design has been purported to adjudicate between is misguided. More specifically, finding that present-day trust of immigrants correlates with trust in their ancestral country is not unequivocal evidence for trust being a cultural trait. This is a plausible interpretation, but as highlighted in the chapter by Cawvey, Hayes, Canache, and Mondak in this handbook, a number of studies based on twin designs suggest that trust is in fact genetically transmitted (e.g., Oskarsson et al. 2012). This implies that the observed persistence in trust among immigrants could reflect heritability of trust in the original genetic sense rather than the metaphoric sense (i.e., cultural transmission). With this reservation in mind, it seems more accurate to

reformulate the research question regarding the roots of trust based on studies of immigrants to one of whether trust is a stable dispositional outlook—whether founded in cultural or genetic transmission—or rather the result of experiences. Finding differences in trust among immigrant groups corresponding with trust difference in their home country is, *ceteris paribus*, consistent with the former perspective, while an adaptation to the trust level of natives in the new country would support the latter.

Explicating Underlying Assumptions: Can Assumed Stability Prove Stability?

A key assumption underlying empirical assessments of the cultural perspective based on immigrants and descendants of immigrants is that present-day trust levels in their ancestral countries are accurate reflections of the level of trust in these countries when they or their ancestors migrated. That is, due to a lack of historical data, trust is assumed to be relatively stable over time at the country level. This assumption is problematic because it introduces a circular reasoning to the study of cultural persistence in trust: to evaluate if trust is a stable cultural trait, (aggregate) country-level trust *is assumed to be stable* back in time. Furthermore, within-country studies indicate that the assumption of stability in aggregate trust over time is invalid in the first place (Sønderskov and Dinesen 2014). For example, trust famously dropped markedly in the United States in the last part of the twentieth century (Putnam 2000; Robinson and Jackson 2001); and in Denmark, trust has increased dramatically, from 47% trusting others in 1979 to a staggering 79% in 2009 (Sønderskov and Dinesen 2014).

In other words, we cannot safely assume that countries that are trusting today have always been so and that present levels of trust can therefore be used to extrapolate historical levels of trust. This represents a formidable challenge to the study of cultural persistence in trust based on immigrants, and at the very least this potential problem should be properly acknowledged. However, there is hope to partly resolve this problem with time lapsing and survey data on trust in the home country becoming available with increasing temporal distance to immigrants surveyed. This means that we can more accurately link data on trust in the ancestral country at the time of migration for first-generation immigrants (assuming that this information exists in the data) and in some cases also create a reasonable proxy for trust in the ancestral country for second-generation immigrants.

Interpretation of Results regarding Persistence in Social Trust

A fundamental issue relates to the interpretation of the observed correlation between immigrants' and descendants' present-day trust and the aggregate level of trust in their ancestral country. At present, a correlation is taken as evidence for (cultural) persistence

in trust. However, this is only true in a relative sense. That is, the correlation between the level of trust in the ancestral country and immigrants' present-day trust only speaks to the *relative ordering of trust* among the immigrant groups studied, not the absolute levels. For example, if all immigrants and descendants are influenced in a similar way by the destination-country environment, the *absolute level of trust* of immigrants would have diverged from trust in the ancestral country (likely toward that of natives in the new country), while each group at the same time retains its *relative level of trust* compared to other groups. In other words, a correlation between the level of trust in the ancestral country and immigrants' present-day trust *cannot speak to whether trust is malleable or not*—a strong correlation may be observed despite trust having changed dramatically. What the correlation does indicate, though, is that there are systematic differences in immigrants' relative inclination to trust others—there is thus no perfect adaption to trust levels of natives in the new country—which corresponds with the similar (average) inclination in their ancestral country. This residual correlation can then meaningfully be considered the cultural component in trust (with the caveat in interpretation noted above). It is clearly important that researchers bracket their interpretation of the empirical results of immigrant-based research designs vis-à-vis the roots of trust based on the limitations inherent to these designs. Ideally, an examination of both the relative and the absolute stability in trust would be illuminating in order to assess the relative importance of cultural and experiential influences in shaping trust (see Dinesen and Hooghe 2010 for an example of this approach).

More Rigorous Empirical Testing of Theories

The immigrant-based research design speaks to two generic theoretical perspectives on the roots of trust but can in fact be leveraged to test these perspectives more rigorously. In addition to the main predictions regarding persistence and adaptation, the cultural and the experiential perspective offer a number of observable implications, which should be tested empirically to further nuance the perspectives and gauge their explanatory power. For example, following from the cultural perspective's emphasis on over-time persistence in trust is a prediction of transmission over generations. While not the only socialization agent, parents would typically be ascribed a very important role in this regard (Uslaner 2002, 2008). By implication, one should observe at least a moderately strong parent-child correlation in trust among immigrants. If this cannot be established, it invalidates a key mechanism proposed to underlie the cultural perspective and in turn opens up the question of which other alternative transmission channels may be in play. To illustrate, the study by Dinesen (2012b) examines the parent-child correlation in trust among both immigrants (and descendants) and natives in Denmark and finds a substantially and significantly weaker parental transmission for the former than the latter (between one-half and one-third in strength). He interprets this as an indication that various experiential forces that children have encountered from early on in the destination country, but that parents have not necessarily

experienced (e.g., the school system), have weakened the transmission belt from parent to child for this group. Further empirical scrutinizing of the parental transmission of trust to children among immigrants would clearly be worthwhile to better understand the mechanisms underpinning cultural persistence in trust.

As for the experiential perspective, a logical way to proceed is to follow the lead of some previous studies (e.g., Dinesen 2013 and Moschion and Tabasso 2014) and try to pinpoint which experiential factors in the destination countries are in fact shaping trust of immigrants. For instance, in research designs that involve multiple destination countries, scholars can leverage between-country variation to examine country characteristics ostensibly relevant to trust. While the main thrust of immigrant-based designs is that it separates cultural factors inherent to the ancestral country from experiential factors (i.e., the destination-country environment), a drawback of this approach is that researchers are still confronted with the problem of separating various highly correlated experiential causes from each other. However, as in cross-country research more generally, using repeated cross-sectional data (e.g., GSS or ESS) can bypass these problems in part as they allow for examining how over-time changes in country characteristics map on to change in trust among immigrants (by including time and destination-country fixed effects). A second, related way to further probe experiential explanations would be to reverse the logic of the US-based studies, in which the destination country is held constant, and instead hold constant all cultural factors by focusing exclusively on immigrants from one country of origin (see below) (Bagno 2006; Dinesen 2012a, 2016; Nannestad et al. 2014). Finding differences in trust among immigrants who originate in the same country, but who have emigrated to different destination countries, would further strengthen the experiential perspective.

Understanding Geographical Differences in Patterns of Persistence and Adaptation

One of the most striking findings emerging from the review of previous immigrant-based studies is the substantially higher degree of cultural persistence in trust found in the United States than in other contexts. In the United States, the cultural legacy of the ancestral country seems to linger over more generations than in Europe, Canada, and Australia, where the influence of the culture of the ancestral country seems to be relatively limited already from the second generation. This naturally begs the question of what explains these differential patterns or, more specifically, US exceptionalism. First of all, it is important to emphasize that the different studies use different strategies for statistical modeling, and it is therefore difficult to strictly compare the results from them, including the magnitude of cultural persistence. Perhaps most importantly for the comparison, only a few of the US-based studies focus directly on experiential adaptation, which makes it difficult to ascertain its relative importance compared to cultural persistence. As a notable exception, Uslaner (2008) examines experiential adaptation by means of looking at the importance of the share of the population in a

given state with a given ethnic background. However, a more direct way of assessing the experiential adaptation in trust would be to look at the effect of the average trust level in the state (or in principle at even lower geographical levels if data are available), which also squares with the approach used in different contexts. In fact, the United States represents a close to optimal test-bed for experiential accounts of trust using this approach given that the states vary immensely in trust (Uslaner 2002). Given that the data seem readily available in terms of the GSS and other surveys, analyzing the experiential adaptation in trust in the United States—including contrasting it with cultural persistence—seems like an obvious next step for the literature.

However, if the stronger cultural persistence in trust observed in the United States is real—and it may very well be—a more substantive explanation is needed. The first that comes to mind is the historically high level of immigration-induced ethnic diversity in the United States—especially compared to Europe—that might have created more distinct ethnic enclaves, which in turn enables a stronger perseverance of the culture of the ancestral country (see Luttmer and Singhal 2011 for a related argument regarding redistribution preferences). However, given that both Canada and Australia are substantially more similar to the United States, and that patterns similar to Europe are found here, this does not *prima facie* seem like a plausible explanation for US exceptionalism. Another explanation may be the United States' idiosyncratic immigration and racial history. Obviously, the history of individuals of African descent comes to mind. This also highlights a broader problem of the cultural approach, namely that persistent differences between ethnic groups may in fact be due to discrimination—an experiential factor—rather than cultural endurance per se. This, however, remains a conjecture, which should be examined empirically—as should alternative explanations of potential US exceptionalism—in future research.

Addressing Self-Selection of Immigrants

An issue that plagues all previous immigrant-based studies of the sources of trust is that of self-selection of immigrants, which severely endangers any causal inference drawn. This could work in several ways. First, immigrants may differ systematically from those who remain in their country of origin, thus making them unrepresentative of their former compatriots, which therefore invalidates the use of trust levels in the home country (see Dinesen and Hooghe 2010 for an attempt to partially address this).⁵ Second, this process of self-selection may work differently between ancestral countries. For instance, “immigrants” from some countries may primarily be refugees, while “immigrants” from other countries may be mostly manual laborers, such as Gastarbeiter, or highly skilled professionals for that matter. This differential selection of immigrant groups in origin countries may bias the correlation between the level of trust in the ancestral country and immigrants’ present-day trust in unpredictable ways. Third, self-selection may also relate to choice of destination. For instance, immigrants may choose a destination based on their level of trust or, perhaps more plausibly, based

on other traits that are related to trust, such as skill level. If this is the case, trust differences between immigrants in different destination countries may reflect self-selection into these contexts (e.g., because there is a higher payoff for higher skills) rather than an actual adaptation to these countries. Fourth, selection of immigrants also relates to differences in timing of migration. That is, immigrants migrating to and from different countries at different points in time may differ, thus making temporal comparisons problematic.

Natural experiments that provide quasi-random variation in who migrates and where they migrate to would be of great value to overcome problems of self-selection, but being currently in short supply, researchers should consider other means for, if not solving, then at least partially addressing this problem and its magnitude. For instance, one partial remedy is to compare trust levels of those who have migrated/arrived around the same time to assess whether there appear to be differences in their initial level of trust (see the next section), which would indicate problems of self-selection. This approach is particularly powerful if combined with panel data on immigrants, which would allow for addressing whether trust develops differently for individuals living in different contexts.

NEW EVIDENCE ON CULTURAL PERSISTENCE AND EXPERIENTIAL ADAPTATION BASED ON SWEDISH EMIGRANTS

In the previous section we highlighted a number of empirical shortcomings in the existing literature and how they might be addressed in future research. Building on these insights, this section presents preliminary evidence on some of the issues raised based on data from a recent survey of Swedish emigrants (that is, immigrants originating in Sweden). In doing so, we wish to illustrate some of the avenues for further empirical research that we think merit attention in future studies.

The analysis is based on survey data of 2,667 Swedish emmigrants collected in 2014 and 2015 (Solevid 2016; Vernersdotter 2016) and complements the results reported in Dinesen (2016). The data hold a number of advantages compared to those leveraged in previous studies. Methodologically, the survey is unique in that, contrary to other surveys in immigrant-based studies of trust, it specifically targets emigrants, and in that it is a (disproportionally stratified) probability sample of all emigrants from Sweden based on Swedish tax registers (Vernersdotter 2016). The latter also enables assessing the representativeness of emigrant respondents vis-à-vis the general Swedish population as well as Swedish emigrants as a whole (Vernersdotter 2016), thus gauging the extent of self-selection into emigration and survey participation. Analytically, the main thrust of the data is the fact that they come from one country of origin and thus hold constant the cultural components of the immigrants studied. This in turn

enables a rigorous test of the experiential adaptation perspective by comparing trust of immigrants with Swedish background residing in different destination countries. Moreover, the data hold very precise information about length of stay of immigrants in the destination country, which can be used to gain some purchase on the problem of self-selection by comparing trust of immigrants in different destination countries who resided there for different periods of time.

In order to examine experiential adaptation, we compare Swedish immigrants residing in world regions that differ in their levels of trust. Figure 10.1 displays mean levels of trust and associated standard errors among Swedes residing in eight regions (see Dinesen 2016 for coding).⁶ The figure reveals substantial differences in trust, with Swedish expats in the (other) Nordic countries holding the highest levels of trust—around 7.66 on an 11-point scale—and expats in former communist countries holding the lowest levels of trust, with a mean level of 6.59. As indicated by the letters in the bottom of the figure, many of the differences in trust between destination regions are statistically significant from zero. Furthermore, the relative distribution of trust levels among Swedish immigrants in the eight regions correspond quite tightly to the relative distribution of trust levels among natives in those regions as is evident from Figure 10.2 (note that the levels of trust in the two figures are not strictly comparable due to different measurement). The fact that Swedish immigrants' level of trust tracks that of their

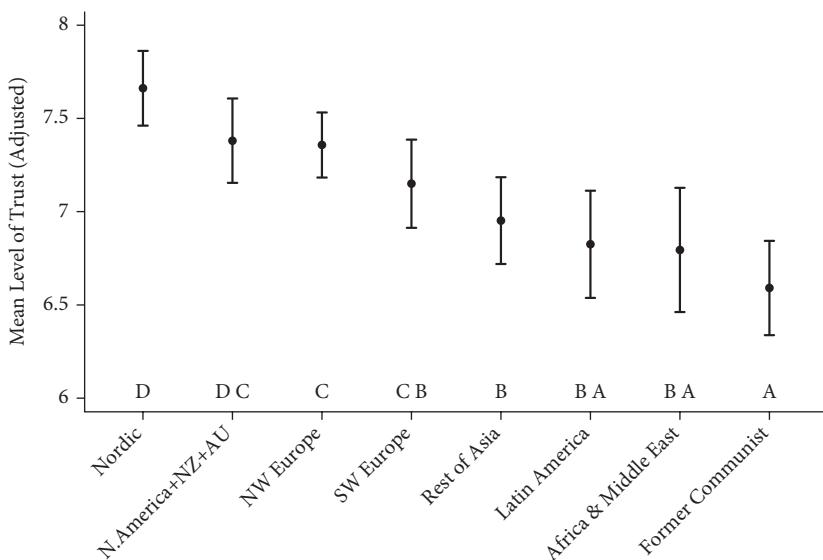


FIGURE 10.1 Mean level of social trust among Swedish emigrants across eight regions

Notes: The points are estimated means of social trust (see measurement in text) adjusted for gender, age, level of education, job type, unemployment status, marital status, and length of stay in destination country, and are calculated holding all covariates at their observed value. The bars are 95% confidence intervals. The letters signify pairwise tests of differences in means. Means across regions not sharing letters (e.g., Nordic and Northwest Europe) differ significantly at the .05-level.

Source: The Utlands-SOM survey.

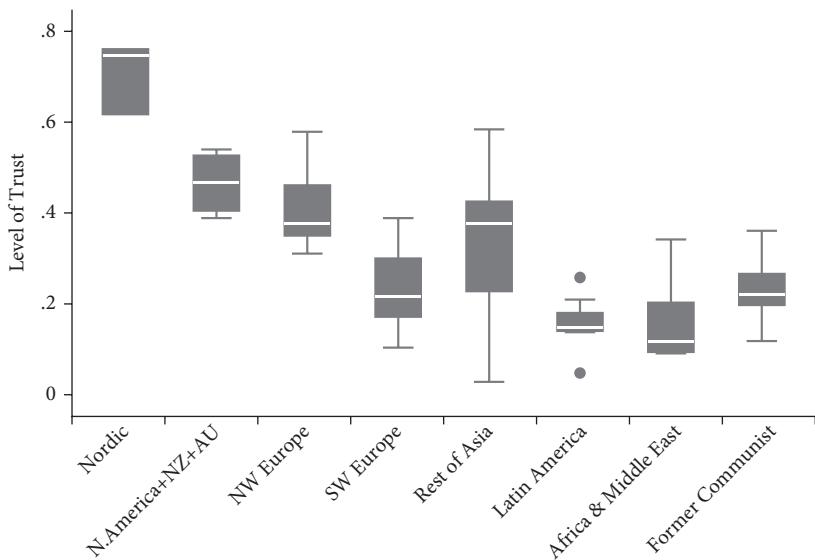


FIGURE 10.2 Distribution of country-level social trust across eight regions

Notes: The distributions are based on survey respondents' answer to the question, "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" The distributions are generated by calculating the share expressing social trust in every country, with at least five Swedish immigrants present in the Utlands-SOM survey. The white lines are the median average value across regions, the grey boxes signify the interquartile ranges of the means, the whiskers signify the upper and lower adjacent means, and the dots signify outlying means. The means are based on survey data from waves 5 and 6 of the World Values Survey, wave 4 of the European Values Study, wave 3 from Arab Barometer, wave 5 from the Africa Barometer, and the 2012/2013 wave of the Latino Barometro. For countries covered by two or more surveys, the grand mean across all respondents from the specific country is used.

new country (in relative terms) is strong evidence for the experiential perspective. At the same time, it also bears mentioning that the level of trust among the Swedish immigrants is high in a comparative perspective and higher than among natives in their new country (Adam 2008). This could—and probably should—be taken to indicate cultural persistence. However, it is necessary to exercise some caution in this regard as the trust measure in the Swedish survey is somewhat different than that used in most other surveys and, perhaps more importantly, because a comparison between Swedish immigrants and natives in their new country would have to take sociodemographic differences between the groups into account.⁷

The logical next question is what influences have contributed to observed differences in trust among Swedish immigrants residing in different destination countries (i.e., which experiential factors are in play). A full examination of this question is beyond the scope of this chapter, but based on Dinesen (2013) one plausible explanation would be institutional quality. To tentatively examine that, we plotted the quality of institutions (measured by the Good Governance indicators from the World Bank) in Figure 10.3. Again we observe a pattern that clearly, if not perfectly, resembles that of trust of Swedish immigrants in these regions (but see also Bergh and Öhrvall 2016 on this; cf. note 4). This suggests that institutional quality is a plausible explanation for the experiential adaptation in trust, but

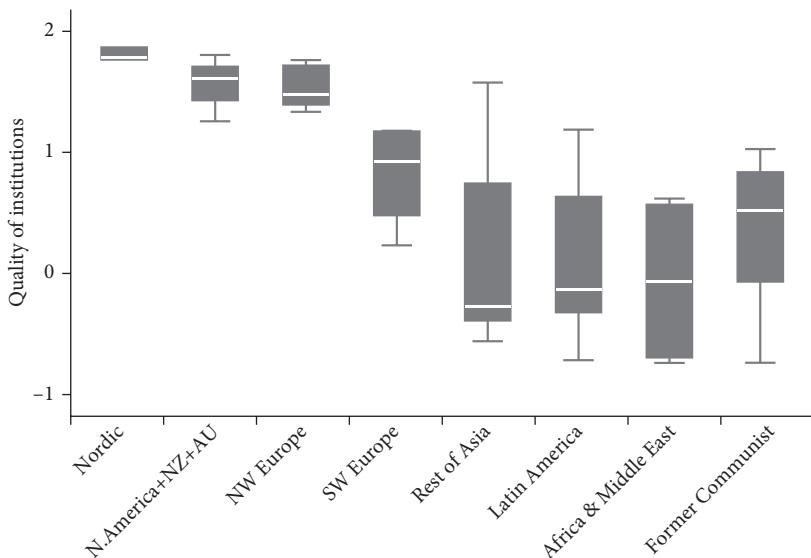


FIGURE 10.3 Distribution of institutional quality across eight regions

Notes: The measure of institutional quality are based the World Bank's Good Government indicators from 2012 (the mean score of the Control of Corruption, Government Effectiveness, Political Stability, Rule of Law, Regulatory Quality, and the Voice and Accountability indicators). The white lines are the median scores across regions, the grey boxes show the interquartile ranges of institutional quality, and the whiskers signify the upper and lower adjacent scores.

this obviously requires further scrutiny—in these data and otherwise—especially with regard to ruling out alternative explanations.

Coming back to the critical point made in the preceding discussion, one might ask whether the observed experiential adaptation in trust in reality reflects self-selection of immigrants. That is, perhaps the most trustful Swedish emigrants chose to migrate to fellow Nordic countries, whereas the least trustful ones chose former communist countries, Africa, or the Middle East. We cannot address this issue in full detail with the data on Swedish immigrants, but they do provide some leverage in this regard. More specifically, they hold data on immigrants' length of residence in the destination country, which in turn enable an examination of whether immigrants having resided in different regions at different points in time vary in their level of trust. If experiential adaptation rather than self-selection of immigrants can explain the trust difference observed between immigrants in different regions, we would expect little difference in trust between those who just arrived (i.e., they are similar before migrating) and those who arrived a long time ago for whom experiences in the new country should have molded their trust. Figures 10.4 and 10.5 plot the predicted levels of trust of Swedish immigrants in the eight regions for those who arrived within the last year before being surveyed and those who have lived in the destination country for 45 years, respectively (the results are predictions based on an interaction model; see notes to figures for more details). The results strongly support the experiential perspective. Those who have just migrated are very similar in their level of trust independent of their destination, which indicates

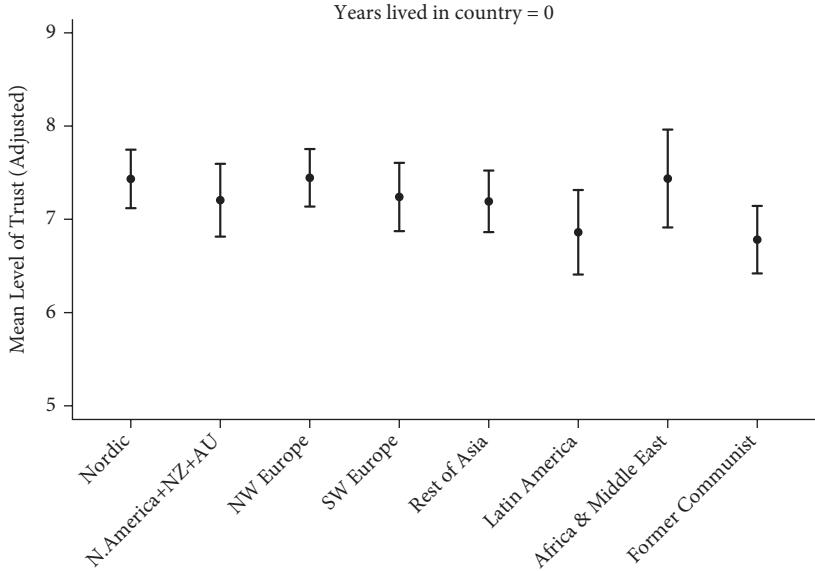


FIGURE 10.4 Mean level of social trust for recent immigrants

Notes: The estimates (the points) and the 95% confidence intervals are based on a regression of social trust (see measurement in main text) on destination region, gender, age, level of education, job type, unemployment status, marital status, length of stay in destination country, and an interaction between length of stay and destination region. The estimates are the predicted level of trust (holding all covariates at their observed value) for a person having migrated less than a year before being surveyed.

Source: The Utlands-SOM survey.

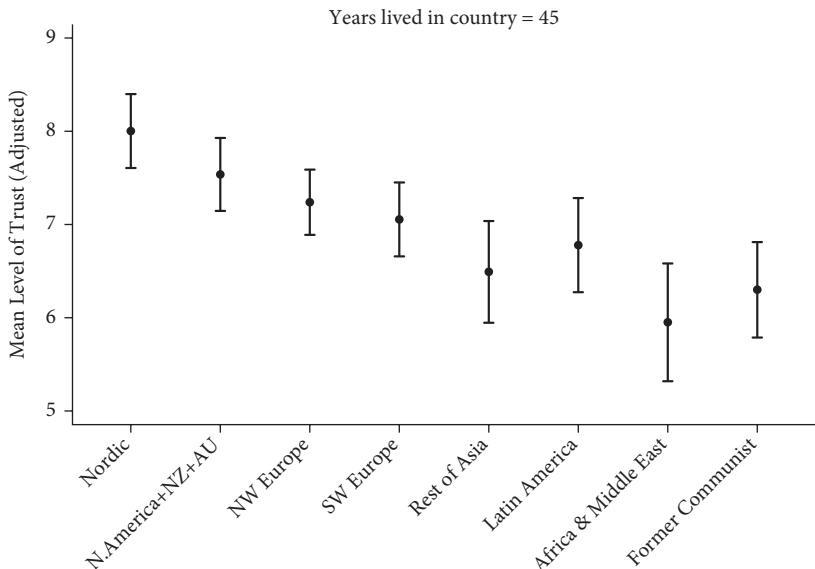


FIGURE 10.5 Mean level of social trust for long-term immigrants

Notes: The estimates (the points) and the 95% confidence intervals are based on the same regression as in Figure 10.4. The estimates are the predicted level of trust (holding all covariates at their observed value) for a person having migrated 45 years before being surveyed.

Source: The Utlands-SOM survey.

that self-selection is not driving the difference in trust between immigrants in different countries. Furthermore, when having stayed in the destination country for an extended period of time, the pattern of adaptation to natives in this country emerges very clearly. To illustrate, those having resided in a Nordic country for 45 years are estimated to score more than two points higher on the trust scale than those who have resided in Africa or the Middle East for a similar period. This offers considerable evidence for an experiential adaptation in trust taking place. While these differential patterns in trust for immigrants having resided in different regions for different periods of time are not a definitive rejection of immigrant self-selection, they are strikingly consistent with the experiential perspective and thus weigh in further for this account of trust.

In conclusion, this short analysis based on the unique data of Swedish immigrants living in different destination countries have indicated that, holding ancestral culture constant, there seems to be an experiential adaptation to the level of trust of natives in the new country. While less suited to answer this question, the data also provide some indication of cultural persistence in trust. Finally, by comparing immigrants having resided in different regions for different lengths of time, the analyses also indicate that self-selection is not a plausible explanation for the observed differences in immigrant trust. We hope that these suggestive analyses will stimulate further research along the same lines.

REPRISE

In this chapter we have summarized the literature examining the roots of social trust by studying trust of immigrants and descendants of immigrants who have ancestral ties to another country than where they presently live. Studying immigrants provides a powerful design for parsing out cultural (or, rather, dispositional) and experiential influences on trust. If immigrants' present-day trust continues to reflect the level of trust in their ancestral country, this indicates cultural persistence in trust. Conversely, if immigrants' trust is aligned with their new countrymen, this indicates experiential adaptation.

Tallying up the existing studies, a couple of consistent patterns emerge. First of all, there is evidence for both cultural persistence and experiential adaptation. Secondly, studies focusing on the United States tend to suggest cultural persistence to a higher degree than studies from other contexts. This, however, most likely stems from the almost exclusive focus on cultural persistence in these studies. Outside of the US context, where the two perspectives on the roots of trust have been studied more even-handedly, there is generally stronger evidence for experiential adaptation than cultural persistence.

Studying trust of immigrants has generally enriched our understanding of the roots of trust, but there is considerable room for improvement in future research. We suggest that paying closer attention to the scope of empirical results (particularly

related to cultural persistence), deriving and more rigorously testing implications of the two theoretical perspectives, and paying greater attention to the potential problems of self-selection of immigrants are issues that can fruitfully be tended to in future research. We hope that researchers will take up these challenges to push the literature forward.

NOTES

1. For ease of exposition, we sometimes use the term “immigrant” to refer to both first-generation immigrants as well as descendants of immigrants.
2. One could in principle reason per contra that in the absence of cultural persistence, trust must be shaped by experiences, but we keep in line with the authors’ focus in their analysis.
3. Note also that the authors’ subset ancestral country trust by education groups to provide a more accurate measure of ancestral trust for migrants with a similar level of education.
4. In a follow-up study using the same data as Dinesen (2016), Bergh and Öhrvall (2016) examine how trust among Swedish emmigrants corresponds with institutional quality (level of corruption) in the destination country. They find that trust of immigrants is positively influenced by institutional quality in the destination country, but only for those arriving here at age 30 or younger.
5. The same problem in principle also applies to analyses of adaptation to the destination country, where the average level of trust of natives is included in the model. However, when natives and immigrants are analyzed together, such differences can partially be taken into account by means of controlling for various sociodemographic differences.
6. Trust is measured by the question “To what extent can other people generally be trusted?” measured on an 11-point scale, ranging from “Most people cannot generally be trusted” (0) to “Most people can generally be trusted” (10) (Dinesen 2016).
7. To illustrate this: Swedish immigrants in regions of the world (e.g., Africa) with lower levels of trust (and lower levels of economic development) are unlikely to be sociodemographically similar to natives in these countries.

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CHAPTER 11

TRUST AND MINORITY GROUPS

RIMA WILKES AND CARY WU

INTRODUCTION

IT has been said that “race is the most important determinant of trust” (Smith 2010: 470; see also Uslaner 2002: 91). This chapter argues that whether or not this is the case depends on the ethnoracial group in question and on whether trust is social or political. Across the board the trends are clear: ethnoracial minorities have lower social trust than majority groups; but by and large, with the exception of black Americans, this pattern is reversed for political trust. We consider the extent to which the relationship between ethnoracial status and trust stems from culture or from institutions. This means, for social trust, considering whether ethnoracial differences are inherited or learned; and, for political trust, considering whether ethnoracial differences represent a diffuse orientation toward government or a specific assessment of performance.

Trust is “a generalized expectancy held by an individual or a group that the word, promise, verbal, or written statement of another individual or group can be relied on” (Rotter 1971: 44). There is an assumption that trust entails some judgment that a relationship might be reciprocal, though it is not assumed *de facto* that this is an exchange relationship. In contrast to Hardin’s (1999) concept of encapsulated interest, we take the position that trust reflects judgment about how another might act toward the trustee (Yamagishi 2011). Trust in turn can have many objects. The focus here is on general trust, which is “based on information, knowledge or beliefs about human beings in general” (*ibid.*: 32); and on political trust, which is based on an assessment of the nature of political institutions and officials.¹ Still, it is important to note that not all concepts of trust reflect experiences, as some of these concepts place a greater emphasis on trust as having a moral foundation (Uslaner 2002).

According to Isajiw (1974: 8), ethnic identity refers to the manner in which “individuals, on account of their ethnic origin, locate themselves psychologically in relation to one or more social systems, and in which they perceive others as locating them in

relation to those systems" (see also Barthes 1969; Boyd 1999; Nagel 1994). While the term "minority" can refer to any minority, in general it has come to denote ethnoracial groups. Some argue that a minority is *de facto* a disadvantaged group, and that the term only applies to those (immigrants) with lower education and income (Van Heelsum 2002: 178). The trust scholarship generally takes this position, which may be because advantaged ethnic minorities are rarely considered in empirical work on trust.

Concerning minority groups, much of the trust literature is based on survey data. Countries within those surveys use varying categorizations and labels to subdivide their population according to ethnicity, including factors such as race, country of birth, national origin, language, and religion (Ramos 2013; Smith 1992). The upshot of this is that cross-national comparison of differences in trust on the basis of minority status is tricky insofar as the minority categories vary across countries. Thus, for example, the ethnic self-identification categories in the World Values Survey (WVS) for India (2012) include scheduled castes, scheduled tribes, other backward castes, and other; for Iraq (2013) they include Arab, Kurdish, and Turk; and for South Africa (2013) they include black, white, coloured, Indian, and other.

Of course, it should also be noted that different measures and terms used to denote ethnicity are not equivalent; these identities are not "essential" or homogenous, and many individuals have multiple identities (see Mawani 2003; Roth 2010; 2012). The net result is that trust scholars have associated the concept of minorities with racialization (e.g., Mewes 2014; Nunnally 2012; Stolle and Harell 2013; Wilkes 2011; 2014), ethnicity (Håkansson and Sjöholm 2007; Uslaner 2008), immigration (e.g., Dinesen 2012; 2013; Dinesen and Hooghe 2010; Nannestad et al. 2014), and indigeneity (Soroka et al. 2007). Religion has also been considered in a number of studies, although it is not clear whether the authors are thinking of religion as capturing ethnic minority status or some other kind of cultural effect. The term "Muslim" is treated in some studies as the effect of religion (e.g., Bjørnskov 2008), and in other studies "Muslim" is described as "an ethnically and religiously diverse group" (Doershler and Jackson 2012 504; Maxwell 2010).² Elsewhere we propose a solution to the issue of how to code ethnicity using a definition of ethnicity based on majority-minority status (see Wilkes and Wu 2016).

ETHNORACIAL DIFFERENCES IN GENERALIZED TRUST

Table 11.1 provides a summary of the studies with a specific focus on ethnoracial differences in generalized trust, organized by country and year of publication. The table contains information about the datasets used, countries considered, ethnoracial groups considered, and major trust patterns identified. In keeping with the focus of initial work on trust and minorities, we begin with the United States and with black-white trust differences.

Table 11.1 Sample of Studies with a Focus on Ethnoracial Differences in Social Trust

Author	Year of publication	Survey	Year of study	Country	Ethnoracial group(s)	Difference
Smith	1997	GSS	1997	US	7 groups	black Americans less trusting
Marshall and Stolle	2004	DAS	1975	US	black, white	black Americans less trusting
Chávez et al.	2006	MSFWS	2003	US	migrant seasonal farm workers	less trusting than Latinos in general
Weaver	2006	GSS	1972–2000	US	Hispanic, non-Hispanic whites	Hispanic less trusting
Uslaner	2008	GSS/WVS	1972–1998; 1990,	US	9 ethnic groups	Nordic higher, Spanish/Latino/black American lower
Smith	2010	n.a.	n.a.	US	black, white	black Americans less trusting
Wilkes	2011	GSS	1972–2008	US	black, white	black Americans less trusting
Nunally	2012	SCBS/NPSS	2000, 2007	US	black, white, Latino, white, nonwhite, East Asian	black Americans less trusting
Uslaner	2011	SCBS (US); UKCS (UK)	2000, 2007	US and UK	African, Muslim-UK	black Americans; UK minorities less trusting
Aizlewood and Pendakur	2005	ESC	2000–2001	Canada	7 ethnic groups and Indigenous	immigrant, Indigenous, French-speaking less trusting
Soroka et al.	2004	ESC	2002–2003	Canada	7 ethnic groups and Indigenous	British/Northern European more trusting

(continued)

Table 11.1 Continued

Author	Year of publication	Survey	Year of study	Country	Ethnoracial group(s)	Difference
Kazemipur	2011	GSS (cycle17)	2003	Canada	provincial, city	Quebec (Francophone province) less trusting
Nakhaie	2008	GSS (cycle17)	2003	Canada	Canadian-born, immigrants	older immigrant more trusting, newer less
Stolle and Harell	2013	Canada	2003	Canada	visible minority (vs. non-visible)	visible minority less trusting
Bilodeau and White	2016	WVS/NIS	2000, 2006	Canada	Canadian-born, immigrants Native-Dane and immigrant	immigrant more Native-Dane and trusting
Dinesen	2011	DCTS	2008–2009	Denmark	(children)	Native-Dane more trusting
Dinesen	2012	ESS		Northern Europe	Turks, Poles, Italians	migration increases their trust
Togeby	2004	SCGD	1999	Denmark	ex-Yugoslavs, Turks, Pakistanis	Pakistanis high, then Yugoslavs, then Turks
Bahry et al.	2005	TSS	2002	Russian Federation	Russians, Tatars, Yakuts	Russians higher trust
Håkansson and Sjöholm	2007	Social Trust Survey	2003	Bosnia and Herzegovina	Bosnian, Serb, and Croat	Croats more trusting the Bosnians
Zerfu et al.	2008	WVS	2001	African countries	Tanzania, Uganda	ethnic self-identification lower trust
Bjørnskov	2008	WVS	2005	Global	religious groups	Muslims, Catholics less trusting, Protestant more (vs. nonreligious, Jewish, and others)

Table 11.1 Continued

Author	Year of publication	Survey	Year of study	Country	Ethnoracial group(s)	Difference
Dinesen and Hooghe	2010	ESS	2005–2007	Europe	immigrant, native-born	native-born more trusting (in many countries)
Ljunge	2012	ESS	2002–(5 waves)	Europe	Second-generation immigrants native Dutch, Turkish and Moroccan minorities	n.a.
de Vroome et al.	2013	NELLS	2009	Netherlands	Turkish, Pakistani, Bosnian, Ex-Yugoslav heritage	Native Dutch more trusting
Nannestad	2014	WVS, SoCap4	1999–2000, 2004	Denmark		n.a.
Helliwell et al.	2014	Gallup World Poll	2009–2012	Global	Immigrants	no difference

Note: CGD (Survey of Children of Guestworkers in Denmark); DAS (Detroit Area Study); ELLS (Netherlands Longitudinal Lifecourse Study); ESCS (Equality, Security, and Community Survey); ESS (European Social Survey); GSS (General Social Survey); MSFS (Migrant Seasonal Farmworker Survey 2003–Idaho); NDCTS (Danish Children's Trust Survey); NPSS (National Politics and Socialization Survey); SCBS (Social Capital Benchmark Survey 2000); SoCap4 (Social Capital Survey); TSS (Tatarstan and Sakha–Yakutia Survey); UKCS (UK Citizenship Survey 2007).

Marschall and Stolle's (2004) analysis of data from the 1975 Detroit Area Study (DAS) showed that blacks had lower generalized trust than whites in that city. Other analysis of differences in generalized trust using 1972–1994 data across seven groups (early immigrants from Scandinavia and Great Britain; middle immigrants from France, French Canada, Belgium, Ireland, Germany, Austria, and Holland; late immigrants from Eastern and Southern Europe, Jewish, and miscellaneous; Hispanics from Spanish-speaking countries; Amerindians; Asians; and blacks) finds that, compared to early immigrants, trust is lower among these other groups, and the difference is most pronounced with blacks (Smith 1997). Taken as a whole, analysis of these data between 1972 and 1996 shows that 46% of white Americans but only 17% of black Americans "were generalized trustees" (Uslaner 2000: 530; see also Uslaner 2002; Uslaner 2011).

More recently, in a systematic review of the race and generalized trust literature, Smith (2010) finds that the white-black gap in generalized trust ranges from 10 to 30 percentage points depending on the survey data employed. Nunnally's (2012) analysis of race and trust using the 2007 National Politics and Socialization Survey (NPSS) finds that, in comparison with white Americans, black Americans are less trusting in a variety of neighborhood, shopping, and workplace contexts. Using data from the General Social Survey (GSS), Wilkes (2011) finds a gap in the views of black Americans, who were less likely than white Americans to agree that "most people can be trusted," that "most people try to be fair," and that "most people are helpful".³

While the vast majority of studies of minority trust in the United States focus on black-white differences, there are a number of notable exceptions. People whose grandparents were from countries that have high levels of social trust (e.g., Nordics and the British) tend to have higher levels of generalized trust (Uslaner 2008). Italians, Latinos, and African Americans, on the other hand, tend to have lower levels of trust (*ibid.*). A study of generalized trust among Hispanics (1972–2000) showed that whereas 46% of non-Hispanic whites said most people can be trusted, the figure was only 25% for Hispanic Americans (Weaver 2006). Within the latter group, there is, however, considerable variability. Chávez et al.'s (2006) study of trust among migrant seasonal farm-workers in Idaho finds an astonishingly low level of trust in most people—only 5% (which they contrast with a 25% trust rate in the general Hispanic population shown by the Social Capital Benchmark Survey).

In Canada, results from the Equality, Security and Community Survey (ESCS) show that visible minority, Indigeneity, and Francophone status all affect trust (Aizlewood and Pendakur 2005; Soroka, Johnston, and Banting 2004; see also Hwang 2013). More specifically, these authors compared trust levels of people with Aboriginal, Quebec Francophone, Southern European, Eastern European, South Asian, East Asian, and Caribeean/African origins to those with British/Northern European origins (Soroka, Johnston, and Banting 2004: 576). The specific findings are that all of these groups, with the exception of Southern and Eastern Europeans and Asians, trust less than those with British/Northern European origins (*ibid.*). Analyses of the 2003 Canadian General Social Survey (Cycle 17) show that trust in Quebec, Canada's only Francophone province, is lower than elsewhere (Kazemipur 2006); that while Canadian-born respondents are less trusting than older immigrants, they are more trusting than recent immigrants (Nakhaie 2008); and that visible minorities are less trusting than nonvisible minorities (Stolle and Harell 2013).⁴ Bilodeau and White (2016), using the World Values Survey (WVS) and New Immigrant Survey (NIS), find that generalized trust is higher among immigrants to Canada (48% say most can be trusted versus 38% of Canadian-born) and that this is a function of neither the origins or the differences in socioeconomic status between immigrants (*ibid.*: 1321–1323).

Moving outside of North America, the focus has primarily been on immigrants and ethnic minorities (see also the Dinesen and Sønderskov (2017) chapter, "Cultural Persistence or Experiential Adaptation?" (this volume). A study of trust among parents and children comparing native Danes (parents and children) to first- and

second-generation immigrants (parents and children) shows that while the trust of native Danes is higher across the board, it is an inversion of the trust patterns across parent and child (Dinesen 2012). Whereas for native Danes parents are more trusting than children, this is the reverse for immigrant Danes (*ibid.*; see also Togeby 2004 on Denmark). In another study Dinesen (2012a) finds that the trust of Turks, Poles, and Italians who moved to Northern Europe is higher in the destination countries than in the countries of origin. A study of trust in the Netherlands comparing Turkish and Moroccan minorities to native Dutch found that the former have higher generalized trust (de Vroome et al. 2013). Cross-national studies also show that, more generally, migrant background is associated with lower trust (Mewes 2014).

Uslaner (2011; 2012) considers trust of different minority groups in the United Kingdom. He concludes that “as in the United States minorities are less trusting than Whites. Forty three % of Whites believe that most people can be trusted, compared to 29% of non-whites, 31% for East Asians, 26% of Africans and 28% of Muslims” (*ibid.* 2011: 238). Croats are more trusting than Bosniaks in Bosnia and Herzegovina (Håkansson and Sjöholm 2007); and, in the Russian Federation, Russians have higher trust in most people than do Tatars or Yakuts (Bahry et al. 2005), a result attributed to experiences of disadvantage and discrimination by less trusting groups. Zerfu et al. (2009) conduct one of the few studies of ethnicity and trust outside of North America and Europe. They consider the relationship between ethnicity and trust in Egypt, Nigeria, Morocco, Tanzania, and Uganda, and the results show that respondents who identify on the basis of ethnicity (e.g., Zulu) have lower generalized trust than those who identify on the basis of national origin (e.g., South African) (*ibid.*: 158).

Taken as a whole, the pattern is clear. Irrespective of how minority is defined, and irrespective of the country considered, respondents who identify as an ethnic minority have lower generalized trust than respondents who do not. Below, after a discussion of the patterns of political trust across minority groups, we discuss research on why these ethnoracial differences in generalized and political trust exist.

ETHNORACIAL DIFFERENCES IN POLITICAL TRUST

As a collectivity, public and private societal institutions “regulate and alleviate individual cooperation,” thereby facilitating problem-solving and collective decision-making (Kotzian 2011: 26). As most people hold government and related institutions “responsible for their social and economic well-being,” levels of confidence in these institutions must be both high and stable (Pharr et al. 2000: 8). Table 11.2 provides a summary of the research on ethnoracial differences in political trust, again organized by country and year of publication. We also begin with the United States and the black-white differences in political trust, where the literature shows that black Americans are less likely than their white counterparts to trust the government and political institutions.⁵

Table 11.2 Sample of Studies with a Focus on Ethnoracial Differences in Political Trust

Author	Year of publication	Survey	Year of study	Country	Ethnoracial group(s)	Difference
Aberbach and Walker	1970	DS	1967	US	black, white	black less trusting than white
Miller	1974	ANES	1964–1970	US	black, white	mixed
Howell and Fagin	1988	NES, NOS	1984, 1985	US	black, white	mixed
Bobo and Gilliam	1990	GSS	1987	US	black, white	black less trusting
Emig et al.	1996	MAS	1994	US	black, white	black more trusting
Rahn and Transue	2005	SCBS	2000	US	white, black, N. Am., Asian, other	black and N. Am. less trusting
Avery	2006	NBES	1994, 1996	US	black, white	n.a.
Avery	2007	NAES	2000	US	black, white	black less trusting
Avery	2008	NBES	1996	US	black	n.a.
Wilkes	2014	ANES	1958–2012	US	black, white	mixed
Michelson	2001	CLS	1999	US	Latino	mixed
Michelson	2003	LNPS	1989–1990	US	Latino	n.a.
Wenzel	2006	LRGVS	2002	US	Mexican American	Mexican Americans more trusting
Abrajano and Alvarez	2010	PEW/ NAES	2002, 2004	U.S.A.	Hispanic, others	Hispanic more trusting
Bilodeau and Nevitte	2003	WVS/NIS; TIS	2000, 1983	Canada	Native-born, immigrant	Immigrant more trusting
Soroka et al.	2004	ESC	2002–2003	Canada	Immigrant, visible minority	No difference
Grabb et al.	2009	WVS	1999–2002	Canada	white, non-white	non-white more trusting

Table 11.2 Continued

Author	Year of publication	Survey	Year of study	Country	Ethnoracial group(s)	Difference
Fennema and Tillie	1999	ALS	1999	Amsterdam	Dutch, Surinam, Moroccan, Turk, Antillean	Turks and Dutch more trusting
Maxwell	2010	HOCS	2007	UK	Muslim/Christian, white/nonwhite	Muslim higher, white lower
Röder and Mühlau	2011	ESS	2002–2006	Europe	immigrant, non-immigrant	Mixed
Doerschler and Jackson	2011	ALLBUS	2008	Germany	Muslim, non-Muslim	Muslims higher, or equal
de Vroome et al.	2013	NELLS	2009	Netherlands	Native Dutch, Turkish, Moroccan	Native Dutch higher
André	2014	ESS	2008	Europe	EU migrant, non-migrant	same or sometimes higher for migrants

Note: ESS (European Social Survey); ESC (Equality, Security, Community); HOCS (Home Office Citizenship Survey); LNPS (Latino National Political Survey); LRGVS (Lower Rio Grande Valley of Texas); MAS (Mobile Alabama Survey); NAES (National Annenberg Election Survey); NBES (National Black Election Study); NELLS (Netherlands Longitudinal Lifecourse Study); NES (National Election Studies); SCBS (Social Capital Benchmark Survey); TIS (Toronto Immigrant Survey); WVS/NIS (World Values Survey and New Immigrant Survey [Canada only]).

Early research on political trust was in large part fueled by concerns over black American political alienation and the concomitant (urban) political unrest during the 1960s. Aberbach and Walker (1970: 1204), using data from the DAS, found that whereas the mean political trust of black respondents in their sample was 1.66 (on a 1–4 scale), for whites it was 2.13. They warned of “an ominous confrontation between the races” (*ibid.*: 1215). Later studies were somewhat more mixed. Cole (1973) found no direct effect of race on political trust, and Miller’s 1974 comparison of mean political trust found that political trust was actually higher for black Americans during the 1960s and then dipped below that of white Americans after 1968 (see also Howell and Fagan 1988). Emig, Hesse, and Fisher’s (1996) study of black-white differences in trust in Mobile,

Alabama finds that black respondents were more politically trusting; and Wilkes's (2015) study also shows that, on average, between 1958 and 2012 black Americans had higher political trust than white Americans.⁶

Turning to other groups in the United States, the research suggests that political trust is generally higher, especially for Latinos. In a study of groups of Latinos in Chicago (Mexican Americans, Mexican-descent non-Americans, US-born Puerto Ricans, Island-born Puerto Ricans), Michelson (2001) finds that most have higher political trust than Anglos. A later study drawing on the Latino National Political Survey (LNPS) (1989–1990) finds that 16.1% of Latinos trust the government to do what is right just about always and that 62% believe the government is run in the interests of all (Michelson 2003). These results are confirmed by Wenzel (2006), who not only finds higher trust in both national and local governments among US Latino respondents, but says that these differences are quite striking: "Almost 25% of our Latino respondents say they trust the national government just about all the time, compared to just over 4% of respondents to the 2000 National Election Survey" (*ibid.*: 2006). Subsequent analyses of two national datasets also confirm that, compared to other groups including white, black, Asian, and other, Latinos have higher political trust (Abrajano and Alvarez 2010).

Moving outside the United States, the pattern is similar. Bilodeau and Nevitte (2003) not only find that immigrants have higher political trust than people born in Canada but that trust is highest among those from nondemocratic countries. Grabb et al. (2009) find that nonwhites in Canada (but also in the United States) have greater confidence in political parties, the civil services, and the federal government than white respondents. Another national study in Canada finds that levels of political trust do not depend on either visible minority or immigrant status (Soroka, Helliwell, and Johnston 2007).

A study of political trust in the Netherlands comparing Turkish and Moroccan minorities to native Dutch found that the former have higher generalized trust (de Vroome et al. 2013). Muslims in Germany have higher or equal political trust than non-Muslims (Doershler and Jackson 2012). Andre's (2014) study of migrants and nonmigrants in twenty-two European countries (using data from the European Social Survey, ESS) found little difference in overall levels of political trust (see also Röder and Mühlau 2012). Fennema and Tillie's (1999: 710) study of political distrust among Dutch, Turks, Surinamese, Antilleans, and Moroccans in Amsterdam found that distrust was higher among Antilleans (75%), Surinamese (61%), and Moroccans (60%) than among Dutch (41%) or Turks (36%). Karakoç (2013) finds that while Turks trust the national government more than Kurds, the latter are more trusting of international organizations such as the European Parliament and the United Nations.

In sum, the basic patterns are that (1) across the board, ethnoracial minorities tend to have lower social trust; and (2) while black Americans tend to have lower political trust than white Americans, other ethnic minorities tend to have higher political trust than the native-born.

ORIGINS OF ETHNORACIAL DIFFERENCES IN TRUST: CULTURE VERSUS INSTITUTIONS

Ethnoracial Differences in Social Trust: Inherited or Learned?

At the heart of debate over the causes of generalized trust, and why it is likely to be higher for some ethnic groups than for others, is a long-standing debate about the meaning of trust. In the case of generalized trust, while some scholars say that trust is inherited, others say that it is learned. Conceptualized as inherited, trust is a relatively stable and unchanging orientation that is transmitted via parental socialization from generation to generation (Putnam 1993; 2001; Uslaner 2002). The learned or experiential take on trust “stresses that trust is subject to change with what we experience in the environment in which we live” (Dinesen 2012: 495). What matters is that individuals live in a society where there are quality institutions, which means low corruption and equality of opportunity and treatment (Mishler and Rose 2001; Rothstein 2003; 2005; Uslaner 2010).

Applied to understanding ethnic differences in trust, the cultural argument sees different ethnic groups as passing on different propensities to trust as a result of their historical origins. This cultural approach to generalized trust and ethnoracial groups is well illustrated by Uslaner’s (2008: 725) description of storytelling:

Even the stories that parents tell their children reflect tales of optimism and trust (or, perhaps, pessimism and struggle). African-American stories reflect this struggle and mistrust. The Swedish story of Pippi Longstocking, on the other hand, reflects sunny optimism, as do most English fairy tales. Russian tales, on the other hand, may have happy endings, but they often reflect good luck rather than the optimism and sense of control that underlies trust.⁷

If culture matters, then it is expected that country of origin will have an effect on trust (see also Dinesen and Hooghe 2010). Individuals from higher-trust places should have higher trust. The institutional explanation as applied to ethnoracial differences in trust would expect that contemporary context would be more important (Dinesen 2013). Some ethnic groups have higher trust than others because they are treated more favorably by the institutional context.

In practice it is very difficult to separate out these effects. Consider, for example, findings on the correlates of trust for black and white Americans. In considering the black-white difference, it is argued that inherited distrust among black Americans is reflective of a long-standing and ongoing history of violent subjugation, racism, and segregation (Omi and Winant 2004; see also Wu and Wilkes 2016).⁸ This, in combination with discrimination, might be why several studies show little or differential

effects of socioeconomic factors on black Americans' trust. Marschall and Stolle (2004) show that employment status affects social trust for white American but not for black American survey respondents; and Wilkes (2011) found that education had a negative effect on social trust for black Americans and a positive effect for white Americans (see also Simpson 2006). While it might be said that these effects reflect the cultural origins of trust, these cultural origins are caused by the historical and contemporary experiences of individual and institutional racism and discrimination.

Or consider immigrant groups. Several studies show that immigrants who are from countries with higher levels of trust are often more trusting than those from countries with lower levels of trust (Delhey and Newton 2005; Uslaner 2002, 2008). Yet if people with Arab origins living in the United States are less trusting than people with Swedish origins, is this because of a lingering cultural effect or because of ongoing discrimination in the new context? If, conversely, new immigrants exhibit higher social trust than their compatriots back home (e.g., see Nannestad et al. 2014), is this because of the new institutional context or because those immigrants who left were culturally different than the compatriots who remained? Major inroads have been made by studies considering the trust of immigrant groups in the country of origin and destination (Dinesen 2013; Dinesen and Hooghe 2010). Still greater attention is needed on the fact that cultural and institutional effects exist not only at the point of arrival but also at the point of departure.

Ethnoracial Differences in Political Trust: Diffuse or Specific?

This debate is paralleled in the political trust literature. Within that literature some scholars see political trust as diffuse, a moral, value-driven, and deep-seated orientation toward some institutional or political object. This diffuse trust is assumed to reflect a general positive orientation or goodwill toward a political object that is about what it is or represents, not what it does (Easton 1975). Others see political trust as specific, a reasoned and evaluative assessment of outputs and performance. In this instance, trust is a judgment of what political objects do and how they do it, reflecting "the satisfactions that members of a system feel they obtain from perceived outputs and performance" (*ibid.*: 437).⁹ To test whether trust is diffuse or specific, scholars examine whether it is affected by such factors as socioeconomic status and evaluations of government performance, the assumption being that if the latter have an effect then trust is specific.

In the case of race and trust in the United States, the evidence shows that political trust is more diffuse for black Americans and specific for white Americans. Hetherington and Globetti's (2002) analysis finds that while white Americans' political trust depends on whether they feel warm or cold toward the president, these feelings have no effect on the political trust of black Americans. Another study also found that not only do evaluations of the president have little to do with political trust, neither do evaluations of Congress or other policy performance assessments (Avery 2006). This has led to the

conclusion that, whereas for white Americans political trust represents an evaluation of current performance, for black Americans, trust represents a deep discontent with the political system writ-large which is, in the end, a form of diffuse distrust (*ibid.*; Nunnally 2012).¹⁰

This malaise, and the lack of effect of performance measures, occurs because, at least in the case of black Americans, the political system is not only discriminatory but also nonrepresentative. Rahn and Rudolph (2005) find that trust increases for black respondents when they live in a city with a black mayor (see also Bobo and Gilliam 1990). Similarly, a recent Associated Press–NORC Center for Public Affairs Research report on trends in institutional confidence also shows that black Americans' confidence in economic institutions as well as government and legal bodies has improved since the election of Barack Obama in 2008 (Tompson and Benz 2013). In contrast, white Americans have become more pessimistic (*ibid.*). It seems likely that for black Americans, the diffuse general nature of political trust occurs at least in large part because of a lack of demographic representation.

In turning to immigrants, the argument is that their trust tends, on average, to be higher because they have a more diffuse orientation toward the new political system. Michelson (2003) documents the importance of acculturation to the acquisition of political trust by Mexican Americans. She notes that, as Mexican Americans acculturate, their identity "is transformed from an immigrant looking forward to membership in the dominant society into that of a member of minority group that is denied the full benefits of that membership" (2003: 922). Abrajano and Alvarez (2010) have a similar finding for US Latinos more broadly. In Canada, Bilodeau and Nevitte (2003) find that those from authoritarian regimes/nondemocratic countries have higher confidence in Canadian political institutions than native-born Canadians. In Europe De Vroome et al. (2013) find that economic position and personal discrimination do explain political trust among immigrant groups in the Netherlands. Maxwell (2010) finds that among Muslims in the United Kingdom, the strongest predictors of political trust are satisfaction with government performance and political efficacy. Thus, research suggests that immigrants' trust in the North American context is more diffuse; in the European context it is more performance-based.

CONCLUSION

In this chapter we considered the patterns of social and political trust on the basis of ethnoracial identification. Concerning social trust, the vast majority of individuals in ethnoracial minority groups trust less than majority-group members. Although a large body of research attributes this to institutional rather than cultural effects, in practice these patterns are very difficult to disentangle. Concerning political trust, the findings are more mixed. Whereas black Americans generally have lower political trust, other groups such as immigrants tend to have higher political trust. In the case of black

Americans, political trust appears to be low because it is more diffuse in nature and also due to demographic underrepresentation. For other minority groups, the general argument is that political trust is higher because minority groups have high expectations, and they have yet to develop experience with the political system of the native-born (Bilodeau and White 2016). That being said, we want to conclude by raising a number of additional points.

The vast majority of the literature on ethnoracial differences in trust, as the title of this chapter suggests, focuses on minority groups. To some extent the literature continues to approach the issue of ethnoracial gaps in trust using a deficit model (Arneil 2006). Ethnoracial gaps are not simply the result of discrimination or its absence—they are also the result of privilege. Thus, further research is needed not simply on minority-group trust and why it is lower but also on majority-group trust and why it is higher. If the root causes of the relationship between minority status and trust are to be fully understood, longitudinal research is needed. Data is needed not only on children but also on individuals as they move throughout their lifecourse. The assumption that childhood effects represent socialization may be true, but it is also clear that discrimination occurs in childhood and beyond. While distrust may be inherited, discrimination is ongoing, and it seems likely that there are strong contemporaneous effects (for example, ongoing injustices such as the murder of Trayvon Martin are likely to affect trust). Is this a socialization to distrust effect or an institutional effect?

Theoretical accounts of the relationship between trust and race-ethnicity and discussion on whether the ethnoracial gap in trust reflects the effect of culture or institutions continue to be a work in progress. While there is clear recognition that it is not the category of ethnoracial minority/majority *per se* that has an intrinsic effect on trust, the mechanisms through which ethnicity and race affect trust via culture and institutions are still unknown. In the debate over whether culture or institutions “cause” social trust, culture tends to be considered at the micro level and institutions at the macro level (or even assumed to be what is left over once culture is introduced into a model). We need to identify the conditions under which cultural and institutional effects are activated in some situations and not in others.

NOTES

1. A debate as to whether political trust represents a specific assessment of performance of incumbents (or institutional) or is of a more diffuse nature has yet to be resolved (see, e.g., Citrin 1974; Miller 1974; Easton 1975).
2. For example, British Muslims have origins in South Asia (Pakistan, Bangladesh, India), the Middle East, Europe (Balkans), Asia, Africa, and the Caribbean; and some are converts (Maxwell 2010).
3. Wilkes shows that when trends in trust are broken down by year, claims about general declines in trust are really only about whites—blacks have always distrusted but the absolute levels have not changed (see also Tompson and Benz 2013).

4. The Canadian GSS is different from the US GSS in that the Canadian GSS only asks about topics within cycles. So trust has been asked in the 2003 cycle and in the 2015 cycle but not in between those cycles. The advantage of such an approach is that it allows for a greater diversity of topics; the disadvantage is that, in contrast to the US GSS, it is more difficult to map change over time (e.g., see Smith 1994).
5. Although not the focus of this handbook, which focuses on social and political trust, there is also a considerable body of literature on race and black American distrust of the medical system (Armstrong et al. 2007; Gamble 1993) as well as the judicial/criminal justice system (Overby et al. 2005; Scherer and Curry 2010).
6. Other important studies on race and trust in the United States include Gay (2002) and a series of papers by Avery (2006, 2007, 2010).
7. Uslaner also writes that “the Jewish population, which in the United States (and elsewhere other than Israel) is far more trusting than the average. Jewish tradition teaches treating the stranger as oneself (‘We were strangers in the land of Egypt so we should welcome the stranger into our midst’) and optimism even in the face of danger (a Chanukah song gives the optimistic message that ‘in every age a hero or sage arose to our aid’)” (2008:725).
8. This being the case, attention needs to be paid to how respondents understand “most people” in the question, “Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?” As Simpson et al. (2007) argue, for black Americans most people are white Americans, and thus the question is really asking about cross-racial trust.
9. Alternatively deemed system and incumbent support (Muller and Jukam 1977), intrinsic and instrumental support (Bratton and Mattes 2001; Inglehart and Welzel 2005), and idealist and realist support (Mishler and Rose 2001; Sin and Wells 2005), whether these indexes are measuring diffuse or specific trust, has been repeatedly called into question (Iyengar 1980; Marien and Hooghe 2011; Mishler and Rose 1997; Muller and Jukam 1977).
10. Wilkes (2015) finds that much of the over-time difference in political trust between black Americans and white Americans can be explained by the affiliation of black Americans with the Democratic Party.

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P A R T I V

**SOCIAL TRUST AND
RATIONAL CHOICE**

CHAPTER 12

TRUST AND RATIONAL CHOICE

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INTRODUCTION

THERE are at least as many conceptualizations of trust as there are disciplines in the social sciences. Scholars have studied the antecedents and consequences of trust in contexts ranging from dyadic interpersonal interactions and small groups to large-scale networks and governments. In this chapter, we focus on the rational choice orientation to the study of trust, which is rooted primarily in economics, political science, and sociology. Conceptualizations of trust that build on a rational choice framework focus on the cognitions that form the basis of judgments of trustworthiness and decisions to place trust in another, as well as the embeddedness of trust relations in networks, groups, and institutions. Among the sources of trust are individual-level factors, such as those that allow for assessments of others' incentives and likely trustworthiness, as well as organizational and institutional factors that facilitate trust, not only by providing relevant information (e.g., on past behavior and reputations) but also by supplying a modicum of "insurance" against failed trust. We address the strengths of rational choice approaches to the analysis of trust and their limitations, comparing them briefly with other approaches that have gained popularity in the social sciences (many of which are represented in this volume).

RATIONAL CHOICE

Rational choice theory (RCT) represents a broad class of models in the social sciences that generally rely on assumptions of an individual's rationality. These assumptions derive from neoclassical economics, but can expand beyond strict or strong versions of

rationality to include weaker or thin rationality assumptions often identified with what is known as “bounded” rationality (Simon 1955). Weaker versions of these assumptions acknowledge cognitive limitations, restrictions on the availability of information, and the existence of social structural constraints (e.g., imperfect markets and network-embedded exchanges). Rational choice theorists assume that rational individuals, or “agents,” make decisions based on cognitive calculations (evaluations) of the costs, benefits, and probabilities of obtaining relevant goals using available information. In this view, an agent chooses an action that either provides the maximum net benefit (benefit minus cost) or is preferred under the circumstances. In the strong version of RCT, rational agents rank existing alternative actions according to their ordered preferences, given full information concerning these alternatives, and then select the action(s) with maximal utility. Variants of RCT consider the maximization of utility to focus primarily on the satisfaction of one’s own self-interest, and may or may not include in the utility equation what is in the best interest of those one identifies with and cares about. In general, RCT theorists view such rational actions as instrumental in obtaining an agent’s preferred outcomes.

To select the action with maximal utility, rational agents must be able to calculate the utility of each action. In order to identify the alternative with maximal utility, the strong version of RCT assumes that all available alternatives are “complete” (and comparable). This means that agents have full information about the alternative actions available to them, their estimated costs and benefits, and the probability that those actions will achieve a given goal. In order to rank the alternatives, RCT also assumes that preferences over all available alternatives are “transitive” (e.g., such that the preference ordering fulfills the condition: if $A > B > C$ then $A > C$). This condition implies that alternatives can be ranked and that the one(s) providing maximal utility can be determined. Transitivity also implies that rational agents will never (or rarely) exchange a higher-value good for one that is of lower value (but see Tversky and Thaler 1990, for examples of “preference reversals”; see also Ochs and Roth 1989 for an example of “irrationality” in which experimental participants turn down higher payoffs in order to achieve fair payoffs). The utility function over a set of ordered alternatives ($A, B, C \dots N$) is captured by $u(A) > u(B) > u(C) \dots > u(N)$. If these assumptions are met, then the agent’s preferences are defined as rational. Furthermore, the agent’s choice (or action) is defined as rational if they select the alternative(s) with maximal utility.

Applying Rational Choice Theory to Trust

Coleman (1990), in his major theoretical treatise on rationality and society, depicted trust as a form of rational action in which cognitive calculations of another’s trustworthiness and the assessment of the benefits of placing trust in another were central to the trust decision. He also emphasized social structural constraints on behavior, which provide additional information concerning the incentives underlying another’s likely trustworthiness. This view emphasizes the importance of having a model of individual-level decision-making (or a micro-level foundation) for explaining social outcomes

such as trust between actors. The extension of Coleman's (1990) more general theoretical work on micro-level foundations for macro-level outcomes is represented in various approaches characterized by the term *methodological individualism* (see also Hedstrom and Stern 2008), which we address in greater detail below.

The rational-choice theoretic approach to trust assumes fundamentally that trust is cognitive and that cognition precedes trusting behavior. It does not address, at least in its early formulations, affective bases of trust. As part of the cognitive process, trust as rational action assumes that the trustor calculates, or predicts, the trustee's level of trustworthiness. Coleman (1990) asserts that a rational actor will only trust if the expected gain from trusting, or the probability of gain minus the probability of loss, is positive, based on the expected utility-maximization assumption. Such calculations, however, require the trustor to know the potential gain, the potential loss, and the probability that the trustee is trustworthy. If the expected gain of trusting is positive, then a trustor will place his or her trust in the trustee. This is a strong condition, and some argue that under such conditions trust actually plays a minimal role.

A related conceptualization rooted in RCT is the "encapsulated interest" account of trust relations, offered by Hardin (2002) and extended in Cook, Hardin, and Levi (2005). The encapsulated interest perspective includes a relatively simple model of trust, represented in its dyadic form as "actor A trusts actor B with respect to X." This model is based on A's assessment of the reasons B might act in a trustworthy manner toward A with respect to a specific issue or matter (X), and is primarily determined by A's assessment of the extent to which her interests are "encapsulated" in the interests of B. Actor B could behave in a trustworthy manner because B wants to continue his relationship with A into the future. B may or may not also be invested in his reputation as a trustworthy party. Reputation is valuable in other interactions, especially in settings in which reputations circulate (as in closed networks) and have the capacity to affect outcomes.

Hardin (2002) argues that incentives of trustworthiness can be structured so that the trustee's interests encapsulate those of the trustor (see Hardin (1991, 1993, 2001, 2004)). When the trustee's interests are included in or linked directly to the interests of the trustor, trustworthiness is generally assured. Hardin considers such trust to be rational under the conditions that (1) the trustee has a given incentive to be trustworthy, and (2) the trustor is aware of the trustee's incentives. Trust based in encapsulated interest permits the trustor to better predict the trustworthiness of the trustee, given that the trustee's interests are encapsulated within the interests of the trustor.

Game theory, used widely in studies of trust, is based to some extent on rational choice premises. Game theory assumes calculation of utility, but shows that people often act "irrationally," especially in groups. The conflict between individual utility and the utility of mutual cooperation or collective action lies at the core of a variety of experimental investigations of solutions to such dilemmas (see Buskens et al., this volume, for a detailed review of game theoretic studies of collective action and the role of trust in such games). The "prisoner's dilemma" is perhaps the simplest representation of this conflict.

In the abstract two-person version of the prisoner's dilemma, two criminals are isolated in separate jail cells and given a single choice: confess to the crime and be freed

with only a minor penalty or do not confess to the crime. The consequences of each actor's decision, however, are contingent on the decision of their partner-in-crime: if the partner confesses first, then the nonconfessor receives a major penalty while the partner is freed with only a minor penalty; if the actor confesses but the partner does not, then the confessor is freed with only a minor penalty while the partner receives the major penalty. If neither the actor nor their partner confesses (a decision of which the actors are not aware since no communication is possible), then both are freed. The choice with the highest overall utility for both criminals is for neither to confess. However, given the uncertainty of their partner's probability of confessing, the dominant strategy and Nash equilibrium for each is to confess, resulting in both criminals confessing. In other words, the most rational choice for the actor in such a case results in the lowest overall utility for both criminals. On the other hand, had they *trusted* each other not to confess, they would both have gone free. This fact clearly demonstrates the link between trust and collective action problems, which take many forms.

Much of the research on trust that employs RCT relies empirically on a version of the prisoner's dilemma called the "trust game" (see Wilson, this volume, for a thorough evaluation of the validity of trust games in measuring trust). In the trust game, participants make decisions concerning whether to trust another participant based on a high degree of uncertainty concerning the trustee's trustworthiness, as in the prisoner's dilemma in which mutual communication is not allowed. However, experimental results often deviate from the anticipated (Nash equilibrium) choice of never trusting the other participant. Research based on the trust game demonstrates that, under certain conditions, anticipation of trust or trustworthiness can influence individuals' trust behaviors.

Hardin (2002), for example, describes a scenario based on the rational choice conception of trust in which a trustee suddenly becomes untrustworthy in the final exchange as a result of his awareness that the trustor will not provide him with another opportunity to trust. If this is true, the game unravels, as expected in the equilibrium analysis of the most likely outcome. Axelrod (1984) described this phenomenon as an instance of the "shadow of the future," in which the expected future choice of the participant influences the current choice of the actor. Further applications of game theory have demonstrated that individual utility maximization is most often not a sufficient motivation to explain trust behavior at the group level when it occurs (see Buskens et al., this volume).

In early formulations of RCT, only individuals were viewed as taking (intentional) actions. Utility was thus estimated in terms of individual gains. Utility, however, can also be derived from social gains. Utility can include intangible resources (e.g., intellectual capital), physical wellbeing (e.g., comfort), or social wellbeing (e.g., status), as well as more tangible resources like money. Thus, rational actors can be motivated by intrinsic as well as extrinsic values, as discussed by Wittek et al. (2013) in their introduction to the recently published *Handbook of Rational Choice Social Research*.

According to Wittek et al. (2013), in addition to individual needs, actors can have a preference for solidarity (i.e., social utility), in which case actors are motivated by group needs. Egoism can also vary, with some actors seeking to maximize their individual needs

and some willing to take into account the needs of other actors, as implied in the encapsulated interest view of trust. Utility can also be linked to other actors' needs based on moral, altruistic, or relational preferences. Hardin (2002), for example, argues that what is in the best interest of another is part of your utility function because you value the relationship you have with them and wish to maintain it into the future. The interests of others can include offspring or siblings, as well as spouses, partners, friends, or coworkers.

Samuelson (1954), in much earlier work, introduced the idea of public goods that entailed a new categorization of individual utility. Public goods require collective action to both provide and manage the goods. G. Hardin (1968) demonstrated that individual utility often conflicts with social utility, as in the case of common grazing land, causing resource depletion, or what he referred to more generally as a "tragedy of the commons." Olson (1965) showed that to maximize social utility requires cooperation or the collective action of all individuals. What undermines such action is the fact that some individuals prefer to free ride, choosing not to participate while benefiting from the actions of others.

Such collective action problems required a new theorization of rational choice among socially oriented individuals and a treatment of the social and institutional conditions that facilitate collective action by providing assurance against free riding. Olson (1965) identified the types of selective incentives that work to reward cooperation and make it possible. Nobelist Elinor Ostrom and her collaborators developed an influential program of research, investigating the many group-level and institutional mechanisms in various cultures and settings that facilitate collective action where it might not otherwise occur, on the basis of simple rational action at the individual level (e.g., Ostrom 1990, 2014; Ostrom and Walker 2003; see also Baldassarri 2015; Dietz et al., 2003).

Cook and State (2016) provide a review of studies that examine the role of trust in cooperation in the context of social dilemmas. Trust facilitates cooperation when the expectation of cooperation is based on judgments of trustworthiness. They discuss specific cases in which the outcomes of social dilemmas are influenced quite clearly by trust. Tax compliance, for example, relies on trust in the state, which paradoxically relies on the perception of a trustworthy state, that is, one without corruption. The choice of some individuals to forgo public healthcare, such as obtaining vaccinations against communicable diseases or reducing the abuse of antibiotics, often relies on trust that the rest of the population will comply with the surgeon general's recommendations. For example, I might want my child to be safe from acquiring a specific disease (e.g., measles), which requires that you have *your* child vaccinated even if I do not. Addressing environmental neglect, similarly, relies on trust in the general public to care for the environment and to engage in behaviors that preserve it to avoid massive environmental degradation. In online communities, such as those generated by engagement in the "sharing economy," trust in online platforms can replace interpersonal trust to facilitate cooperation among strangers (Cheshire 2011, Santana and Parigi 2015). Cook and State outline additional informal mechanisms that stimulate cooperation in the context of social dilemmas without relying on assumptions of trust or trustworthiness, including identity- and status-based mechanisms (see also Cook et al. 2005). Identification

with the community, for example, can compel individuals to cooperate regardless of community members' trustworthiness (Tyler 2001). Status can incentivize high-status group members, such as leaders, to forgo trust in order to support group cohesion. Lower-status group members may take for granted that higher-status members will cooperate for the sake of the group without necessarily trusting them.

Primary Criticisms of RCT in Trust Research

According to Wittek, Snijders, and Nee (2013: 2), the primary criticisms of RCT are that it assumes an idealized model of human nature, resorts to reductionism, does not account for culture and identity, and neglects social embeddedness. However, as the authors point out, these criticisms tend to conflate RCT with traditional neoclassical economics, which assumes "atomistic interaction between rational and selfish actors with full information, taking place in perfect markets" (Wittek et al. 2013: 3). Rational choice theories can, instead, assume a fairly wide range of levels of rationality—from full rationality, which reflects neoclassical economic assumptions, to bounded rationality, which assumes unequal access to information, selective attention, and satisficing (Simon 1955), as noted above. Under RCT assumptions, behavior can also occur in settings not characterized by the markers of free or unfettered market structures.

Hyperrational or strong rationality approaches often assert that idealized models of human nature are imperfect at the individual level of analysis but, importantly, may accurately reflect aggregate or macro-level outcomes. Other theories of rational action expand beyond the individual actor to include societal, institutional, or structural influences. These expanded approaches to rational choice count normative constraints and emotional affect among the instantiations of rational action. Those who adopt a "bounded" or weak rationality perspective argue that deviations from the hyperrational model are systematic rather than idiosyncratic, and thus should be incorporated in any model (see Wittek et al. 2013).

Wittek et al. (2013: 10) describe Udehn's (2001) "methodological individualism" categorization of rational choice theories, which is useful in differentiating approaches to micro-macro linkages as well. First, "natural" methodological individualism analyzes the individual actor as a hyperrational, atomistic unit. The Hobbesian "state of nature," in which every person fends for his or her individual survival in isolation from any social structure, exemplifies this view (Hobbes 1651: 186; Udehn 2001: 347). Second, "social" methodological individualism assumes that rationality is subjective to the individual. In this perspective, people interpret objects and actions according to an individualized perception of society (Udehn 2001: 125). Weber (1913), for example, defined the state as a "concept" of "joint human action" to be "reduced" to the "action of the participating individuals" (1913: 158). Third, "institutional" individualism includes the influence of institutions on individual actions. Udehn (2001) describes this as a version of Popperian methodological individualism in which "our actions cannot be explained without reference to our social environment [as an exogenous variable],

to social institutions and to their manner of functioning" (Popper 1945: 90). Finally, "structural" individualism incorporates exogenous sources of endogenous influences, such as networks, social roles, and culture, and acknowledges the social embeddedness of actors and their actions. Udehn (2001: 347) applies this level of methodological individualism to Coleman's theorization of social structures, such as the analysis of corporations as legal entities separate from the individual actors within the corporation (Coleman 1974: 87).

Many scholars dispute the relevance of RCT in theories of trust. Miller (2001), for example, argues against a purely rational view of trust by demonstrating that the mutual expectation of "self-denying" behavior can generate trust across hierarchies that would not be predicted to occur under standard RCT assumptions. He describes cases where trust results in higher economic efficiency than does "purely" rational action in which individuals focus on the pursuit of what is in their own individual self-interest. Reliance on sanctioning, Miller argues, can in fact reduce interpersonal trust. In related work, Jon Elster (1982) showed that macro-level interests do not necessarily entail individual incentives. Elster (1989) extended motivations for trust to include "deviations" from rationality, such as those based on social norms of reciprocity or cooperation. He considered social norms, including friendship, love, and respect, to be distinct from rational instruments that motivate self-interested utility maximizers. These more general criticisms of the rational choice approach to trust, among others, have generated a number of alternative conceptualizations. In fact, many writers treat trust as a phenomenon that lies "beyond rationality."

THE BASES OF TRUST

There are a fairly large number of approaches to trust, which vary not only in their conception of trust but also in their consideration of different bases of trust. We mention only a few in this chapter since they are the focus of this volume. At one extreme, some view trust as the opposite of rational action. In the words of Oliver Williamson, the Nobelist who is best known for his creation of transaction cost economics, "calculative trust is a contradiction in terms" (Williamson 1993: 484). Transaction cost economics (TCE), however, assumes that rational actors are opportunistic by default, seeking opportunities to maximize their gain at others' expense, and are untrustworthy as a result (Williamson 1975, 1985). If trust, as the opposite of opportunism, occurs, then governance is not necessary according to Williamson. He claims that TCE accounts for excessive calculativeness in its models, treats truncated (myopic) calculativeness (including resource dependence) as predictable, and claims "voice" (Hirschman 1970) as built into the framework of transactions (e.g., in contracts). According to Williamson (1993: 462), "exit" is the traditional economic expression of dissatisfaction, while "voice" is a form of bargaining or "ex post governance."

Along with voice, TCE assumes that the risks generally associated with trust are managed via contractual safeguards. Thus, in this view, contractual safeguards reduce the need for trust. We argue, however, that contracts do not encompass every contingency in the relationship and that trust therefore continues to play a role in such transactions. Williamson (1993: 469) asserts that "trust is irrelevant to commercial exchange," since price reflects either the lack of safeguards in a higher price, or the presence of contractual safeguards in a lower price. Williamson (1993) thus argues that the common definition of trust as high when risk and safeguards are present is misleading in part because trust is irrelevant. Williamson also argues that effective transactions will only occur if safeguards exist to prevent opportunism. Cook et al. (2005) share the view that the need for trust may be minimal when more effective mechanisms, such as third-party agents among others, exist to facilitate cooperation.

Principal-agent theory explains how incentives can be structured to promote cooperation and discourage opportunism. In this theory, the trustor is a principal and the trustee is an agent. The sources of uncertainty for the principal in the case of trust are adverse selection ("hidden information"), moral hazard ("hidden action"), and holdup ("hidden intention") (Arrow 1985). These uncertainties are often reduced when the trustee (the agent) is compensated on the basis of outcomes rather than effort. There are two forms of principal-agent theory: dyadic and tertiary. Dyadic principal-agent theory focuses on direct interactions between principals and agents who are also direct exchange partners, such as an employer and an employee. Tertiary principal-agent theory includes third-party agents (e.g., a real estate agent) who represent principals (e.g., a homeowner) to a third agent (e.g., a homebuyer).

When the incentives of principals and agents are not aligned, the transaction costs involved in managing agents increase (Hardin 2002). Mechanisms that facilitate incentive alignment take many forms. Ensminger (2001), for example, explains how the adoption of employees as "fictive kin" in the Orma community in Kenya unites contractual safeguards with trust to solve the agency problem. Treating the employee as if they were "kin" shifts the nature of the relationship from one of contractual labor to one based on generalized reciprocity, built on trust. Alternative conceptions of trust often focus on different bases of trust. For example, one common depiction of trust is based on the *psychological dispositions* of the trustor and the trustee (Hardin 2002: 32). Rotter (1967: 653), early on, defined interpersonal trust as a "generalized expectancy" of a certain level of reliability from other people that is learned over a lifetime. In order to measure this expectancy among research participants, he developed an interpersonal trust scale in which participants indicate how much they agree with a number of statements describing examples of trust behavior. One such statement is: "Parents usually can be relied upon to keep their promises" (Rotter 1967: 654). Rotter's interpersonal trust scale has since been standardized as a measure of trust behavior in many experimental and survey-based studies of trust (see also Rotter 1971; Rotter 1980).

Hardin (2002: 35), in response to dispositional accounts of trust, generally disputes the ability of people to make "bald commitments" to trust or be trustworthy regardless of the circumstances. He asserts that a commitment to a certain disposition requires

disregarding intense motivations to behave otherwise and that these contradictory motivations can override the commitment we have made to be trustworthy (or to trust someone) in a particular instance.

A related argument is that trust is based on *social orientations*. Deutsch (1973), for example, in early research, categorized participants as cooperative, individualistic, or competitive. He found that repeated rounds of a version of the trust game resulted in greater distrust for individualistic and competitive participants, whose strategies become known over time. This research provides support for Hardin's (1993) "street-level epistemology" of trust, which implies that individuals differ in their willingness to trust others based on prior experience that leads some to be more trusting in general than others. Deutsch's (1973) findings also indicate that individuals differ in their orientations toward being cooperative versus competitive in interactions with others. Subsequent work in social psychology has confirmed that differences exist across both individuals and cultures in the extent to which they are individualistic versus collectivist in orientation (e.g., Markus and Kitayama 1991, 1998). These individual-level factors also influence the emergence of trusting behaviors in various settings.

Some accounts view trust as based on *morality*. In Williamson's (1993: 482) taxonomy, for example, "personal trust," in contrast to calculative risk assessment, is based on morality, and the betrayal of such trust "is demoralizing." The only "nearly, noncalculative" trust that Williamson (1993: 484) observes is in personal relationships, such as between friends or family members. In this case, he describes trust "as a passion," in which there is an emotional betrayal rather than an opportunistic breach of contract. Hardin (2002: 36) delineates the morality of trustworthiness as distinct from some moral disposition to trust, noting that while one might consider it moral to be trustworthy it cannot be argued easily that it is moral to trust. Heimer (2001) and Messick and Kramer (2001), on the other hand, describe a kind of moral trust, in which the perceived morality or honesty of the trustee replaces the role of the trustee's interests. Heimer (2001) emphasizes that actors select strategies that reduce uncertainty and vulnerability in the process of deciding to trust, and she separates trust from faith, confidence, and regulatory control.¹

Yamagishi and Yamagishi (1994: 136) describe "general trust" toward society at large as based on "the benignity of the partner's intentions beyond the level warranted by the prudent assessment of the available information." Ensminger (2001) notes that Yamagishi and Yamagishi's "general trust" occurs under uncertainty, whereas Coleman and Hardin's rational or calculated trust (i.e., "knowledge-based" trust per Yamagishi and Yamagishi) occurs under conditions of predictable risk. In a related critique of RCT approaches to trust, Mollering (2006: 17) emphasizes that trust is about "bracketing" uncertainty. In his view, because information is always limited and thus uncertainty is always present, trust requires the "suspension" of reality in three ways: acting "as if the uncertain future actions of others were indeed certain" (Mollering 2006: 112, citing Lewis and Weigert 1985: 971), "bracketing" or "blending out" uncertainty (Mollering 2006: 115), and "having willpower" (Mollering 2006: 119).

Uslaner (2002) contends that general trust is moral rather than rational because people typically have no prior data on which to calculate a stranger's trustworthiness.

Instead, if trust occurs among strangers it occurs because we assume that they *share our values*. It is this trust of others based on homophily, Uslaner (2002: 13) argues, that leads to civic participation at least within democratic societies or “countries with no legacy of Communism.” Institutional trust, in Uslaner’s view, in contrast to generalized trust, is strategic and based on the calculation of trustworthiness. Generalized and institutional trust are directly related, however. Increasing inequality within society or major transitions in government that increase uncertainty can lead to a decline in generalized trust. This view is supported by recent findings in social psychology demonstrating that the increased perception of minority population growth by whites increases racial animus among whites (Willer, Feinberg, and Wetts 2016). Institutional trust is described in more detail in the following section.

Refuting the argument that trust is moral, Hardin (2002) asserts that any morality of trust behavior is restricted to the trustee’s trustworthiness rather than the trustor’s trust. Hardin agrees with Baier (1986), however, that morality becomes more important in contexts of inequality, where it is unlikely that the less powerful agree to the contracts of the more powerful. When people trust in others despite knowing that the trustee is not sufficiently trustworthy, Hardin (2002: 37) claims they are dispositionally less risk-averse rather than more trusting. In such cases, he assumes that betrayals of trust will teach the trustor to be more risk-averse in the future. He argues that *moral character* might determine how much the trustee will capitalize on the trustor’s trust, rather than serve as the basis of trust.

Fukuyama (1995: 7) argues that “a nation’s wellbeing, as well as its ability to compete, is conditioned by a single, pervasive cultural characteristic: the level of trust inherent in the society.” He categorizes trust as *cultural*, a value that is fostered by the family rather than the state. Fukuyama moves beyond individual-level determinants of trust, attributing macro-level societal outcomes like crime and changing family structures to the general cultural value of trust. He refutes a methodological individualist approach, claiming that trust is “based in habit rather than rational calculation” (Fukuyama 1995: 11). Williamson (1993: 476), an economist, also categorizes “societal trust” as based on cultural advocacy of trust. Fukuyama (1995) uses comparative studies of countries known for low- and high-generalized trust to claim a causal link between such trust and levels of economic development. Countries with high-generalized trust, argues Fukuyama, do not bind their trust within the confines of the family, as do countries with low-generalized trust. Like Putnam et al. (1993), Putnam (2000), Fukuyama (1995) views trust as an element of social capital that permits high-trust societies to develop formal organizations and institutions, supporting economic activities that extend beyond the family, kin, and informal social networks.

Disagreement between RCT accounts of trust and other approaches often lies in the determination of what is included within the scope of “rational action.” Some critics argue that the problem with an RCT argument is the tendency to seek out an instrumental motivation beneath the layers of noninstrumental motivations and to ignore the possibility that people can behave for noninstrumental reasons. Granovetter (2017: 62) addresses this possibility in reference to Swedberg’s (2003) broad definition

of interests and Hardin's more narrow one. Granovetter (2017: 63) employs the term "consummatory motives," in contrast to instrumental motives, to describe cases where trust is based on the desire to develop the relationship for its own sake, rather than for some underlying instrumental reason. In contrast to Williamson's narrow definition of trust and Hardin's narrow definition of interests, Granovetter advocates for a much broader definition of trust in order to include trust that he argues is not based purely on reasons or interests.

TRUST AS EMBEDDED IN RELATIONS

Trust typically occurs within ongoing social relations. Even for economic activity, ongoing relations are more accurate depictions of reality than one-time exchanges. Gibbons (2001) uses repeated game models to show how relational social structure results in continued interaction. In one-way dyadic relations, an actor commences the exchange by trusting (or taking a risk initially), while the partner can defect at any time. When the relationship is expected to end, the trustee is motivated to defect in the final round, as implied in RCT. In mutual dyadic relations of trust, participants are reciprocally dependent on each other's trustworthiness, as depicted in the classic "prisoner's dilemma game," described in the preceding section. When a partner becomes untrustworthy in a dyadic trust relationship, the other party penalizes their behavior by withdrawing from the exchange (Hardin 2002). Moreover, in ongoing group relations, reputations and the risk of social sanctions reduce the incentives for untrustworthiness. Because of this, the group provides a potential source of information for predicting trustworthiness (Hardin 2002).

In this section, we describe how embeddedness in relationships influences trust. We illuminate the relationship between trust and social capital, indicating how social capital is different from other forms of capital; and we then introduce the concept of "trust networks" and how they enable or result from trust. Networked trust is based on direct or indirect interactions with contacts-in-common. One mechanism enabling trust in networks is reputation. We illustrate the efficacy of reputation systems as an alternative to contractual safeguards in the context of online interactions. Finally, we close with a discussion of institutional trust and the ways in which it may substitute for informal trust networks or simply obfuscate them.

Trust as Social Capital

Most definitions of social capital are based on network structure (Coleman 1990; Cook 2005; Hardin 2002; Lin 2002; Putnam et al. 1993, Putnam 2000) and include networks, norms, and sometimes trust or trustworthiness. Social capital is typically defined in terms of the resources that become available to people as a result of their connections to others. Coleman (1990: 318) views social capital as a function of the "closure," or

density, of an individual's network. With such closure comes greater effectiveness of norms and informal social control. While Putnam and Fukuyama include trust and/or trustworthiness as a kind of social capital, others do not. Hardin (2002: 81–84), for example, views trust, like altruism, as not a limited resource and thus not a type of social capital. Instead, as he notes, social capital can be thought of as the relationships that enable trust, not trust in itself.

The idea that people accumulate social capital is based on a rational choice perspective in which people and their connections are resources that can be employed strategically to gain more resources (Coleman 1990). Social capital is productive or action-oriented toward the achievement of some goal. In contrast to strong versions of RCT, however, Coleman (1990: 301) claims that social capital illustrates how "individuals do not act independently, goals are not independently arrived at, and interests are not wholly selfish." A key distinction between social and other forms of capital (e.g., financial capital) is that social capital cannot be transferred like goods or money. Social capital is imbued with the complexity of the networks in which it is embedded. People have no individual control over their social capital, though they can facilitate its formation. In addition, as Coleman (1990) notes, social capital can produce unanticipated externalities for others in the network.

Cultural norms play a crucial role in creating social capital, which requires a common understanding of the "expectations for action within a collectivity" (Portes and Sensenbrenner 1993: 1323). Barr, Ensminger, and Johnson (2009), for example, argue that network brokers benefit from both the social capital of trustees' high-density networks and a good understanding of what social capital means in the networks they are bridging. Social capital requires congruence of values, via, for example, cultural trust. When these values are under dispute, such as during political transitions or in highly diverse communities, social capital, and the trust it generates, can be hard to come by.

Putnam (2007: 137) defines social capital very broadly as "social networks and the associated norms of reciprocity and trustworthiness." Putnam uses network externalities to show how trust and trustworthiness, as psychological behaviors, can affect macro-outcomes, such as neighborhood crime rates. Building from conflict and contact theories, he identifies two distinct types of social capital in this context: *bonding* capital and *bridging* capital. Bonding social capital binds homogenous people together. Bridging social capital provides connections (or bridges) across heterogeneous groups. He argues that bridging ties need not be inversely related to bonding ties. Instead, he introduces a third view called "constrict theory," in which people react to diversity by isolating themselves from both bonding and bridging capital (Putnam 2007: 149). The role of increasing diversity in the formation of networks, social capital, and civic participation is currently under much debate.

Coleman (1990: 320) claims that the amount of social capital is directly related to the stability of the network. According to this argument, networks under transition, such as those impacted by migration or crisis, should experience a decline in social capital. Hoffman et al. (2009), for example, evaluate the persistence of trust between lenders and borrowers in French banks from 1740 to 1899. They find that social capital is more important during times of instability. In such situations, group members restrict trust to

other group members and distrust outsiders (Cook et al. 2004; Cook 2005; Fukuyama 1995; Putnam 2007). Social capital thus may shrink as networks become more homogenized. Despite this reduction of social capital during periods of instability, informal networks may be characterized as more trustworthy than formal institutions.

Trust in Networks

In Granovetter's seminal (1985) account of socially embedded economic action, he presents two conflicting views of trust. In his "oversocialized" view, trust is the result of moral evolution. In this perspective, society eventually comes to adopt a "generalized morality" that promotes trustworthiness. Such an outlook relegates cases of malfeasance as exceptional to the general morality in a society. In Granovetter's "undersocialized" view, calculated risk and the reliance on institutional safeguards substitute for nonrational trust. In this frame, opportunism and malfeasance are the norm, requiring institutional intervention. Granovetter argues that the continued functioning of markets and the existence of malfeasance contradict these over- and undersocialized views. Instead, transactions are embedded in social relations. People place more trust in, and engage in more exchange with, members of their network. Networks maintain trust, and discourage malfeasance, through threat of exclusion or other sanctions (Walker and Ostrom 2009). Networks thus reduce uncertainty by increasing the likelihood that an exchange partner will be trustworthy.

Economic exchanges that are embedded in ongoing relationships exhibit more trust than one-time exchanges. Molm et al. (2013: 93), for example, find that relationships embedded in a network "shift actors' motivations from a focus on short-term economic gains to the potential long-term benefits that may be achieved through trust and reciprocity." When exchange partners are embedded in a network, their relationship typically changes over time from one of negotiated transactions to trusted reciprocation (Molm et al. 2012). Negotiated exchanges become reciprocal exchanges through mutual acts of trust and trustworthiness. As exchange partners successfully engage in more instances of reciprocated trust, they become committed to each other (Molm et al. 2009). Uzzi (1996) provides evidence concerning how suppliers and manufacturers in the New York apparel industry became committed to their exchange partners. He noted that through acts of trust and trustworthiness, weak ties became strong ones: "The calculative orientation of arm's-length ties fades and is replaced with a heuristic decision-making process that economizes on cognitive resources, speeds up decision-making, and inclines actors to interpret favorably the actions and intentions of their network partners in ambiguous situations" (Uzzi 1996: 680–681). Reciprocity is thus a mechanism for generating trust in networks, especially under conditions of risk and uncertainty (Kollock 1994). In a reciprocal exchange relationship, risk and uncertainty are heightened and the greater salience of these conditions promotes trust (Molm et al., 2000; Molm 2010).

Trust also promotes reciprocity by increasing the strength of the tie and by generating social capital. In his ethnography of New York City apparel firms, Uzzi (1996: 678) observed

that trust serves as a “governance mechanism” for embedded exchanges by promoting reciprocity and the continuance of the relationship. Trust increases the bond between trading partners beyond “arm’s-length ties” and generates social capital. Preexisting networks help to build trust between new trading partners. Thus, networks promote trust and thereby influence the structure of the network. Network embeddedness promotes trust and trustworthiness, which in turn reduces uncertainty (Granovetter 1985).

Trust and reputation become especially important under conditions of uncertainty. In a simulation of rice and rubber trading, where rubber quality is more uncertain than rice quality, Kollock (1994) demonstrated how uncertainty promotes trust in social exchanges. In this case, information about the quality of the goods traded was distributed asymmetrically across exchange partners. Such uncertainty makes estimation of trustworthiness difficult. Under conditions of higher uncertainty (i.e., the rubber market), Kollock found that trust and the importance of reputation increase. As uncertainty rises, however, networks turn inward. Higher-density, strong ties become necessary for establishing trust. Buskens (1998) estimated the effects of individual and group network structures on trust using various models of the trust game. He found that as uncertainty rises, global network density becomes more important for establishing trust than degree centrality (see also Snijders 1996). Uncertainty promotes the closure of networks into trust networks, which may replace generalized trust in unreliable societies or institutions (Cook, Rice, and Gerbasi 2004). Under such conditions, clear signals of network membership are especially important.

Trust networks are notably reliable in conditions of uncertainty. Cheshire and Cook (2004: 220) define trust networks as “egocentric networks of those one views as trustworthy.” People who tend to be less trusting turn to trust networks much faster than those who tend to be more trusting (Cheshire and Cook 2004). Social capital and network density tend to exhibit an inverse relationship under uncertainty: as trust networks become more dense and closed, access to new opportunities and other social capital constricts. Trustworthiness takes on a premium value under uncertainty. As trustworthiness of outsiders becomes more uncertain, trust networks become increasingly significant. Cook (2005: 10) uses the example of trust networks in Soviet-era East Germany to illustrate the value of trust networks during transitions: “Such trust networks tended to closure because of the risk that someone would turn in an individual for engaging in ‘black market’ activities or political activities that might be viewed as subversive.” While trust networks decrease uncertainty about the trustworthiness of exchange partners, they detract from social capital by restricting exchange to trusted network members, frequently excluding new exchange opportunities.

Reputation

Reputation is a mechanism for building trust in networks, particularly under conditions of high uncertainty (Cook 2005). Within trust networks, members can create reputation by vouching for nonmembers. Networks maintain trust through “reputational

effects,” such as testimony of prior behavior or threat of sanction for future behavior (Buskens 1998, Buskens et al., this volume). As networks constrict to include only the most trustworthy members, reputations become even more important to building trust and trustworthiness. Expanding a closed trust network to encompass new trading opportunities is challenging as a result. Reputation, via network members, becomes critical to accessing potential exchange opportunities. Members of the closed network can serve as third-party principals or otherwise vouch for the reputation of untrusted outsiders (Cook, Rice, and Gerbasi 2004: 205). Network brokers (Burt 1995), for example, have more to gain from trusting weak ties with valuable new information, but risk more social capital since they rely on reputation to access the networks that make them brokers (Barr et al. 2009). When reputation systems work, trust via networks can result in new exchange partners and a larger network.

When trustees are not members of a trusted network, or when the interests of trustees conflict with those of the trustor, trust is unlikely to emerge. When trust is not available, cooperation may be promoted by informal mechanisms, which typically exist outside the purview of any formal, legal system and are not bound by government regulation (Cook et al. 2005). Reputation systems are one such mechanism. A reputation is “a characteristic or attribute ascribed to a person” or other entity often based on past interactions or third-party information deemed relevant (Yamagishi et al. 2009: 74). Reputation may also be oriented to future expectations, but still predicated on prior behavior (Burt 2017; Hardin 2002).

A reputation system is the organized administration and management of member reputations. These systems are useful when trust in the institution, or platform in the case of Internet-based enterprises, is not yet established. When risk of fraud is high, such as in emergent online auctions, reputation systems can replace the role of the platform or other third-party agents in providing information about an exchange partner’s trustworthiness (Cook et al. 2005, 2009c). Reputation systems can even be more effective than contractual safeguards in promoting generalized trust and trustworthiness (Kuwabara 2015). In this way, reputation systems bridge the gap between closed trust networks and institutional trust.

Reputation systems motivate trustworthiness through threat of sanction or promise of reward (see Buskens et al., this volume). For example, reputation systems incentivize exchange partners to behave as expected or otherwise endure a reputational penalty. Perhaps the strongest reputational penalty is exclusion from the market. In closed networks, where membership is difficult to attain, the threat of exclusion prevents members from betraying trust (Cook and Hardin 2001). Such punitive reputation measures work best in closed networks where exclusion is possible (Yamagishi et al. 2003). In open networks, where membership is more fluid, punitive reputation systems are less effective for ensuring trustworthiness (Cheshire and Cook 2004). Punitive systems are also more likely to be effective in networks of unbalanced power (Cook and Cheshire 2013). When some actors are less dependent, these more powerful actors are better positioned to threaten to exclude the more dependent actors. In response, more dependent actors face a higher threat and potential loss from exclusion.

Reputation systems rely on the unique, verifiable identity of participants. Online settings present a challenge to effective reputation management. In online contexts, exchanges are often one-time-only between anonymous participants. Anonymity in these instances can promote a “market for lemons.” In anonymous markets, participants are motivated to sell more products of low than of high quality. When the market floods with low-quality products, or “lemons” (Akerlof 1970), buyers expect most products to be low quality and thus refuse to pay higher prices, even for products that are actually of high quality. Eventually, the market collapses. Yamagishi et al. (2009) demonstrated that strong reputation systems prevent such a collapse, but that the ability to change identities—effectively pluralizing one’s reputation—contributes to collapse. Reducing anonymity by providing some information about the exchange partner, like a photo or location, increases interpersonal trust (Cook et al. 2009a).

Despite the prevalence of anonymity in online platforms, reputational information is a crucial mechanism for establishing trust (Kollock 1999). When identity is verifiable, malfeasance is observable and reward-based reputation systems seem to function well (Whitmeyer 2000). Actors become invested in their positive reputations (Cheshire and Cook 2004). Avoiding the loss of a positive reputation thus discourages actors from switching identities. When sellers become invested in a reputation, they are more motivated to maintain a positive reputation (Yamagishi et al. 2009). In cases where one can easily reenter the network with a new identity, reward-based reputation systems should be more effective. Some platforms for online exchange work to solve the problem of lemons by segmenting participants according to their reputations. Malfeasant participants are only exposed to other malfeasant actors and eventually exit the platform. High-quality participants are only exposed to other high-quality actors. Thus, the market remains healthy by quarantining malfeasant actors.

In addition to operating under conditions of anonymity, online exchanges are also typically one-shot rather than ongoing interactions. When the exchange is not embedded in an ongoing relationship, reputation systems are much less effective for promoting trustworthiness. One-shot interactions can disincentivize exchange partners from rewarding or punishing untrustworthy partners. In this case, alternative mechanisms, such as communal norms, communication channels, or trust in the mediating platform, may be required.

Reputation systems are difficult to develop in one-shot markets. When an exchange partner has no reputation available, contractual safeguards become important for cooperation (Schilke and Cook 2015). The distinction between one-shot and ongoing exchanges can be observed in the case of product and service markets. Services are customarily embedded in ongoing relationships—people are contracted to perform a service over a given time-frame or on a routine basis. In a goods market, however, a buyer and seller may never engage in a second exchange. Reputation matters more for services than for the market for goods (Cook et al. 2009a).

When actors are relationally motivated, such as those in ongoing exchanges, reputation systems that impact relationships can promote trustworthy behavior. Relational reputation systems establish positive communal norms, publicly monitor members,

reward trustworthy members, provide members with tools to sanction untrustworthy members, or publicly expel untrustworthy members (Matzat 2009). The effectiveness of these strategies, however, depends on members' motivations. If participants are engaging only in one-shot interactions, they are less likely to worry about maintaining relationships and thus less impressed by relational reputation systems. When reputation systems cannot foster trustworthiness, online platforms can turn to other mechanisms for website credibility, such as "third-party trust seals" (Cook et al. 2005, 2009c) and a professional interface. Trust in the platform, or institutional trust, reduces reliance on reputation systems.

INSTITUTIONAL TRUST

Institutional trust can address the liabilities of trust networks by replacing dependence on network membership with compliance with institutional requirements. When institutions are trusted, they can serve as trustworthy third parties that certify exchange and enforce expectations. Nevertheless, institutional trust is often itself embedded in trust networks. Decoupling formal institutional trust from informal trust networks may only make trust and exchange more difficult. Transparency is generally critical for institutional trust to operate effectively.

Because they are restricted to trustworthy members, closed trust networks do not scale to large, complex societies. Collective action across diverse populations requires institutional trust in place of closed trust networks (Cook et al. 2005). Actors cannot predict the trustworthiness of entire populations. This uncertainty, combined with the need for large-scale cooperation, makes institutional trust or contractual safeguards necessary for many types of collective action (Hardin 2002).

Institutional trust includes trust in political, regulatory, professional, and corporate institutions (Williamson 1993). Checks and balances, regulation, professional certification, and corporate organization encourage trustworthiness across actors whose interests are not encapsulated (Hardin 2002). Williamson (1993) considers such trust to be a calculated risk, where risk is reduced via institutional assurance and insurance. Institutions, however, can be just as corrupt as trust networks (Cook et al. 2009b; Zucker 1986). Granovetter (2017: 69, 75–76) uses the 2008 financial crisis to demonstrate this possibility.

Contractual safeguards require institutional trust (Hardin 2002). Williamson considers institutional trust to be a kind of "hyphenated trust" because it includes safeguards or a lack of hazards (Williamson 1993: 475). In the case of hyphenated trust, calculation and safeguards (what Williamson also calls governance) depend on the stability of the institutional environment. If there is no trust in the institution providing the safeguard, then there is no reliable safeguard. The goal of organizations is to "align individual and collective interests" (Cook et al. 2005: 17). Yet, this alignment is costlier to maintain than interpersonal trust. Arrow (1974) recognized that organizational devices, such as contracts, have limited value for ensuring cooperation. Organizations, for example,

strive to promote flat hierarchies in an effort to reduce management overhead. Trust is essential for large-scale economic activity. From the perspective of transaction cost economics, institutional safeguards are viewed as less costly during times of stability. Once institutions are established and as long as they are stable, institutional trust is likely to be much more efficient than reliance on interpersonal trust (Williamson 1993).

More cooperation is possible when institutional trust is high, since institutional trust acts as a third-party certifier of the trustworthiness of members (or a bounded subset) of a society. When trust is wholly encompassed in relations that form a closed trust network, cooperation is limited to members of the network. High levels of trust within a society can result in greater mistrust of people outside of the society, thereby reducing cooperation across networks (Cook et al. 2005). This is because interpersonal trust requires a certain level of empathy with the trustee and some sense of the incentives that surround the trustee. Periods of instability, such as political turmoil, economic decline, or mass migration, are likely to result in increased reliance on trust networks and a decrease in institutional trust. Transitions destabilize prior expectations, which help people calculate potential trustworthiness. This is partly because transitions can remove the predictability of future exchanges, reduce information about exchange partners, and limit previous safeguards.

When there is no trust in institutions, and thus no safeguards, collective action is circumscribed to trust networks (Hardin 2002). Reliance on trust networks can hinder the rebuilding of trust in institutions. The Mafia, for example, burgeoned in large part due to such a gap in trust (Gambetta 2009). Interpersonal trust is efficient when both parties are equidependent. When dependence is mutual, the threat of exit serves as a safeguard against opportunism (Hirschman 1970). When power is imbalanced, however, the dependent party cannot easily exit the relationship (Cook et al. 2005). In this case, the more powerful actor can threaten involuntary exclusion of the dependent actor, as described in the preceding section. The structure and position of trustors and trustees in a network directly influence their relative power (Cook and Cheshire 2013). Institutional trust may mitigate such network effects. Indeed, power imbalances and the related inequality can propel a shift from trust networks to institutional trust (or vice versa, depending on the source of the imbalance).

Decreases in institutional trust can signal to institutions that policy change is required to regain institutional trust (Cook et al. 2005). One need only look to recent social movements in the United States for examples of this relationship. Both the Occupy and Black Lives Matter movements were spawned by changes in beliefs about the trustworthiness of those in powerful positions in financial, criminal justice, and prison systems. Examples of responses that directly indicate the loss of system-wide trust are policy changes in various municipalities, such as those that require the use of body cameras on police to videotape interactions with “clients” and the recent crackdown on predatory lending practices in banks (see “Trust in Justice” chapter, this volume).

While institutional trust is often required for collective action in complex societies, institutional trust does not replace reliance on trust networks. On the contrary, formal institutional trust is often embedded in informal trust networks (Tilly 2004).

Interpersonal trust is intricately bound up with institutional trust. These networks of trusted individuals interact closely within the domain of institutional trust, such that the stability of one is tied to the stability of the other. Kroeger (2015) uses the financial system to demonstrate how “spiraling” trust in institutions obfuscates interpersonal trust networks and destabilizes the institution over time. As the lack of interpersonal trust mechanisms in such systems becomes apparent, their sudden imposition unveils the instability of the overarching institution and drives its collapse. Kroeger explains how modern financial systems were built on expectations of interpersonal trust before institutional trust was established, but that those systems come to be taken for granted as trustworthy (e.g., through rationalization) (Kroeger 2015).

As institutional trust becomes taken for granted, informal mechanisms for building and maintaining interpersonal trust are neglected. In particular, the network distance between trustors and trustees increases through the proliferation of third-party mediation and ambiguation. Consumers, for example, trust stockbrokers, who trust hedge fund managers, who trust banks, who trust stock exchanges, who are still further separated from the physical movement of money. Kroeger (2015: 434) refers to this process as “escalating spirals of system trust.” He argues that this escalation increases the risk of system collapse because it reduces the number of safeguards against a betrayal of system trust, including less reliance on interpersonal reputations and a decrease in the effective signaling of trustworthiness. Because the sole safeguard becomes observed trust by others, the breakdown of this observed trust cascades until the system collapses.

CONCLUDING COMMENTS

In this chapter, we have described RCT in the context of trust research. We defined rational choice, and explained how trust may be conceived as rational action or not. Just as there are many definitions of rational choice, there are many conceptions of trust as rational. One such conception uses principal-agent theory to depict the trustor as a principal and the trustee as an agent. Most debates on the rationality of trust focus on the bases of trust. These range from psychological dispositions to social orientations toward or against trusting behavior. Trust and trustworthiness, for example, can be conceived as moral obligations or cultural attributes.

We emphasize the importance of trust relationships, showing that trust is embedded in ongoing exchanges. We distinguish trust from social capital, and show how networks can generate trust, especially during times of uncertainty. There are mechanisms available for promoting cooperation without trust, however. Reputation can be used as a proxy for trust and is particularly useful for expanding trust beyond closed networks. Finally, institutional trust is important for promoting cooperation across diverse, complex populations. Such trust in institutions, however, does not eliminate the significance of trust networks. Understanding the rationality of trust requires acknowledgment that trust is always relational. Trust, however, may not always be rational or a choice. There

are benefits to not trusting. Trust may incur liabilities rather than serve as an asset; and trust inherently includes exposure to risk. A trustor is thus vulnerable to the betrayal of their trust. The most intimate examples of trust—whether in marriage, health, or commerce—are those in which betrayal of trust cuts the deepest.

Distrust can also be beneficial to society, particularly when it is well founded, as argued by Hardin (2002). Distrust is the action the trustor takes in not trusting the trustee to do X. Distrust is not the same as the betrayal of trust or demonstrations of untrustworthiness. An agent can choose not to trust (forgone trust) without actually distrusting (Hardin 2002). Distrust typically involves large risks. If the potential loss is not too great, but still less than the potential gain, then the agent may simply not trust the trustee rather than, more strongly, distrust them. Distrust entails relying on others outside of the exchange relationship, thus reducing dependence and increasing distrust (Hardin 2002). Distrust can foster more distrust, and clearly reduces the opportunities for positive trust outcomes that permit trust. The gains from trusting and being betrayed can be greater than the gains from distrusting, since betrayal results in the end of the relationship and any future losses associated with that relationship.

Distrust can also be employed strategically to maintain power over others. Elements of organizational and institutional design often reflect such strategic decisions, independent of how they function in practice. Hardin (2002) gives the example of prison design in fostering distrust between prisoners. The classic prisoner's dilemma leverages distrust between prisoners to provoke criminal confessions. More generally, those in power can foster distrust among those over whom they exercise power as a means of reducing threats to their own power. Alternatively, the powerless can use distrust of the powerful as a check on their exercise of authority. Democracy is often described in terms of the strategies it fosters that reflect a fundamental distrust of an overly powerful government (e.g., Hardin 2002). In this sense, distrust can be useful.

Behaving in an untrustworthy manner, or distrusting a potential trustee, can be costly, however. In signaling theory (Bacharach and Gambetta 2001; Dasgupta 1988), signals of trustworthiness may be too costly for untrustworthy trustees. These signals are most reliable when the cost of signaling is high for those who are untrustworthy and low for those who are trustworthy. This is known as “sorting” in signaling theory (Bacharach and Gambetta 2001). Sorting is very useful in the world of cybersecurity, where there is a trade-off between security and usability. Websites must design security systems that efficiently sort users into trustworthy and untrustworthy, that is, meeting the “semi-sorting equilibrium” (Bacharach and Gambetta 2001: 159–161), where untrustworthy actors will not be able to afford to hack the website and those who are trustworthy will still enjoy using the website. Bacharach and Gambetta (2001) use signaling-game theory to extend the trust game model to include the problem of mimicry. In order to calculate the probability of mimicking signals of trustworthiness, a trustor and trustee must have information on payoffs, costs of signaling, and the reliability of signals.

Embedded trust, in which a trust relationship becomes taken for granted, imparts opportunities for malfeasance that may be more difficult to uproot as the relationship becomes stronger. When untrustworthy behavior is tolerated, trustees may shirk

responsibility or free ride on the effort of other trustees: “Because embeddedness is often an excuse to relax vigilant recruitment and monitoring, it provides cover, not only for wayward offspring or relatives, but also for confidence swindlers to feign social intimacy and thereby enjoy unfettered opportunism” (Shapiro 2005: 277). Sorenson and Waguespack (2006), for example, find that film producers and distributors that commit to exchange with prior partners enjoy preferential treatment from such partners but suffer at the box office because of this embeddedness. Trust, principally trust embedded in networks, can thus result in decreased performance and efficiency.

Trust networks may bind trustors to a limited range of potential exchange partners. These relationships may be restricted to suboptimal exchange partners and exclude more effective partners, thus not only hamstringing the individual trustor but also reducing the efficiency of the broader network. In the Mafia or immigrant communities, for example, resources may be limited because of network embeddedness, network closure, and the related constraints on access to social capital. Terrorist networks, gangs, and other informal organizations, however, rely on trust to compete against more formalized institutions.

Under some conditions, it is clearly not rational to trust others or to engage in trustworthy behavior. The benefit of trust may simply not exceed the potential cost of betrayal. Those in power may employ distrust strategically to discourage cooperation. Signals of trustworthiness may not be reliable. Commitment to trust relationships can curtail access to better opportunities or even negatively affect a trustor’s performance. In addition, in some cases, distrust may actually be the most rational option. Despite these considerations, much of the trust we do see in society is based on reasoned assessments of the evidence at hand that lead one to evaluate others as trustworthy based on past performance, reputational information, and the incentives at play, including those derived from network embeddedness or an institutional context.

NOTE

1. Sztompka (1999) incorporates cultural values of trust and the individual’s “trusting impulse” as supplementary incentives for “rational trust.” Sztompka categorizes trust into instrumental, based on the trustee’s competence and past performance; axiological, based on the trustee’s disposition; and fiduciary, based on the trustee’s “honor.”

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CHAPTER 13

TRUST EXPERIMENTS, TRUST GAMES, AND SURVEYS

RICK K. WILSON

INTRODUCTION

TRUST is widely thought to be the lubricant for social, economic, and political interaction. Absent a healthy reservoir of trust in others, simple social and economic exchange becomes cumbersome. Absent trust in fellow citizens, democracy is improbable.

Scholars have lamented the decline in trust in countries across the world (Clark and Eisenstein 2013; Fukuyama 1995; Putnam 2000; Rothstein 2000). This is repeatedly shown by relying on the standard trust item used in the American National Election Study, the General Social Survey (GSS), and variations of the World Values Study (WVS). Trust is measured by responses to the item: “Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?” Given the importance of the finding that trust is in decline, it is critical to know that the concept is accurately measured.

With respect to the GSS item, several critiques have appeared. Miller and Mitamura (2003) question whether the item carries the same meaning across cultures. Reeskens and Hooghe (2008) call into question both the reliability and validity of the item. Uslaner (2012) offers a spirited defense of the standard item. Bauer and Freitag (this volume) thoroughly cover the variety of ways in which trust is measured and the problems associated with those measures. On a different front, behavioral economists and political scientists have questioned whether the attitudinal measure is useful and have proposed a widely used measure carried out in the laboratory and in the field to test trust. I focus on that measure.

For more than twenty years social scientists have used the “trust game” developed by Berg et al. (1995). That experimental design purports to measure both trust and trustworthiness. In the discussion that follows, I discuss the variety of behavioral approaches to measuring trust in both the laboratory and the field. I ask whether the

measure commonly used in the laboratory predicts behavior outside the laboratory. I also discuss how the measure is correlated with the GSS item. Finally, I use data from a population study that I carried out in Russia to further explore the degree to which the GSS item and the trust game are related. Sadly, I conclude that we are far from having a coherent measure of trust.

OVERVIEW: THE TRUST GAME

One of the mainstays of laboratory experiments on social behavior focused on the public goods game. Early on, Dawes (1980) characterized the game as one of trust. A social dilemma involves a group of people who have to decide how to invest their own funds. They can invest privately or publicly. A private investment repays the individual. Public investments are public goods in which the investment pays more than the private investment. However, everyone in the group shares equally from the public investment. When the marginal per-capita rate of return is less than one, there is a social dilemma. This means that everyone knows the group would be better off investing in the public good, but each individual has an incentive to free ride by privately investing and enjoying a share of what others produce. This is the core of the public goods problem.

Puzzling to many is that when social dilemmas were carried out in the laboratory, there were substantial contributions to the public good (Ledyard 1995). Dawes (1980) and others considered investments in the public good to be a measure of trust. For an individual to consider investing in the public good, she would have to trust that others would do the same (Orbell et al. 1984). If others prove to be untrustworthy, then the investor is a sucker. Yamagishi (1988) picked up on this notion of trust and used the GSS item to sort subjects into low- and high-trust groups. Several weeks following the survey, he used a standard single-play public goods game. He found that the high-trust groups contributed more to the public good than their low-trust counterparts. Yamagishi took this to indicate that survey-based measures are a useful measure of trust. While this seemingly has face validity, it is difficult to pinpoint what aspect of trust is being measured in public goods games. After all, the dilemma is one of trusting the group and not specific individuals.

Because of the ambiguity of who is being trusted, the public goods game has not been thought of as a good proxy for measuring trust. Instead the game has been used to explore the importance of communication, monitoring, and sanctioning; see the overview by Ostrom (2000) and my recent update of her article (Wilson 2014). Others have pointed to alternative mechanisms for sustaining cooperation (Chaudhuri 2011) or shown the importance of sorting mechanisms for ensuring sustained cooperation (Ahn et al. 2008). Because of the number of moving parts in public goods games, there has been less focus on them as directly measuring trust.

Berg et al. (1995) designed the canonical laboratory experiment used by many to test the concept of trust (see the discussion by Eckel 2014). Their experiment randomly

paired individuals and assigned them distinct roles. Both players were given an endowment, and the first mover was asked whether she would be willing to send some part of her endowment to the second mover. The experimenter tripled whatever was sent to the second mover. The second mover was then asked how much he wished to send back to the first mover. Once the second mover completed his task, the players were paid and the experiment was over. Neither player knew the other, and they were paid in private. Berg et al. (1995) called this the “investment game,” likening it to the first mover making an investment and entrusting the second mover to provide a fair return on the investment. In its simplest sense, this game is a two-person sequential prisoner’s dilemma. Buskens, Frey, and Raub (this volume) detail the game-theoretic underpinnings of the investment game as well as its repeated variations. Obviously, at least for a game theorist, by thinking back through the game tree nothing should be sent. The reason for this is that the second mover has no incentive to return anything that is sent. Knowing this, the first mover has no reason to send anything in the first place. However, with nothing sent, there is no social efficiency. The experimenter’s money (tripling what is sent) is left on the table.

Berg et al. (1995) anticipated that nothing would be sent in this game. In their baseline experiment, however, they discovered that trust was common. On average, \$5.16 of a \$10.00 endowment was sent. In their baseline, trust did not pay, with only \$4.66 being returned on average. Yet second movers were not keeping the entire amount. Moreover, there was considerable heterogeneity in what was sent and returned. The “investment game” provided an interesting new design to explore questions of trust.

Quickly, others began to characterize this game as the “trust game” (see the review by Wilson and Eckel 2011). It has characteristics of both trust and trustworthiness. The amount sent by the first mover can be considered “trust” in that the first mover has to trust that the second mover will return some part of what was sent and tripled. What the second mover returns can be considered “trustworthiness” since the second mover is not compelled to return anything. Although the trust game is a seemingly easy game that straightforwardly measures trust and trustworthiness, others have noted that the game also tackles questions of social efficiency, positive reciprocity, and altruism (Cox 2004).

NOTABLE STUDIES

In the years since publication of Berg et al. (1995), there have been an enormous number of studies using the trust game. Johnson and Mislin (2011) carry out a meta-analysis of the trust game and identify 162 replications of Berg et al. (1995). Wilson and Eckel (2011) organize and review the principal findings of the trust game, citing more than 60 papers. Overall, Johnson and Mislin (2011) find that trusters send half their endowment. In addition, they find that trust pays, with an average of 37% of the tripled amount returned (less than 33% would imply less was returned than what was sent). In

the meta-analysis, they also note that regional differences affect the amount sent by first movers (those from Africa send less than those in North America). For reciprocity, they note that students tend to send less than nonstudents and that reciprocity is sensitive to the multiplier used in the experiment (not all trust games triple the amount sent). While Johnson and Mislin (2011) find considerable consistency in these results, they also note that there is substantial heterogeneity in the actions of subjects in this game.

Wilson and Eckel (2011) detail the array of behaviors measured using variations of the trust game. They point to those who have examined the biological underpinnings of trust, both with respect to neural reward systems and potential genetic underpinnings. They note the importance of stereotypes for determining both trust and trustworthiness and also assemble studies that point to cultural differences recurring in the study of trust. Finally, they point to the role of institutions in nurturing trust and to institutions that “crowd out” trust. In a puzzling sense, institutions that provide for monitoring and sanctioning of the trust relationship tend to lower trust. The survey details the rich array of findings that have come about using the trust game.

One complaint about the trust game, partly addressed in the meta-study by Johnson and Mislin (2011), is that many of the subjects are college students. These subjects are clearly different from “normals” drawn from the population. Obviously students are younger and better educated, they are better at comprehending instructions, they are used to taking tests, and they are better at grappling with abstract concepts. This makes them different from the remainder of the population. A handful of studies have used population samples (including my study from Russia discussed later in the chapter). In particular, Bellemare and Kröger (2007) find age and sex differences in what is sent and returned—that social norms about what should be sent matter and that non-normal (student) populations send and return much less than normals. I will return to this point later in the chapter.

WHAT DOES THE GAME PREDICT AND WHAT DOES IT MEASURE?

While the trust game has been used to explore many facets of human (and nonhuman) behavior, two questions are at the forefront: What does the game predict and what does it measure? Given the emphasis on trust as a social and economic lubricant, it should predict the degree to which strangers should be willing to trade with one another. Given the emphasis on trust for forming relationships among individuals, it should predict social capital formation.

The evidence surrounding what the trust game predicts is mixed. Karlan (2005) uses the trust game in Peru to predict the repayment of microloans. He finds that the first mover’s actions (trusters) incompletely predict repayment. Trust decisions in his sample of Peruvians are tied up with elements of the local network (whether both parties

are indigenous, whether they live near one another, and whether they attend the same church). He cautions that the measure of “trust” is highly conditioned and does not predict repayment. However, the second mover’s behavior does predict repayment. Here Karlan (2005) finds that an innate characteristics of the second mover (their trustworthiness) is picked up by this measure.

In a different vein, Bouma et al. (2008) use the trust game as a measure of social capital in order to predict the success of community resource management in India. Using a sampling of villages from large-scale watersheds, this trust game was run within households. At the same time the authors had substantial information concerning household inputs to soil and water conservation efforts. They find that the trust game is correlated with public goods-like provisioning of conservation efforts. The authors argue that in these settings there is substantial social homogeneity, which leads to common expectations about contributions to conservation. While they conclude that the trust game can serve as a proxy for social capital, they also note that it is an expensive measure.

Cárdenas et al. (2013) use the trust game (and other incentivized games) in six different Latin American countries. Like Bouma et al. (2008), they are interested in whether the trust game is correlated with different aspects of building social capital. They find that sending more in the trust game is correlated with being a member of an organization, attending group meetings, and volunteering in social organizations. Like many others, they find that second mover behavior (trustworthiness) is not correlated with any of these activities. They also find that their incentivized games are better predictors of behavior than the survey-based measures that they used.

By contrast, Avedeenko and Gilligan (2015) use behavior in the trust game to see if it is correlated with the success of community-driven development (CDD) programs. The research is carried out in the Sudan and is part of a long-term project measuring a particular CDD program. They find that the trust game is not predictive of CDD success. However, the game is correlated with the extensiveness of one’s social networks, and this may have to do with the fact that strong networks among friends facilitate trust as measured by the trust game.

The work noted above links individual actions in the trust game to individual outcomes. Given the degree of heterogeneity in trust behavior in the population, this focus on the micro-level makes sense (this is true too for observational data; see (Uslaner 2002)). At the same time, a good deal of survey-based work treats macro-level results. For example, Knack and Keefer (1997) demonstrate a positive correlation between country-wide levels of trust and economic performance. Using 21 studies of the trust game in different environments, Cárdenas and Carpenter (2008) ask whether the same macro-level positive correlation exists. Indeed they find that the average amount sent is positively correlated with the gross domestic product (GDP) growth rate. Likewise they find a negative correlation with the average amount sent and each country’s Gini coefficient. Even when removing experimental studies relying on student populations, the relationships stand up. Cárdenas and Carpenter (2008) are cautiously optimistic that the amount sent by the first mover in the trust game serves as a good proxy of the level of trust in a society.

In sum, the evidence is mixed concerning what the trust game predicts. It is correlated with strong networks and may predict beliefs about the actions of others. The second-mover behavior in the trust game may predict whether a loan will be repaid. Unfortunately the trust game is expensive to conduct on large-scale populations and measuring outcomes is difficult.

BEHAVIORAL MEASURES OF TRUST

It is an article of faith among behavioral economists and political scientists that incentivized behavioral measures are superior to attitudinal measures. The common wisdom is that respondents in a survey have little investment in the task, and as a consequence they do not think too hard about the question being posed. Considerable criticism is leveled against the standard GSS item used to measure trust as well as the item used by the WVS. Both items are abstract, and the object of trust is left to the imagination of the respondent. These problems led Levi and Stoker (2000), among others, to call for behavioral measures of trust.

Glaeser et al. (2000) provide one of the first efforts disentangling what the trust game measures and how it is correlated with survey-based items. Their study uses a convenience sample of Harvard undergraduates from an introduction to economics class. Subjects are asked a number of survey items in the first week of class. The survey includes the standard GSS item as well as trust questions that measure reported behavior about trust. Three to four weeks later, a subset of respondents volunteered to participate in a variation of the trust game. Their findings showed that what the first mover sent was uncorrelated with the GSS item and similar attitudinal items. Instead the GSS item was related to what was reciprocated, which is a measure of trustworthiness. When looking at other items from their survey, Glaeser et al. found that behavioral items dealing with reported trusting behavior were correlated with the trust game. These findings led them to conclude that the GSS trust question was a proxy for trustworthiness and that self-reported items about past behavior, such as lending money or possessions or volunteering, were better proxies for trust.

While influential, there are a number of problems with the Glaeser et al. study. First, their subjects met one another, face-to-face, and exchanged pleasantries. It is well known that decreasing social distance results in greater trust, and in fact 71% of their first movers sent everything. Second, both sides are not given an endowment, which opens up questions about motives for both actors. While the first mover could be motivated by trust, it is also possible that she could be motivated by pity, altruism, or fairness. After all, the second mover has nothing and the first mover has something. Inferring motives for the second mover are equally complicated by this design. Whatever is reciprocated may be motivated by a sense of fairness for one's self (and not the first mover). It might be motivated by altruism or it might be motivated by inequality aversion. Finally, there are a number of deviations from the standard trust

game that might lead to drawing the wrong inference about the relationship between the GSS and the trust game.

Others, using different populations, report similar findings to Glaeser et al. (2000). An ambitious study by Bellemare and Kröger (2007) uses a random sample of a Danish population. They find that “inferences using a popular survey trust question as a proxy for social capital are significantly different from those using our experimental measure” (185). Like Glaeser et al., they find little correlation between the GSS item and trust in the trust game. Johansson-Stenman et al. (2013) also use the trust game and the standard GSS item with villagers in Bangladesh. They find that the GSS question is correlated with trustworthiness in the trust game. Karlan (2005) finds the same thing, showing that the GSS item is correlated with trustworthiness, but not trust. Gächter et al. (2004) also find no correlation with the GSS item and trust (although the latter is measured using levels of cooperation in the public goods game). These findings lead Cárdenas and Carpenter (2008) to pronounce that there is consensus that the GSS and WVS items better measure trustworthiness than trust.

In the laboratory Banerjee (2016) finds that the WVS trust response is uncorrelated with what is sent in the trust game. His data supports the idea that the WVS item is correlated with an expectation about the trustworthiness of others. This is a different point than that noted above. Rather than the WVS item being a predictor of one’s own trustworthiness, it is a measure of one’s expectations about others. Sapienza et al. (2013) reach a similar conclusion. They argue that what the first mover sends in the trust game measure has two components. The first pertains to preferences for trust, and the second entails beliefs in others’ trustworthiness. They argue that “if we accept that trust is the expectation about other people’s behaviour, then both the answers to the WVS-question and the sender’s expectation in a traditional trust game can be used as a measure” (18).

It would seem that the attitudinal measures from the GSS and WVS are correlated, in some manner, with trustworthiness. But this may depend on how one decomposes behavior in the trust game. Capra et al. (2008) replicates the Glaeser et al. study and reaches similar conclusions—the GSS item is correlated with trustworthiness, but not trust, in the trust game. However, Capra et al. find that if one controls for a subject’s other-regarding preferences (altruism), then many attitudinal measures end up correlating with what the first mover sends in the trust game. They conclude that the trust game, appropriately controlled for, provides a measure of generalized trust.

Naef and Schupp (2009) take a different strategy for understanding the relationship between the trust game and the GSS and WVS measures. Regarding the latter, they break the survey item into two distinct questions—one dealing with trusting people and the other dealing with relying on people. They also ask specific questions about trusting strangers and whether one should be cautious when dealing with strangers. The four items scale quite well and are different from trust in institutions or trust in others one might know. They use a truncated version of the trust game and then compare what is sent with a number of survey measures of trust. They find that what is sent is positively correlated with trust in strangers and a self-reported measure of past trusting behavior

(the correlations are quite weak, $\rho = .12$ and $.16$, respectively). Otherwise, what is sent is uncorrelated with measures of trust in institutions or trust in others one might know. Like Sapienza et al. (2013) and Banerjee (2016), Naef and Schupp (2009) find that there are stronger positive correlations with the trust-in-strangers items and the first mover's expectations. What is impressive about the study is that it is carried out on a population sample and it takes problems of measurement seriously.

There is mixed evidence about how the trust game and the standard GSS and WVS items are related. On the one hand these items are correlated with the second mover's reciprocation. This suggests that the GSS item is related to trustworthiness. When the appropriate controls are put into place (at least among students in the lab), it appears that the first mover's behavior and the GSS item is correlated. Finally, if the GSS item is broken into different parts, it appears to be weakly correlated with trust in the trust game. Some of the differences noted above may be due to restricted samples of those playing the trust game (e.g., student populations). By contrast, attitudinal measures of trust typically rely on population samples. With the exception of Bellemare and Kröger (2007) and Naef and Schupp (2009), studies using the trust game have not used population sampling methods. In the next section I make comparisons between the GSS item and the trust game using a population sample from two Russian republics.

EXPERIMENTAL DESIGN FOR A TRUST GAME

The discussion so far has not given much of a sense of an experimental design for a trust game. This section points to the difficulties in carrying out a lab-in-the-field experiment. This study, like those by Bellemare and Kröger (2007) and Naef and Schupp (2009), use population samples. My study includes both behavioral and attitudinal items designed to measure trust.

Sample Structure and Recruitment

The data come from a combination of a survey and laboratory experiments conducted in Tatarstan and Sakha in the summer and fall of 2002. A two-hour, face-to-face survey covered issues ranging from ethnic identification to trust. The stratified, random sample was designed to achieve two goals—(1) to allow comparisons between the titular nationality and Russians in each republic and (2) to allow inferences about the populations of each republic as a whole. However, comparisons across ethnic groups were complicated by the fact that the two groups were unevenly distributed. The survey thus included an oversample of the underrepresented nationality in each case.¹

A total of 2,572 people were interviewed, 1,266 in Tatarstan and 1,306 in Sakha. Response rates were 81% and 72%, respectively. Ten percent of completed questionnaires were chosen for inspection of interviewers' work by independent evaluators

from Moscow, although these inspections were not typically conducted in very small villages.

At the end of the face-to-face interview, interviewers invited all survey respondents in locations with more than 20 respondents to participate in the experiments. Travel and resource constraints meant that only a limited number of locations could be visited to conduct the experiments. We thus included the capital city and another major city in each republic, some smaller towns, and some villages within a day's driving distance of the cities/towns. Of those who granted permission (more than 95% agreed), a subsample was then recontacted and scheduled for an experiment. Respondents who agreed to participate received a 30-ruble fee at that time, and then another 120-ruble "show-up fee" when they arrived at an experimental session.

A total of 41 experimental sessions (19 in Tatarstan, 22 in Sakha-Yakutia) were conducted in May–July 2002. An additional five were conducted in Yakutsk six weeks later.² A total of 566 subjects participated, with 224 from Tatarstan and 342 from Sakha.³ Each session lasted approximately two hours. Sessions averaged 13.8 subjects (ranging from a low of 7 to a maximum of 23). The average payoff was 540 rubles in Tatarstan and 558 rubles in Sakha (between \$17.40 and \$18.10 US). These payoffs were substantial by local standards, reflecting a week's wage for more than 62% of our subjects.

Facilities and Setup

The experimental sessions were typically held in schools or public libraries. Facilities varied a great deal in terms of room size and amenities, but subjects typically sat at tables with sufficient space for their tasks. All were given cardboard boxes to use as "screens" so that their decisions (allocating money and completing forms) could be kept confidential from other participants. To preserve confidentiality, each subject was assigned a number as he or she arrived for the session, so that no names would appear on any experimental materials.

A single local experimenter conducted all sessions within a republic.⁴ Both experimenters were female, and they were fluent in both Russian and the titular language. Experimenters ran each session by reading from a standard script in Russian, and they demonstrated each task physically with the relevant sums of cash, envelopes, and forms. In villages composed of the titular ethnic group, experimenters conducted sessions in the titular language. In all sessions, experimenters offered a brief explanation of the project and then fielded questions from subjects. Subjects then filled out a one-page questionnaire on their basic demographic characteristics.

The experiment included eight games. The first five were variants of the dictator game; the latter three included a trust, an ultimatum, and a risk game.⁵ In the first two dictator games, subjects were given eight 10-ruble notes, eight pieces of similarly sized blank paper, and two envelopes. They were then asked to allocate the money and slips of paper between themselves and to a counterpart not in the room.⁶ The next two games reversed the procedure. Subjects were given envelopes from other people (again,

not in the room) with some sender characteristics listed on the outside. Respondents were then asked to guess how much money the sender had left in the envelope. In the fifth variant of the dictator game, subjects were given two envelopes from other people, each with a picture of the sender on it. Subjects were asked to choose one of the two envelopes and then guess how much money the sender had left in it.⁷

Subjects then played the trust game with other participants in the experimental session. Once the trust game was completed, subjects participated in an ultimatum game (for details on this, see Bahry and Wilson 2004). At the end of the experimental session, subjects completed an individual decision task that measured their risk orientation.

Trust Game

The trust game was a variant of Berg et al. (1995). Subjects were randomly assigned as either first movers or second movers by drawing poker chips from a hat. Those drawing a blue chip were assigned as first movers and those drawing white chips were second movers. Subjects were told to make their draw and keep their chip hidden from view. This made it difficult for subjects to figure out with whom they might be paired. Once subjects drew their chips, they were given oral instructions and asked to listen very carefully. We wanted subjects to understand what both parties to the decision would be doing. Following the instructions, the materials were passed out. First movers (blue chip subjects) were given an envelope marked “send,” eight 10-ruble notes, and eight blank slips of paper. Second movers were given an envelope marked “send” (and with the number “9999” written in the upper-left corner of the envelope) and 16 blank slips of paper.

First movers were told that they had to put eight objects in the send envelope. Any money put in the send envelope was tripled and given to their randomly assigned counterpart. Subjects were given several examples: the extremes (putting nothing in the envelope and putting everything in the envelope) and putting either two or six bills in the envelope. For each example, subjects were asked to state the amounts that would be sent to the second mover.

Once the instructions for the first movers were read, instructions for the second movers were read. Second movers were told that they would receive envelopes from a first mover (a blue chip person) and that they would then have to decide how much to put into their own “keep” envelope and how much to leave in the “send” envelope. Whatever they put in the “send” envelope would be returned to the first mover.

Once the materials were handed out, an abbreviated version of the instructions was given. First movers and second movers alike were told to take their materials and work in their box out of view of those around them. Both groups were asked to write their identification (ID) number in the upper-right-hand corner of their send envelope and then count the number of items handed them. This made it more difficult for subjects to figure out who had blue chips and who had white chips as each group had the same number of objects. Both the groups were told to put eight items in the “send” envelope. The envelopes were then collected and given to me. While not exactly a “double-blind”

experiment, I was usually stationed in the hallway and could not identify the subjects. I recorded the amount that was sent by first movers (using their ID number) and tripled whatever was in the envelopes.

Once the data were recorded, the contents were tripled and the envelopes were shuffled and handed back to the second movers. It was at this point that the random pairing between subjects occurred. At the same time the envelopes from the second movers were handed to the first movers. Again, this was designed to keep subjects uncertain about who was which kind of player in this game.

When the materials were handed out, both the first and second movers were asked to write their ID number in the lower-right corner of the envelope and then to take the contents out of their envelopes. The first movers were asked to count the number of blank slips that were returned to them and make certain to put eight slips of paper into the envelope. The second movers were then asked to decide how much money they would keep and how much they would return to their counterpart. Once everyone made up their mind, the envelopes were collected. These envelopes were handed to the second author, who then recorded how much was returned (and with whom the subject was paired).

With all the data recorded, the envelopes were sealed and returned to the subjects. The subject IDs in the upper-right corner indicated to whom the envelope would be returned. This portion of the task ordinarily took 20 minutes. Later the recorded data was merged with the survey data.

Findings from the Trust Game

Overall we find considerable trusting behavior. Over 60% of the subjects trusted their counterpart with half or more of their endowment (see Table 13.1). This is well above what would be expected if subjects played the subgame with perfect equilibrium. In fact, only 9 of 274 subjects refused to send anything to their counterpart. What was sent by these subjects correspond to what was observed in the data by Berg et al. (1995) and is consistent with the meta-analysis by Johnson and Mislin (2011).

There are notable differences between the republics in what was passed. Those in Tatarstan are less likely to pass rubles to their counterparts than those in Sakha. Those in Sakha are more likely to send the full amount to their counterparts. Nonparametric tests between the distributions in both places confirm this (Kruskal-Wallis $\chi^2 = 16.47$, d.f. = 1, $p < .001$; Wilcoxon $z = 4.17$, $p < .001$).

Absent trust, no matter what amount is passed, nothing should be returned. Yet only 14 subjects out of 292 returned nothing. By comparison 8 subjects returned everything that was sent to them (including one young female Yakut who was sent the entire 80 rubles and returned all 240 rubles). Trust pays with first movers sending 40.8 rubles, on average, and second movers returning 48.7 rubles. Subjects proved trustworthy, and I find no evidence that the two regions vary in terms of the levels of trustworthiness ($t = .087$, $p = .86$).

Table 13.1 The percentage of first movers passing the amount (in rubles). Subjects could only pass units of 10 rubles. Frequencies are given in parentheses.

Rubles	Overall	Tatarstan Only	Sakha Only
0	3.28 (9)	4.63 (5)	2.41 (4)
10	3.28 (9)	5.56 (6)	1.81 (3)
20	13.14 (36)	17.59 (19)	10.24 (17)
30	17.88 (49)	21.30 (23)	15.66 (26)
40	33.94 (93)	35.19 (38)	33.13 (55)
50	8.39 (23)	6.48 (7)	9.64 (16)
60	6.20 (17)	3.70 (4)	7.83 (13)
70	1.82 (5)	1.85 (2)	1.81 (3)
80	12.04 (33)	3.70 (4)	17.47 (29)
Total Number	273	108	166

To more clearly see what is being reciprocated, Figure 13.1 plots what the first mover sent and what the second mover returned. A “bubble plot” is used to give a sense of the number of observations at a point. The smallest circles represent a single point, while the largest circle represents 29 observations. The solid line drawn through the figure indicates the break-even point for a first mover. Values on the line mean that the first mover received exactly what was sent. Values above the line mean that a first mover received more, in return, than was sent; and values below the line mean that trust did not pay. Overlaid on the graph is a hashed line estimating a simple linear regression of what was returned by what was sent. The line is positive, indicating that trust, on average, pays and that it pays more handsomely with increases in trust (this relationship holds up even if the outlier in the upper-right quadrant is removed). Second movers are responsive to what the first mover sends. Despite the positive message, there are still

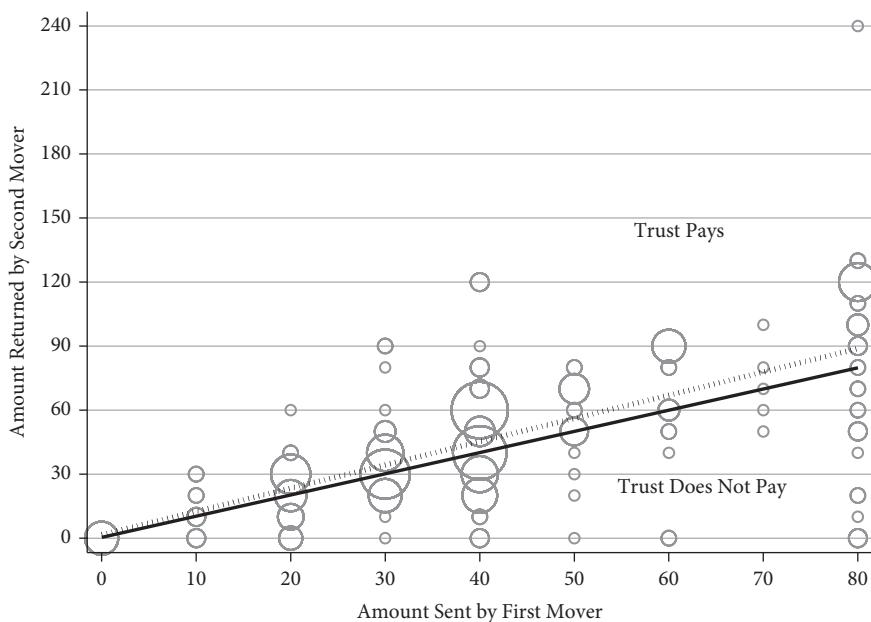


FIGURE 13.1 A bubble graph of the amount returned to the first mover by what was sent. The solid line splits the data into instances in which the second mover sent back less than the first mover sent. Above the line more was returned than sent. The bubble represents the number of instances at the point, with the smallest circle representing one observation and the largest circle representing 29 observations

many instances in which the second mover proves to be untrustworthy, keeping the bulk of what was tripled by the experimenter.

Correlations between the Trust Game and Survey Items

The data from population samples in Russia indicate that trust pays. But does the trust game measure trust? Prior to participating in the lab-in-the-field experiment, subjects were given a lengthy face-to-face survey. Included in the survey were items relating to attitudes about trust. Do these items correlate with what is sent or reciprocated in the trust game?

Table 13.2 displays the correlations between five distinct trust and trustworthiness measures and 14 items taken from the survey. The latter range from the standard GSS item to a hypothetical lost wallet to trust in specific groups with which the respondent might be familiar (on the use of this measure, see Helliwell et al., this volume). The wording for each item is given in the table. Column 1 correlates what was sent in the trust game with the survey items. Several points are worth noting.

Table 13.2 Correlations with amount sent in the trust game, the percentage reciprocated, the standard GSS item, and two adjusted items.
 Numbers in the table are the pairwise correlation coefficients for those assigned to the experimental treatment (either the first mover or the second mover), and values in parentheses are the p-values for the correlation coefficient. The questionnaire wording is at the end of the table for each item.

	(1)	(2)	(3)	(4)	(5)
	Trust	Trustworthiness	GSS ¹	Adjusted Trust	Adjusted Trustworthiness
GSS ¹	-0.006 (0.924)	0.105 (0.075)	-	0.010 (0.874)	-0.036 (0.543)
Local Wallet ²	0.030 (0.627)	0.040 (0.502)	0.086* (0.042)	0.012 (0.846)	0.017 (0.777)
Moscow Wallet ³	0.016 (0.798)	0.036 (0.552)	0.080 (0.064)	0.041 (0.507)	0.019 (0.756)
Neighbors ⁴	0.003 (0.966)	0.112 (0.058)	0.051 (0.232)	-0.072 (0.243)	0.107 (0.069)
Coworkers ⁵	0.158* (0.012)	0.041 (0.504)	0.104* (0.018)	0.103 (0.104)	0.022 (0.725)
Bosses ⁶	0.005 (0.940)	-0.014 (0.828)	0.059 (0.185)	-0.075 (0.243)	-0.021 (0.734)
Local Media ⁷	-0.040 (0.497)	0.092 (0.126)	0.082 (0.055)	-0.041 (0.503)	0.083 (0.164)
National Media ⁸	-0.026 (0.674)	0.052 (0.388)	0.108* (0.011)	0.002 (0.977)	0.038 (0.523)
National Gov't ⁹	0.011 (0.855)	0.033 (0.585)	0.082 (0.057)	-0.001 (0.987)	0.016 (0.791)
Local Gov't ¹⁰	0.034 (0.579)	0.092 (0.126)	0.037 (0.385)	0.018 (0.773)	0.091 (0.131)
Courts ¹¹	-0.000 (0.997)	0.021 (0.732)	0.003 (0.946)	0.033 (0.610)	0.018 (0.773)
National Bank ¹²	0.042 (0.507)	0.074 (0.217)	-0.028 (0.521)	0.053 (0.407)	0.071 (0.241)
Police ¹³	0.008 (0.903)	-0.001 (0.982)	0.032 (0.463)	0.014 (0.821)	-0.013 (0.826)
Local Mayor ¹⁴	0.101 (0.103)	0.068 (0.258)	0.035 (0.418)	0.088 (0.157)	0.053 (0.376)
Trust Anyone ¹⁵	0.007 (0.908)	-0.086 (0.141)	-0.004 (0.926)	0.008 (0.900)	-0.078 (0.184)

Table 13.2 Continued

	(1)	(2)	(3)	(4)	(5)
	Trust	Trustworthiness	GSS	Adjusted Trust	Adjusted Trustworthiness
Trust Strangers ¹⁶	0.061 (0.317)	0.088 (0.135)	0.089* (0.035)	0.036 (0.553)	0.067 (0.254)
Fair ¹⁷	-0.04 (0.502)	0.076 (0.198)	0.146*** (0.000)	-0.074 (0.224)	0.054 (0.363)
<i>Max N</i>	274	292	566	274	292

p-values in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

1. Do you think that most people can be trusted, or that you always need to be careful in dealing with people?
2. Suppose you lose your wallet near your home, and it contains your address and phone number. Do you think your wallet will be returned to you or not? (Items 2 and 3 have four response categories: You are certain that it won't be returned; You think it will not be returned; You think it will be returned; You are certain it will be returned.)
3. Suppose you arrived in Moscow and lost your wallet with the address and phone number of the apartment where you are temporarily staying. Do you think your wallet will be returned to you or not?
4. How much do you trust your neighbors? (Items 4–14 have four response categories: Completely Distrust; Mostly Distrust; Mostly Trust; and Completely Trust.)
5. How much do you trust coworkers?
6. How much do you trust the administration at work?
7. How much do you trust mass media in the Republic?
8. How much do you trust all-Russian mass media?
9. How much do you trust the government of Russia?
10. How much do you trust the government of the Republic?
11. How much do you trust the courts?
12. How much do you trust Sberbank? (The national bank)
13. How much do you trust the police?
14. How much do you trust Head of administration of your city/village?
15. It is hard to figure out who you can trust these days. (Items 15–17 have two response categories: Disagree; Agree.)
16. Strangers can generally be trusted.
17. Most people are fair in their dealings with others.

First, the GSS item and the trust game are uncorrelated. This finding is consistent with other studies noted above. What was sent in the trust game is weakly correlated with positive trust in coworkers. Otherwise the other items are uncorrelated with the trust game. A similar point is true for the percentage reciprocated noted in column 2. All of the correlation coefficients are very weak or zero. There is a weak positive correlation with what is reciprocated and the GSS item. This, too, is consistent with other studies. As well there is a weak positive correlation with trust in neighbors and reciprocation.

Column 3 correlates the GSS item with other attitudinal items. Notably many of the items are uncorrelated with the GSS item (a point made by Bahry et al. 2005 among others). There are weak positive correlations with the two items asking respondents if they think it is likely their lost wallet will be returned to them. This is not too surprising in that the GSS item taps generalized trust. A similar pattern holds for items concerning the media. The GSS item is also correlated with trust in coworkers—as was found with the first mover’s behavior in the trust game. Finally, the GSS item is positively correlated with two items relating to trust in strangers and an assessment as to whether most people are perceived as fair. As others have argued (notably Reeskens and Hooghe 2008 and Naef and Schupp 2009), these two items break apart the convoluted GSS item into component parts.

Columns 4 and 5 provide adjustments to what the first and second movers do in the trust game. In both instances I regress subject’s behavior in a general dictator game with their actions in the trust game. I then use the residuals to correlate with the questionnaire items. In effect this removes altruistic motives from behavior in the trust game (Capra et al. 2008; Cox 2004). Here I observe the same weak correlations as with the unadjusted items. It is worth noting, however, that the adjusted trustworthiness measure is no longer positively (but weakly) correlated with the GSS item.

Like Bellemare and Kröger (2007) and Naef and Schupp (2009), I find that the behavioral measures of trust and trustworthiness are either uncorrelated or weakly correlated with the GSS item. It is not as if the survey items do not cohere. A principal components factor analysis (with an orthogonal varimax rotation) yields three clear factors. These are given in Table 13.3, and the first two factors are clear. The first I have labeled “institutional trust,” reflecting trust in a range of institutions from the local government to the national media. These items are related to one another. The second factor is labeled “local trust,” pointing to items where respondents have localized targets for trust. Tied to this factor is the survey item relating to whether people are viewed as fair in their dealing with others. Also related to this factor is the GSS item, although it is weaker than the other items. Finally, the third factor I have labeled “optimism.” It has to do with the hypothetical questions about whether a respondent would have a wallet returned if lost locally or in Moscow. While some other items (notably those pertaining to local trust) weakly load on this factor, these two items

Table 13.3 The factor loadings for survey questions.
A principal components factor analysis was
used with an orthogonal varimax rotation.
The questionnaire items are given at the end
of Table 13.2.

	Institutional Trust	Local Trust	Optimism
GSS ¹	.13	.39	-.18
Local Wallet ²	.13	.13	.73
Moscow Wallet ³	.09	.08	.74
Neighbors ⁴	.02	.62	.33
Coworkers ⁵	.13	.74	.21
Bosses ⁶	.38	.49	.29
Local Media ⁷	.75	.08	-.03
National Media ⁸	.74	-.04	-.09
National Gov't ⁹	.70	.07	.16
Local Gov't ¹⁰	.67	.16	.30
Courts ¹¹	.71	.04	.13
National Bank ¹²	.54	.07	.01
Police ¹³	.66	.08	.08
Local Mayor ¹⁴	.52	.29	.12
Trust Anyone ¹⁵	-.14	-.01	-.07
Trust Strangers ¹⁶	.04	.31	-.19
Fair ¹⁷	-.01	.67	-.17

seem quite different. Interestingly, the first two factors are similar to those reported by Bauer and Freitag (this volume) and Naef and Schupp (2009) when looking at a population sample.⁸

With these loadings, I generate factor scores for the first two dimensions and use them in a model predicting both what is sent and what is reciprocated in the trust game. Three different models are estimated. The first model includes characteristics of the subjects. To control for altruism I use the amount sent to another person in the dictator game. Because of differences across republics noted in the preceding discussion, a dummy variable is included. The subject's age and age-squared is

included in line with other research pointing out that trust is curvilinear with age (Bahry and Wilson 2004; Bahry et al. 2005; Bellemare and Kröger 2007). A dummy variable for the respondent's sex is included, and finally a summary measure of attitudes toward risk is included (Eckel and Wilson 2004). The second model includes the same individual controls and adds the factor scores for the first two dimensions noted in Table 13.3. Because almost a third of the observations are lost due to missing data in the factor scores, model 3 estimates the effect of sample survey items reflecting the underlying factors.

The estimates in Table 13.4 are based on a linear regression with clustered standard errors based on the experimental session (the results are substantively the same if estimated using ordered logit). Model 1 shows that the dictator game is a predictor of what is passed by the first mover in the trust game. Also related is the age of the respondent and being female (who tend to send somewhat less). Finally, risk attitudes are unrelated to what is sent, a finding consistent with Eckel and Wilson (2004).

Model 2 adds the factor scores for institutional and local trust. In neither case do these factors help in predicting what the first mover will send. The coefficients for the other variables retain their sign and strength. Similar to the correlations, the factors tell us little about whether someone will be trusting in the trust game.

Model 3 is included for completeness. Because of missing data in the survey there are a large number of respondents lost in model 2. Instead I use sample survey items. Again, the standard GSS item is uncorrelated with what the first mover sent. This is true even though controlling for altruism. Trust in neighbors is also uncorrelated. The only item that is correlated with the trust game is trust in the local city/village government. Generally, if trying to predict behavior in the trust game, individual characteristics are better than attitudes.

The same covariates and models are used to estimate what respondents returned to the first mover. Reciprocation is generally regarded as a measure of trustworthiness. Because the amount returned is correlated with what is sent, the dependent variable is the percentage returned following the amount being tripled by the experimenter. The intercept term for all three models shows that about 30% was returned, controlling for the covariates. This is just under the break-even point of 33.3%. Again we find that the measure of altruism increases what was returned. Risk attitudes also predict what is returned, though the coefficient is negative, indicating that people willing to take more risks are likely to return less. None of the other individual characteristics are correlated with trustworthiness.

Models 2 and 3 tell a story similar to that for predicting trust. The recovered factors do not predict trustworthiness. Nor does the GSS item. Trust in neighbors is weakly predictive of trustworthiness but adds little to the explanatory power of the model. Again, it appears that the behavioral and attitudinal items are measuring entirely different concepts (Table 13.5).

Table 13.4 OLS estimate of amount sent by the first mover. Standard errors, clustered by experimental session, are reported in parentheses.

	(1)	(2)	(3)
Altruism	0.42*** (0.07)	0.51*** (0.08)	0.42*** (0.07)
(Dictator Game)			
Sakha/Tatarstan	9.92*** (2.44)	11.18*** (3.03)	10.98*** (2.40)
(Sakha = 1)			
Respondent Age	0.91** (0.27)	1.27** (0.45)	0.89** (0.32)
Age Squared	-0.01*** (0.003)	-0.02** (0.005)	-0.01** (0.004)
Female/Male	-4.16 ⁺ (2.45)	-4.14 (2.58)	-4.37 ⁺ (2.48)
(Female = 1)			
Risk Attitudes	1.88 (2.95)	1.94 (3.52)	3.47 (3.17)
Institutional		0.88	
Trust (Factor 1)		(1.58)	
Local Trust		-0.18	
(Factor 2)		(1.48)	
GSS ¹			-0.32 (0.70)
Neighbors ⁴			-1.53 (1.14)
Local Mayor ¹⁴			3.21** (1.11)
_cons	2.72 (8.15)	-6.61 (10.98)	-2.92 (9.12)
N	274	192	256
R ²	0.23	0.27	0.26

Standard errors in parentheses

⁺ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 13.5 OLS estimate of percentage returned by the second mover. Standard errors, clustered by experimental session, are reported in parentheses.

	(1)	(2)	(3)
Altruism	0.42*** (0.05)	0.39*** (0.07)	0.39*** (0.05)
(Dictator Game)			
Sakha/Tatarstan	-0.87 (2.18)	-1.58 (2.42)	-0.28 (2.39)
(Sakha = 1)			
Respondent Age	0.005 (0.39)	0.17 (0.45)	-0.20 (0.39)
Age Squared	0.0006 (0.004)	-0.003 (0.005)	0.002 (0.004)
Female/Male	-0.11 (2.22)	0.55 (2.73)	-0.32 (2.30)
(Female = 1)			
Risk Attitudes	-4.75* (2.05)	-4.87 ⁺ (2.62)	-4.22* (1.97)
Institutional		0.41	
Trust (Factor 1)		(0.94)	
Local Trust		-0.20	
(Factor 2)		(0.93)	
GSS ¹			-0.31 (0.57)
Neighbors ⁴			1.80 ⁺ (1.03)
Local Mayor ¹⁴			0.21 (1.06)
_cons	30.38** (10.09)	30.88* (11.93)	29.73** (10.83)
N	292	212	272
R ²	0.18	0.18	0.16

Standard errors in parentheses

⁺ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

CONCLUSION

There is a mismatch between the behavioral measure of trust (and trustworthiness) and the standard attitudinal measures of trust. This is not news, as others have reported this finding before. Moreover, it is well known that attitudes and behavior are, at best, weakly correlated (Ajzen and Fishbein 1977; Eagly and Chaiken 1993). My own study, using a population sample in Russia, confirms this mismatch.

What difference does it make if we use one measure or the other? Relying on attitudinal measures we might conclude, like Putnam (2000), that trust is in decline. Or with respect to Russia, we might conclude that the country is doomed to dysfunction because of low levels of trust (Gibson 2001; Mishler and Rose 2005; Rose et al. 1997). These are the lessons we learn from extensive survey measures concerning trust. Yet if we rely on a behavioral measure we find that there is a substantial reservoir of trust. Russians in two different republics show considerable trust in strangers, and that trust is reciprocated. This implies that when it comes to decisions with consequences, individuals are willing to trust one another. In this sense trust (and trustworthiness) is alive and well in a place where it was thought to be dead. On this score Russia is hardly an outlier. In their metastudy of trust games using nonstudents, Johnson and Mislin (2011) find the same is true across the globe.

The mismatch is not complete. Like others, I find that many of the standard attitudinal items measuring trust are correlated with trustworthiness. It appears these items are not picking up an estimate of how much to trust others but rather are based on introspection about whether one can trust oneself.

What remains to be done? In setting an agenda for future work I suggest scholars focus on the following three topics.

- First, and foremost, we need to resolve what is trust good for? While I noted that some scholars have tried to use the trust game to predict outcomes, this has proven to be difficult. At best using the trust game as a measure leads to correlations with outcomes. This puts those carrying out trust game experiments in the same boat as those using survey measures of trust. In both cases we are unable to pinpoint the causal effect of trust. Those of us conducting experiments are in a position to manipulate key variables to establish what trust means for behavior.
- Second, we need to resolve what the trust game measures. Scholars studying trust using survey measures have elaborated many dimensions of trust. Trust in institutions is different from generalized trust. Particularized trust is different from political trust. It may be that the trust game is a very specific form of dyadic trust that has a very narrow domain. Or it may be that it measures localized trust that covers several dimensions of trust. Taking, as an article of faith, that the trust game is a blanket measure of trust is not wise.

- Third, we need to find an inexpensive proxy for whatever the trust game is measuring. It is clear that the trust game offers a robust measure. However, it is expensive to carry out in the field (or even in the lab). As evidenced by my experience in Russia, this single measure is time-consuming. Imagine a survey devoting 20 or more minutes to getting a single measure?

ACKNOWLEDGMENTS

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NOTES

1. For additional information on the survey design and sampling, see Bahry et al. 2005.
2. The final sessions were delayed due to difficulties in locating respondents during midsummer, when many people were on vacation or away at their dachas.
3. It is important to note that 75 subjects are excluded from the analysis. Of these, 61 were participants in the experiment who did not fall in the original sample, and 14 were in-sample participants in one problematic session. Out-of-sample subjects were typically family members or friends of respondents in the sample who came to play in their stead. Others were participants recruited by interviewers during the final three sessions in order to ensure sufficient group size to run each session. (We typically canceled sessions when fewer than eight subjects showed up to participate, and asked those who did show up to come back at a later time—and most did. As our sessions were ending, we could not ask in-sample respondents to return, and so supplemented the number of players in the last few sessions.) All but six of the out-of-sample subjects were subsequently contacted and interviewed. The six noninterviews either could not be located or refused to be interviewed. Finally, respondents in the problematic session were excluded due to possible contamination by two local interviewers.
4. In each session one Principal Investigator (PI) served as coordinator and was seated outside the room, organizing the distribution of forms and payouts as the games progressed. The other PI served as observer to note questions and issues that arose in the course of the session. A fourth member of the team served as an assistant in handing out/collecting forms and envelopes and answering subjects' questions that arose as they completed various tasks.
5. Ideally, the order of the games would have been randomized. But this was impossible to carry out in the field. The experimenters were instructed to stick with the script and they did so. It is very likely that the order of the games affected the behavior of subjects. However, because all subjects faced the same order, then any between-subject variation must be due to differences in subject characteristics. Because we have a detailed survey instrument for each subject, we have substantial information about individual characteristics.

6. In the first treatment they were told their counterpart was someone in the same republic. In the second treatment they were told their counterpart was someone in a different region. In both instances what they allocated was passed on to participants in subsequent sessions.
7. In each of the latter three dictator games, subjects kept the envelopes sealed until the end of the session. Their responses in subsequent decisions were thus not affected by what they received in these games.
8. In their study they report a third factor, “trust in strangers,” in which variations of the last three questionnaire items in Table 13.2 strongly and separately load on that factor.

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CHAPTER 14

TRUST GAMES

Game-Theoretic Approaches to Embedded Trust

VINCENT BUSKENS, VINCENZ FREY,
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INTRODUCTION

CONSIDER an example of social exchange: Ego helps Alter today, assuming that Alter will help Ego tomorrow. If Alter indeed provides help tomorrow, both Ego and Alter are better off than they would be without helping each other. However, Alter may be tempted to benefit from Ego's help today without providing help himself tomorrow. Ego may anticipate this and not provide help in the first place, leaving both Ego and Alter worse off than if they had helped each other.

In economic exchange—transactions in online markets being an example—a buyer may be insufficiently informed about the quality of a good offered by a seller. If this buyer decides to buy and the seller delivers a good of adequate quality, both buyer and seller are better off than without a transaction. However, the seller may be tempted to secure an extra profit by selling a bad product for the price of a good one, leaving the buyer worse off than if she had decided not to buy. Anticipating this, the buyer may abstain from entering the transaction, again leaving buyer and seller worse off than after a “smooth” transaction.

A similar problem can arise if a voter decides on casting a vote for a representative who might later choose to initiate or support policies other than those preferred by the voter. The representative can benefit from changing his position opportunistically and the voter may regret having voted for this representative.

An experimental design modeling core features of these examples involves two subjects A and B. A can decide to transfer an endowment of, say, 20 points (converted into money at a fixed exchange rate at the end of the experiment) to subject B. If A decides to transfer, the experimenter triples the endowment. Subject B then chooses between returning 30 points to A or keeping 60 points for himself. If B splits, both A and B are

better off than had A decided not to transfer her endowment. However, keeping 60 points for himself ensures an even higher payoff from the experiment for B than splitting.

The term “trust,” as this *Handbook* shows, can have different meanings. Trust games are workhorses to study trust in the sense of our examples. Game theory provides a set of theoretical tools—concepts and assumptions—to model and analyze situations like those highlighted in our examples. Behavioral game theory “expands analytical theory by adding emotion, mistakes, limited foresight, doubts about how smart others are, and learning to analytical game theory Behavioral game theory is . . . an approach . . . which uses psychological regularity to suggest ways to weaken rationality assumptions and extend theory” (Camerer 2003, 3). Much work in behavioral game theory involves research on trust (see, e.g., Camerer 2003, chap. 2.7). Experiments are widely used to systematically test empirical predictions derived from game-theoretic and other models, including predictions on behavior in trust situations. Experiments likewise yield insights on empirical regularities that subsequent theory development can try to explain.

Research on trust focuses on two different issues (see Craswell 1993). First, in the spirit of Arrow’s (1974, 24) well-known remark on trust as “an important lubricant of a social system,” research addresses the *consequences of trust*, be it consequences on the level of individual behavior or consequences of trust for more macro-level outcomes such as societal cohesion or economic prosperity. Assumptions on trust are then used to help explain other phenomena. In such research, trust is part of the *explanans*. Conversely, one can study the *determinants of trust*: What are conditions that foster trust in social and economic exchange? Trust is the *explanandum* in this research. Trust games are used, at least primarily, to study trust as an *explanandum* by focusing on conditions that favor or undermine trust.

This article provides an overview of how trust games can be used to study trust as an *explanandum*. More specifically, we discuss how game-theoretic reasoning and experimental research can be employed for understanding how macro-conditions affect trust. For example, how do macro-conditions such as the stability over time of relations between actors affect their behavior in trust situations? How about effects of networks of relations between actors? How can such relations and networks of relations foster trust through self-enforcing norms and how can they give rise to informal institutions that foster trust? We also discuss conditions such that actors themselves, anticipating that trust can make them better off but may not be easily attained, modify their networks so that trust is facilitated.

The article continues with an overview of different variants of trust games. An overview follows of some theoretical models on how macro-conditions affect trust. Subsequently, we outline experimental evidence. Concluding remarks follow.

VARIANTS OF TRUST GAMES

We follow Coleman’s (1990, 96–99) general characterization of social and economic situations involving trust like those in our introduction. In such situations, two actors

are involved, a trustor and a trustee. In our examples, Ego, the buyer, the voter, and subject A are trustors. Alter, the seller, the representative, and subject B are trustees. In each case, the trustor must decide whether or not she¹ places trust, that is, whether or not to help Alter, to buy, to vote for the representative, or to transfer the endowment.

Coleman (1990, 97–99) sketches four features of trust situations. First, placing trust implies that the trustee can subsequently honor or abuse trust. Alter can honor trust by helping Ego tomorrow, the seller by selling a good of adequate quality, the representative by being consistent with policies he favored in his election campaign, and subject B by returning half of the tripled endowment to A. Second, if the trustee honors trust, the trustor is better off than if trust were not placed. Conversely, the trustee can abuse trust. Alter can refuse to provide help tomorrow, the seller can sell a bad product for the price of a good one, the representative can deviate from what he promised in his election campaign, and subject B can keep the tripled endowment for himself. If trust is abused, the trustor is worse off than had trust not been placed. Third, through placing trust, the trustor transfers resources to the trustee without any “real commitment” (Coleman 1990, 98) of the trustee to honor trust. Fourth, there is a time lag between the actions of trustor and trustee. The trustor first decides on placing or not placing trust, while the trustee only acts in the future, so that the trustor cannot know for sure but has to anticipate whether or not the trustee would honor trust. A fifth feature, less explicitly addressed by Coleman, is that the trustee may have an incentive to abuse trust, at least in the short run, since he may benefit in financial or other terms from doing so. A sixth feature, likewise reflected in our examples, is that the trustor and trustee are both better off if trust is placed and honored than if the trustor does not place trust.

The simplest game-theoretic model for trust situations considered here is the standard *Trust Game* (TG) depicted in Figure 14.1 (Dasgupta 1988; Kreps 1990; a tree-like representation like in Figure 14.1 is known as the “extensive form” of a game). To facilitate interpretation, Figure 14.1 also includes a numerical example representing the experimental setup described above. The game involves a trustor (indexed “1”) and a trustee (indexed “2”). The trustor moves first and has to choose between placing and not placing trust (transferring or not transferring 20 points). The interaction ends if trust is not placed. In this case, the trustor receives payoff P_1 , while the trustee receives payoff P_2 (with P_1 equal to 20 and P_2 equal to 0 points in the example). If

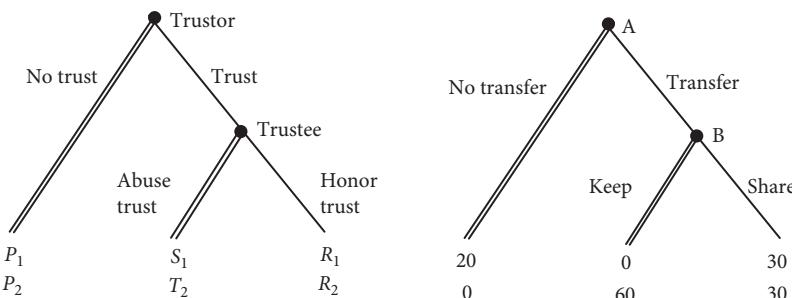


FIGURE 14.1 The standard Trust Game $S_1 < P_1 < R_1$, $P_2 < R_2 < T_2$ and an example.

trust is placed, the trustee moves, choosing between honoring and abusing trust (sharing or not sharing the points). The interaction ends thereafter. Honored trust implies payoffs $R_i > P_i$, $i = 1, 2$. Abused trust is associated with payoffs $S_1 < P_1$ for the trustor and $T_2 > R_2$ for the trustee. In the example in Figure 14.1, R_1 is equal to 30 points, S_1 equal to 0 points, and T_2 equal to 60 points. Note that the TG captures core features of trust problems as in our examples. We refer to placing trust also as *trustfulness* and to honoring trust as *trustworthiness*, with “trust” sometimes referring to a situation resembling a trust game and sometimes referring to trustful and trustworthy behavior in such a situation.

Standard game-theoretic assumptions² include that the payoffs actors receive at the end of the game represent utilities (subsequently, we typically assume cardinal utilities). Also, all actors know the structure of the game (they know Figure 14.1) and also know that all actors know the structure of the game and so forth (“common knowledge”). The game is played noncooperatively in the sense that actors are unable to make enforceable agreements or to incur commitments that are not explicitly modeled as moves in the game (compare Coleman’s point that there is no “real commitment” for the trustee). The actors are rational in the sense that they maximize utility, given their expectations on the behavior of other actors, and actors assume that other actors are rational as well. Under these assumptions and, since $T_2 > R_2$, the trustee would abuse trust if the trustor places trust. The trustor anticipates this and hence, since $P_1 > S_1$, does not place trust in the first place. In game-theoretic terms, not placing trust, while placed trust would be abused, is the unique subgame perfect equilibrium of the game; that is, for each situation that could emerge during the game, each actor’s strategy maximizes that actor’s payoff, given the strategy of the other actor (in the following, we employ this equilibrium concept and sometimes concepts that satisfy additional criteria). The equilibrium is indicated by double lines in Figure 14.1.

The TG reflects Coleman’s (1990, 99) point that placing trust is risky for the trustor: she is better off when trust is placed and honored than when she does not place trust, but the trustor regrets having placed trust if the trustee abuses trust. Since $R_i > P_i$, the equilibrium outcome of the TG—no trust placed—is worse for both actors than the outcome such that trust is placed and honored, but the outcome with trust placed and honored is not a result of equilibrium behavior and is thus not attainable for rational actors. In terms of the example in Figure 14.1, subject A anticipates that B prefers 60 points over 30 and, thus, would leave A with 0 points if A would transfer. Therefore, A prefers not to transfer, resulting in 20 points for A and 0 for B. For both subjects, this is worse than the outcome with 30 points for each when A transfers and B shares. In this sense, a trust situation represents a problem for each of the actors. The TG is a social dilemma: individual rationality induces an outcome that is worse for each actor than a “collectively rational” outcome (Rapoport 1974). The problem inherent in trust situations in this article is due to the incentives of the trustee for “opportunistic behavior” in the sense of abusing trust. This has to be distinguished from situations such that the second actor may lack the abilities and competencies to realize a beneficial outcome

for the first actor. In the literature (e.g., Barber 1983), the latter case has been discussed as a problem of *confidence*.

There are various other, more complex versions of trust games. Considering such extensions is useful because they allow accounting for additional features of trust problems that may be relevant for applications. Furthermore, such extensions allow for checking the robustness of predictions to variations in assumptions. We discuss two extensions. One extension includes information problems, namely, incomplete information of the trustor concerning characteristics of the trustee (Camerer and Weigelt 1988; Dasgupta 1988). Assume that the trustor does not know for sure about the incentives of the trustee. More precisely, the trustee could be one of two “types.” For an *unreliable* trustee, it pays off to abuse trust, since $T_2 > R_2$, as in the TG. However, a *reliable* trustee has no incentive to abuse trust. Rather, the payoff for such a trustee after abused trust is $T_2^* < R_2$, for example, because he does not care exclusively for his own material outcome but also derives disutility from a bad conscience due to having abused trust. In social exchange, for instance, Alter could feel guilty if he does not reciprocate the favor of Ego. Such a feeling of guilt may affect Alter so that he prefers helping in return. The trustee knows his own type, but the trustor only knows that she interacts with probability π ($0 < \pi < 1$) with a reliable trustee, while the trustee is unreliable with probability $1 - \pi$. Figure 14.2 shows a *Trust Game with incomplete information* (TGI). In the TGI, there is an initial move of Nature that determines the type of trustee. The trustor only knows the probability π but cannot observe the outcome of Nature’s move (in Figure 14.2, encircling the two nodes where the trustor has to make a move indicates that the trustor cannot distinguish between these nodes).

Equilibrium behavior in the TGI requires that an unreliable trustee would abuse trust (since $T_2 > R_2$), whereas a reliable trustee would honor trust (since $T_2^* < R_2$). For the trustor, not placing trust yields the certain payoff P_1 , while the expected payoff

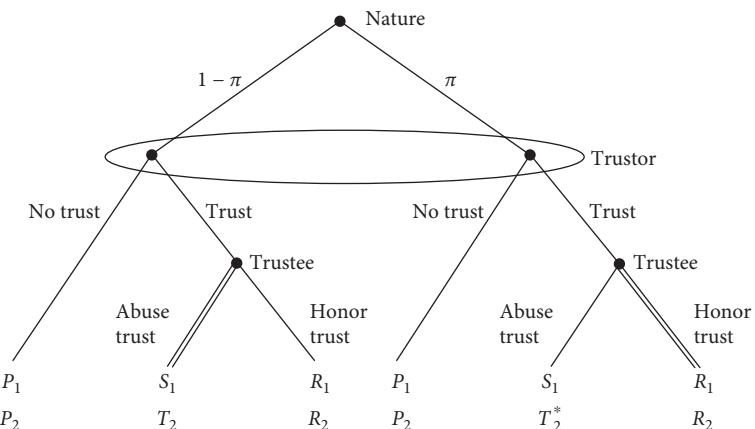


FIGURE 14.2 Trust Game with incomplete information $S_1 < P_1 < R_1$, $P_2 < R_2 < T_2$, $T_2^* < R_2$.

associated with placing trust is $\pi R_i + (1 - \pi) S_i$. Hence, equilibrium behavior implies that the trustor places trust if $\pi R_i + (1 - \pi) S_i > P_i$, which is equivalent with

$$\pi > (P_i - S_i) / (R_i - S_i) \quad (1)$$

The right-hand side of this inequality is a useful measure of the risk for the trustor and for the size of the trust problem.

The TGI represents Coleman's (1990, 99) idea that the trustor has to decide about placing a bet. Coleman's well-known condition for placing trust is in fact implied by condition (1). Hence, Coleman's condition follows from a game-theoretic model.

Our second extension is the *Investment Game* (IG; Berg, Dickhaut, and McCabe 1995; Ortmann, Fitzgerald, and Boeing 2000). While the actors make binary choices in the TG and TGI, in the IG, the trustor chooses the degree to which she places trust and the trustee chooses the degree to which he honors trust. This is modeled by assuming that the trustor has an endowment E_i and chooses an amount M_i to send to the trustee ($0 \leq M_i \leq E_i$). This "investment" M_i is then multiplied by $m > 1$ and the trustee receives mM_i . The parameter m can be seen as indicating the returns from trade due to the trustor's investment. Subsequently, the trustee chooses an amount K_2 he returns to the trustor, with $0 \leq K_2 \leq mM_i$. The game ends with the trustor receiving $V_1 = E_i - M_i + K_2$ and the trustee receiving $V_2 = mM_i - K_2$. While M_i indicates the trustor's trustfulness, K_2 indicates how trustworthy the trustee is.³

In the IG, equilibrium behavior implies that the trustee would never return anything, that is, he would choose $K_2 = 0$ for all M_i , and that the trustor, anticipating this, sends nothing ($M_i = 0$). The actors thus forgo all gains from trade: both trustor and trustee would be better off if the trustor would send $M_i > 0$ and the trustee returns K_2 such that $mM_i > K_2 > M_i$.⁴

TRUST AS EXPLANANDUM: THEORY ON HOW SOCIAL CONDITIONS AFFECT TRUSTFULNESS AND TRUSTWORTHINESS

There is quite some theory on trust in "isolated encounters," with trustor and trustee playing a focal trust game once and only once, without being able to condition behavior in future interactions on what happens in the trust game. Also, there are no previous interactions that have repercussions for the focal trust game. Such isolated encounters are typically studied in the laboratory, since it is hard to assure "isolation" using nonexperimental designs. Under standard game-theoretic assumptions sketched in the first section of this article, the strong prediction is that the trustor will not be trustful, while the trustee would not be trustworthy in the TG or the IG, nor in the TGI

with $\pi < (P_i - S_i) / (R_i - S_i)$. Experiments show, however, that substantial percentages of subjects in the trustor role place trust and send positive amounts, while many subjects in the trustee role honor trust and return substantial amounts (for reviews, see, e.g., Camerer 2003, chap. 2.7; Johnson & Mislin 2011).

Models in the spirit of behavioral game theory can account for such empirical regularities by employing more complex assumptions than the standard ones. First, one could relax the rationality assumption. For example, from a bounded rationality perspective one could argue that subjects are used to repeated interactions in life outside the laboratory. As we will see, for example, in section 2.2, given repeated interactions, placing and honoring trust can be a result of equilibrium behavior. One then assumes that subjects follow rules of behavior in isolated encounters in an experiment that are appropriate when interactions are repeated (see Binmore 1998 for a discussion of such approaches).

Second, one could maintain the rationality assumption but modify the selfishness assumption (“utility = own money”). One would then assume that a subject’s utility associated with a certain outcome does not necessarily depend exclusively on, say, one’s own points received. Rather, subjects may have other-regarding preferences such that they care for the distribution of outcomes in addition to their own outcome (e.g., “inequity aversion”: a trustee’s utility may depend on his own payoff as well as on the difference between his own payoff and the trustor’s payoff). It is often argued (e.g., Fehr and Gintis 2007) that such preferences are the result of socialization processes and internalized norms and values. Roughly, if a trustee has indeed “suitable” other-regarding preferences and the trustor maintains beliefs that it is sufficiently likely that the trustee has such other-regarding preferences, placing and honoring trust can be the result of equilibrium behavior. In fact, a TGI is played in this case and trust is possible if π is large enough.

From a methodological perspective, assumptions on other-regarding preferences come with the risk that almost all behavior can be “explained” by assuming the “right” preferences and adjusting assumptions on utility accordingly. Therefore, assumptions on such preferences should be parsimonious and allow for explaining behavior in a broad range of different experimental games. Various models for other-regarding preferences are meanwhile available that do indeed account with the same set of assumptions for behavioral regularities, not only in trust games but also in other social dilemma games; in games involving distribution problems, such as the Ultimatum and Dictator Game; and in market games (for overviews, see Camerer 2003; Charness and Shmidov 2013; Cooper and Kagel 2015; Fehr and Schmidt 1999; and see Wilson’s article in this *Handbook* for an overview of work on trust in isolated encounters that addresses how behavior in such encounters is related to various macro-conditions, including conditions that might affect other-regarding preferences, and of nonexperimental work in this field).

In the following, we neglect trust in isolated encounters. Rather, we show how other extensions of standard game-theoretic models can shed light on behavior in

trust games. We take into account that trust situations often occur in settings in which actors interact repeatedly or are connected through third parties. For example, Ego and Alter who can help each other are classmates, so that helping each other is repeatedly an issue. A buyer might know other customers of a seller from whom she is about to buy a product and can exchange information about the seller with these other customers. We do this by embedding trust games in settings such that behavior in a focal trust game can have repercussions for future interactions or that previous interactions affect the focal trust game. This allows addressing systematically how trustfulness and trustworthiness in trust games depend on certain macro-conditions.

Deriving testable hypotheses on trust from game-theoretic models

Coleman's (1990, chap. 1; see also Raub, Buskens, and Van Assen 2011) diagram for relating macro- and micro-level propositions in social science explanations, depicted in Figure 14.3, is useful for making the logic of game-theoretic explanations of trust, including trust in embedded settings, explicit and for making explicit how testable implications can be derived from game-theoretic models. Coleman's diagram distinguishes between macro- and micro-level in the sense that "macro" refers to properties of a social system, while "micro" refers to individuals. Macro-level properties need not be properties of "large" systems; they also include properties of "small" systems such as a dyad or a triad.

First, the specification of a game like our variants of trust games includes macro-conditions in the sense of opportunities and restrictions. These assumptions are represented by Node A in Coleman's diagram. They include, for example, the assumptions that the game involves two actors, that it is played noncooperatively, and assumptions on the sequence in which the actors move. The specification of the game also comprises assumptions on the actors' payoffs. These are micro-level assumptions related to Node B. Furthermore, the specification includes assumptions on macro-micro transitions

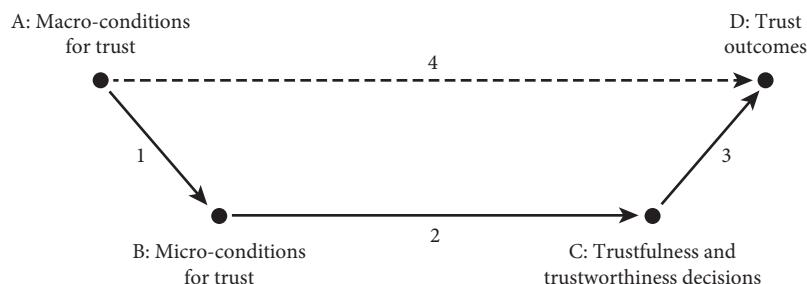


FIGURE 14.3 Coleman's micro-macro diagram

that are summarized by the vertical Arrow 1 in the diagram. The specification shows how an actor's payoff depends on the behavior of the other actor and vice versa, that is, how the actors are interdependent. Next, rationality assumptions like the assumption of equilibrium behavior are represented by Arrow 2. Game-theoretic analysis then comprises deriving propositions on equilibria of the game and on properties of these equilibria. A simple example is that the TGI has an equilibrium such that trust is placed if condition (1) is fulfilled. This allows deriving implications concerning the behavior of rational actors, in our case, implications on trustfulness and trustworthiness. These implications are represented by Node C. Finally, one can derive propositions on macro-level effects such as that the outcome of the game leaves both actors worse off than another outcome they could have attained or, rather, that they manage to attain such a more beneficial outcome. A typical way of generating testable predictions is then to employ comparative statics analysis on equilibrium conditions such as condition (1), reasoning that behavior implied by a certain equilibrium becomes more (less) likely when the conditions for such an equilibrium become less (more) restrictive. For example, one would predict that trustfulness in the TGI becomes more likely when the trustor's risk as indicated by the right-hand side of (1) decreases or when the probability π of interacting with a reliable trustee increases. Condition (1) on the relation between the probability π and payoffs can be seen as a macro-condition characterizing how trustor and trustee are interdependent. We have thus derived predictions on how macro-conditions affect trustfulness.

Dyadic embeddedness

A focal trust game may be embedded (see Granovetter 1985 on the concept of "embeddedness"), in the sense that trustor and trustee interact repeatedly. Macro-conditions such as being related by friendship or family ties induce that Ego and Alter will contemplate repeatedly the exchange of social support. The same voters can vote again when a representative is up for reelection. To capture the effects of dyadic embeddedness in the sense of long-term relations between a trustor and trustee, consider *repeated trust games*. Two mechanisms can be distinguished through which dyadic embeddedness may affect behavior in a focal trust game: control and learning (Buskens and Raub 2002). *Control* refers to possibilities for the trustor to sanction the trustee in the future. The trustor can reward the trustee by again placing trust if trust would be honored in the focal trust game, and she can punish the trustee by not placing trust after trust would be abused. Information on behavior of the trustee from previous trust games can allow for *learning* of the trustor about unknown characteristics of the trustee and for updating her beliefs about the trustee.

A simple game-theoretic model of control effects through dyadic embeddedness is due to Kreps (1990). In this model, the TG from Figure 14.1 is played repeatedly in rounds $1, 2, \dots, t, \dots$. After each round t the next round $t + 1$ is played with continuation probability w ($0 < w < 1$), while the repeated game ends after each round with

probability $1 - w$. The focal TG is thus embedded in a more complex game in which the TG is repeated indefinitely often. In each round, actors can observe each other's behavior. An actor's expected payoff for the repeated game is the discounted sum of the actor's payoffs in each round, with the continuation probability w as discount parameter. For example, when trustor and trustee use strategies such that trust is placed and honored in each round, their expected payoff is $R_i + wR_i + \dots + w^{t-1}R_i + \dots = R_i/(1-w)$. Therefore, the larger the continuation probability w , the more an actor's payoff from the repeated game depends on what the actor receives in future rounds. Axelrod's (1984) label "shadow of the future" aptly captures this feature.

Assume now that the trustor is conditionally trustful in the following sense: she places trust initially, and when the trustee honors trust in a focal TG, she places trust again in future TGs. Conversely, when the trustee abuses trust, the trustor does not place trust in at least some future games. The trustee can then gain T_2 rather than R_2 in a focal TG by abusing trust. On the other hand, abusing trust will be associated with obtaining only P_2 in (some) future encounters, while honoring trust will result in obtaining $R_2 > P_2$ in those future encounters. Also, the larger the shadow of the future w , the more important are the long-term effects of present behavior. Thus, anticipating that the trustor may place trust conditionally, the trustee has to balance short-term ($T_2 - R_2$) and long-term ($R_2 - P_2$) incentives. For example, if a buyer buys regularly from the same seller, the seller has to consider whether the short-term gain from selling an inferior product to this buyer is worth losing a customer.

This raises the question whether conditional trustfulness can be a basis for rational trust in the sense that the indefinitely repeated TG has an equilibrium such that trust is placed and honored in each round. To answer this question, consider the strategy of the trustor that is associated with the largest rewards for trustworthy behavior of the trustee and with the most severe sanctions for untrustworthy behavior. This is the strategy that prescribes to place trust in the first round and also in future rounds, as long as trust has been placed and honored in all previous rounds. However, as soon as trust is not placed or abused in some round, the trustor refuses to place trust in any future round. Straightforward analysis shows that always honoring trust (and always abusing trust as soon as there has been any deviation from the pattern "place and honor trust") is a strategy maximizing the trustee's payoff for the repeated game against the described strategy of the trustor if and only if

$$w \geq (T_2 - R_2) / (T_2 - P_2) \quad (2)$$

This condition requires that the shadow of the future is large enough compared to $(T_2 - R_2)/(T_2 - P_2)$, a convenient measure for the trustee's temptation to abuse trust. Under condition (2), the indefinitely repeated Trust Game has an equilibrium such that trust is always placed and honored.⁵ Placing trust conditionally and honoring trust in the sense of the strategies mentioned can be seen as following an informal norm or, respectively, maintaining an informal institution (North 1990) of trustful and trustworthy behavior. In equilibrium, by definition, trustor and trustee have no incentive to deviate from such

a norm or institution because each actor maximizes own expected payoffs, given the strategy of the other actor. The informal norm or institution, therefore, is self-enforcing and is not assumed to be exogenously given but results endogenously from equilibrium behavior (see Schotter 1981 and Calvert 1995 for the distinction between institutions as exogenous constraints and as outcomes of equilibrium behavior).

Consider an interpretation of the equilibrium condition that follows the logic for deriving testable hypotheses from game-theoretic models as set forth in section 2.1. Since condition (2) is a necessary and sufficient condition for equilibria in which trust is placed and honored throughout an indefinitely repeated TG, one assumes that placing and honoring trust becomes more likely when condition (2) becomes less restrictive. This leads directly to testable hypotheses on control effects through dyadic embeddedness. Specifically, one would expect that the likelihood of placing and honoring trust increases in the shadow of the future w and decreases in the temptation $(T_2 - R_2)/(T_2 - P_2)$ for the trustee. For our buyer-seller example, this implies that trust is more likely to emerge if the seller is more likely to stay in business and if the temptation for the seller to sell an inferior product is not too large. In terms of Coleman's diagram, condition (2), similar to condition (1), can be seen as a macro-condition characterizing interdependencies between the actors. We have thus again generated predictions on how a macro-condition affects trustfulness and trustworthiness as well as a prediction for a macro-level regularity, represented by Arrow 4 in Coleman's diagram. Namely, the game-theoretic model suggests that the mutually beneficial macro-outcome associated with placed and honored trust becomes more likely when condition (2) becomes less restrictive.

In this game-theoretic model with dyadic embeddedness, trust is purely based on control opportunities of the trustor. It is a game with *complete information*: each actor is informed on the behavioral alternatives and incentives of both actors. Specifically, the trustor knows the behavioral alternatives and the incentives of the trustee. Hence, there is no need—and no opportunity—for the trustor to learn during the game about unobservable characteristics of the trustee. Therefore, this model does not yield hypotheses on learning effects of embeddedness.

Hypotheses on control as well as learning effects can be derived from models of trust games with *incomplete information*. Typically, these are models of finitely repeated games (see Bower, Garber, and Watson 1997; Buskens 2003; Camerer and Weigelt 1988; Dasgupta 1988; Neral and Ochs 1992). Consider the TGI in Figure 14.2. After the initial move by Nature, there are N rather than only one interactions between trustor and trustee. Now, if the trustor places trust in a round that is not the final round of the repeated game, a rational trustee may honor trust for two different reasons. First, the trustee has no incentive to abuse trust at all ($T_2^* < R_2$). Second, the trustee follows an incentive for reputation building although $T_2 > R_2$. The trustee knows that after abusing trust, the trustor can infer that the trustee has payoffs $T_2 > R_2$ and will thus never place trust again. On the other hand, if the trustee honors trust, the trustor remains uncertain about the trustee's incentives and may place trust again in the future. The trustor can anticipate on such behavior of the trustee and may therefore indeed place trust. In this game, the trustor can control the trustee in that placing trust in future

rounds depends on honoring trust in the current round—trustfulness is thus again conditional—and the trustor can learn about the incentives of the trustee from the trustee's behavior in previous rounds. The result is a subtle interplay of a trustor who tries to learn about and to control the trustee, taking the trustee's incentives for reputation building into account, and a trustee who balances the long-term effects of his reputation and the short-term incentives for abusing trust, taking into account that the trustor anticipates this balancing.

It can be shown that for large enough N the game has a sequential equilibrium (Kreps and Wilson 1982) that involves placing and honoring trust in some of the N rounds. In this equilibrium, the game starts with trust being placed and honored in some rounds. Afterward, a second phase follows in which the trustor and the trustee with $T_2 > R_2$ randomize their behavior until the trustor does not place trust or the trustee abuses trust. After trust has not been placed or has been abused for the first time, the third and last phase starts in which no trust is placed until the end of the game. A remarkable feature of the model is that, due to reputation effects, much trustfulness and trustworthiness can be induced by equilibrium behavior even if the probability π of a reliable trustee is very small. In the sequential equilibrium, rational learning occurs in the sense that the trustor rationally updates her belief about the probability that she is playing with a reliable trustee. The first phase of the game with trust being placed and honored is shorter, the higher the risk $(P_1 - S_1)/(R_1 - S_1)$ for the trustor, the smaller the number of rounds of the repeated game, and the smaller the probability π . With respect to learning effects of dyadic embeddedness, we thus obtain the hypotheses that the likelihood of placing and honoring trust decreases if the trustor's risk is higher and increases if the trustor's previous experiences with the trustee have been positive (the trustee honored trust) rather than negative (the trustee abused trust).

Network embeddedness

Network embeddedness refers to the case that the interaction of trustor and trustee in the focal trust game is related to their interactions with third parties. As an example, consider reputation systems on online markets. A reputation score provides information for the buyer about previous behavior and performance of the seller. Also, by providing feedback, the buyer can affect the seller's reputation score for future transactions. More generally, network embeddedness, such as ties between trustors that allow for exchange of information about the trustee, provides for additional control of the trustee since his behavior in a focal trust game can have repercussions not only for future behavior of the trustor but also for future behavior of other trustors. Likewise, such network embeddedness implies that the trustor in the focal trust game can use her own experience from previous trust games with the trustee for learning about the trustee, and in addition she can draw on information she receives from other trustors about their experiences.

Network embeddedness can be a substitute for dyadic embeddedness. Assume that the trustee interacts with a different trustor in each round of an indefinitely repeated TG (see Kreps 1990, 106–108). Thus, each trustor plays only once with the trustee. Dyadic embeddedness is then removed completely from the repeated game and replaced by network embeddedness. However, if the trustor in a given round is reliably informed about what has happened in previous rounds, each trustor can condition her behavior in a given round in the same way as a trustor who plays in each round: trust is placed if and only if trust has been honored in all previous rounds. Evidently, the trustee maximizes his payoffs against such behavior of the trustors by honoring trust in each round if condition (2) is fulfilled. Conversely, placing trust is then payoff-maximizing for the trustors under condition (2). Hence, we see that network embeddedness can induce trust that is backed up by a self-enforcing norm.

Alternatively, network embeddedness can complement dyadic embeddedness. The following is an example of a game-theoretic model of trust games that combines dyadic as well as network embeddedness (Buskens and Weesie 2000; see Raub and Weesie 1990 for a related model of network embeddedness for the Prisoner's Dilemma). A trustee interacts with a trustor in an indefinitely repeated TG. After the interaction with a given trustor ends, the trustee goes on playing with another trustor, while information on behavior in the games with the first trustor is communicated to the second trustor with some probability. Interactions with a third trustor start after the interactions with the second trustor have ended, and so forth. One can then study equilibria such that trustors place trust if T_2 is not “too large” and if they do not have information that trust has ever been abused (conditional trustfulness). In addition to our earlier hypotheses on how the likelihood of trust is affected by the shadow of the future and the short-term incentives of the trustee, such models allow for deriving hypotheses on effects of network characteristics. Specifically, the likelihood of placing and honoring trust increases in the density of the network of trustors and in the probability that a trustor transmits information to the next trustor interacting with the trustee. These effects are due to increasing the sanction possibilities of the trustor and, thus, her opportunities for controlling the trustee.

Including learning in models of network effects leads once again to more complex games with incomplete information (see Yamagishi and Yamagishi 1994, 138–139 for a discussion of learning and control effects through network embeddedness that uses other than game-theoretic approaches). Such a model has been provided by Buskens (2003). The trustee plays the TGI in Figure 14.2 with two different trustors. With some probability, each trustor can inform the other trustor on the trustee's previous behavior. If each trustor transmits information to and receives information on the trustee from the other trustor with sufficiently high probability, the first phase of the sequential equilibrium during which trust is placed and honored lasts for more rounds of the repeated game, and in this sense network embeddedness increases trust. Also with information sharing, the length of this phase decreases in the trustor's risk ($P_1 - S_1$)/($R_1 - S_1$), yielding again the hypothesis that trust decreases in the trustor's risk. In the second phase of the equilibrium in which trustor and trustee randomize, the trustor's

estimation of the probability that the trustee is of the reliable type increases with positive information about the trustee's past behavior. With network embeddedness, not only own positive experiences with the trustee but also positive information from the other trustor can induce such learning effects. Therefore, we again hypothesize that positive information increases the likelihood of placing trust.

Our models of network embeddedness include the assumption that information trustors receive is reliable and incentive problems associated with the supply of information are neglected (see, e.g., Buskens 2002, 18–20; Raub and Weesie 1990, 648; Williamson 1996, 153–155). Supplying information on the trustee's behavior is a contribution to a public good, namely, enforcing trustworthy behavior of the trustee. With costly contributions, public good production is problematic and contributions cannot be taken for granted (this is a major issue of reputation systems such as eBay's feedback forum; see, e.g., Diekmann et al. 2014). Furthermore, information from third parties can be inconsistent with one's own experiences. Also, information from third parties can be problematic due to misunderstanding or strategic misrepresentation: imagine that trustors are competitors who purchase the same goods from the same seller. In a nutshell, one would expect that effects of network embeddedness are attenuated when such problems become more serious.

Summarizing, we have by now seen how game-theoretic models can be used to generate hypotheses on effects of dyadic and network embeddedness in trust games. A common feature of these models is that they allow to derive when trustfulness and trustworthiness are outcomes of equilibrium behavior, with equilibrium behavior being based on conditional trust. In this sense, the models show that informal norms and institutions of conditional trust can be self-enforcing. Another useful feature of the models is that they not only show that equilibrium behavior in trust games depends on whether these games are isolated encounters or are embedded. Rather, the models also allow for theoretically disentangling different kinds of embeddedness effects: they allow distinguishing effects due to dyadic embeddedness from those due to network embeddedness as well as distinguishing between control and learning effects.

Endogenous embeddedness

A common feature of the game-theoretic models reviewed above is the assumption that embeddedness is exogenously given. We have seen that embeddedness can provide mutual benefits for trustor and trustee. Employing another terminology, embeddedness constitutes "social capital" for trustor and trustee, since embeddedness refers to relations between actors that help to achieve ends—trustfulness and trustworthiness—that could not be achieved without embeddedness (Coleman 1988). For this reason, trustor and trustee may also have incentives to invest in embeddedness.

Until now, there are only a few game-theoretic models that include such investments and thus endogenize embeddedness by simultaneously modeling investments

in and effects of embeddedness in trust games. One class of such models assumes indefinitely repeated TGs (Raub, Buskens, and Frey 2013) or finitely repeated TGIs (Frey 2016; Frey, Buskens, and Raub 2015), such that one and the same trustee plays with different trustors. While dyadic embeddedness is exogenously given—the trustee plays repeatedly with each trustor—network embeddedness is endogenous. Before playing repeated trust games, actors—trustors or trustee—can invest in setting up a network between the trustors that allows for information exchange about the behavior of the trustee. These models provide predictions on the effects of network embeddedness on trust like those sketched in section 2.3. The interesting additional feature refers to predictions on investments in network embeddedness. The core result, robust to assuming either indefinitely repeated TGs or finitely repeated TGIs, is an inverse U-shaped relation between the size of a trust problem and incentives for investments. Roughly, incentives to invest in establishing network embeddedness are small for trust problems that are small and can be mitigated through dyadic embeddedness alone. Such incentives are likewise small if trust problems are very large and trustfulness and trustworthiness are unattainable, even if network embeddedness and dyadic embeddedness complement each other. Incentives for investments in network embeddedness are large for trust problems of an intermediate size such that the effects of network embeddedness in addition to dyadic embeddedness make a difference for the behavior of trustors and trustee. For trust problems of intermediate size, investments in network embeddedness provide the conditions for the subsequent emergence of self-enforcing informal norms and institutions of conditional trust since the benefits from conditional trust compared to no trust exceed the costs of the investments. Imagine once again the buyer-seller example. If a buyer buys a small and more or less standard product such as bread, she typically does not ask friends which seller can be expected to sell the best bread. If the buyer is going to buy a house, the deal will only be settled after extensive contracting, and asking friends about the seller will usually not change much. However, when it comes to transactions of an intermediate size and complexity such as buying a secondhand car, information about past performance of the seller seems to have a relevant impact on trust in the seller.

It is important to grasp that these theoretical results apply for trustors as well as trustees. All actors are better off when trust is placed and honored compared to no trust placed. Thus, not only trustors but also trustees themselves may wish to invest in a network that allows for information exchange about the trustee. While network embeddedness makes it less attractive for the trustee to abuse trust in the short run, since the long-run costs of abusing trust increase, it is precisely this feature that may induce trustors to place trust in the first place. Therefore, it can be equilibrium behavior that the trustee himself invests in setting up an information network for trustors and in this way credibly commits himself to honoring trust (see Schelling 1960; Williamson 1985 on the use of commitments in social and economic interactions). For example, not only buyers but also sellers in online markets have an interest in the availability of a reputation system.

One could develop models in which other features of the interaction between trustor and trustee are endogenized. Raub (2016) offers a simple model with endogenous dyadic embeddedness in the sense that actors have a choice whether to invest in the possibility or likelihood that interactions with their partner are repeated. There are some models on commitments (e.g., Raub 2004; Snijders 1996; Weesie and Raub 1996) providing opportunities for trustees to modify their own future incentives or, as Coleman (1990) put it, to construct their social environment. Because these models are mostly applied to isolated encounters, we do not discuss them further.

EXPERIMENTAL EVIDENCE FROM EMBEDDED TRUST GAMES

We first discuss experimental evidence on the effects of dyadic embeddedness and continue with evidence on network embeddedness and endogenous embeddedness.⁶ Few experiments on embeddedness effects employ the IG. We mainly consider experiments with TGs and TGIs. The early experiments by Camerer and Weigelt (1988) show that subjects may behave similarly in the finitely repeated TG and finitely repeated TGI. In their experiment, behavioral patterns were similar in conditions in which it was common knowledge like in the TGI that a proportion of subjects in the role of trustees have no material incentive to abuse trust as in conditions like in the TG without such trustees. Camerer and Weigelt's explanation was that even if all trustees have material incentives to abuse trust, subjects anticipate that there is a proportion of subjects who have other-regarding preferences that prevent them from abusing trust even in the last round of a finitely repeated trust game. This anticipated proportion of intrinsically reliable trustees implies that any experimentally played series of standard TGs can be interpreted theoretically as a repeated TGI. Therefore, we will not always distinguish explicitly between TGs and TGIs.

Effects of dyadic embeddedness

Camerer and Weigelt (1988) were the first to test explicitly behavioral patterns predicted by the sequential equilibrium in finitely repeated TGIs. Neral and Ochs (1992), Anderhub, Engelmann, and Güth (2002), and Brandts and Figueiras (2003) did various follow-up experiments. Camerer (2003, 446–453) provides a detailed overview of these experiments. Experiments confirm the general pattern predicted, namely, that trustfulness and trustworthiness are high in early rounds and decrease when the end of the repeated game approaches (dyadic control). Trustfulness is largely conditional on past trustworthiness and almost absent after any abuse of trust (dyadic learning). The trustworthiness of so-called unreliable trustees is largely a strategic response to

the anticipated conditional behavior of trustors and reaches very low levels in the last round of a repeated game (e.g., Anderhub, Engelmann, and Güth 2002). Furthermore, as predicted by the theory, Brandts and Figueras (2003) find that trustfulness and trustworthiness increase with the probability that a trustee is reliable; and Anderhub, Engelmann, and Güth (2002) find that behavior in the last rounds does indeed not vary significantly with the total length of the repeated game. Summarizing, the sequential equilibrium described for the finitely repeated TGIs predicts quite some behavioral patterns reasonably well. Still, the experiments of Neral and Ochs (1992), Anderhub, Engelmann, and Güth (2002), and Brandts and Figueras (2003) also show that behavior of subjects does not follow the predicted patterns in all respects. For example, the theoretical model implies that in the second phase of the game in which trustors and unreliable trustees randomize, the probability that trustors place trust increases (!) with the trustee's temptation to abuse trust, while the trustee's behavior is not expected to depend on his payoffs. This implication is not only counterintuitive but also inconsistent with experimental findings (see Neral and Ochs 1992). The results of Anderhub, Engelmann, and Güth furthermore indicate that subjects do not randomize in the second phase as predicted, but use heuristics that appear like stopping rules, prescribing that they deterministically place or honor trust until a specific number of rounds is left and then stop trusting.

Results from some *other experiments* are quite in line with these findings. Gautschi (2000) reports conditional trustfulness for two and three times repeated TGs and dyadic control effects in the sense that trust increases with the number of remaining rounds. Kollock (1994) finds similar effects in a contextualized trust setting with buyers and sellers. A difference with the other studies is that Gautschi and Kollock find more untrustworthy behavior in early rounds of the games. Most likely, this is related to Gautschi and Kollock letting subjects play relatively few repeated games, while Camerer and Weigelt let subjects play the finitely repeated TGI many times. That behavioral patterns in finitely repeated trust games approach the patterns predicted by the sequential equilibrium, especially after subjects gained experience, is documented by Camerer and Weigelt (1988), Brandts and Figueras (2003), and Van Miltenburg, Buskens, and Raub (2012). Bohnet, Harmgart, Huck, and Tyran (2005) furthermore show that rates of honored trust are higher in early rounds if trustees can observe the behavior of other trustees, which indicates that some trustees have to learn to invest in a good reputation from observing other trustees' behavior.

Engle-Warnick and Slonim (2004, 2006) compare *finitely* and *indefinitely repeated games*. In principle, the trustor's opportunities to exercise control in an indefinitely repeated game with constant continuation probability are the same in round t and in round $t + 1$. Still, the authors find decreasing trust over time in such games. However, this decrease is much smoother than in the finitely repeated games. This can be interpreted as learning effects related to negative experiences reducing trust over time, and subsequently trust is difficult to restore. On the other hand, trust remains reasonably high because control opportunities do not diminish over time and enable some pairs to continue to trust each other. An additional explanation for decreasing trust in

indefinitely repeated games might be that subjects believe that after many rounds the probability increases that a specific round is the last one, even if experimenters do their very best to show that the continuation probability is constant (e.g., by using a publicly thrown die).

While there are many experiments on the Investment Game (IG), only a few use repeated IGs. Cochard, Nguyen-Van, and Willinger (2004) find results on finitely repeated IGs in line with empirical regularities found for the TG and TGI. Trustors send more in the IG if there is a longer future (dyadic control), but if trustees do not return enough they stop sending (dyadic learning). In early rounds, trustors send more if trustees returned more. While Cochard, Nguyen-Van, and Willinger refer to this finding as a reciprocity effect, it can also be interpreted as a learning effect. Again, there is a strong endgame effect, although it is observed very late in the games.

Dubois, Willinger, and Blayac (2012) found mixed support for the effects of dyadic embeddedness in a finitely repeated IG. In their experiment, subjects played in groups of six and in every period were paired randomly to play an IG. Compared to a treatment in which players cannot identify one another over periods, stable trustee identities lead to more trustworthiness but not to more trustfulness. Trustfulness only increased when trustors were also identifiable over the periods. While the game-theoretic arguments sketched in section 2.2 do not suggest that trustor identifiability matters, Dubois, Willinger, and Blayac find that two-sided identifiability allows for the emergence of bilateral trust-reciprocity in which trustfulness increases over time. Altogether, the evidence on dyadic embeddedness shows that informal norms of placing and honoring trust can emerge if the “shadow of the future” is large enough, although the success might depend on how the repeated interaction is exactly institutionalized.

Effects of network embeddedness

Experiments with trust games that include network embeddedness are still scarce. Bolton, Katok, and Ockenfels (2004; see also Bolton and Ockenfels 2009) compare one-shot TGs that are isolated encounters in the strict sense, finitely repeated TGs with the same partner, and a third treatment in which subjects play multiple one-shot TGs with different partners but obtain information about the past behavior of their partners in interactions with other subjects (for a similar setup and results, see Bohnet and Huck 2004). In the one-shot TGs, trustfulness and trustworthiness decline quickly after subjects have some experience. Trustfulness and trustworthiness remain high in the repeated TGs and collapse only in the last couple of rounds. This finding resonates with evidence on effects of dyadic embeddedness. In the third treatment with network embeddedness, there is initially less trustfulness and trustworthiness than in the finitely repeated TG setting, but trustees apparently learn fast enough that they have a problem if they do not honor trust. In this treatment, trustfulness and trustworthiness stabilize for some time in the middle of the series of interactions, although at a

somewhat lower level than if the TG is repeated between the same two partners. This suggests that network embeddedness is an imperfect substitute for repeated personal interaction (dyadic embeddedness). Finally, as in the repeated TG setting, trust collapses in the last rounds also in this treatment.

Bolton, Katok, and Ockenfels (2004) interpret their third treatment as an experimental implementation of a reputation system that is common for online transactions. The treatment could also be interpreted as a complete network in which information diffusion is perfect. Huck, Lünser, and Tyran (2010) varied network embeddedness more gradually. They had groups of four trustors and four trustees interact over thirty rounds. Every round, trustors and trustees were paired randomly to play a TG. In one treatment, trustors knew only their private history with trustees. In a second treatment, the trustors were located on a circle and knew also the history of their right-hand neighbor. In a third treatment, trustors knew the entire history. In accordance with theoretical predictions, trustfulness and trustworthiness increased with the level of information sharing, although the increase was not significant between all adjacent treatments. Somewhat surprisingly, Huck, Lünser, and Tyran (2012) find hardly any effect of network embeddedness in a highly similar experiment. Note that the Huck, Lünser, and Tyran (2010) and the Bolton, Katok, and Ockenfels (2004) reputation treatments involve opportunities for learning as well as control through third parties. While indicating that network embeddedness matters, these experiments leave open through which mechanism—learning or control or both—network embeddedness promotes trust.

Buskens, Raub, and Van der Veer (2010) introduce a network setting with subjects playing finitely repeated TGs in groups of three. There are two trustors who take turns in playing with the same trustee. The design varies network embeddedness, namely, whether or not a trustor obtains information about the interactions the other trustor has with the trustee (see Barrera and Buskens 2009 for a related study on the IG). As expected, there is more trust in the condition with network embeddedness. Similar to findings from other experiments, within dyads, trustors are more trustful after positive experiences with the trustee, and trustfulness as well as trustworthiness collapse near the end of the game. This is once again evidence for dyadic control as well as dyadic learning. The theoretical analysis of Buskens (2003) implies that the decrease in trustfulness and trustworthiness should start later with network embeddedness because of the network control effect, that is, because all actors know that a *single* abuse of trust can lead *both* trustors to stop placing trust. Buskens, Raub, and Van der Veer (2010) do not find evidence for this network control effect on the trustfulness of the trustors: the increase in trustfulness is purely based on network learning. Still, they do find evidence for network control effects on trustworthiness of the trustee. They offer a bounded rationality argument for why network control has an effect only for trustees and not for trustors: the trustee needs to anticipate third-party sanctions, while the trustor needs a further step of strategic reasoning—namely, anticipating that the trustee anticipates the third-party sanctions. One might expect that this bounded rationality argument disappears when subjects gain more experience with the game,

but this is not confirmed in a setup in which subjects play more replications of the repeated game (Van Miltenburg, Buskens, and Raub 2012). Cassar and Rigdon (2011) investigate trust in three actor-networks in the IG, but they apply one-shot interactions. Therefore, the type of learning effects they consider differs from the type of embeddedness effects we considered here.

Summarizing, the experiments on network embeddedness show that networks can be considered informal institutions that enable norms for placing and honoring trust and that complement or substitute effects of dyadic embeddedness. Still, the precise mechanisms that produce the effects of network embeddedness are not completely in line with the mechanisms predicted by the game-theoretic models.

Emergence and effects of endogenous network embeddedness

Experiments with trust games that include endogenous network embeddedness are even more scarce than trust experiments with exogenous network embeddedness. Frey, Buskens, and Corten (2016) study investments in and effects of endogenous network embeddedness in an experimental setup in which two trustors interact a finite number of times with the same trustee in TGIs. Before the TGIs are played, the trustee is privately told his type and there is an opportunity to invest some “points” to establish network embeddedness—information exchange between the trustors about the behavior of the trustee. The experiment replicates the finding that network embeddedness facilitates trust (see section 3.2). Moreover, the substantial levels of investments in establishing network embeddedness by trustors as well as trustees confirm that actors may invest in network embeddedness in the expectation that this benefits them in the trust interactions. Frey, Buskens, and Corten also tested the hypothesis of an inverse U-shaped relation between the size of the trust problem and investments in and effects of network embeddedness (see section 2.4) but found no support for this hypothesis. Specifically, network effects were not diminished, and investments in network embeddedness were not less frequent, in experimental conditions in which the trust problem was very large (low probability π of a reliable trustee) or very small (large π). This lack of support should be interpreted with some caution because subject behavior turned out to be generally rather insensitive to the manipulation of π . A final noteworthy finding of Frey, Buskens, and Corten is that network embeddedness tends to promote trust more strongly if it is established endogenously rather than imposed exogenously. This could be due to self-selection: actors who are sensitive to network embeddedness are more likely to establish it. Also, the result could be due to costly signaling: a trustee’s costly investment in establishing embeddedness credibly signals that he has no intention to abuse trust (see Frey, forthcoming, for a theoretical model of investments in network embeddedness as costly signals of trustworthiness).

In the Frey, Buskens, and Corten experiment, participants took explicit networking decisions, but once a link for information sharing between the trustors was established, information was exchanged automatically. Another approach to the study of the emergence and effects of information networks is to focus on the actual use of potentially costly opportunities to pass on or request information. Experiments following this approach have also shed some light on the conditions under which actors will endogenously exchange information. In the study of Abraham, Grimm, Ness, and Seebauer (2014), subjects interacted in groups of four trustors and four trustees over a finite number of periods. Every period, trustors and trustees were first randomly matched to play an IG, and then the trustors could pass on information about their transactions. In a control treatment in which trustors could not pass on information, trustfulness and trustworthiness were significantly lower than in various treatments with a possibility for information sharing, including treatments with costly information sharing. Trustors shared information most frequently when shared information was made available to all trustors rather than to only one randomly chosen trustor and when sharing information was free of costs. Gerxhani, Brandts, and Schram (2013) study the use and effects of information sharing in experimental labor markets, representing employer-employee interactions in a game that differs somewhat from the trust games described in section 2. Their findings indicate that an employer may be willing to answer a request for information about a job candidate's past performance by another employer even if this is costly, motivated by the expectation that the benefiting employer will later reciprocate the favor. In treatments in which anonymity prevented direct reciprocity, information sharing was also frequent and probably motivated by employers wanting to contribute their share to the provision of a collective good—namely, incentives for trustworthiness—and expecting that others will only contribute their share so long as contribution levels are sufficiently high. Finally, in an experiment designed to represent the situation of money lenders, Brown and Zehnder (2007) show that trustors (lenders) may contribute to institutions for information sharing about clients even if they are in competition with some of those who could benefit from the information they contribute.

It has been mentioned that other elements of the interaction between trustors and trustees can be endogenized, too, in theoretical models. Empirically, Kollock (1994) studied the role of trust in the formation of long-term relations in a contextualized trust experiment with buyers and sellers and showed that buyers were more likely to form long-term relations (established dyadic embeddedness endogenously) if sellers could misrepresent product quality. Frey and Van de Rijt (2016) show in an abstract experiment with trust games that subjects are more likely to choose the same trustee after honored trust than in a setting that lacks the trust problem. Findings on the conditions under which commitments or other signals can induce trust can be found, among others, in Snijders (1996), Snijders and Buskens (2001), Bolle and Kaehler (2007) for one-shot games, and for repeated games in Przepiorka and Diekmann (2013).

CONCLUSIONS

We have shown alternative versions of trust games and also described how, employing game-theoretic tools and experimental research, they can be used to shed light on trust as explanandum. More specifically, we have highlighted that studying trust games can help to understand how macro-conditions—various forms of embeddedness—affect trust by providing a basis for self-enforcing informal norms and institutions of conditional trust. We have likewise shown that game-theoretic equilibrium behavior can induce actors to actively modify the conditions under which they subsequently interact in trust games so that informal norms and institutions of conditional trust become self-enforcing. While there is quite some research on effects of exogeneous embeddedness, endogenous embeddedness is less well explored theoretically and experiments with endogenous embeddedness are still scarce.

Experimental evidence shows that, not surprisingly in light of what is common in social science, quantitative point predictions from game-theoretic models fail. Alternatively, we sketched, using Coleman's diagram, how game-theoretic models can be employed for generating qualitative hypotheses on embeddedness effects, based on comparative statics. Such hypotheses on changes “at the margin” often succeed in predicting the signs of coefficients. Still, there is room for improving the accuracy of such predictions. In general, assuming game-theoretic rationality together with the selfishness assumption of “utility = own money” seems problematic, not only in the sense of being incompatible with experimental evidence for quite some trust in isolated encounters but also in leading one to expect considerably more trustfulness and trustworthiness in embedded settings than experimental evidence shows (see Bolton and Ockenfels 2009 for a similar observation based on evidence from research on reputation systems for online markets).

Note, too, that our review focused on experimental evidence on trust games. Experimental designs have advantages, but for establishing the robustness of empirical findings and regularities it seems quite useful to employ complementary empirical designs and data, that is, to use experiments as well as, say, survey designs, archival data, and vignette studies for testing the same sets of hypotheses on trust as an explanandum (see Buskens and Raub 2013 for further discussion).

From the theoretical end, we have throughout focused on game-theoretic models. Many assumptions in standard game-theoretic models can be seen as problematic. This is the case for the selfishness assumption and likewise for various rationality assumptions in such models. When one wishes to come up with superior models, the challenge is to satisfy a number of criteria simultaneously. Namely, one has to replace problematic assumptions of standard game theory so that the alternatives provide better accounts for the overall patterns of empirical evidence on trust games rather than exclusively accounting for some specific empirical “anomaly” relative to

game-theoretic predictions. Furthermore, one would need an alternative that, like game theory, models a core feature of trust games, namely, interdependence between trustor and trustee, and comes up with assumptions on how behavior in trust games is affected by such interdependency. Alternatives such as models including assumptions on other-regarding preferences or bounded rationality assumptions, including pure learning models, and other models from behavioral game theory go some way in this direction, but it is hard to overlook that such models are typically tailor-made for specific applications only. Given this, it seems certainly worthwhile to bet on theoretical pluralism and foster the development of theoretical alternatives rather than to prematurely dismiss alternatives.

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NOTES

1. For readability, “she” refers to the trustor and “he” to the trustee.
2. Rasmusen (2007) is a textbook on game theory that is accessible to readers with modest training in formal theoretical models. Where necessary, we provide intuition on game-theoretic concepts and assumptions. We refer the reader to Rasmusen’s book for further information. Unless explicitly indicated otherwise, we use the standard assumptions sketched here for all games discussed in this article.
3. If the amount M_1 sent by the trustor is “small,” a “small” amount K_2 returned by the trustee could also be interpreted as a punishment the trustee inflicts on the trustor for not trusting the trustee.
4. Note that we use “trust game” generically for games introduced in this section, while “Trust Game” and TG refer specifically to the game in Figure 14.1.
5. A very similar result can be obtained for an indefinitely repeated Investment Game and, indeed, for a large class of other repeated games. The equilibrium, however, is not unique. For example, never placing trust, while placed trust would always be abused, is always an equilibrium of the indefinitely repeated game. The “folk theorem” (e.g., Fudenberg and Maskin 1986; Rasmusen 2007, chap. 5.2) for repeated games implies that the indefinitely repeated TG has many other equilibria, too, for large enough w . See Buskens and Raub (2013, 125) for a brief discussion of this issue.
6. See Buskens and Raub (2013) for additional information on some of the experiments reviewed here as well as on complementary evidence employing survey studies and vignette designs.

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P A R T V

**COMPARATIVE
STUDIES OF TRUST**

CHAPTER 15

TRUST IN NEWLY DEMOCRATIC REGIMES

NATALIA LETKI

INTRODUCTION

WHY does trust in new democracies deserve a separate chapter in this volume? The answer to this question relates not to trust and its dimensions per se but to a specific relationship between trust and the institutional environment in these countries before and after democracy was instilled. The most important challenge that newly democratized countries face is to consolidate their new, democratic institutions, and this is where both social and political trust are expected to play an important role. At the same time, neither authoritarian legacies nor unstable transitional contexts are conducive for the emergence of trust. To discuss these complex relationships, this chapter will touch upon a number of issues covered by other chapters in this volume, but it will do so with an emphasis placed on the context of weakly institutionalized and frequently unstable democracies as well as on the regimes that preceded them. In particular, I will discuss the differences in the role trust plays and the way it is created under democratic and nondemocratic regimes and why these legacies matter in newly democratized states.

DEMOCRATIZATION AND TRUST

Between the mid-1970s and mid-1990s, democracy was adopted in a large number of countries in Southern Europe, Latin America, Asia, Africa, and Central and Eastern Europe. This so-called third wave of democratization (Huntington 1993: 16) resulted in the highest overall number of democracies in the world ever. The determinants and consequences of the democratization process as well as prospects for democratic deepening and consolidation have been on the research agenda since the beginning of the third

wave. But in a 1999 review article, titled “What Do We Know about Democratization after Twenty Years?” neither interpersonal nor political trust was mentioned (Geddes 1999). This is indicative of the fact that trust was largely absent in the early studies of the third wave of democratization despite its prominent role in the influential approach making democratization and democracy conditional on “political culture” (Almond and Verba 1963).

An increased interest in the role trust plays in the introduction and consolidation of democracy appeared in connection with the collapse of communism in Central and Eastern Europe. The damaging effect of authoritarianism on the structure of social relations, including trust and related attitudes, was thought to be greater in postcommunist countries than in any other authoritarian society undergoing democratization in the second half of the twentieth century. Under communism, citizens’ political rights and civil liberties were restricted and their private lives were regulated by the state. As a result, postcommunist citizens were expected to be full of distrust toward their fellow citizens and the state, making the successful introduction of participatory liberal democracy and a market economy unlikely (Paldam and Svendsen 2001; Putnam et al. 1994). Social trust and its consequences in newly democratized Central and Eastern European countries therefore became a topic of scholarly interest, while in other regions the focus was placed more directly on civic activism and civil society (Linz and Stepan 1996).

Political trust was also initially not the major issue on the research agenda in the context of democratizations, where more interest was shown in evaluative opinions, such as satisfaction with government performance, satisfaction with democracy and market economy more generally, or indicators of diffuse support, such as preference for democracy as the best form of government. It was, however, recognized that political trust—as one of the fundamental dimensions of a system’s legitimacy—is something necessary for new democracies to last (Boyer 1992; Levi and Stoker 2000). The majority of democratizations originated in citizens’ discontent with and lack of confidence in authoritarian governments and their institutions, usually in the context of a stark economic crisis. However, the introduction of democratic government and economic reforms did not automatically increase citizens’ trust in political institutions, and political trust further declined in all new democracies, raising questions about their prospects for consolidation (Catterberg and Moreno 2006).

The expectations about the causes and consequences of trust in democratization and democratic consolidation were formed on the basis of the link between trust and quality of democracy in stable, fully democratic regimes. The prominence of the cultural approach, based on the famous concept of political culture (Almond and Verba 1963), led to rather pessimistic predictions about the future of democracy in formerly authoritarian regimes due to their legacies of social and political distrust. To understand the exact relationship between social and political trust and qualities of new democracies is not an easy task. First, we lack data on levels and structure of trust in third-wave democracies during their authoritarian times. Second, trust in new democracies reflects a combination of various factors that are difficult to disentangle, not only because they

co-vary but also because they influence each other. Below I will reconstruct both pre-democratic legacies and the experiences of transition in the light of causes and consequences of trust.

TYPES OF TRUST AND RELATIONSHIPS BETWEEN THEM

The conceptualizations that are most relevant for this chapter are the distinctions between social and political trust and between generalized and particularized social trust. They are both elaborated upon in detail in other chapters of this volume (Bauer and Freitag, this volume; Newton et al., this volume), and so here I will discuss them very briefly. Political trust is defined as the feeling that the government acts in the individual's or public's interest (Boyer 1992; Levi and Stoker 2000), while the distinction between particularized and generalized social trust builds on the conception of a "radius of trust" (Fukuyama 2001) and refers to trust and reciprocity networks formed with family and friends (particularized trust) or with more or less distant strangers (generalized trust). Particularized trust is based on familiarity and predictability stemming from previous repeated interactions; it ties egos with alters, who are in many respects similar to egos, and makes networks homogenous and tightly knit. Generalized trust, on the other hand, is placed in alters who are either vaguely known or completely unknown to egos. It is therefore more likely that alters are dissimilar, come from different groups than egos, and have access to different resources. Generalized trust allows for a greater flexibility than particularized trust when creating networks of exchange (such as in business relations) and in modes of exchange, as it does not limit exchange participants to familiar and "tried-out" exchange patterns. While both types of trust can be used to facilitate exchange and cooperation, narrow-radius trust (particularized trust) limits the relations of trust and reciprocity to the close circle of family and friends.

While people naturally tend to form strong ties based on homophily and familiarity, they will form weak ties only if these options are possible and beneficial for them or their communities. Social organization, attitudes, and patterns of behavior tend to adjust and fill in the institutional framework. Institutions, therefore, create both opportunities and constraints that shape the attitudinal bases of social interaction. Here is where the crucial difference between new and stable democracies appears: citizens in new democracies tend to rely on particularized trust, which is partly a legacy of the authoritarian past and partly a product of transition to democracy and market economy. To change the balance between particularized and generalized trust in favor of the latter, new democracies need trustworthy, reliable, and transparent institutions that citizens can trust as guarantors of the safety and predictability of social interactions (Levi and Stoker 2000; Sztompka 1999). A reliable and trustworthy state "enhances the

sense of security, promotes cooperation, and evokes a willingness to take risks even among strangers or relative strangers" (Cook et al. 2005, 160). However, new democracies tend to have low levels of trust in institutions, which again is partly a legacy of the authoritarian past and partly results from the painful political and economic reforms that began jointly with the process of democratization. Rose (1995) has described new, postcommunist democracies of Central and Eastern Europe as resembling an hour-glass: with strong, closely knit trust ties at the bottom and vibrant cooperation and strong trust and reciprocity at the top (among the political elites using and abusing state resources), but there is little connection between the two layers. Strong distrust toward institutions prevents citizens from becoming politically integrated and does not allow them to use the institutions for their own advantage. Conversely, institutions have no interest in being responsive and transparent or in citizens having trust in them (Rose 1995). This constitutes the paradox of new democracies: the low quality of institutions stimulates citizens' distrust toward them, which reinforces the patterns of in-group social trust and interaction based on day-to-day familiarity. This, in turn, limits citizens' capacity to collectively influence and shape political processes and impose sanctions on inefficient and partial institutions. Therefore, the main challenge new democracies have to face is to build institutional trust and to transform dense, particularized social trust into generalized trust. Overcoming the vicious circle between political and social distrust is crucial for tipping the balance between partial democratization and a fully fledged, consolidated democracy.

WHY DOES TRUST MATTER?

In new democracies, social and political trust have the same functions and benefits as in mature democracies: they provide the system with legitimacy and make horizontal (between citizens) and vertical (between citizens and the state) cooperation possible. Neither legitimacy nor voluntary cooperation and compliance were important under the authoritarian regime, as it could rely on coercion instead of consensus and cooperation. Authoritarian regimes do not have to be concerned with legitimacy, citizen support, or citizens' confidence in the system, because they can suppress—through political manipulation or military power—any signs of dissent or dissatisfaction. Under a democracy, state coercion must be replaced by citizens' voluntary compliance, and compliance cannot be achieved without institutional and interpersonal trust (Letki 2006; Marien and Hooghe 2011; Rothstein and Uslaner 2005).

Therefore, in countries where the success of political and economic reforms depends on citizens' support, low institutional trust is likely to signal that the entire process of transformation is at risk. In stable democracies citizens can distinguish between the qualities of the political system and the quality of institutions within this system, and showing distrust is interpreted as a sign of healthy skepticism and the rise of a critical citizenry. Given that democratic quality is ensured through continuous checks and

verification by skeptical citizens, low trust in institutions is not necessarily an unhealthy symptom (Mishler and Rose 1997; Norris 1999). In new democracies, people's experience of how the democratic system works and what this form of government offers to people is limited, and they are likely to conflate the inefficient and corrupt institutions they encounter with the workings of a democratic system in general. Given the fragility and weak institutionalization of new democracies, low levels of institutional trust undermine the legitimacy not only of the government but also of the democratic system as a form of government. Persistent institutional distrust may therefore lead to the withdrawal of support for democratic reforms and to democratic backsliding.

Lack of trust toward institutions has a direct effect on citizen behavior: those who distrust institutions do not get involved in the political process nor do they contribute their money to the system (Catterberg and Moreno 2006; Hammar et al. 2009; Howard 2003; Letki 2006). Moreover, when they distrust their fellow citizens, they will not believe that others are lending political and economic support to the newly built democratic state, which is likely to lead to a "massive 'prisoners' dilemma'" inhibiting political and economic development (Power and Clark 2001: 56). Sztompka argues that trust and democracy are in a mutually reinforcing relationship: "trust is produced by democracy, and helps to sustain democracy" (Sztompka 1999, 139). His list of trust-dependent features of democracy captures the reasons why not only political but also interpersonal trust is important for the quality of a new democracy: communication and coordination, compromise and consensus, and "civility" of public discourse are all based on mutual trust and respect (Sztompka 1999, 147). Although introducing democracy opens up venues for citizens to express their will, their preferences, and their support for reforms, offering opportunities for participation is not sufficient for citizens to get actively involved. Trust in political institutions, the democratic process, and fellow citizens' co-participation are necessary to lend credibility to participation and turn it into a meaningful process. As Mishler and Rose put it: "trust is necessary so that individuals may participate voluntarily in collective institutions" (1997, 419).

Although the arguments linking interpersonal trust with support for democracy seem to be convincing, the empirical evidence for this relationship is not entirely unanimous. Scholars such as Power and Clark (2001) demonstrate a strong effect of interpersonal trust on support for democracy and democratic reforms across a number of Latin American countries, and similar results have been presented for Eastern Europe (Dowley and Silver 2002; Waldron-Moore 1999), but no relationship between social trust and support for democracy was detected in Africa (Bratton et al. 2005). In contrast, empirical studies of political trust unanimously identified its significant positive effect on support for democracy and rejection of authoritarian alternatives (Bratton and Mattes 2001; Kunioka and Woller 1999). As regards compliance and participation, both tax behavior and political and civil engagement in new democracies have similar determinants as those found in stable democracies, including trust. People who trust others and those who have confidence in political institutions are more likely to pay taxes, vote, follow politics, and join political parties and voluntary associations (Howard 2003; Letki 2004; Letki 2006; Uslaner 2003).

PREDEMOCRATIC LEGACIES

One of the early theses of scholars dealing with democratizations was that “dictatorship destroys social capital,” including trust in other people (Paldam and Svendsen 2001; Uslaner and Badescu 2004). Since in nondemocratic regimes spontaneous grassroots activism is outlawed and perceived by authorities as a threat to their dominant position within the system, citizens in authoritarian regimes do not get an opportunity to “learn to trust” through joint endeavors. Moreover, whether the regime was a military autocracy, an authoritarian one-party state, an autocracy, or an ethnic oligarchy, the power of political elites relied on citizens living in distrust and uncertainty so that they were unable to organize effectively against the regime. They were discouraged from forming horizontal ties—even informal ones—and encouraged to offer their loyalty and support exclusively to the state. Activism outside the scope permitted and promoted by the state was treated as defiance and disobedience, and thus was penalized. Citizens were also encouraged to inform the state of other people’s instances of disobedience, and such loyalty was rewarded with benefits, such as increased access to scarce goods (Bahry and Silver 1987; Diaz 1993).

Particularized Trust

Societies under nondemocratic regimes are often portrayed as a collection of isolated, distrusting individuals who fear not only the state but also each other (Jowitt 1991; Markova 2004; Sztompka 1999). This extreme vision has been supplemented with accounts emphasizing the functionality of trust, especially in conditions of economic scarcity and political uncertainty. When the state is letting citizens down, they are forced to rely on each other to “get things done” (Rose 1995; Rose-Ackerman 2001). It has been argued that, paradoxically, when institutions are unstable and inefficient, and public and market goods and services are provided haphazardly and scarcely, strong norms of trust and reciprocity may emerge as these are the important mechanisms citizens can rely on in their everyday lives (Booth and Richard 1998).

Examples from Central and Eastern Europe are particularly suggestive: in response to the unpredictable and hostile institutional environment and severe economic shortages, citizens of communist states formed tight networks of trust and reciprocity they could rely on for everyday provision of goods and for support (Rose-Ackerman 2001; Rose 2000). Trust in fellow citizens’ honesty and willingness to reciprocate acts of support became the key mechanism on which social exchanges were based, as the state guarantees and appropriate law enforcement were lacking. Informal exchange, based on trust, was the prevalent mode of trading under communism and as such performed an important economic role (Ledeneva 1998; Paldam and Svendsen 2001; Stark and Bruszt 1998). Similar stories are reconstructed by investigations into informal market practices in Latin America, where the state was unable to curb the spiraling economic

crisis of the 1980s. Subsequent introduction of neoliberal reforms led to a rapid rise of inequalities and an even more pronounced state's inability to effectively provide public goods. This in turn forced the citizens to rely on small-scale informal social support and trading to "repair" market and state failures (Wydick 1999). Also in Africa, informal exchanges and small-scale trading have allowed people to survive in the context of fractured and underresourced state services and pervasive clientelism (Adato et al. 2006; Bratton 1989).

On the other hand, in authoritarian regimes the state's capacity to ensure the credibility of individuals' commitments is limited because the state's institutions are not seen as credible themselves. Corrupt and inefficient institutions are neither capable of nor interested in providing a stable framework for citizens' interactions. Therefore, with little or no institutional protection, it is only safe to place trust in those one knows. As a result, people turn to their immediate family and friends. In ethnically divided, patrimonial regimes this means that they turn almost exclusively to their ethnic group's members. This results in particularistic and limited trust networks, which, even if strong, functional, and capable of giving the informal economy some short-term traction, are unsuitable for flexible and wide-reaching cooperation necessary for the development of a market economy or political collective action.

Political Trust

In authoritarian regimes, the state presents itself as a benevolent giver of welfare and social support but, at the same time, as a strict regulator of citizens' minds and political opinions. A continuous economy of shortages allows the state—"the main repository of resources for economic growth and social welfare"—to grant discretionary access to goods and services needed by citizens, often resorting to bribery and extortion (Bratton 1989, 407). Personal dictatorships and racial and ethnic oligarchies in Africa built their power by deepening ethnic divisions and mobilizing them politically, at the same time thwarting any form of spontaneous civic activism (Bratton et al. 2005). During the more repressive phases, authoritarian regimes committed atrocities that made citizens not only distrust but also fear and openly hate their political leaders, with the Argentinian "dirty war" (1976–1983) or the Stalinist period in Central and Eastern Europe being the best examples. Even in peaceful times, the institutional power in nondemocracies was virtually unlimited, unpredictable, and often erratic, which reflected the state's strategy to control the people against their will and keep them in an inferior and uncertain position. It is pointed out that a sense of life control is low where the state's main aim is to control citizens' lives, and the sense of life control is "the core of a trust-enabling optimistic outlook" (Uslaner 2002, 81).

Although military autocracies of Southern Europe and Latin America, authoritarian and totalitarian one-party states of Central and Eastern Europe, and ethnic autocracies of Africa represent different political regime types, from the point of view of the relationships between citizens and the state and their effect on horizontal ties between

citizens, these regimes are remarkably similar. The experience of manipulation, extortion, military violence, economic shortages, administrative inefficiency, and the state's control over citizens' private and public lives have all contributed to a lack of confidence toward the state and its institutions. Similarly, if the honesty and trustworthiness of citizens are not reinforced by a quality regulatory and legal framework, and citizens are encouraged to betray others' confidence in order to appear loyal to the state, generalized social trust is unlikely to emerge and become a social and cultural norm (Linz and Stepan 1996; see Paldam and Svendsen 2001). These experiences—direct or passed on by older generations—instill persistent patterns of distrust toward the state and its institutions.

THE TRAJECTORY OF TRUST IN NEW DEMOCRACIES

The bleak picture of new democracies struggling with the legacy of social atomization and pervasive distrust is not fully supported by empirical studies. For example, a 1990s study comparing the composition of social networks across a number of formerly authoritarian countries (Russia, Poland, Bulgaria, Hungary, and Spain) and stable Western democracies (France and the United States) demonstrated that new democracies varied in respect to the network composition of weak and strong ties (corresponding to generalized and particularized trust, respectively). The ties formed in these countries were on average more often "weak" than "strong" and significantly "weaker" than in the United States (and similar to France). Moreover, the ties altogether (weak and strong ties combined) were on average larger than in the United States and similar in size to France. A direct comparison of the levels of social trust across a number of countries shows that while post-authoritarian and post-totalitarian regimes tend to have, on average, lower levels of trust than stable democracies (in some cases as low as 6.6% in Brazil and 15.8% in Romania),¹ in some cases trust is higher than in stable democracies (e.g., 34% in Poland and South Korea in comparison with 26.5% in Switzerland and 28.4% in Austria) (Gibson 2001; Uslaner 2003). While the persistence of particularistic trust related to active friendship networks in postcommunist Europe has been used to explain civic passivity and disengagement (Howard 2003), an actual comparison of the "radius of trust" across a large number of countries points to large discrepancies in in-group versus out-group trust. New democracies such as Poland or Slovenia are among countries with the widest radius of trust, while Romania and South Korea are among the countries with the narrowest radius of trust (Delhey et al. 2011; see also Delhey and Newton 2003). Similarly, in Africa an average 18% of respondents (from a survey of 10 countries in 1990) said that "most people can be trusted." However, not only is there a considerable variation within this region but also this trust has a very narrow radius: "most people" are mostly family and neighbors; few trust members of other "ethnic groups" (Bratton et al. 2005).

Another study demonstrated that in Russia networks had shrunk and became more homogenous and limited between 1992 and 1996 (Gibson 2001). This suggests that post-authoritarian democracies initially enjoyed relatively high levels of trust and that generalized trust played a more important role than particularized trust, but levels of generalized trust diminished as a result of transition. The argument that social trust may decline as a result of transition has also been put forward by Letki and Evans (2005), who suggested that in the mid-1990s those postcommunist countries in Central and Eastern Europe that were more advanced in terms of political and economic reforms had significantly lower levels of social trust (see also Rose-Ackerman 2001). They argued that since interpersonal trust in nondemocratic regimes substituted for formal institutions, its relevance declined as these institutions developed and consolidated in both politics and the economy.²

As regards political trust, Catterberg and Moreno (2006) demonstrated that in most new democracies it also declined in the course of transition. This partially reflects a “post-honeymoon effect,” when citizens’ increasing expectations toward institutions are not met with improving performance. Often there is a substantial degree of instability and unpredictability in social, political, and economic contexts, accompanied by deteriorating living standards and corruption. In new democracies, confidence in institutions is particularly strongly affected by evaluations of their macro- and micro-level economic performance, including reduced welfare provisions and the effects of neoliberal reforms (Bratton et al. 2005; Torcal 2006). Therefore, in 19 out of 21 new democracies (representing Latin America, Central and Eastern Europe, Africa, and Asia), confidence in parliament declined over the course of instillation and consolidation of democracy, in some cases by as much as 62% (Argentina), 57% (South Korea), or 55% (Lithuania). Confidence in civil service declined less strongly, but some countries still noted a very significant drop, for example, by 43% in Argentina or by 44% in Poland (Catterberg and Moreno 2006). This was considered as particularly troubling from the point of view of new democracies’ system legitimacy and their prospects for political and economic stability. In addition, it created unfavorable conditions for horizontal trust relations with fellow citizens.

Torcal (2006) showed that although in comparison with stable democracies new Southern European and Latin American democracies in the early 1990s had relatively low levels of confidence in institutions, there were some exceptions to this rule (most notably Chile, Uruguay, and Greece in the 1980s), and institutional trust in new democracies in these regions was not significantly lower than in the more established second-wave democracies, such as Italy. In a similar vein, Mishler and Rose (1997) noted that it had been skepticism rather than distrust toward institutions that had prevailed in Eastern European democracies in the mid-1990s. They demonstrated that, although negative evaluations of macro-economic performance and personal economic circumstances were dragging down confidence in institutions, the favorable comparisons in terms of political freedoms and liberties with the previous communist regime lent a substantial amount of support to new, democratic institutions by virtue of their dissociation with communism (Mishler and Rose 1997).

Figure 15.1 presents average scores of social and political trust for four groups of new democracies. The earliest data points are available for the late 1980s through early 1990s, which for Southern Europe is not really the immediate after-transition period. Moreover, they are only available for several countries. Comparisons of levels of social trust between regions are not meaningful, because, depending on the country, the “most people can be trusted” question captures a different radius of trust (Bratton et al. 2005; Delhey et al. 2011; Freitag and Bauer, this volume). Still, over-time comparisons within each group are informative. It is evident that in Latin America, initially, the average level of trust in others was around 18% (in fact it was 23% in Chile and 25% in Argentina, but only 7% in Brazil), but it subsequently declined to a mere 12.3% (and the same trend was present in all countries of the region). The trend in Southern European countries is very similar in magnitude to Latin America, with a decline from 27% to 20%, even if overall levels of trust are higher than in Latin America. In contrast, levels of social trust in Eastern Europe were at the relatively stable level of 22–24%, with the

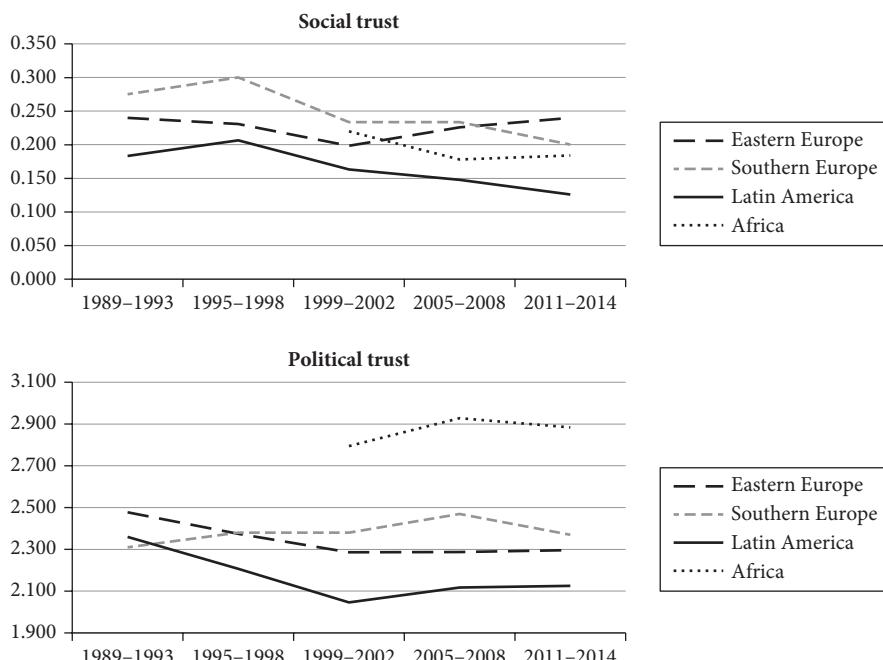


FIGURE 15.1 Trends in social and political trust

Note: Data points represent averages from the mean scores for the following countries: Eastern Europe: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Slovakia, Slovenia; Southern Europe: Greece, Portugal, Spain; Latin America: Argentina, Brazil, Chile, Peru, Uruguay; Africa: Botswana, Ghana, Namibia, Senegal, South Africa. Social trust: Share of population answering “Most people can be trusted” rather than “You can’t be too careful.” Political trust: Eastern Europe, Southern Europe, and Latin America: Average value for the questions regarding confidence in armed forces, civil service, government, justice system, parliament, on a scale 1. None at all, 2. Not very much, 3. Quite a lot, 4. A great deal. Africa: Average value for the questions regarding confidence in courts of law, national electoral commission, police, president, on a scale 1. None at all, 2. Not very much, 3. Quite a lot, 4. A great deal. Data sources: Eastern Europe, Southern Europe, and Latin America: World Values Survey. Africa: Afrobarometer.

exception of the period 1999–2002, when it fell below 20%. Finally, with only three data points it is difficult to assess any trends for Africa. However, if not for the fact that in Senegal 30% of people expressed trust in 2011–2012, we would have seen a decline from 22% in 1999–2002 to 12.4% in 2011–2014. Overall, there seems to have been a significant decline of social trust in all new democracies with the exception of Eastern Europe; there are no indications that in any of the four regions trust in people was growing as democracy was consolidating.

As regards political trust, the pattern is different. Between 1989 and 2002, Latin America and Eastern Europe noted a significant decline of trust in institutions (from 2.36 to 2.05 on a 1–4 scale, and from 2.48 to 2.29, respectively), followed by a subsequent mild increase (Latin America) or stabilization (Eastern Europe). In contrast, in Southern Europe, which was already at a more advanced stage of consolidation, political trust was fairly stable at around 2.38 (on a scale from 1 to 4), with an increase to 2.5 in 2005–2008. Finally, as in the case of social trust, for Africa we have only three data points, and for these measurements levels of political trust were fluctuating (also in individual countries), but there was no sign of any substantial decline. These results are inconsistent with previous research on patterns of political trust in new democracies, as they noted significant decline during their initial years as a democracy (Catterberg and Moreno 2006), and they are more consistent with the thesis about political “skepticism” rather than “distrust” permeating societies in new democracies (Mishler and Rose 1997). These two positions can be easily reconciled if one notes a decline of political trust in the very early stage of transition, followed by an increase or stabilization as democracy consolidates.

Even if low levels of social and political trust that many new democracies are struggling with can be attributed to legacies of nondemocratic regimes, the decline of either social or political trust cannot. There are certain processes associated with democratization that may erode trust and I am going to turn to them next.

TRUST AND MALADIES OF NEW DEMOCRACIES

Pinning down causality between social, political, and economic processes in democratic transitions is difficult, as even most radical and disruptive reforms do not completely interrupt or bring social life to a halt. Continuity of social relations determines institutional changes, but, at the same time, these very relations are determined by the changes of the institutional order. While this mutual interdependence is certainly challenging, based on existing research we can confidently single out some processes that become exacerbated in the context of democratization. Maladies such as corruption, a grey economy, or ethnic divisions are present in authoritarian and democratic states alike, but the process of transforming a state from one type to another creates

conditions under which numerous negative phenomena intensify. The fragility of the regulatory framework of new democracies, the vulnerability of their political and social institutions, and the radical economic liberalization accompanied by withdrawal of state assistance are among the factors that aggravate social and economic polarization and alienate people from the state and from each other.

Grey Economy and Corruption

New democracies are plagued by the informal economic relations that run parallel to the official economy, and new, weakly rooted political institutions are vulnerable to abuse. In a context when revenue is scarce and the economy is in crisis, citizens' withdrawal from the official economy is particularly costly for the regime, as it further undermines its capacity to build social support for the reforms and a further consolidation of democracy.

The relationship between the grey economy and trust is complex. On one hand, informal and illegal practices—as with all types of bilateral transactions between individuals and companies—are based on trust and reciprocity, which enable cooperation, even without institutional backup and protection (Raiser et al. 2008). At the same time, in the context of weak enforcement and an imperfect rule of law, the economic environment relies predominantly on family and friends. This reduces risk but also increases incentives to avoid tax. Given that in new democracies this type of particularized trust prevails in business relations, interpersonal trust is used to evade the law or openly defy it on a large scale (Alon and Hageman 2013). Informal exchanges based on the pretransition networks of trust and reciprocity strengthen the familiarity-based connections and amplify the intergroup divisions (Ledeneva 1998; Wallace and Latcheva 2006). Moreover, an emphasis on relational transactions and strong networks additionally weakens the formal market, deterring new entrants and preventing the potentially more profitable transactions (Raiser et al. 2008). Therefore, particularized social trust does not provide a stable contribution toward the strengthening of the system politically and economically.

The size of the informal economy is specific to a given country's predemocratic reliance on informality and its experience of market reforms (Gerxhani 2004), but in all cases participation in the grey economy is linked to high levels of distrust toward institutions (Saavedra and Tommassi 2007; Wallace and Latcheva 2006). Dissatisfaction with the quality of institutional performance in terms of service delivery, in addition to their partiality and arbitrariness, reduces institutional trust, which in turn weakens incentives to comply with the law (Uslaner 2007; Chan et al., this volume). Moreover, trust in business partners is lower when there is less trust in the reinforcement institutions (Raiser et al. 2008).

Distrust toward institutions is exacerbated by the common malady of transition countries and new democracies—corruption (Kaufmann 1997). Unofficial payments in order to secure access to key goods and services reduce citizens' confidence in

institutions' transparency and efficiency. Macro-level studies show that institutionalized extortion of payments by officials has greater negative consequences than petty corruption and bribery. It hampers economic growth and brings market and political reforms to a standstill (Shleifer and Vishny 2002). Corruption could not exist if it was impossible to enforce the corrupt agreements; in order to work effectively, corruption must be based on mutual trust (Uslaner 2008). To turn privileged access into profit, one needs a reputation that will be known but not reported; to buy access to goods one needs to trust the "seller." Neither of the two sides of a corrupt exchange can be protected by the law, and thus they have to rely on mutual trust. However, as with any illegal situation, in the case of corruption it is only safe to trust those you know (Rose-Ackerman 2001; Uslaner 2008). Therefore, the popularity of particularized trust inherited from the previous regime feeds all practices based on informality, including corruption, while corruption undermines institutional quality and performance. This, in turn, leads to low trust in institutions. Eventually, the development of generalized trust is hampered, which leads to increased reliance on corruption and other forms of informality. Countries where particularized trust dominates have higher levels of corruption, and those where social trust has a wide radius are capable of curbing informal and illegal practices (Alon and Hageman 2013).

Inequality

The relationship between inequality and democracy has been widely studied, with a consensus gradually emerging that points to a positive effect of inequality on democratization (Ansell and Samuels 2010), but a strong negative effect on democratic consolidation: "inequality increases the probability of backsliding from democracy to dictatorship" (Houle 2009, 591). The mechanisms linking wealth distribution with democratic survival rarely refer to trust directly, but the link from inequality to social and political (dis)trust is well documented, and so is the relationship between social and political (dis)trust and democracy. States may remain unequal throughout their respective democratization processes (e.g., Nigeria or Peru), and others become more unequal as a result of this process (e.g., Russia). Therefore, almost all new democracies experience either high levels of income inequality inherited from their authoritarian period or levels of inequality that, even if not extremely high by objective standards, are still higher than in the past. In both cases, categorical inequality and a decline of "policy insulation" undermine support for a new, democratic system (Tilly 2003).

Once the economy is liberalized, reforms are enacted (often under the auspices of international institutions and with little sensitivity to "local" problems) and the welfare state is reduced. Social structure polarizes as inequalities grow, which breeds in-group trust at the expense of generalized trust and solidarity (Rothstein 2011; Uslaner 2002; Zak and Knack 2001). In 1989, when the transition began, the Gini index in Central and Eastern European countries was low (around 0.250), and by the mid-2000s it rose to the European average (around 0.350) or higher (in Russia, to 0.400) (Nolan et al. 2014).

Even the most successful reformers, such as Hungary, noted increase in inequalities in the early stage of transition (from 0.236 in 1987 to 0.302 in 2003; Nolan et al. 2014). Although most postcommunist countries did not experience excessive inequality levels by international standards, the rapid differentiation of income distribution had a negative effect on social bonds and social cohesion (Uslaner 2008). The only country that remained equal “despite the transition” was Slovenia, with a Gini index of 0.240 throughout the entire transition period (Nolan et al. 2014).

Greece and Spain experienced a decline of inequality (from a Gini of around 0.320), but in Portugal inequality increased (from a Gini of 0.329 in 1989 to 0.373 in 2005). Both Spain and Portugal had one of the highest levels of inequality in the European Union (EU) (Nolan et al. 2014). Similarly, neoliberal reforms that were introduced to curb the crisis in Latin America in the 1980s resulted in a rapid polarization of the social structure. In Chile and Brazil, Gini increased substantially from already high levels to above 0.56, while in Argentina the increase was more modest (from 0.420 to 0.450) (Vos et al. 2002). In Africa democratizing countries remained extremely unequal (with Gini exceeding 0.600), which limited the positive effect of economic reforms on poverty-reduction efforts (Fosu 2015).

Neoliberal economic reforms that accompanied most third-wave democratization processes prioritized economic growth at the expense of rapid social polarization, which exacerbated social distance and distrust between “winners” and “losers” of transition (Shlapentokh 1999). The two groups grew increasingly distant from each other and thus felt resentful rather than trustful toward each other. Wealth disparities undermined social ties between groups and lowered chances for cross-group trust and reciprocity. Between-group competition for resources made them hostile toward each other, and trusting out-group members became imprudent (Bjørnskov 2007). Moreover, rapid socioeconomic differentiation made “insulated trust networks” further consolidate instead of dissolving (Tilly 2003: 40). Growing distances between socioeconomic groups reduced their sense of shared goals and norms, which thus had a negative impact on generalized trust (Uslaner 2008). Overall, inequalities that new democracies experience are not conducive to the emergence of generalized social trust. Rather, they seem to contribute to the consolidation of the “short radius,” homophily-based trust networks.

The economic strain, combined with institutional inefficiency and corruption, took newly democratized societies away from the extensive welfare state to welfare cuts and means testing. Increasing social and income inequalities undermined trust in institutions, as they were perceived as inefficient and blamed for the worsening of living standards of some groups in the society. Most Latin American countries paid a considerable price for the success of their macro-economic reforms of the 1980s, as significant increases of inequality undermined legitimacy and confidence in new, democratic governments. In Central and Eastern European countries, which departed from communism and its equalizing policies and an all-encompassing state assistance and support, citizens continued to expect welfare support and their political preferences in this respect tend to lean left (Alesina and Fuchs-Schündeln 2007). Since inequality

undermines trust in political institutions, liberalizing economic reforms that were being introduced in the 1990s made citizens critical toward new democratic governments and their actors. This resulted in high levels of electoral volatility, high turnover, and a return of reformed communist parties to power. Overall, economic reforms introduced by young democracies, even if highly beneficial from the point of view of macro-economic stability and democratic survival, have brought economic polarization, poverty, and high social costs, which resulted in a decline of trust in government and political institutions in general (Catterberg and Moreno 2006).

Ethnic Conflict

New democracies are often seen as particularly prone to ethnic conflict. Although the process of democratization as such does not promote ethnic fighting (Saideman et al. 2002), democracies open up to the possibility to politicize and mobilize ethnic divisions that were previously held under control by the authoritarian regime. Although in the long term democratic electoral systems tend to facilitate a successful management of ethnic conflict, instability and volatility of new democracies due to political and economic reforms create specific conditions under which one group can easily gain advantage over the other one. Newly democratized and institutionally weak regimes are particularly prone to provocation, mobilizing ethnic intergroup distrust (Snyder 1999). This process of ethnification of politics is usually seen as a result of the strategies adopted by weak incumbent elites. They tend to focus on strategies intensifying ethnic intergroup distrust in order to turn ethnic divisions into the main political issue, thus deflecting public opinion from their performance and remaining in power (Brubaker and Laitin 1998). Thus, the state's commitment to suppress conflicts and build intergroup trust is replaced by the practice of building political capital on hostility and distrust.

Former Yugoslavia is perhaps the best example of a case where the authoritarian regime created a set of institutions suppressing intergroup hostility and distrust and balancing particular groups' political and economic positions. As a result, for several decades (under Marshal Tito), Serbs, Croats, Slovenes, and Albanians formed a society based on trust and mutual cooperation (Weingast 1998). This came to an end when President Slobodan Milosevic initiated a campaign of ethnification of politics by insisting on supremacy of Serbs over other groups and stressing the military threat other groups might constitute. Until some point, the situation followed the "reciprocal vulnerability game," which is based on mutual trust and cooperation. But once these principles are violated by one group, the scenario turns to distrust and aggression, with events escalating and leading to open ethnic conflict and genocide, as in the case of Bosnian Muslims (Weingast 1998). Therefore, in the case of former Yugoslavia, democratization allowed not only for political and economic reforms but also for dismantling of the institutions that were capable of curbing intergroup distrust and conflict. As a result of these events, new postconflict democracies struggle with the legacies of ethnic war, including disturbed economic development of the country as a whole, but

also unequal development of areas dominated by different ethnic groups, ethnic polarization of the administration and armed forces, and overarching interethnic hostility (Bose 2002). Most of the recent research on Bosnia suggests, however, that the prevailing distrust is not ethnically determined; instead, people are generally weary of trusting other people, and low levels of trust in national and international institutions further strengthen the general attitude of social distrust (Whitt 2010).

A similarly complex relationship between ethnic distrust and democracy is present in many African states. A comparative study of Ghana, Mali, Niger, Zambia, Tanzania, and Madagascar revealed strong commonalities: newly elected parties and party leaders all too often succumb to the tendency of exploitation of ethnic cleavages by undermining mutual trust and creating political and economic imbalance between groups through patronage. This, in turn, damages confidence in political elites and government (Sandbrook 1996). Therefore, the lack of a “communal trust based on national identity” is seen as a product of the process of democratization but also as a key obstacle to democratic consolidation in a number of African states (Reynolds 2003, 22).

The negative effects of inequality, ethnic divisions, and corruption and informality on social and political trust combine. Both socioeconomic inequalities and ethnic divisions lead to the narrowing of the radius of trust and to the dominance of particularized ties over generalized ones. This, in turn, fuels informality and corruption, as they thrive where access to resources is unequal and exchanges are relational (Uslaner 2008). High corruption and reliance on informality in economic transactions lower the state’s revenue, suggesting to the citizens that the regulatory and enforcement institutions are inefficient and powerless. This leads to a decrease of trust in them. Corrupt and inefficient institutions are also incapable of creating an environment that could guarantee stability and safety of transactions that go beyond the close and tried-out circle of friends and relatives, thus further consolidating particularized trust networks (Saavedra and Tommassi 2007).

CONCLUSION

Studying trust during political transitions and in new democracies is not easy. We face all the theoretical and analytical problems that are present in research on trust in stable democracies but in a dynamic and volatile social, political, and economic context. Most predictions about the role trust was to play in the introduction and consolidation of third-wave democracies were based on the presumption that under authoritarian regimes both social and political trust were absent and that this would constitute a major obstacle to the consolidation of democracies. Our knowledge about the levels and dynamics of trust comes from public opinion surveys, which were not carried out in most authoritarian states, and where they were, their results could not be considered reliable. Also, early empirical studies of third-wave democracies did not pay sufficient attention to trust, instead focusing on civic and political activism and civil society and

levels of support for democracy and market economy. Therefore, we know little about the subtle workings of social and political trust in the early period of new democracies. However, investigations cited earlier in this chapter give us an overall picture of the complex relationship between social and political trust and the workings of newly democratized regimes.

First, authoritarian legacies had an important impact on how citizens related to each other and whether they had confidence in the state and its institutions. Some argue that post-authoritarian societies were left completely trust-less; others admit that while authoritarian regimes were indeed incapable of building trust in institutions, their political and economic shortcomings made social trust an important resource that people relied on for everyday survival. Due to uncertain and poor quality enforcement in institutions, people trusted only those they knew or were directly related to, for example through kin or friendship ties. The major task for new democracies would therefore be to build institutional trust and use it as a mechanism to overcome the limitations of particularized, narrow-radius trust and transform it into far-reaching, flexible generalized trust. Only by these means is it possible to successfully overcome the political and economic social dilemmas in new democracies.

Second, empirical studies of Southern Europe, Latin America, Eastern Europe, and Africa show that, *on average*, social trust levels in new democracies were lower than in stable democracies, but at the same time not all of the new democracies had low social trust levels. In fact, some of them were more “trusting” than many stable democracies. While we could say that the figures capturing levels of trust are not accounting for the fact that in new democracies this trust is predominantly particularized, and that in stable democracies, studies of networks and ties in some post-authoritarian countries show that these trust networks are in fact of a generalized type. Moreover, social trust declined in most new democracies, and even countries that started transitioning earlier (e.g., in Southern Europe) noted a continuous decline between the mid-1990s and mid-2010s. Data on political trust in new democracies show that in the early stages of transition, levels of trust in institutions is not low at all, mostly due to the public’s enthusiasm about the new regime and new institutions’ dissociation in the eyes of citizens with the authoritarian past. The same data show that in the majority of countries political trust declined significantly as economic and political reforms were being introduced, and then stabilized at a level lower than in the early stages of transition, which is ascribed to the “post-honeymoon” effect.

Thirdly, while scholars expected that democracies would not automatically generate social and political trust that authoritarian regimes destroyed, they did not expect that democratization would further undermine trust. The complex process of simultaneous reforming of the economy and transformation of the state’s political setup exacerbated some negative social and economic phenomena that were already present prior to the introduction of democracy, which created an opportunity for other pathologies to emerge. Corruption, the grey economy, and social and economic inequality highly polarized societies in new democracies, which strengthened in-group trust at the expense of generalized trust and weakened political trust. Political competition opened

opportunities for ruthless methods of mobilizing voters along preexisting or new—market-related—cleavages, which led to a further deepening of intergroup conflicts and distrust. In some countries, politics assumed a strong ethnic dimension, in extreme cases leading to ethnic clashes and genocide. Paradoxically, the authoritarian regimes kept most of these negative processes at bay, while social, political, and economic conditions of new democracies destabilized the situation, also not contributing to building trust in weak and incapable state structures. With time, as new political and economic institutions consolidate, supported externally by international institutions such as the EU, World Bank or International Monetary Fund, new democracies stabilized, creating conditions under which social and political trust can be generated again.

Summing up, even though trust was not at the forefront of the debate about democratization, we learnt that democracies can be successfully introduced and markets can be successfully reformed even when there is little of either social or political trust. We have also learnt that introducing democracy can actually erode trust instead of building it. We also now know that democracies can survive and consolidate even if trust is low and/or declining. However, we must remember that this chapter focused on countries that survived and consolidated as democracies, which only says that democratic survival is not necessarily linked to the increase of social and political trust, but nothing about how trends in social and political trust are related to democratic backsliding. Recent developments in Turkey, where after 2006 political trust significantly declined, but social trust levels increased, show that this is a most pertinent question.

NOTES

1. This refers to the percentage of people saying that “most other people can be trusted.”
2. Also, research on currently authoritarian regimes shows that trust in fellow citizens as well as in government and its institutions may not be as low as expected. In China, levels of both types of trust are consistently high (Delhey et al. 2011; Steinhardt 2012), as they are in a number of Arab countries, which reinforces the position of the nondemocratic government (Jamal 2007). This suggests that the “democratic utility of trust” (i.e., its capacity to trigger the democratization process through mass support for democracy) may be more limited than so far claimed (Jamal and Nooruddin 2010).

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CHAPTER 16

SOCIAL AND POLITICAL TRUST IN DEVELOPING COUNTRIES

Sub-Saharan Africa and Latin America

ROBERT MATTES AND ALEJANDRO MORENO

INTRODUCTION

In this chapter, we focus on social and institutional trust in two of the least developed regions in the world, Latin America and sub-Saharan Africa. In general, trust is understood by opinion researchers as the “belief that others will not deliberately or knowingly do us harm, if they can avoid it, and will look after our interests, if this is possible” (Newton 2007, 343). Social trust is a horizontal, interpersonal form of trust that entails an “expectation of reliance that individuals in a community have towards each other on the basis of shared norms, mutual reciprocity, and cooperative behavior” (Moreno 2011, 2672). Social trust is often divided into generalized trust (which refers to the ability to trust people outside one’s familiar or kinship circles) and particularized trust (which refers to trust in specific groups, usually one’s immediate family, neighbors, or identity group). Institutional, or political trust, in contrast, is thought to convey a vertical sense of confidence in the formal, legal organizations of government and state, as distinct from the current incumbents nested within those organizations. Institutional trust is said to constitute a form of consent that allows the incumbents of those government and state organizations to make decisions without resorting either to coercion or to the need for constant consultation to obtain successive mandates (Bianco 1994; Gamson 1968).

The data reviewed in this chapter demonstrate that sub-Saharan Africa and Latin America—as two of the poorest regions in the world—conform to the perspective of modernization theory as citizens express very low levels of vertical, generalized interpersonal trust. Indeed, these two regions are among the least trusting in the world

(Inglehart 1997; Inglehart and Welzel 2010; Norris 2002). And while both regions are characterized by low levels of what scholars have called “bridging” trust (Bourdieu 1970; Norris 2002; Putnam et al. 1993), they both also display high degrees of particularized “bonding” trust in family and neighbors. Yet typical measures of modernization fail to discriminate among differing levels of social trust *within* these two continents. Rather, macro levels of inequality appear to offer the most promising account of social trust: rising levels of inequality systematically diminish social trust.

Moreover, while both regions are relatively poor, they differ sharply with respect to institutional trust: people in sub-Saharan Africa express relatively high levels of trust in national institutions, with many even displaying a kind of blind trust; Latin Americans offer very low levels of trust, with many expressing sheer cynicism. In both regions, trust has some basis in cultural norms (those who are more acquiescent to authority are more trusting), but the strongest determinants are individual perceptions of government performance and government corruption. Yet it is unclear what all of this tells us about the quality of governance in these two regions. Surprisingly, levels of trust in government and the state are only weakly related to a series of citizenship attitudes and behaviors widely seen as essential to democratic stability.

SOCIAL TRUST

To assess the relative level of social, interpersonal trust in these two regions compared to the rest of the world, we first turn to data collected by the World Values Survey (WVS) in waves 4, 5, and 6. Using the much-debated survey question option (“Would you say that most people can be trusted, or that you must be very careful in dealing with people?”), the WVS found that, across these three different waves of surveys, an average of just 14% of Latin Americans (across 12 countries) and 13% of Africans (across 13 countries) say that “most people can be trusted.” While there are important variations around the central tendency, median citizens in both these regions exhibit the lowest levels of trust of any world region (see Figure 16.1). When set against the levels of trust expressed by Scandinavians (66%), Western and Central Europeans might appear quite distrustful (35%). Yet their averages more than double those found in Africa and Latin America. Social trust in Latin America and sub-Saharan Africa is also significantly lower than in the Middle East, Central and Eastern Europe, and even the former Soviet Union, which Geoffrey Hosking (2014, 17) has described as a society in which “universal distrust” is the “*modus operandi*.¹

To examine these two regions in greater detail, we turn to surveys carried out by Afrobarometer Round 5 (2011–2013) (see Figure 16.2) and Latinobarometro (2013) (see Figure 16.3) as part of a common module carried out in 70 developing societies as part of the Global Barometers Survey (GBS) network. While the coverage of a larger set of countries produces slightly higher continental averages for interpersonal social trust (16% across 18 countries in Latin America, and 19% across 35 countries in sub-Saharan Africa), the surveys confirm that these regions contain some of the least trusting

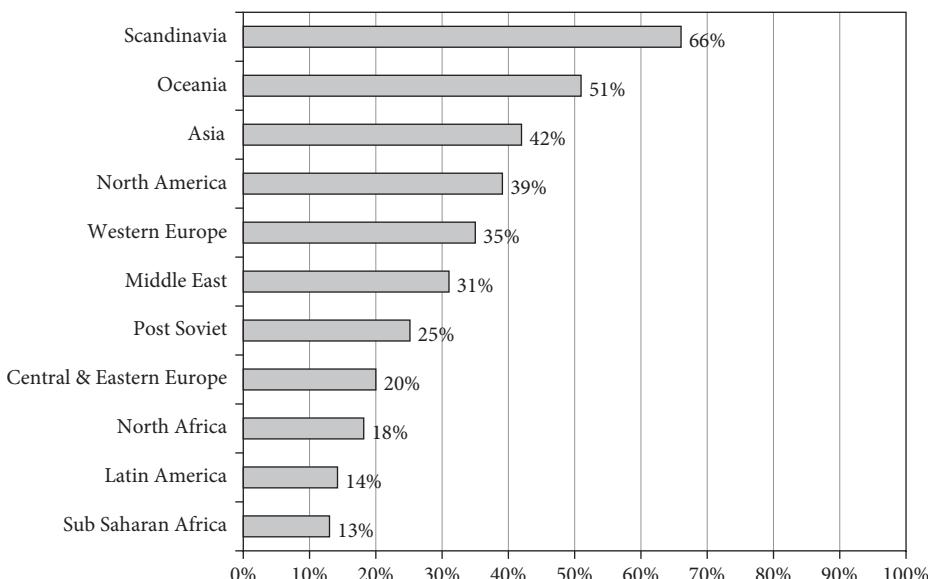


FIGURE 16.1 Social Trust, World Regions Compared

Sources: WVS World Values Survey, waves 4, 5 and 6; WVS Regions, countries listed from most to less trusting: Scandinavian societies (Norway, Sweden, Finland); Oceania (New Zealand, Australia); Asia (China, Vietnam, Indonesia, Hong Kong, Taiwan, South Korea); North America (Canada, United States); Western Europe (Netherlands, Switzerland, Germany, Great Britain, Italy, Spain, Andorra, France); Middle East (Saudi Arabia, Iraq, Yemen, Bahrain, Iran, Kuwait, Jordan, Qatar, Palestine, Lebanon); Post Soviet (Kazakhstan, Belarus, Kyrgyzstan, Russia, Ukraine, Azerbaijan, Uzbekistan, Georgia, Armenia, Estonia); East Central Europe (Poland, Slovenia, Serbia, Moldova, Bosnia, Serbia and Montenegro, Romania, Macedonia, Montenegro, Hungary, Albania, Bulgaria); North Africa (Egypt, Ethiopia, Morocco, Tunisia, Algeria, Libya); Latin America and Caribbean (Puerto Rico, Uruguay, Argentina, Chile, Mexico, Venezuela, Guatemala, Colombia, Peru, Brazil, Ecuador, Trinidad and Tobago); Sub Saharan Africa (Nigeria, South Africa, Mali, Burkina Faso, Zambia, Rwanda, Zimbabwe, Tanzania, Uganda, Ghana).

societies in the world.² Yet they also reveal that neither continent is homogenous. The low regional average in Latin America (16%) provides a relatively reliable summary of the continent, yet it masks a 19-point cross-national variation ranging from just 5% (in Brazil) to 26% (in Argentina). The sub-Saharan Africa average conceals an even larger 50-percentage-point variation, from 5% (Lesotho) to 55% (Burundi).

Regional averages also conceal a considerable degree of over-time variation. While social trust has remained at low levels in Latin America for at least the past two decades for which we have data, the regional 18-country average shows significant variation over time, ranging from 25% (in 1997) to 15% (just 3 years later in 2000) (see Figure 16.4).

And individual countries have exhibited an even greater range of variation. In Mexico, for example, the growing presence of criminal organizations and rising levels of drug-related violence have led to a steady decline in social trust from over 40% (1995) to well under 20% by 2015 (though it jumped back up to over 30% in 2016).³ A similar pattern of decline also occurred in Uruguay, where trust dropped by 22 percentage points (44% to 22%), mostly in the past decade. As we shall see in the following discussion, this pattern stands in sharp contrast to an *increase* in institutional trust in that country. The

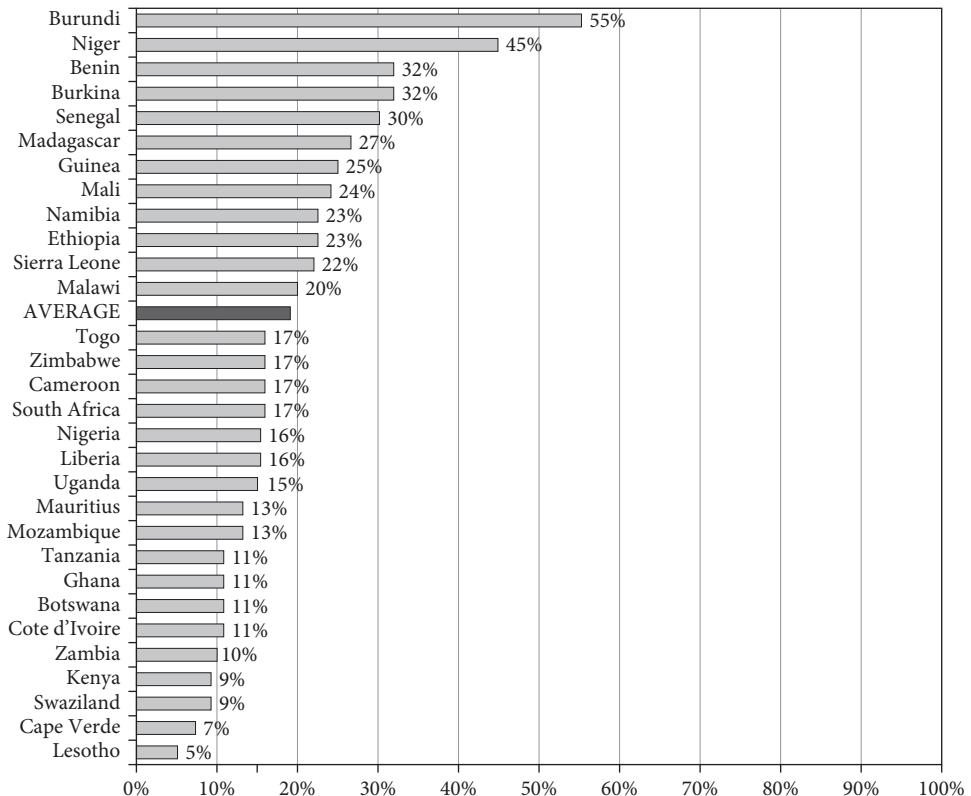


FIGURE 16.2 Social Trust in Sub-Saharan Africa, 2011–2013

Sources: Afrobarometer, Round 5, 2011–2013

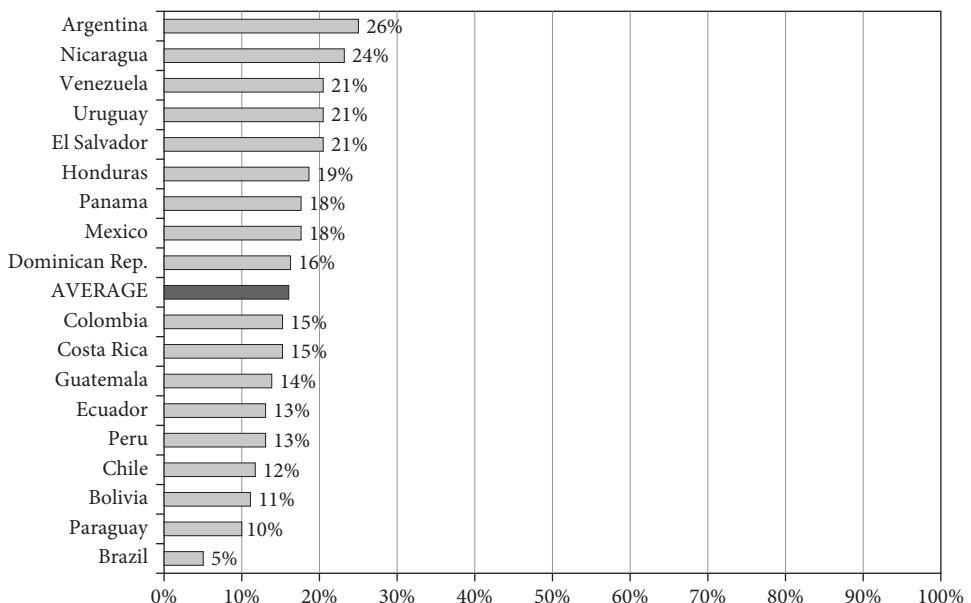


FIGURE 16.3 Social Trust in Latin America, 2013

Sources: Latinobarometro, 2013

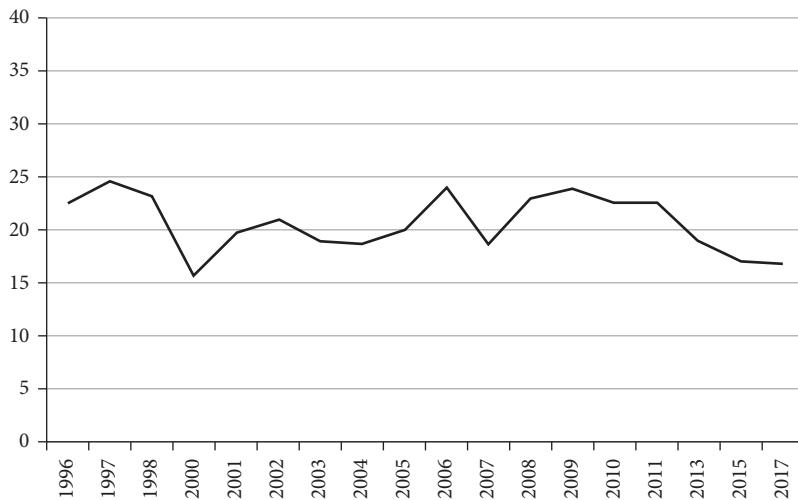


FIGURE 16.4 Social Trust in Latin America, 18 Countries, 1996 to 2016

Sources: Latinobarometro, 1996 to 2016

opposite pattern—*increasing* levels of social trust—took place in Venezuela during the years of the Hugo Chavez administration and his government’s emphasis on equality and social solidarity, but fell again during the most recent Maduro government. And even in Brazil, where trust is consistently the lowest in Latin America, trust increased by modest yet observable increments during the years of the Luiz Inácio Lula da Silva administration and its efforts to reduce poverty and inequality.

Examining longitudinal change in sub-Saharan Africa is a bit more tricky since Afrobarometer has expanded its country coverage over time. Thus, we created three separate time-lines in order to examine the same sets of 20 (since 2009), 18 (since 2005), and 12 (since 2000) countries. But regardless of which set of countries we use, there has been very little change, and certainly far less than in Latin America, with a variation of just three percentage points or less (Figure 16.5). Yet even here, we can find important over-time changes within some countries. In Malawi, for example, levels of social trust dropped from 44% (in 2000) to just 7% (in 2005) on the heels of a massive food shortage, though they returned to 20% by 2012.

Significant decreases have also been observed in Namibia (32% to 23%), Mozambique (22% to 13%), and Zambia (19% to 10%) over this time period, while trust increased somewhat in Mali from 13% in 2000 to 24% in 2013 (even though the country had just experienced a military coup and was in the process of fighting an armed rebellion).

The Radius of Social Trust

One of the important distinctions made in the study of social trust is between the so-called strong ties of “bonding trust” with people of one’s own immediate kin and larger

identity group versus what has been argued to be the more important “weak ties” of generalized “bridging” trust in fellow citizens beyond one’s identity group (Bourdieu 1970; Delhey et al. 2011; Norris 2002; Putnam et al. 1993). The GBS tapped this issue by including an additional module of questions that asked respondents, “How much trust do you have in” “your relatives,” “your neighbors,” and “other people you interact with”? The results displayed in Figure 16.6 indicate that both sub-Saharan Africa and Latin America exhibit a pattern common across the developing world of a tightly circumscribed radius of social trust, whereby trust in one’s extended family (“relatives”)

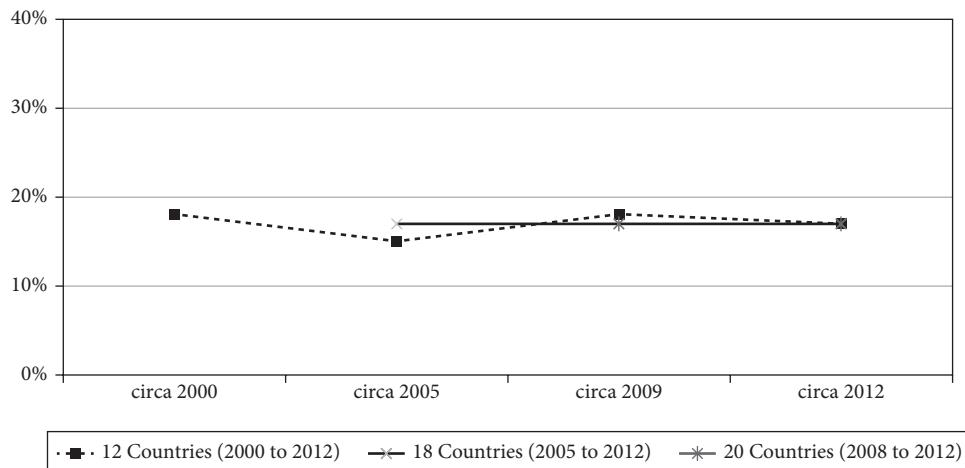


FIGURE 16.5 Social Trust in Sub-Saharan Africa, 2000 to 2012

Sources: Afrobarometer, 2000 to 2012

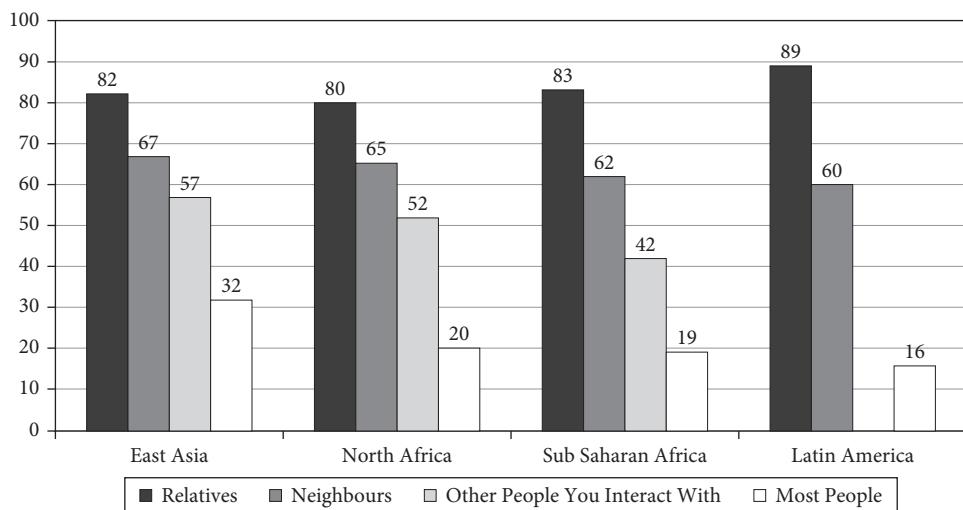


FIGURE 16.6 Radius of Trust (Great Deal + A Lot)

is very high, but trust declines in a predictable stepwise pattern to “neighbors,” “other people you interact with,” and, finally, “most people” (measured by the question in the preceding discussion). At the same time, the absolute size of the gap between the strongest sense of particularized trust (relatives) and weakest form of generalized trust (“most people”) is substantially higher in Latin America (73 percentage points) and sub-Saharan Africa (64 points) than in North Africa (60 points) or East Asia (50 points).

We also examined this issue in another way by classifying respondents by their joint response to the question on trust in “neighbors” and trust in “most people.” We label respondents in the following ways: (1) those who trust *neither* “neighbors” nor “other people” are “misanthropes”; (2) those who trust “most people” but *not* neighbors are “self-loathers”; (3) those who trust neighbors, but *not* “most people,” are “bonders”; and (4) those who trust *both* “neighbors” and “others” are “bridgers.” Viewed in this way, we again find levels of bridging trust highest in East Asia but with Latin Americans expressing the lowest levels. And we find substantially higher levels of “misanthropes” in both Latin America and Africa (whether in the Arab north or sub-Saharan south) (Table 16.1).

The Sources of Social Trust

A search for the micro-level determinants of social trust (using the potential explanatory factors available from both Latinobarometro and Afrobarometer surveys) is an exercise in futility. The only consistent result seems to be that trust (whether in its bonding or bridging forms) tends to increase, if ever so slightly, with age. Both forms of trust appear to be lower in urban areas in Africa, as is bonding (but not bridging) trust in Latin America. And while education tends to be one of the strongest predictors of generalized trust in most countries around the world (Uslaner 2015), both bridging and bonding forms of trust decline with rising levels of education in Africa. In Latin

Table 16.1 Bonding and Bridging Trust across Four Continents

	Trusts Neighbors?	Trusts Others?	East Asia	North Africa	Sub- Saharan Africa	Latin America
Misanthropes	No	No	23%	32%	35%	35%
Self-Loathers	No	Yes	6%	2%	3%	5%
Bonders	Yes	No	45%	48%	46%	49%
Bridgers	Yes	Yes	26%	18%	16%	11%
			100%	100%	100%	100%

America, education leads to higher levels of bonding trust, but it has no impact on generalized trust. While Putnam et al. (1993) theorized that trust would be higher among urban folk, we find that rural Africans are more likely to exhibit either bonding or bridging trust (and the same effect exists in Latin America with respect to particularized, but not generalized, trust). Religion plays a significant role in Africa: self-declared Christians exhibit substantially lower levels of trust than Muslims, traditionalists, or nonbelievers. In Latin America, Christians express higher levels of particularized trust (with nonbelievers as the main comparison group), but they are not significantly different in terms of generalized trust. Indicators of socioeconomic status and cognitive sophistication yield even more inconsistent results, and there are only minor gender differences. The most important finding, however, is that none of these impacts are very strong, and none of the four models accounts for more than 4% of the variation in social trust (Table 16.2).

Indeed, most theories of trust tend to focus on macro-level, national differences, either in terms of broad cross-national dynamics, such as modernization, or in terms of regional or country-specific histories. However, these approaches also encounter problems from the empirical realities thrown up by the two regions. Take, for example, Ronald Inglehart and Christian Welzel's (2010, 551) argument that social trust is a "modernization-linked mass attitude" (see also Inglehart 1995; Norris 2002). Viewed on a global scale, these two continents' low levels of development certainly play a role in distinguishing their societies from those of other regions. However, they provide little insight into discriminating among countries within each region or over time trends.

Against expectations, interpersonal trust stands at just single-digit figures in sub-Saharan Africa's lower-middle-income societies such as Lesotho (5%), Cape Verde (7%), Swaziland (8%), and Kenya (9%). Yet approximately one-half the electorate express trust in extremely poor low-income societies such as Niger (45%) and Burundi (55%). Indeed, trust stands at only 13% in the region's only upper-income country, Mauritius. In Latin America, the lowest levels of trust are found in upper-middle-income societies (Brazil 5%, Paraguay 10%, Peru 13%, Ecuador 13%, Costa Rica 15%, and Colombia 15%) as well as lower-middle-income countries (Guatemala 14%), but also in a high-income country such as Chile (12%). The highest levels of trust are found both in high-income societies like Uruguay (21%), upper-middle-income countries like Argentina (26%) and Venezuela (21%), and lower-middle-income countries like Nicaragua (24%) and El Salvador (21%).

Thus, others have searched for alternative regional or national-level factors. In Africa, many scholars have pointed to high levels of national-level ethnic diversity created by the colonial "scramble for Africa" (Pakenham 1990), where the future boundaries of Africa's states were drawn in ways that often "divided 'like' groups and combined 'unlike' groups into highly heterogeneous societies" (Mattes 2013, 72). Indeed, many scholars have pointed to national-level heterogeneity as a direct, or at least an indirect, cause of conflict and economic stagnation (Easterly and Levine 1997; Knack and Keefer 1997). Or to turn the problem around, Easterly and Levine (1997)

Table 16.2 The Sources of Social Trust

	Sub-Saharan Africa				Latin America			
	Bonding Trust		Bridging Trust		Bonding Trust		Bridging Trust	
	B	Exp B	b	Exp B	B	Exp B	b	Exp B
Constant	-.164		-.916		-.749		-2.164	
Male (0-1)	.062***	1.064	NS	—	.068*	1.070	.096*	1.100
Age	.005***	1.005	.003**	1.003	.011***	1.011	.005***	1.005
Urban (0-1)	-.200***	.818	-.246***	.782	-.143***	.867	NS	—
Vehicle (0-1)	NS	—	NS	—	.123***	1.131	NS	—
Employed (0-1)	.138***	1.148	-.153***	.859	NS	—	NS	—
Education (0-X)	-.074***	.928	-.086***	.917	.046***	1.047	NS	—
News Media Use (0-4)	.063***	1.065	-.221***	.801	-.070***	.932	.049**	1.050
Interest in Politics (0-3)	.050***	1.052	.034**	1.035	NS	—	.186***	1.204
Efficacy (0-4)	-.060**	.942	.176***	1.192	.084**	1.087	NS	—
Political Discussion (0-3)	NS	—	NS	—	.077***	1.080	.087**	1.091
Christian (0-1)	-.239***	.788	-.373***	.689	.179***	1.196	NS	—
Nagelkerke's R2	.016		.035		.019		.017	
N	47,985		47,985		20,204		20,204	

Cell entries display unstandardized regression coefficients and odds ratio.

* p = <.05, ** p = <.01; *** p = <.001

have attributed Botswana's unique record of long-term economic growth to its ethnic homogeneity (where around 90% speak Setswana), which, they argue, facilitated a consensus around the promotion of public goods. Implicit in this logic is the assumption that homogeneity facilitates a sense of social trust that enables discussion, deliberation, and cooperation. Yet the data from Botswana and Lesotho (which together are often described as the only true homogenous "nation-states" in sub-Saharan Africa) stand this logic on its head, since both countries have exceptionally low levels of trust (12% and 5%, respectively). Perhaps the most interesting explanation to date comes from Nunn and Wantchekon (2011) who demonstrate that variations in distrust in Africa in the first decade of the twenty-first century (as measured by an index that combines interpersonal trust with trust in local government) are linked to how much

the area in which the respondent lives was affected by the slave trade in the seventeenth and eighteenth centuries. At the same time, this argument cannot explain why trust is low across the continent as a whole.

In Latin America, scholars have pointed to a particular brand of patron-client relations. Roniger, for example, has argued that “whereas in Japan hierarchical personalized trust contributed to social trust, in Latin America it recreated existing uncertainties and weakened broader institutional trust” (1987, 310). The difference, he argues, is in the sequence with which “interpersonal hierarchical commands, commitments, and loyalties existing in the ‘pre-modern’ period were or were not mobilized during the process of change and modernization” (311–312). In Japan, “the move into non-agricultural occupations preceded the pace of urbanization, while in Latin America urbanization occurred prior to the process of industrialization” (311). The *caciques* and *coroneís* of Mexico and Brazil, which played a lesser role in modernization, were fragmented and threatened by industrialization and failed to generate social trust; thus they were more dependent on narrow, personalized commitments. Taylor (2004, 214) also argues that distrust reflects the logic of clientship rather than citizenship.

Clientship is not about equality but inequality; it is about gaining the advantage over one’s rival, about professing to be *el patron*’s most loyal supporter, about selling oneself as deserving of privilege. Secondly, it is not about rights but about favors; it is about making deals, about agreeing to lend support in return for material benefit, and it allows some opportunity to exit the deal if the bargain is not fulfilled.

Indeed, most scholars of Africa agree that relationships between ordinary Africans and their elected leaders are also characterized by clientelism. But while clientelism is often portrayed as ubiquitous to the politics of the continent, it is quite likely that its degree varies in the extent of the material advantages possessed by local and national elites in relation to ordinary folk. Thus, in Figure 16.7, we explore the macro-level

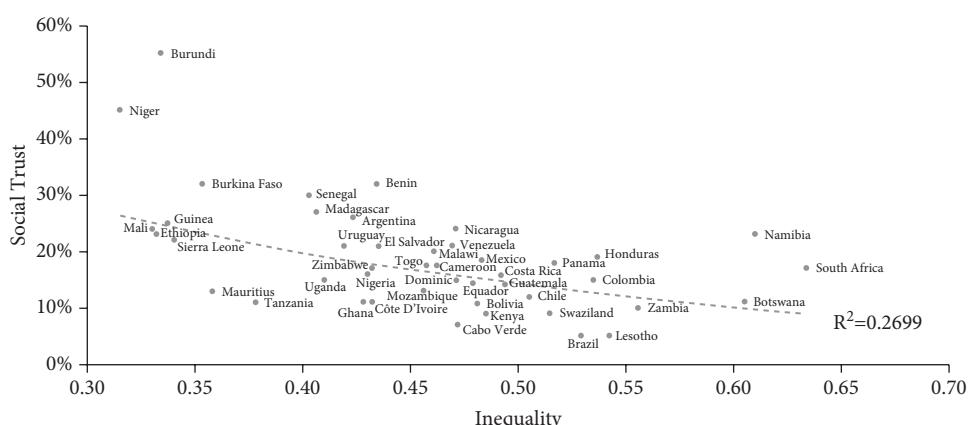


FIGURE 16.7 Social Trust and Economic Inequality, Sub-Saharan Africa and Latin America

linkage between inequality and generalized social trust across both continents. What we find is that while both Latin America and sub-Saharan Africa are characterized by relatively high degrees of inequality, variations within both regions—as measured by the Gini coefficient—account for 27% of the cross-national variation in social trust. In particular, all countries in Latin America and sub-Saharan Africa that have levels of social trust above 30% have a Gini coefficient below 0.45. Alternatively, fewer than 30% of respondents express generalized trust in any country with a Gini coefficient above 0.45. As Uslaner (2002, 230) concludes, “the more equitable the distribution of wealth in a country, the more trusting its people will be.”

INSTITUTIONAL TRUST

Thus far, we have uncovered horizontal patterns of citizen-to-citizen relations in both regions that are more similar than dissimilar. However, once we examine the vertical relationship between citizens and those who govern them, we find strikingly different patterns. Institutional trust refers to the vertical bond of confidence that citizens place in the organizations that make, adjudicate, and enforce the rules that govern society. Trust is a lubricant that creates a source of consent so that democratic governments do not have to obtain constant mandates or resort to coercion to make, implement, and adjudicate their decisions (Bianco 1994; Bratton and Gyimah-Boadi 2016; Gamson 1968).

In order to gain as broad a comparative assessment as possible of institutional trust, we again begin by turning to questions from the WVS that ask respondents how much “confidence” they have in three specific institutions: the national government, the national legislature, and political parties (across three waves of surveys) (Figure 16.8). The results reveal that people in sub-Saharan Africa (52%) express some of the highest average levels of institutional trust in the world (second only to East Asia at 57%).⁴ In sharp contrast, less than one-third of Latin Americans (29%) express confidence, higher only than Central and Eastern Europeans (21%). Interestingly, North African societies (29%) resemble Latin America, in this respect, much more closely than they do the southern two-thirds of the continent.

To take a more detailed look within both continents, we return to the Latinobarometro and Afrobarometer surveys that formed part of the Global Barometers Survey common module. First of all, it is important to note that these projects ask a different question that actually uses the word “trust” rather than “confidence.”⁵ Yet even though these projects used a different question, and included a much larger number of countries, they produce the same general region-wide conclusions for the same three institutions: high levels of trust in sub-Saharan Africa and low levels in Latin America.

In fact, the average level of trust (adding together those who said “a lot” and “some-what”) across these same three institutions is almost identical to the percentage who expressed “a great deal” or “quite a lot” of confidence in the WVS.⁶ And across the larger number of institutions included in the Global Barometer Surveys module

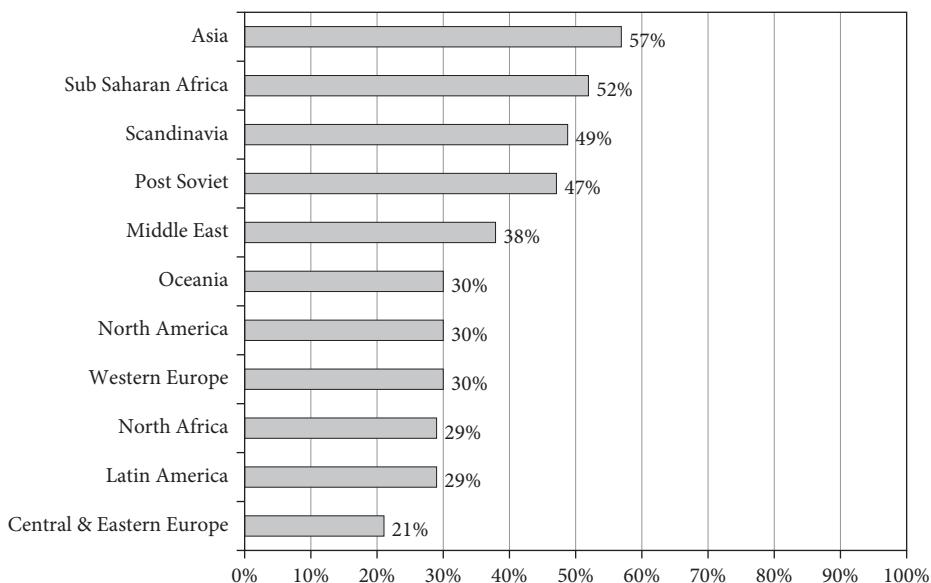


FIGURE 16.8 Institutional Trust, World Regions Compared (Average Trust in Government, Legislature, Political Parties)

Sources: WVS World Values Survey, waves 4, 5 and 6.; WVS Regions, countries listed from most to less trusting: Scandinavian societies (Norway, Sweden, Finland); Oceania (New Zealand, Australia); Asia (China, Vietnam, Indonesia, Hong Kong, Taiwan, South Korea); North America (Canada, United States); Western Europe (Netherlands, Switzerland, Germany, Great Britain, Italy, Spain, Andorra, France); Middle East (Saudi Arabia, Iraq, Yemen, Bahrain, Iran, Kuwait, Jordan, Qatar, Palestine, Lebanon); Post Soviet (Kazakhstan, Belarus, Kyrgyzstan, Russia, Ukraine, Azerbaijan, Uzbekistan, Georgia, Armenia, Estonia); East Central Europe (Poland, Slovenia, Serbia, Moldova, Bosnia, Serbia and Montenegro, Romania, Macedonia, Montenegro, Hungary, Albania, Bulgaria); North Africa (Egypt, Ethiopia, Morocco, Tunisia, Algeria, Libya); Latin America and Caribbean (Puerto Rico, Uruguay, Argentina, Chile, Mexico, Venezuela, Guatemala, Colombia, Peru, Brazil, Ecuador, Trinidad and Tobago); Sub Saharan Africa (Nigeria, South Africa, Mali, Burkina Faso, Zambia, Rwanda, Zimbabwe, Tanzania, Uganda, Ghana).

(president, legislature, local government, political parties, armed forces, police, and courts), Africans' expressed levels of trust were consistently higher than in Latin America by anywhere from 14 to 31 percentage points, and in some cases higher by a factor of two.

However, the *relative* rankings of each institution differ across continents. While the military and presidency are the two most trusted institutions in both regions, though clearly at different levels, the courts and the national legislature—on average—enjoy far lower levels of respect in Latin America than in Africa. Again, while the regional averages are instructive, they often reveal as much as they communicate. Looking just at the two most respected institutions, the cross-national data reveal that trust in the African presidency ranges from over 80% (in Burundi and Namibia) to as low in 53% (in Madagascar). And in Latin America, it varies from a high of 73% (in the Dominican Republic) clear down to just 20% (in Honduras). Similarly, trust in African militaries is over 80% in Niger, Burundi, Niger, Malawi, and Tanzania, but it runs as low as 49% in Nigeria. In Latin America, it varies from 76% (in Ecuador) to 38% (in Bolivia) (Table 16.3).

Table 16.3 Institutional Trust in Seven Institutions

	Sub-Saharan Africa	Latin America
National Military	66%	48%
President	61%	46%
Courts	61%	30%
Police	54%	40%
Legislature	54%	29%
Political Parties	52%	23%
Local Government	49%	37%

While most researchers calculate the societal-level trust or distrust by collapsing the “a lot” and “somewhat” categories on the one hand, and the “not very much” or “not at all” on the other, we employ a different type of aggregation that reveals an even more glaring difference between the two regions. Inspired by the tripartite classification of “trust,” “distrust,” and “skepticism” developed by William Mishler and Richard Rose (1997), we use what we think is a more apt description of the key differences between the nature of citizenship on these two continents. Referring to the work of William Gamson (1968), but echoing the logic of James Madison, Mishler and Rose (1997, 419) argue that:

Trust . . . is double edged. Democracy requires trust but also presupposes an active and vigilant citizenry with a healthy skepticism of government and a willingness, should the need arise, to suspend trust and assert control over government—at a minimum by replacing the government of the day. Whereas insufficient trust presages the disintegration of civil society, excessive trust cultivates political apathy and encourages a loss of citizen vigilance and control of government, both of which undermine democracy.

Rather than following the usual practice of collapsing the two lowest and two highest categories on the ordinal scale, we take those who express “no trust” and label them as “cynics.” In contrast, we take those who say they have a “great deal of trust” and label them as “blind trustees.” Finally, we combine the two middle categories, and following Mishler and Rose (1997), label them as “skeptics” who neither withhold nor give all their trust. Perhaps echoing Ronald Reagan, skeptics might say “trust, but verify.” The region-wide results for each continent are displayed in Table 16.2 and add an important dimension to our understanding of the different political and sociological dynamics afflicting either continent. When viewed in these terms, the modal respondent on each continent is a skeptic with respect to each institution measured. Yet across every institution save the presidency, the proportion of “blind trustees” in Africa is two to four times as large as in Latin America. And across several institutions the proportion of

“cynics” is two to three times as large in Latin America as in Africa (with regard to the courts, Latin American cynics outnumber Africans by a factor of four).

Looking across specific institutions in specific countries, at least one half of respondents express full or blind trust in the president in the African countries of Burundi, Mozambique, Namibia, Niger, Ethiopia, and Benin. In contrast, over 40% of respondents express absolutely no trust (cynicism) in the Latin American countries of Honduras and Costa Rica. Over 40% express full trust in Parliament in Niger, Burundi, Mozambique, Malawi, and Tanzania, while over one-half of the electorate is fully cynical about Congress in Honduras and Peru. And while political parties fail to obtain high degrees of trust in Africa (only in Niger do more than 30% express full trust), over one-half hold cynical views of parties in Costa Rica (54%), Honduras (54%), and Peru (50%) (Table 16.4).

Table 16.4 Institutional Trust in Seven Institutions

		Sub-Saharan Africa	Latin America
National Military	Blind Trust	41	22
	Skepticism	47	59
	Cynicism	12	20
Courts	Blind Trust	32	8
	Skepticism	54	58
	Cynicism	14	35
President	Blind Trust	39	19
	Skepticism	47	55
	Cynicism	14	26
Police	Blind Trust	28	11
	Skepticism	51	60
	Cynicism	21	28
Legislature	Blind Trust	28	7
	Skepticism	56	57
	Cynicism	16	36
Political Parties	Blind Trust	13	5
	Skepticism	77	53
	Cynicism	11	42
Local Government	Blind Trust	24	10
	Skepticism	58	60
	Cynicism	18	30

In addition to the differing levels and intensities of institutional trust, a separate issue concerns whether respondents in these two developing regions think of these institutions in a holistic way—along a single continuum of higher to lower levels of respect (or in the case of Latin America, from indifference to outright hostility). Previous research on African public opinion has suggested that they do not, revealing important differences across institutions, with respondents reacting in one way to the partisan, representative institutions of government versus the less, or less obviously partisan, nonelected institutions of the state (Bratton et al. 2005; Bratton and Gyimah-Boadi 2016). Table 16.5 reveals that the same structure is confirmed through an analysis of the sub-Saharan African and Latin American data. Factor analysis extracts two related but distinct dimensions of trust toward partisan, representative institutions of government (presidency, legislature, political parties, and local government), on the one hand, and trust toward state institutions (police, army, and courts) on the other. However, the Latin American data reveal one crucial difference. Latin Americans tend to think about the courts in the same way as they think about the other *partisan* institutions and differently from the way they think about the army and police.

Sources of Institutional Trust

We have seen that social trust decreases with rising levels of material inequality. In the same way, macro levels of trust in government (measured by the average aggregate score on an index of trust in the president, legislature, local government, and political

Table 16.5 The Structure of Political Trust

	Sub-Saharan Africa		Latin America	
	Trust in Govt	Trust in State	Trust in Govt	Trust in State
Legislature	.88	<.10	.84	<.10
President	.75	<.10	.66	<.10
Political Parties	.55	.12	.69	<.10
Local Government	.51	.15	.61	<.10
Armed Forces	<.10	.80	<.10	.82
Police	<.10	.72	<.10	.65
Courts	.11	.64	.72	<.10
N				

Cells present the pattern matrix loadings (the correlation of the responses to each item with the extracted dimension) from a Factor Analysis using maximum likelihood extraction and direct oblimin rotation.

parties) also decrease as inequality increases, though the relationship is far weaker (see Figure 16.9). In contrast to social trust, political trust depends far more on a series of micro-level factors.

In order to assess the individual-level sources of institutional trust, we regressed measures of trust on a common set of predictor variables in each region, distinguishing between the predictors of trust in government versus those in state institutions. The results demonstrate an element of across-the-board trust in both regions. That is, both “bonders” and “bridgers” are more likely to trust both government and state institutions than are people who mistrust their fellow citizens. Second, trust in government and state institutions has a strong instrumental basis: respondents are more likely to trust institutions if they are satisfied with the state of the economy. However, politics matters as well. People are more likely to trust government (as well as the state, though to a lesser extent) if they think government is able to address society’s most important problems (as identified by the respondents themselves). In contrast, they are less likely to trust either government or the state if they feel that the incumbents of government institutions are involved in corruption.

Moreover, respondents also link the level of civil liberties (in this case, their perceived ability to speak freely about politics) and democracy (as measured by the perceived freedom and fairness of the most recent election and their overall level of satisfaction with democracy) to their willingness to trust. Third, we can see the importance of creating separate indices of trust in government versus state institutions. In both regions, the model for trust in government has a substantially higher explanatory power (Adjusted R²) than for trust in the state. While partisans are more trusting than nonpartisans in Africa, the impact on trust in government is substantially larger than trust in the state; in Latin America, partisanship has a strong impact on trust in government but detracts from trust in the state. Finally, there is one key difference between the two regions; in Africa political discussion with friends and neighbors has little to do with institutional trust, while in Latin America it contributes to it.

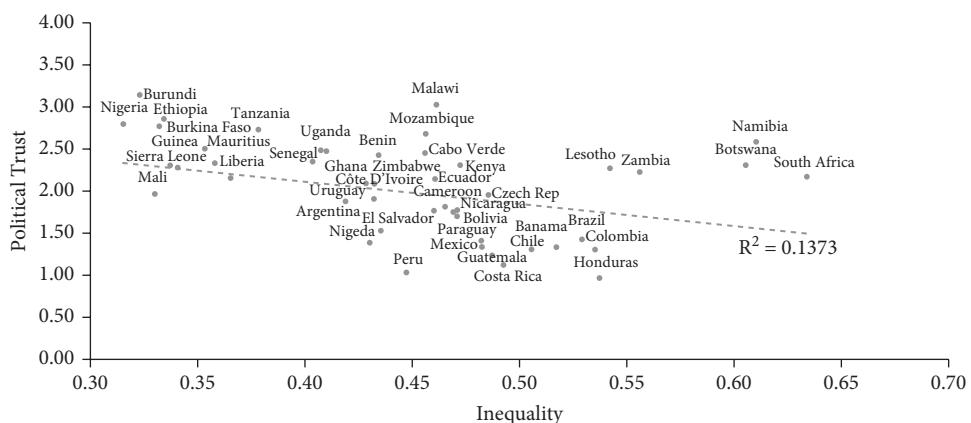


FIGURE 16.9 Political Trust and Economic Inequality, Sub-Saharan Africa and Latin America

Finally, it would be easy to assume that the “blind trust” exhibited by a large number of Africans, and the “cynicism” displayed by many Latin Americans, was a reflexive, “unreasoned” manifestation of prevailing cultural norms of deference or pessimism or the result of cognitive deficits in terms of education, news media use, or efficacy. Indeed, there is evidence that cultural norms have some role to play. In Africa, respondents who see government as a parent are more likely to trust, while in Latin America trust in government is higher among those who think that government should control what people read or hear. And in terms of cognition, education leads to lower levels of trust in three of the four models. However, the effects are relatively small. Greater news media use reduces trust in government in Africa, but it has inconsistent effects in the other models. Indeed, indicators of cognitive engagement (political interest and political discussion) tend to contribute to trust, rather than diminish it (Table 16.6).

The much more obvious conclusion flowing from the regression models is that trust and distrust are not reflexive or unreasoned. Rather, Africans and Latin Americans have quite clear reasons for their trust or distrust (also see Carlin and Love 2013; Catterberg and Moreno 2006; Uslaner 2017). Further research, however, should take up the issue of whether those “reasons” (e.g., evaluations of economic and political performance) are, in turn, consistent with economic or political realities.

As a start, we can look at longitudinal time-series of political trust for some clues about the extent to which respondents connect their evaluations to objective economic or political trends by examining over-time patterns of trust. Consistent with the results of the regression models, the Latinobarometro surveys show over-time changes in trust that reflect changing political and economic circumstances. Figure 16.10 shows the regional average percentage of political trust for Latin America during the 1996–2016 period. During that time, trust in government increased sharply from 2003 to 2009 (an era of unprecedented economic growth), and then it began to decrease right after the international financial crisis. A broad and growing literature has documented that political trust is highly responsive to economic and political performance (see Catterberg and Moreno 2006), and the Latin American trends show that political trust increased during favorable economic times in the region.

Country-specific trends also confirm the role of economics and politics in moving political trust. Take Uruguay, for example. Trust in political institutions was in decline from the mid-1990s until 2003, according to Latinobarometro data, but trends changed direction in 2004 and 2005 with the presidential elections and a subsequent change of government. Trust in government rose from 16% in 2004 to 68% in 2005, a 52-point change in one year. Trust in Congress and political parties also increased, more modestly but quite favorably. With variations from one year to another, Uruguay’s levels of political trust have remained more or less stable until the most recent survey conducted in 2016, with trust in government at 60%, trust in Congress at 49%, and trust in political parties at 35%.

The average level of institutional trust over the past decade across 16 sub-Saharan countries displays significantly less variation. One important trend, however, shows

Table 16.6 Sources of Political Trust

	Sub-Saharan Africa		Latin America	
	Trust in Govt	Trust in State	Trust in Govt	Trust in State
	(0-4)	(0-4)	(0-4)	(0-4)
Constant	1.16	1.26	0.19	0.96
Urban (0-1)	-.119***	-.111***	NS	-.068***
Male (0-1)	-.040***	.056***	-.033*	.070***
Age	.002***	.002***	-.001***	.002**
Owns Vehicle (0-1)	-.051***	-.067***	NS	NS
Employed (0-1)	NS	NS	-.039**	-.075***
Education (0-X)	-.033***	-.046***	-.018***	NS
News Media Use (0-4)	-.051***	.027***	NS	NS
Efficacy (0-1)	NS	NS	NS	-.068***
Political Discussion (0-2)	-.019*	NS	.101***	.084***
Political Interest (0-3)	.051***	.048***	.116***	.062***
Bridging Trust (0-1)	.379***	.425***	.294***	.329***
Bonding Trust (0-1)	.315***	.357***	.264***	.350***
Partisan (0-1)	.172***	.083***	.141***	-.072***
Govt Is Parent (0-4)	.035***	.027***	NS	NS
Govt Should Censor (0-4)	-.008**	NS	.007***	NS
Econ Satisfaction (0-4)	.104***	.083***	.196***	.168***
Govt Is Corrupt (0-4)	-.156***	-.134***	-.151***	-.094***
Govt Able to Solve MIP (0-4)	.075***	.047***	.109***	.064***
Free to Speak (0-4)	.047***	.064***	.135***	.108***
Election Free & Fair (0-4)	.091***	.109***	.108***	.070***
Sat W/ Democracy (0-4)	.134***	.114***	.100***	.024***
Adjusted R2	.288	.198	.351	.125
N	40,343	40,871	17,879	16,049

Cells display unstandardized OLS regression coefficients.

* p = <.05; ** p = <.01; *** p = <.001

increasing levels of trust earned by “opposition” (as distinct from “ruling”) parties, which almost doubled between 2003 and 2015 (Figure 16.11).

However, the cross-national average conceals considerable within-country over-time variance. This is perhaps most visible in South Africa, the country for which we have the longest time-trend in Africa (Figure 16.12). The peaks in presidential trust differ, and decline, across that country’s first three presidents (Mandela in 1998, Mbeki in 2006, and Zuma in 2012); they reflect the increasingly eccentric views of President Thabo Mbeki about HIV/AIDS and the growing levels of neopatrimonial politics under

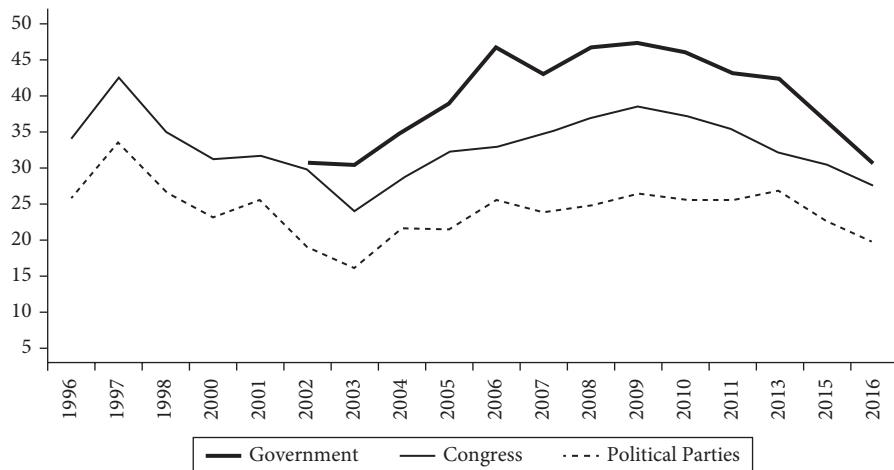


FIGURE 16.10 Institutional Trust in Latin America, 18 Countries, 1996 to 2016

Sources: Latinobarometro, 1996 to 2016

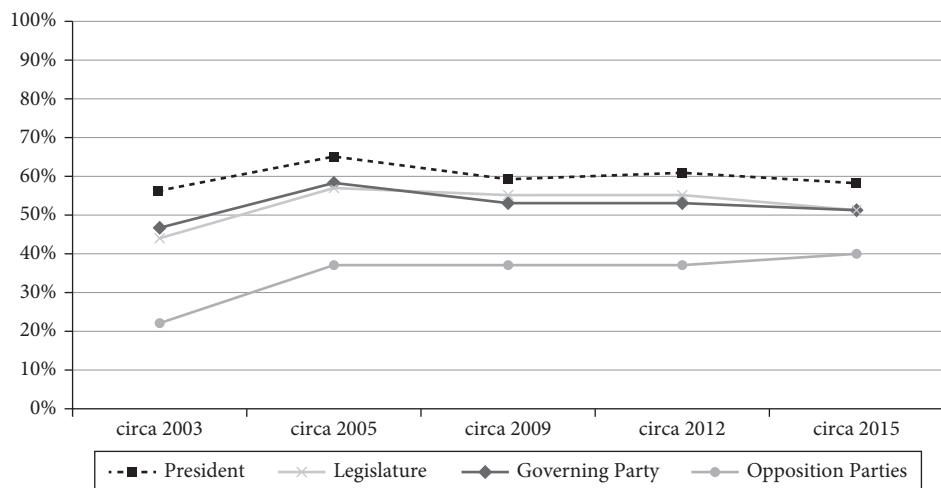
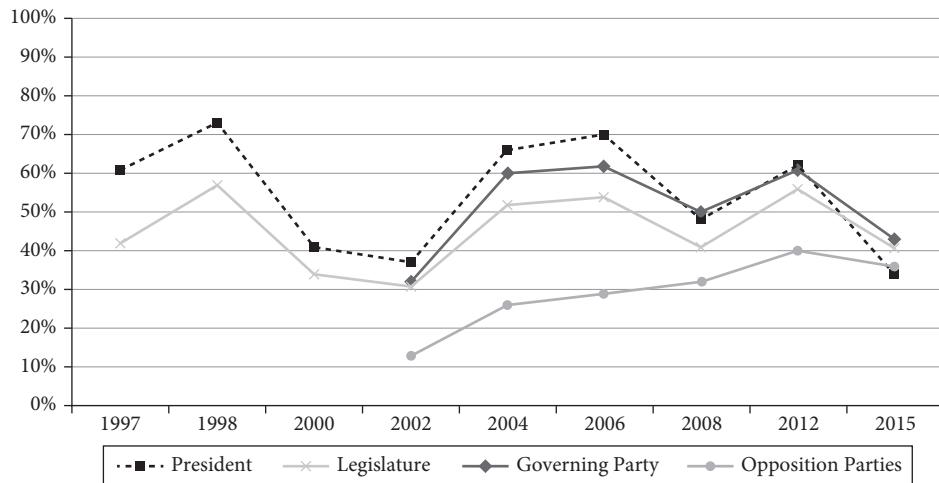


FIGURE 16.11 Institutional Trust in Sub-Saharan Africa, 16 Countries, 2002–2012

Sources: Afrobarometer, 2000 to 2012

**FIGURE 16.12** Institutional Trust in South Africa, 2000 to 2012

Sources: Afrobarometer, 2000 to 2012

Jacob Zuma. Moreover, there are also considerable fluctuations in trust in Parliament and the ruling African National Congress that correspond to trends in South African economic growth.

CONSEQUENCES OF TRUST?

We have thus far found that social trust is low in both regions but that institutional trust differs in important ways between them. But the ultimate question is: Does trust matter, and if so, how? We end this exploration of trust in sub-Saharan Africa and Latin America by examining the putative attitudinal and behavioral consequences of political trust for the larger political system. Table 16.7 presents the effects of trust in government and state institutions on a series of indicators of campaign participation, participation between elections, and legitimacy and dissent (holding constant for a range of demographic and cognitive factors that may simultaneously shape both trust and these attitudinal and behavioral indicators).

When viewed across the entire region, we see some evidence that trust in government institutions increases Africans' propensities to vote and attend campaign rallies, to join together with others to advance an issue at the community level, and to contact elected government and political party officials. But while those who trust *government* are also less likely to attend protest marches, they are also *less* likely to demand democracy.⁷ In contrast, Africans who trust *state* institutions are less likely to vote, join action groups, and contact party officials. Trust in the state, however, decreases the likelihood that people take part in violent protest and increases their support for democracy. In

Table 16.7 Consequences of Political Trust

	Sub-Saharan Africa			Latin America			
	Constant	Trust in Govt	Trust in State	Constant	Trust in Govt	Trust in State	
		(0-4)	(0-4)		(0-4)	(0-4)	
Campaign Participation							
Vote (0-1)	.300	.026***	-.005***	42,012	.368	.011**	NS
Attend Rallies (0-1)	.198	.016***	NS	41,985	NA	NA	NA
Work for Campaign (0-1)	.065	NS	NS	41,978	-.036	.012***	NS
Persuade Others (0-1)	.102	NS	-.006**	41,978	-.054	.008***	NS
Participation between Elections							
Join Action Group (0-2)	.434	.031***	-.014***	41,941	-.072	NS	NS
Contact Elected Rep (0-2)	-.131	.018***	-.014***	41,941	-.023	NS	NS
Contact Govt Off (0-2)	-.152	.016***	NS	41,994	.103	-.014**	-.014**
Contact Party Off (0-2)	-.175	.013***	-.008**	41,994	.025	NS	NS
Legitimacy and Dissent							
Refuse to Pay Tax (0-2)	.108	-.006*	-.006*	41,980	.044	NS	NS
Protest (0-2)	.054	-.066***	NS	41,979	.142	NS	-.029***
Violent Protest (0-2)	.053	NS	-.008***	41,978	.025	NS	NS
Demand Democracy (0-4)	2.751	-.011***	-.034***	41,968	2.098	.057***	-.055***

Models hold constant for urban/rural status, gender, age, ownership of vehicle, employment, education, news media use, efficacy, political discussion, and political interest.

Cells display unstandardized OLS regression coefficients.

* p = <.05; ** p = <.01; *** p = <.001

Latin America, trust in government has far fewer effects, but it does contribute positively to voter turnout, other forms of campaign participation, and demand for democracy. Trust in the state decreases the likelihood people will contact government officials, protest, and make demands for democracy.

However, the far more important finding concerns the extremely small size of these effects. In virtually every case, a movement on the scale from no trust (0) to complete trust (4) would change the score on the dependent variable anywhere from just one-tenth to one-fifth of a point. At its strongest, in Latin America, a shift completely across the trust spectrum increase the propensity to attend a campaign rally about one-quarter of a point on a 0–1 scale. We are cognizant of the fact that our conclusions might change if we took country-level differences into account or if we repeated this analysis within each country. However, to the extent that the grand theorists of political trust, such as David Easton (1965), thought of trust as a diffuse form of support for the political system, which then has important knock-on positive effects by encouraging pro-system attitudes and behaviors and discouraging antisystem ones, our results provide very weak support. We have found that trust in government and the state not only has not diffused (in the sense of being spread evenly across key strata in society) but also is a highly instrumental (or what Easton called “specific”) form of support. Furthermore, trust has very small and inconsistent consequences for the larger democratic system.

CONCLUSIONS

From a modernization perspective, sub-Saharan Africa and Latin America—as two of the poorest regions in the world—conform to one another in that citizens of both regions express very low levels of horizontal, generalized interpersonal trust. Indeed, these two regions are among the least trusting societies in the world. Both are low in terms of what scholars have called “bridging” trust (Bourdieu 1970; Norris 2002; Putnam et al. 1993), and both also have high degrees of particularized “bonding” trust. Yet national levels of development provide little assistance to understanding many other aspects of trust in these two continents. Cross-national variation in social trust within each continent, for example, appears to have little to do with the level of development.

Moreover, these regions differ sharply with respect to vertical, institutional trust: people in sub-Saharan Africa express relatively high levels of trust in national institutions, with many even displaying a kind of “blind trust”; Latin Americans offer very low levels of trust, with many expressing sheer cynicism. Yet in both regions, institutional trust turns instrumentally on a series of evaluations of economic and political performance rather than on cultural or cognitive values. Finally, it would be easy to conclude that the vastly differing patterns of trust and mistrust in each region would account for the particular problems of governance characteristic of each continent: that is, Africans who offer an unhealthy level of deference to “big man” presidents; and Latin Americans who

are unwilling to engage or cooperate with democratic government. However, the data at hand reveal few important linkages between their levels of trust in government or the state and various facets of democratic citizenship. Subsequent research should focus on establishing whether this lack of linkage is real, or whether it is a problem that can be addressed through better measurement or more sophisticated multilevel modeling that takes into account regional and national differences in terms of economic conditions and political history.

NOTES

1. It is worth pointing out, though, that measures of social trust are less consensual in post-Soviet countries, where the regional average is 25% in ten WVS countries and 48% in nine GBS countries. This is quite a discrepancy considering that eight countries are the same in both studies (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia, Ukraine) and only three are different (Estonia and Uzbekistan in the WVS and Moldova in the GBS). According to the two sets of data, Kazakhstan is among the most trusting countries in the region, recording the highest proportion in the WVS set at 38% and the second-highest in the GBS at 52%, only behind Armenia with 59%. But there are significant discrepancies between the surveys. In the WVS, Armenia's level of social trust is only 11%, yielding a 48-point difference. The differences are quite significant in the other countries as well: Georgia 32 points, Azerbaijan 30 points, Russia 22 points, Ukraine 18 points, Belarus 15 points, Kazakhstan 13 points, and Kyrgyzstan 12 points.
2. Where they have covered the same countries, Afrobarometer and WVS yield extremely similar estimates of interpersonal trust, even with several years between surveys (see Inglehart and Welzel 2010, 556–558).
3. Earlier comparative studies about civic culture from the 1950s showed Mexican society as generally distrusting (Almond and Verba 1963).
4. “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them; is it a great deal of confidence, quite a lot of confidence, not very much or none at all?”
5. Afrobarometer asked: “How much do you trust each of the following, or haven't you heard enough about them to say?”
6. Latinobarometro found an average of 30% who said they trusted national government, Congress, and political parties “a lot” or “somewhat” across 18 countries. Afrobarometer found that an average of 56% of respondents said they trusted the president (the project does not ask about “national government”), the legislature, and political parties “a lot” or “somewhat” across 35 sub-Saharan African countries.
7. Demand for democracy is an index composed of support for democracy and rejection of three nondemocratic alternative regimes.

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P A R T V I

OUTCOMES OF
SOCIAL TRUST

CHAPTER 17

TRUST AND THE WELFARE STATE

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INTRODUCTION

THE contribution of this chapter is to consider if and how social and political trust are affected by policy outputs and outcomes related to the welfare state. In the following discussion, we probe how (dis)similar key features, such as explanatory variables, causal mechanisms, and methodology, are across these two fields. Also, we raise the question of whether welfare state consequences are equally strong and well-supported across social and political trust.

Welfare state outputs and outcomes, of course, vary across space, time, and people. As for space, there are long-standing country differences in spending patterns, benefit generosity, and redistributive impact, as suggested by terms like welfare state “effort” (Wilensky 1975) or “regimes” (Esping-Andersen 1990). More recent impetus for our overview comes from the fact that welfare states are changing (for an overview, see Hemerijck 2013). The expansionist “golden age” of the postwar era has been succeeded by a more sinister “era of permanent austerity” (Pierson 2001). Apocalyptic “race to the bottom” scenarios have not materialized, but important changes have occurred. Examples include retrenchment and cost containment policies (Allan and Scruggs 2004; Korpi and Palme 2003: 445; Palier 2010). Relatedly, income inequality—which partly reflects the redistributive capacities of welfare states—has increased in recent decades in many countries (Brandolini and Smeeding 2008). At the same time several more subtle, and even expansive, trends are under way, as reflected by concepts such as “social investment” (Morel, Palier, and Palme 2012) and “active labour market policy” (Bonoli 2005). Despite such recent nuances and complexities in welfare reform, however, survey-based research has often conceptualized independent variables more crudely, often in terms of *more or less* “generosity,” “spending,” “inequality,” and so on.

A recent overview that concentrated entirely on political trust (Kumlin and Haugsgjerd 2017) found it useful to divide existing research into four accumulations of studies, and these four in turn fall into two broad categories. *Contextual factors* concern cross- and within-country variation in welfare state policies (i.e., benefit generosity) as well as in key contextual outcomes affected by these policies (in particular, economic inequality). We discuss contextual factors in the section titled “Welfare State Context in Normal Times,” and in a subsequent section on extraordinary economic crises; often, but not always, the latter have repercussions for welfare policies and outcomes. We then move on to *individual-level factors*, for which there are two sections as well. One discusses performance evaluations of how public services and welfare state schemes function in practice; and the second concerns an individual’s personal experiences with different aspects and institutions of the welfare state.

COMPARING SOCIAL AND POLITICAL TRUST

Before turning to empirical research, some remarks on the dependent variables are in order. Like the rest of this book, we discuss “political trust” and “social trust.” However, research on welfare state consequences for trust has developed such that it cannot be fully grasped without occasionally considering key findings for certain neighboring concepts. Taking the most common example, one occasionally gets a more complete understanding of research on political trust by also considering key findings for “satisfaction with democracy” and “political efficacy.”

As we shall see, there is a good deal of empirical evidence for relationships between welfare state-related variables and both types of trust. The evidence, however, is currently somewhat stronger and broader for political trust; welfare state consequences for trust may well be more political than social. This cautious verdict partly grows out of currently available empirical evidence. As such, it must be treated as temporary, awaiting further research.

Already at the outset, however, there are conceptual/theoretical differences across the types of trust. To begin with, social trust is often regarded as an inherently stable and “cultural” phenomenon, one that may be less likely than political trust to be moved by welfare outputs and outcomes. Expressed differently, a culture of (dis)trust is a stable and robust “trait” rather than a transitory “state” of a society. This trait is “cultural” in that it is deeply entangled with norms for everyday behavior and lifestyle. From this vantage point—and this is a crucial aspect of the notion of “social capital”—aggregate social trust becomes more than just pure aggregation. It also implies some dynamics on its own, that is, a specific culture or climate prevalent in a society that affects everyone. Empirically, there is well-documented evidence of aggregate stability in proportions agreeing that “most people can be trusted” (Larsen 2013). Political trust, by contrast, is more often conceived as a political attitude toward an “object.” Especially more concrete and less “diffuse” types of “political support,” as defined by Easton (1975) and

Norris (1999), are typically conceptualized as more likely to be affected by short-term factors and events. Empirically, there is ample evidence for aggregate volatility over time in political trust (see Listhaug and Jacobsen, this volume).

Moreover, the very direction of hypothesized impact is more ambiguous in debates over social trust. Studies linking macro welfare state features, like overall generosity and income inequality, to political trust typically assume and often find a positive correlation. By contrast, the idea of a harmonious relationship between the welfare state and social trust is contested and receives competition from the notion that welfare states “crowd out” social capital.

A final theoretical difference across these types of trust may be the hardest one to spot: political trust can be plausibly affected by a greater theoretical universe of welfare state-related variables. This is because effects on political trust can usually be understood from the point of view of “electoral accountability.” Citizens reward political elites and institutions (i.e., develop greater trust) if these perform well, and they punish them (i.e., develop distrust) if performance is poor. Of course, in an ideal democracy citizens are supposed to be more precise, punishing and rewarding only specific parties and governments deemed responsible rather than lashing out against politicians, parliament, or politics in general. In a messy democratic reality, however, responsibility is often so unclear that also (or even mainly) generalized attitudes toward the entire political system are hurt/helped by policies, performance, and outcomes.

Social trust effects, by contrast, operate through views on other people’s trustworthiness. For example, certain experiences of public service might produce conclusions about fellow users of that service, about public officials, or indeed about one’s own trustworthiness. Likewise, greater inequality may trigger generalizations about whether other citizens are likely to fool, rob, or hurt you. Such mechanisms form a subset of the broader class of mechanisms operating on political trust. After all, citizens in a democracy are theoretically free to hold representatives to account for anything, including for failing to install a welfare state that encourages trustworthiness. Hence, most welfare state-related mechanisms that might affect social trust can also conceivably affect political trust. But the opposite does not necessarily apply. Only some factors that affect political trust—those that say something about fellow citizens—might also affect social trust.

THE WELFARE STATE CONTEXT

Our tour through past research begins with contextual studies examining effects of broad policy outputs (i.e., spending patterns or benefit generosity levels), as well as policy outcomes (in particular economic inequality). These studies generally conceive of such welfare state-related factors as contextual phenomena that affect most citizens, if not all, in a similar way. That said, some studies do theorize, test, and occasionally find group-level variation, such that the impact of welfare state context varies between citizens of the same welfare state.

The Impact of “Policy Context” in Normal Times

A first accumulation of studies deals with contextual variables “in normal times.” At least four perspectives can be distinguished, which will structure this section. The first and most general one assumes a positive relationship between generous and universal welfare states and individual social and political trust. A second group of studies, mainly examining social trust, addresses the so-called crowding out thesis, arguing that generous welfare states may crowd out social capital and thus feelings of solidarity and trust. A third group of studies debates causality. Do generous welfare states generate trust, or is it the other way around? Fourth and finally, a recent line of work examines the interaction between welfare state variables and ethnic diversity/immigration.

The first strand of research asserts a positive relationship between generous welfare states, equality, and types of trust (Kriekhaus et al. 2014; Kumlin 2011b; Kumlin 2014; Rothstein and Uslaner 2005; Zak and Knack 2001). Beginning with social trust, an important distinction is made between “selective” welfare benefits that are subject to some eligibility criteria (e.g., means-testing), and universal welfare benefits that are perceived as a citizens’ right and distributed on a general and automated basis. “Universal” welfare programs are often expected to correlate with higher levels of social trust and social capital, while “selective” social services create a cultural distance between those receiving benefits and others and therefore erode social trust (Larsen 2007). In a related vein, Lee (2012) distinguishes between “transfer centered” and “training supplemented” welfare states, thereby addressing the difference between active and passive unemployment policies. He argues that active labor market policies, in contrast to passive benefits, not only increase employment opportunities for those at the bottom of the social strata but also reduce incentives for and perceptions of free riding. Eventually, this type of policy also offers the “structural and institutional mechanisms to monitor other actors’ commitments and participations,” which better corresponds to the state as a “fair rule-setter or rule-imposer” (Cook, Hardin, and Levi 2005). Overall, the latter configuration of welfare state structures is assumed to be beneficial for social trust.

Theoretically, scholars working on social trust often evoke Putnam’s (2000: 136) argument that trust is based on some “background of shared social networks and expectations of reciprocity.” The welfare state can be seen as contributing to this “background” (Larsen 2013; Newton 2001; Rothstein and Stolle 2008; Uslaner 2002; Uslaner 2008). Besides substantial effects on personal well-being and equality, the welfare state provides subtle but effective hints to all citizens about society (Jones and Cullis 2003). For instance, generous and universal social benefits might convey the message that the state assumes responsibility for the well-being of citizens and that everybody should be treated equally. Here, we come close to Uslaner’s (2002; 2008) definition of social trust as *moralistic value of inclusiveness*. Social trust, in this view, is not based on personal experience and knowledge in the first place, but reflects a “fundamentally egalitarian ideal” (Uslaner 2002: 3) and a “general outlook on human nature” (Uslaner 2002: 17).

Some authors emphasize more strongly that welfare states impact on how we think about others (Larsen 2013). Existing policies may help define who is “in” and who is “out” and are therefore related to feelings toward those at the bottom of society. While in generous, universal welfare states most people tend to think that the small group at the bottom of society is trustworthy and deserving, in more selective and marginal welfare states the image of a sizable, untrustworthy, undeserving, and even dangerous bottom dominates. Larsen (2013) provides an encompassing empirical test of these assumptions. Drawing on macro- and micro-level analyses, exploiting experimental and media analyses, he concludes that different perceptions of “those at the bottom” help explain why social trust has decreased in the United States and the United Kingdom in recent decades, while Denmark and Sweden have even become more trusting.

Regarding political trust, most studies have analyzed quite distant welfare policy outcomes showing that higher income inequality and more poverty is related to lower levels of political trust (Anderson and Singer 2008) and satisfaction with democracy (Krieckhaus et al. 2014; Lühiste 2014). Relatedly, Kumlin (2011b) finds that generosity in unemployment benefits (but not pensions or sick pay) help explain also over time within-country variation in satisfaction with democracy.

The larger story emanating from these studies is that contexts marked by more redistributive policies and outcomes enhance political trust. But why would this be so? Several mechanisms have been invoked, most of which either receive lukewarm support or have not been explicitly tested (see Kumlin and Haugsgjerd 2017). The most basic mechanism is *self-interest*; it is those who benefit more than others from redistribution that develop more trust. Remarkably however, inequality effects on trust do not interact with income (Anderson and Singer 2008; Krieckhaus et al. 2014), and welfare generosity variables seem to exercise largely similar effects on democratic satisfaction across different socioeconomic groups (Kumlin 2011b). A second possible mechanism is that many people *value equality/generosity* and reward the political system when they get it. This received clear support in Anderson and Singer’s (2008) study as leftists reacted more positively to equality. Still, the pattern was not perfect as there was a clearly significant positive effect also among non-leftists. Moreover, Kumlin (2011b) found few significant value interactions with welfare generosity. It was also noteworthy that unemployment benefits, a rather divisive part of Western welfare states, impacted the most on democratic satisfaction, more so than less contentious areas such as pension systems. Future research might work harder on these possibilities, but we are also clearly in need of new, good theoretical ideas. One possibility that has not been tested all that much is that more equal and redistributive welfare states encourage a perception that the “democratic playing field is level” in terms of resources, participation, and representation (which is, incidentally, often a correct perception; see Beramendi and Anderson 2008). Relatedly, it has been suggested that generous and well-functioning social protection installs a stronger feeling of equal recognition by the state among most citizens (Goerres and Busemeyer 2014; Shore 2014). Such cognitive and affective mechanisms fit rather well with the results on perceptions of fairness (see You,

this volume). They might also explain why redistributive welfare policies and outcomes may enhance political trust, regardless of individual interests and values.

A common concern discussed by researchers of social and political trust alike is that a small welfare state, high inequality, and subsequent low trust form a vicious circle. Rothstein and Uslaner (2005: 68) speak of an “inequality trap” where “[t]he best policy response to growing inequality is to enact universalistic social welfare programs. However, the social strains stemming from increased inequality make it almost impossible to enact such policies” (Rothstein and Uslaner 2005: 70). Uslaner (2011) tests empirically a similar process for political trust. An instrumental variable approach yields three important findings. First, inequality and corruption are associated (through negative and reciprocal links with interpersonal trust). Second, both inequality and corruption have adverse effects on the quality of public service delivery, especially those relied upon by the poor. Third, inequality, corruption, and poor service performance all negatively affect political trust as well as compliance with tax regulation. These outcomes in turn reinforce the inequality-corruption nexus, thus creating a vicious circle or a “trap.”

A second branch of literature turns the process on its head by arguing that the state can have a “serious negative impact” on social capital if undertaking “activities that are better left to the private sector or to civil society” (Fukuyama 2001: 18). The main mechanism behind such a *crowding out* effect is that generous welfare states assume responsibility for those in need, while private social activities become less important (Stadelmann-Steffen 2011: 137). As a result, individual solidarity, civic engagement, and social trust may erode. While sometimes political trust is integrated in these studies as an element of a broader social capital concept (Van Oorschot and Arts 2005), the crowding out argument mostly concerns social trust. Empirically, however, findings are weak at best. Studies revealing a negative relationship between an extensive welfare state and civil society typically focus on value-related aspects of civic engagement like informal solidarity, donations to the poor, social engagement, and social contacts (Scheepers, Grotenhuis and Gelissen 2002; Scheepers and Te Grotenhuis 2005; Stadelmann-Steffen 2011; Van Oorschot, Arts, and Halman 2005). For social trust, by contrast, the evidence does not support a crowding out effect (Brewer, Oh, and Sharma 2014; Freitag and Bühlmann 2009; Gelissen, van Oorschot, and Finsveen 2012; Gesthuizen, Van der Meer and Scheepers 2009: 124; Rothstein 2001) but rather a positive relationship as discussed earlier (Larsen 2013; Rothstein and Uslaner 2005; Uslaner 2002).

Third, the debate over social trust (unlike that of political trust) has recently moved to a closer examination of causality. While the studies mentioned above all embrace the idea that it is the welfare state that has a positive (or negative) effect on trust, recent investigations use innovative research designs to study how trust affects the welfare state and its support (Bergh and Bjørnskov 2011; Bergh and Bjørnskov 2014; Brewer, Oh, and Sharma 2014; Daniele and Geys 2015). Bergh and Bjørnskov (2014) provide evidence that large welfare states have the potential to decrease inequality, while the latter does not causally influence social trust. The same authors (Bergh and Bjørnskov

2011) have also found that (historic) trust levels can explain today's welfare states, while their results again do not support a causal chain from welfare state policy to social trust. Similarly, Daniele and Geys (2015) have recently demonstrated that social trust increases welfare state support, while little empirical evidence can be found regarding a welfare state effect on trust. Jensen and Svendsen (2011) also emphasize the role of general trust for the persistence of universal welfare states. Moreover, they argue that the differentiation between general and particular trust helps to explain the emergence and persistence of familiaristic welfare programs in conservative welfare states. Overall, this strand of literature bases itself on the argument that the creation and functioning of welfare states can be seen as a large-scale social dilemma (Rothstein 2001). In order to sustain large welfare states, societal groups need to reach cooperative outcomes in positive-sum games (Bergh and Bjørnskov 2014: 184). Trust and trustworthiness, in these situations, facilitate cooperative outcomes by protecting welfare state arrangements against free riding. Hence, social trust is considered as a prerequisite for larger welfare states.

The fourth area of research on welfare state context in normal times deals with immigration and ethnic diversity and the welfare state. Recent public and scholarly debates raise the possibility that a more diverse society due to international migration may have a series of negative effects on several types of trust as well as on social solidarity. For example, it has been argued that immigration/diversity may replace generalized social trust by a more differentiated, group-specific trust. This might challenge welfare state support and could open the door for "welfare chauvinism," that is, the attitude that social rights should be limited for immigrants or minorities (see also Dinesen and Sonderskov, this volume). Indeed, already some time ago, Gilens (1999) demonstrated that Americans' negative feelings about social policy are closely related to a media-driven misrepresentation of most welfare recipients as black and undeserving. Put differently, the lack of out-group trust particularly by whites might explain why the United States lacks a culture of trust that allows welfare states to develop and sustain.

This pessimistic storyline has been challenged, however. For instance, Crepaz (2008) argues that the American scenario is less likely in Europe, because (some) European countries have strongly established trust cultures. Particularly the Nordic countries are seen as examples of encompassing welfare states built on high levels of trust. These cultures of trust, it is claimed, are *universal* in nature, both reflecting and buttressing the institutional character of their welfare states. Trust extends beyond in-groups and even beyond borders to non-natives. This in turn eases the inclusion of minorities and out-groups into a redistributive community. Moreover, such trust cultures are regarded as highly robust also in the face of diversity and immigration; they are seen as enduring and unchanging systemic "traits," rather than transitory "states." A high level of generalized trust is a stable bulwark against nativism and welfare chauvinism as immigration and diversity increases. It produces continued support for universal welfare and shapes group-specific orientations.

A somewhat similar argument has been made in research on political trust. McLaren (2012a; 2012b) demonstrates a strong negative relationship between concerns about

immigration and political trust using both panel and cross-sectional data. She argues that when people perceive that immigration threatened their national community, “the institutions that govern them are likely to be called into question” (McLaren 2012b: 168). Interestingly, she also speculates, but does not test empirically, whether more generous social protection may soften such a negative effect by “rebuilding notions of community based on economic equality” (McLaren 2012a: 231; McLaren 2012b: 185). Overall, then, various theoretical arguments have been made to suggest that inclusive high-trust welfare states, such as the Nordic countries, are especially suited to fend off potentially undermining consequences on trust and social solidarity.

There is some empirical support for this upbeat narrative. For example, Ervasti and Hjerm (2012) find that a high level of generalized trust reduces welfare chauvinism and strengthens support for the welfare state. Soroka and colleagues (2007) find positive effects of their measurement of interpersonal trust (the likelihood that a lost wallet would be returned) on support for the public provision of several different welfare services. On the other hand, newer research on high-trust Scandinavian countries suggests that the positive relationship between generalized trust and welfare support hinges on a smaller subset of “true universalists” among generalized trustors, for whom trust in most people also includes immigrants (Kumlin et al. 2017). The latter kind of trust stands at a much lower level than the impressive number of Scandinavians who say they trust “most people.” In a similar vein, Eger’s (2010) analysis suggests that the notion of an “anti-solidarity effect” of ethnic diversity (Roemer and Van der Straeten 2006) is relevant beyond traditional low-trust countries like the United States and can be observed in high-trust countries such as Sweden.

How can we summarize research on welfare state context and trust “in normal times”? Quite obviously, a by-now impressive number of studies suggest statistical associations between welfare state—seems to be a very long-related variables and both types of trust. Nonetheless, research on social and political trust, respectively, are currently in slightly different situations. As for social trust, there is a larger number of studies to draw on: two out of the four discussed groups of studies are largely about social trust. The best of these, moreover, are theoretically rich, offering elaborate arguments and even tests of causal mechanisms (see Larsen 2013). At the same time, this research program faces two unresolved challenges. One questions, mostly on theoretical grounds, the sign of the impact. The other questions the direction of causality on theoretical as well as empirical grounds. As for political trust, there are fewer available studies, again showing mostly support for the welfare state–trust relationship. This literature is currently not subject to a debate over causality, and so far results have survived within-country over time, as well as instrumental variable tests. This might change in the future as it is eminently possible to theorize mechanisms through which political trust conditions welfare state development (Trüdinger and Bollow 2011). Also, as we have emphasized, the political trust literature is marked by a theoretical and empirical knowledge deficit concerning causal mechanisms.

Context, Crisis, and Austerity

We now move to contextual studies of the impact of economic crises and associated welfare state changes. Here, issues of endogeneity are less problematic in that independent variables are more clearly exogenous events, and where dependent variables concern subsequent change over time in trust, rather than cross-sectional variation. Major crises are interesting because they often, but not always, act as catalysts for harsh austerity measures and budget-balancing policy responses (Starke, Kaasch, and van Hooren 2013). Such responses may in turn have adverse effects on welfare outputs and outcomes such as generosity, service quality, inequality, and poverty. Probably because of the rarity of such events, research on both political and social trust has paid relatively little attention to cases of major and sudden crises, and instead devoted more effort to trust in normal times. This changed somewhat, however, in the wake of the 2008 global recession and the ensuing trust decline experienced in some, but not all, countries affected by the crisis. In this section we take stock of this growing literature. The broader story fits with findings about trust in normal times. That is, while big economic crises that threaten social protection hamper political trust, evidence on social trust is more scattered and inconsistent.

Starting with political trust, scholars have long highlighted the importance of welfare states in times of severe economic distress. Using pooled time-series analyses of Eurobarometer data from the years following the Arab oil embargo in 1973, Clarke, Dutt, and Kornberg (1993) found only modest effects of unemployment rise and inflation on political trust. They argue that this was partly due to redistributive and stabilizing mechanisms of the welfare state (Clarke, Dutt, and Kornberg 1993: 101; see also Kornberg and Clarke 1992: 58). Likewise, historical analyses of the 1970s argue that generous welfare regimes “cushioned societies against the worst effects of impoverishment and insecurity,” preventing a parallel to events in the early 1930s (Mazower 1999: 333, 346–347; see also Hobsbawm 1994: 93–96). Findings on the recent recession fit into this narrative as well. In Portugal, the fiscal consolidation measures implemented in 2010–2011 involved significant cuts in pensions, child benefits, unemployment benefits, health care services, and transfers to schools and municipalities, while taxes were substantially increased. This decline in social protection and services was succeeded by a drop in citizens’ satisfaction with Portuguese democracy (de Sousa, Magalhães, and Amaral 2014). Moreover, findings from Greece clearly indicate that negative evaluations of welfare state services fueled the deterioration of political trust during the Great Recession (Ellinas and Lamprianou 2014).

Findings are more mixed for social trust. On the one hand, a couple of recent studies show that social trust levels declined in the course of the 2008 crisis. In the Netherlands, trust in others decreased from 70% in 2009 to 65% in 2010, but bounced back up again to precrisis levels in 2013 (van der Cruijsen, de Haan, and Jansen 2015). Russia too experienced a loss of social trust in the course of the crisis (Ananyev and Guriev 2015). The generalizability of these findings, however, is open to question. Studies comparing the impact of economic recessions on the two forms of trust indicate that trust

in government is less resistant to major performance setbacks than trust in others. Uslaner (2010; 2014) compared the impact of the economic crisis of 2008 in the United States on social and political trust, and found declining trust in government but stability for trust in others. Evidence from other crises paints a similar picture. Newton (2001; 2006) examined some of the largest declines in political trust ever recorded in specific countries and found that most of these were preceded by a package of poor performance involving an economic recession, rising unemployment and budgetary imbalances, significant and unpopular public-sector restructuring as well as increasing inequality and poverty. Interestingly, while political trust suffered severely in all these cases, social trust remained stable or even *increased* throughout the crisis in some countries (Newton 2006: 857–858).

These divergent trajectories beg the question of what *mechanisms* affect types of trust in times of crisis. As for political trust, crisis studies have mainly focused on the importance of democratic responsiveness (Armingeon and Guthmann 2014; Cordero and Simón 2016; Torcal 2014), and governments' economic performance (Friedrichsen and Zahn 2014; Kroknæs, Jakobsen, and Grønning 2015; Polavieja 2013; Roth, Nowak-Lehmann, and Otter 2013; Stevenson and Wolfers 2011; Van Erkel and Van Der Meer 2015). Few studies investigate how crisis-induced welfare state changes affect political trust. However, as the role and functioning of the welfare state often is affected, several plausible mechanisms may be theorized. For one thing, the budgetary pressure on the welfare state increases, often prompting budget-balancing responses involving cutbacks. At the same time, the economic climate increases the demand for protection against crisis-related risks. One might therefore suspect that crises hamper political trust, not just because they represent macroeconomic malperformance, for which accountability is hard to assign, but also because crises *hurt social protection when it is needed the most*. Thus, the *combination* of major crisis and feared or realized retrenchment means citizens experience greater social risks at the same time as protection against those risks also deteriorate or are perceived as threatened. It would be this combination that creates fear and frustration at the same time as it is inherently difficult to know who to blame for such complex events (see Haugsgjerd forthcoming). While the number of empirical studies investigating this idea is limited, a recent study shows that a decline in trust in the European Union amid the Great Recession was most pronounced among individuals with lower social status (Dotti Sani and Magistro 2016).

Social trust, on the other hand, seems more resistant to economic crises involving welfare state cutbacks. Still, several conditions under which social trust may suffer have been discussed. For example, a climate of competition (for jobs, benefits, etc.) and material needs during hard times could put a strain on personal relations and thus on mutual trust. In a different vein, Ananyev and Guriev (2015) argue that a sudden drop in income due to a crisis may make individuals less risk-averse by affecting their sense of fairness in the world around them. Although they do not test these mechanisms directly, the overall idea is consistent with reports of a positive relationship between economic prosperity and social trust in normal times (Beugelsdijk, De Groot, and Van

Schaik 2004; Knack and Keefer 1997; Stadelmann-Steffen and Freitag 2007; Whiteley 2000; Zak and Knack 2001).

Methodologically, most studies discussed in this section are “single-country-over-time” studies. This typically involves comparing several waves of repeated cross-sectional data for one country. Here, causality seems to be less of a challenge as the independent variables of interest—crisis and welfare state changes—are more clearly exogenous events. However, these studies pose other methodological challenges. In particular, policies and outcomes are not the only variables changing in times of crises. On the contrary, a whole range of economic, political, and social problems are intertwined with welfare retrenchment. These factors are not easy to disentangle. Consequently, scholars have difficulties in specifying the mechanisms that drive observed changes in trust, and hence in pinning trust changes to welfare state-related variables beyond doubt.

In conclusion, the discussed studies are consistent with the claim that a combination of a big economic crisis and threatened social protection can seriously hurt political trust. In contrast, social trust seems more unaffected by such dramatic events. Future research, however, should dig more deeply into the specific mechanisms that hurt trust in times of crisis. Regarding political trust, it may still be that crises mainly matter because they represent massive macroeconomic malperformance rather than because they threaten the welfare state when it is needed the most. Here, it would be useful to know more about whether retrenchment-inducing crises have stronger effects on political trust than crises in which social protection remains intact. As for social trust, it would be interesting to unravel why social trust levels have been unaffected in some instances of major economic crises (Newton 2006; Uslaner 2014), but weakened in others (Ananyev and Guriev 2015; van der Cruijsen, de Haan, and Jansen 2015). Accounting for differences in inequality levels may be one promising avenue for further research. However, addressing these questions requires going beyond the single-country-over-time research designs, for the benefit of designs that capture variation in policy responses and inequality changes in the wake of severe economic crises.

INDIVIDUAL-LEVEL VARIATION IN EVALUATIONS AND EXPERIENCES

We now leave the contextual level for variation across individuals within a given welfare state context. There are two reasonably distinct (but related) accumulations of research here. One concerns people’s satisfaction with and perceptions of the workings of services and benefit systems (shorthand: performance evaluations). As we shall explain, this literature has overwhelmingly been concerned with political trust, approaching the problem from the point of view of electoral accountability. The second group of studies has examined personal experiences with welfare state institutions as

an information channel through which both social and political trust may be affected. We discuss each of these in turn, and finish with remarks about direction of causality that apply to both.

Performance Evaluations and Political Trust

A first group of studies emphasizes more or less “global” performance evaluations of welfare state outputs and outcomes (i.e., general satisfaction with “health care,” “pensions,” “the social safety net,” and the like). Such research exists mainly in the area of political trust, probably since the normative principle of electoral accountability makes it immediately relevant here. Performance-type factors, of course, have a long tradition in the political trust literature (see Van der Meer, this volume). Until recently, however, the vast majority of studies examined *macroeconomic* performance while often ignoring other policy domains. Still, far-ranging conclusions have been drawn, resulting in a general skepticism about the explanatory value of performance, at least in established democracies (for an overview, see Kumlin and Haugsgjerd 2017). For example, Dalton (2004: 126) studied macroeconomic performance and political trust over time in a large number of advanced industrial democracies. He concluded that “economic performance, whether measured in objective or subjective terms, does not seem to be a significant contributor to the long-term decline in political support during the later twentieth century,” and that “[t]he empirical analyses [. . .] demonstrate the limitations of the performance model.”

A standard explanation for the seeming unimportance of (economic) performance highlights repeated experiences of electoral accountability. Such experiences teach citizens the value of punishing and rewarding incumbents at the polls, rather than blaming “politics” more generally. Accountability is also believed to generate affectively based “diffuse support.” Such support is by definition insensitive to short-term fluctuations in performance. In McAllister’s (1999: 203) formulation, “The political economy of confidence of democratic institutions is . . . strictly limited. This conclusion underlies the gradual transformation that has taken place in the established democracies, where the frequency of national elections has slowly generated a reservoir of popular support for democratic institutions, with citizens drawing a clear distinction between the institutions of the state on the one hand, and the party and leaders elected to conduct public policy on the other.”

Other political science subfields, however, increasingly see electoral accountability as fragile. Recent research on “economic voting,” for example, now concludes that accountability is more variant across time and space than previously realized (for recent overviews, see Anderson 2007; Duch 2007; Lewis-Beck and Stegmaier 2007). What is more, most institutional and contextual conditions conducive to accountability—such as single-party majority government, long period of incumbency, clear government alternatives, centralized government, and so on—are unusual. Interestingly, Taylor (2000) found that that macroeconomic performance has *weaker* effects on democratic

dissatisfaction under the same rare conditions. Put differently, generalized political trust suffers from performance dissatisfaction when accountability does not work well.

Accountability may be particularly fragile in the welfare state domain. On top of generic political-institutional problems, policymakers often build obfuscating blame-avoidance strategies into the design of policies themselves (e.g., Hood 2007; Lindbom 2007; Pierson 1994; Weaver 1986). For example, retrenchment is likely to occur in an incremental and hard-to-detect fashion, or can occur as the result of nondecisions (i.e., failing to adjust benefit ceilings and floors upward with inflation) and opaque tinkering with eligibility criteria. Consistent with these remarks, electoral punishment in the welfare state domain appears (even) weaker and more variable than in the macroeconomic realm (Armingeon and Giger 2008; Giger 2011; Giger and Nelson 2011; Kumlin and Stadelmann-Steffen 2014). It is unsafe, then, to assume positive experiences of well-functioning accountability in the welfare domain. The clinical distinction between specific incumbents and “politicians” and “politics” more generally is unusually difficult. Therefore, poor welfare state performance may be generalized beyond incumbents.

Most studies so far bear out that expectation. Analyzing eight European countries, Huseby (2000) found that negative evaluations of performance in elder care, health care, job, and social security all negatively affect attitudes toward the functioning of democracy, but not support for democratic principles. Similar findings were reached in more country-specific studies by Miller and Listhaug (1999) using Norwegian and American data, and by Roller (1999) reporting that former East Germans’ comparisons between the communist and postcommunist welfare state were unflattering for the latter in the 1990s; this in turn had negative consequences for political trust. Similarly, examining fifteen Western European countries in the first wave of the European Social Survey (ESS), Kumlin (2007) found that an index of dissatisfaction with health and education services hampers generalized political trust (rather than incumbent support) in nearly all examined countries (see Criado and Herreros 2007). Consistent with the reasoning above, Kumlin (2007) also found that service dissatisfaction has stronger effects in this regard compared to dissatisfaction with the economy. Finally, Lühiste (2014), using the fourth wave of the ESS, finds that the more positively an individual evaluates the state of social protection in the country, the higher the satisfaction with democracy.

Looking upward in the European political system, several studies indicate that dissatisfaction with national social protection damage trust in EU institutions and support for integration. In contrast to results for macroeconomic performance (Anderson 1998), these effects do not appear to be merely “accidental” byproducts of dissatisfaction first affecting domestic political orientations, which then function as heuristic “shortcuts” projected onto the European Union. Instead, citizens seem to be “blaming Europe” in a more direct and conscious manner (Beaudonnet 2014; Bücker and Kleiner 2014; Kumlin 2009). For sure, Europe-blaming for perceived welfare malperformance varies across countries, depending on the nature of the welfare state itself (more Europe-blaming in more generous welfare states), but also on what political elite actors tell citizens about the EU-welfare nexus. The importance of such “cueing” is supported

by experimental evidence (Kumlin 2011a), as well as by comparative survey analyses showing stronger dissatisfaction effects on EU trust where the party system harbors more parties that are simultaneously pro-welfare state *and* Eurosceptic (Kumlin 2009). Overall, at least many politically aware citizens seem to have developed meaningful perceptions about the distribution of responsibility for welfare state issues in the EU political system. Hobolt and Tilley (2014) find support for this contention in several policy areas, emphasizing as an overall explanation the considerable EU impact on domestic situations in combination with unusually poor accountability. In their words (2014: 7): “Since citizens are unable to vote for or against ‘a government’ in the EU, when voters hold the EU responsible for poor performance they lose trust in the EU institutions instead.”

Personal Welfare State Experiences

Research on personal welfare state experiences is more evenly spread across social and political trust. Having said this, however, research on political variables tends to focus more broadly on “democratic citizenship,” employing neighboring concepts such as political efficacy, interest, and participation. Here we occasionally consider findings for such variables while staying focused on trust.

Research on personal experiences makes two broad contributions. One is to assess which psychological aspects of personal experiences matter. For example, economic *self-interest* may affect especially political trust if individuals reward the political system for social protection that evidently benefits him/her (Kumlin 2004a). However, consistent with social-psychological research on *social justice* (see Grimes 2017; Tyler et al. 1997;), experienced “distributive justice” and “experienced voice opportunities” may have even stronger associations with political trust. Relatedly, experienced justice variables do not necessarily reflect “self-interest in disguise,” but rather constitute independent dimensions of judgment (Kumlin 2004a).

A second contribution is to examine which welfare state “policy designs” tend to generate positive experiences along relevant dimensions and, in turn, positive effects on trust. Policy design is often conceptualized in terms of the power relation between the individual citizen and the bureaucrat. Such relations can in turn be affected by a multitude of institutional, but also individual, factors. In a pathbreaking study, Soss (1999) compared Americans with experiences of AFDC (Aid to Families with Dependent Children) and SSDI (Social Security Disability Insurance). He found that AFDC experiences had negative effects on beliefs about the responsiveness of government whereas SSDI experiences did not. This difference could not be attributed to socioeconomic differences that existed prior to welfare interaction. Rather, it seemed to be due to AFDC having more power over its clients and being worse at visibly considering clients’ views and preferences. By giving citizens the feeling of being underdogs in relation to the state, AFDC experiences generated negative attitudes toward public institutions and the political system. In a similar vein, Kumlin (2004a) found that Swedes’ experiences

of “customer institutions”—where bureaucratic discretion and means-testing are rare, but exit-options frequent—tend to generate positive perceptions of social justice, and more political trust. Exactly the opposite appears true of experiences with “client institutions,” where discretion and means-testing is frequent and exit-options rare (see Hoff 1993; Möller 1996). Mettler and Stonecash (2008) reach similar findings in the United States, focusing on universal versus means-tested programs and employing electoral participation as the dependent variable. Taken together, then, these studies support the idea that policy design matters for political trust and “democratic citizenship” variables that are likely to be associated with such trust.

A parallel set of findings has developed for social trust. It is often assumed that experiences with universal, impartial welfare state policies will be associated with higher levels of trust, while selective (i.e., means-tested) welfare programs are expected to constrain individual social trust. Two mechanisms may be at play (Rothstein and Stolle 2003: 197). First, in a universal system there is no need to single out the “needy” or “deserving” from “others,” since services and benefits are not contingent on criteria such as need-testing. Accordingly, there is no stigma of belonging to the “needy,” and less discussion on who is deserving and who is not. Second, in a universal system there are fewer incentives and opportunities to cheat. There is also little means-testing, which could generate a climate of distrust. Rothstein and Uslaner (2005) illustrate these ideas empirically for the US case in that individuals exposed to means-tested benefits exhibit lower levels of social trust than those that did not get such benefits. Kumlin and Rothstein (2005) come to a similar conclusion based on a Swedish dataset. Additionally, they show that personal contact with universal programs is positively associated with social trust. Findings such as these, then, indicate that welfare state policy design may be of explanatory value also for social trust. Of course, as discussed by Campbell (2012), Goodsell (1981), and Mettler and SoRelle (2014), there are numerous other ways in which policy design differences can be conceptualized and put to empirical use. Hence, continued work in this vein seems to be a promising area for future work.

Causality and Individual-Level Factors

A fundamental question, of course, is whether evaluations and experiences really drive (dis)trust in a causal sense. The worry one would like to rule out is that evaluations/experiences are merely results of projection based on preexisting attitudes (such as social and political trust), or are otherwise results of self-selection processes where unmeasured variation in individual life conditions and characteristics drive exposure to different policy designs as well as trust.

While more work is needed, several lines of work show promising results. For example, evidence from qualitative interviews from the United States (Soss 1999) and Sweden (Möller 1996) suggest that citizens use and generalize social policy experiences when reasoning about the responsiveness of the political system and democracy in general. Moreover, panel studies indicate that welfare performance evaluations can elicit change

in EU attitudes (Kumlin 2004b), left-right ideology, (Kumlin 2006), and incumbent government voting (Evans 1999). Still, we need to know whether this applies also to political trust. In this regard, Watson (2015) investigates civic and political consequences of an emerging transformation of welfare states that includes a shift away from rights-based to conditional, work-centered social entitlements. Panel data allowed her to observe individuals before and after they enter conditional welfare programs in the United Kingdom between 1990 and 2010. This yields stringent causal support for the assumption that the movement to a more work-centered and obligations-oriented social policy may have detrimental effects on recipients' political life broadly conceived (including political interest and efficacy). Whereas traditional rights-based social programs even seem to boost active citizenship, conditional entitlements appear to generate political demobilization by hampering personal and political efficacy (see also Bruch, Marx Ferree, and Soss 2010). Finally, very few individual-level studies have to our knowledge addressed self-selection and reciprocal causality in analyses of social trust. An exception is Sønderskov and Dinesen (2016), who used Danish panel data to study the relationship between an institutional trust index (comprising trust in the public sector) and social trust. Cross-lagged panel models indicated that institutional trust indeed drives social trust with only limited evidence of an impact running in the other direction.

CONCLUSIONS

This chapter has discussed evidence for the idea that welfare state policies and outcomes have ramifications for how trusting societies and individuals are. Already from the outset, however, we raised the possibility that these ramifications might be broader and greater for trust in political actors and institutions compared to social trust in fellow citizens. In terms of theory, we noted that social trust is often regarded as a stable "cultural" trait, one that is less likely to be moved by the policy outputs and outcomes of the welfare state. There is also more disagreement on whether such effects might be largely positive or negative when it comes to social trust. Finally, we noted that political trust may be plausibly affected by a greater theoretical universe of welfare state-related variables, whereas those for social trust are likely to be tied to cognitive mechanisms concerning trustworthiness.

Empirically, we have noted evidence that *both* social and political trust may be structured by welfare state-related variables. Still, we see that evidence is currently both broader and stronger for political trust. As for breadth, there is supportive evidence for political trust in all the four areas reviewed (few studies link social trust to global evaluations of performance). This imbalance makes sense given that broad "reward and punishment" for general dissatisfaction is more relevant for political trust. But it also means that the evidence is necessarily broader for such trust.

Also evidence concerning causality appears stronger for political trust (although hardly perfect in an absolute sense). We noted that cross-sectional contextual results

for social trust are challenged by studies suggesting trust built the welfare state rather than the other way around. We have so far not registered any similar challenge to contextual findings for political trust (where cross-sectional findings are also complemented by scattered instrumental variables and within-country over-time evidence). Similarly, the negative impact of economic crises is so far stronger for political trust. This is significant also in a causal sense as crisis studies concern more clearly exogenous events, with the dependent variable often tapping subsequent trust decline. Looking at the individual level, moreover, we have discussed panel evidence that suggests welfare state evaluations and experiences do have the capacity to change various types of political orientations, including variables that, like trust, are part of an overall package of variables tapping “democratic citizenship.” Such findings are complemented with scattered qualitative interviews demonstrating the type of reasoning that may generate the assumed causal effects.

What about future research? To begin with, scholars examining social trust need to pay more attention to causality. This is true at the contextual level, where question marks concerning trust and the welfare state need to be further addressed. But also at the individual level there are potentially reciprocal relationships between experiences/evaluations and social trust. Research on political trust, as we have noted, is in somewhat better shape with respect to causality issues (especially at the individual level). Instead, the perhaps greater question mark here has to do with theory and causal mechanisms. This is important not least because the potential universe of cognitive mechanisms is larger for this dependent variable. We need to know more about why generous and egalitarian welfare states may build political trust. Is it because of self-interest, political values, or a perception that democracy combined with greater equality also means better and fairer democracy, one that is marked by recognition, inclusion, and political equality?

A final avenue for future research is opened by the fact that mature welfare states are now changing faster. Ongoing policy changes offer a good laboratory to complement cross-sectional and panel data. Exploiting these changes, however, will require theoretical development. Our overview shows that survey-based research has usually conceptualized welfare state variables crudely, often in terms of *more or less* “generosity,” “spending,” “inequality,” and the like. These conceptualizations are useful whenever welfare state change is dominated by retrenchment and growing inequality in the whole population. Austerity-driven retrenchment, however, is not the “only game left in town” (van Kersbergen, Vis, and Hemerijck 2014), even in the wake of the Great Recession. There is “dualization” under which benefits and services remain rather stable for “insiders,” but where growing groups cannot access them due to part-time, fixed-term, or otherwise nonstandard employment patterns (Emmenegger et al. 2012). By the same token, the notion that welfare states are being “recalibrated” has gained currency (Ferrera 2008). This entails a rebalancing of policy activity in which “new” risks (Bonoli 2005)—examples include work-life imbalances and skills obsolescence—receive more attention and resources, resulting in expansive reforms in family and active labor market policy. Relatedly, scholars have identified a partial shift from traditional welfare state goals, such as income security and equality, to a social investment-oriented welfare

state (Morel, Palier, and Palme 2012), geared toward the creation, preservation, and efficient use of human capital. Finally, almost everywhere there is a trend toward “activation” and “active labor market policy.” Much theoretical and empirical work remains to be done for a full understanding of how—and indeed if—social and political trust are affected by complex patterns of welfare state change.

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CHAPTER 18

NEW EVIDENCE ON TRUST AND WELL-BEING

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INTRODUCTION

In this article, we report existing and fresh evidence on some of the direct and indirect linkages between trust and subjective well-being. There are four main sections. In section 1, we survey a range of previous key results on the empirical linkages between trust and subjective well-being. Then we proceed in the subsequent three sections to present new research on three separate topics. First, we use the European Social Survey, the World Values Survey, and the Gallup World Poll to prepare new estimates for the effects of social trust on satisfaction with life. Second, we present new results from the European Social Survey showing how the relative importance of trust for well-being depends on both the type and radius of trust. Third, we present new, individual-level evidence on how social trust increases the resilience of individuals affected by adverse events. Finally, the concluding section summarizes the results and present evidence that improvements are possible within policy-relevant time horizons.

SUMMARY OF PREVIOUS FINDINGS

Trust of Many Types Affects Subjective Well-Being

Several types of trust are independently important to well-being, as evidenced by large, income-equivalent compensating differentials. Much early research, starting from Almond and Verba (1963), made use of what has come to be seen as the classic

social trust question: "Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?" This was initially, and is mainly still, asked with only two possible answers. More recently, and desirably, the European Social Survey has asked for responses on an eleven-point scale ranging from zero to ten. This not only permits a more subtle gradation of perceived trust levels by each respondent but also provides a meaningful distribution of responses, hence offering a measure of trust inequality within the community or nation. Subsequent research has embraced trust measures of many types, covering various aspects of life, social groupings, institutions, and ranges of geography. Once distinctions are made about the locus, radius, and type of trust, the evidence shows that several different types of trust can be simultaneously important. We shall discuss the radius of trust more fully later in this section. As for different types of trust, samples of U.S. and Canadian data have shown large effects linking interpersonal differences in several measures of subjective well-being to workplace trust, trust in police, and trust in neighbors, in addition to the standard measure of social trust (Helliwell and Putnam 2004). We shall present in the fourth section some new estimates from the European Social Survey that depict the relative importance of several types of trust.

Some scholars, worried about the possible vagueness of the social trust question, proposed what has come to be known as the "wallet question": "Supposing that you lost your wallet with \$200 in it, what is the likelihood of it being returned intact if found by . . ." (followed by a list of possibilities that differ across surveys, but generally including at least neighbors, a police officer, and a stranger). This question was inspired by experiments run by the *Reader's Digest* and analyzed by Knack (2001), where wallets containing cash were dropped in a number of cities in the United States and fourteen countries in Europe. The cross-city variations in the fractions of wallets returned were highly correlated ($r = 0.65$, Knack 2001) with differences among the respective countries in average answers to the classic social trust question. The wallet-dropping question permits different directions of trust to be distinguished—for example, the relative rankings of neighbors and police officers as likely wallet returners differ significantly among countries. The results also offer potential for making direct comparisons between expected trust and actual trustworthiness, an asset we make use of in the next section.

People Are More Trustworthy Than You Think

Should people be encouraged to be more trusting of others? Any informed answer to this question requires some knowledge about how trusting people are now as well as the trustworthiness of the environments within which they live. To be too trusting in a dangerous environment is looking for trouble. But to be untrusting in a trustworthy environment needlessly reduces peoples' subjective well-being directly, and also

diminishes their willingness to reach out to others in ways that will increase trust and well-being in the future. What has been generally lacking is evidence that permits a precise matching of expected and actual trustworthiness. Fortunately, the Canadian General Social Survey has used the wallet question in several rounds, providing large samples showing whether people feel their cash-bearing wallet is likely to be returned if found by a stranger. A Toronto newspaper experimentally dropped cash-bearing wallets around the city. A direct comparison can thus be made between actual and expected trustworthiness by comparing the actual rate of wallet return to what people expected it to be. Figure 18.1 shows a dramatic gap between expected and actual trustworthiness, with the actual rate of wallet return, 80%, about three times what it was expected to be. Although the sample of dropped wallets was small, with a correspondingly wide 95% confidence region, the survey estimate was very tight, and the overall likelihood of trust perceptions being consistent with the actual rate of wallet return is one in several billion.

These results are striking enough, and have sufficiently important implications for behavior and policy, that they deserve replication in other countries and social contexts. They imply that peoples' trust assessments are needlessly pessimistic, presumably because the information they see and read in the media is more skewed to reporting antisocial than prosocial behavior. This is probably true whether the information source is news, fictional dramas, or reality shows. Only by running experiments like these in a broad range of communities and countries will it be possible to see if undue pessimism is evident more generally and to dig deeper into the sources of undue pessimism wherever it may be found. If the situation elsewhere should match that in Toronto, there is ample scope for improving trust simply by improving information, with immediate benefits for current well-being, and future benefits likely to flow from the additional social connections and trust fueled by realistic increases in expected trustworthiness.

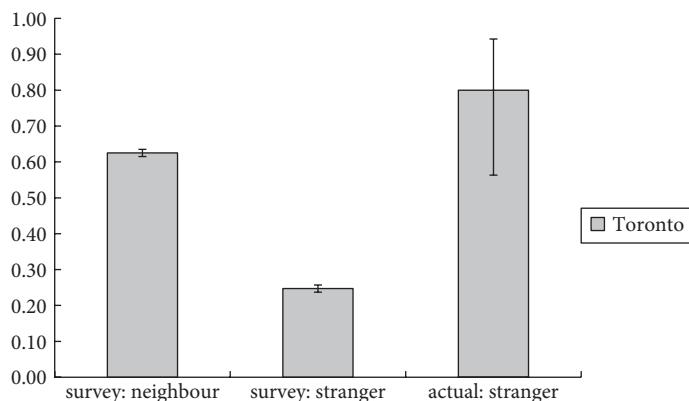


FIGURE 18.1 Likelihood of lost wallet being returned

Trust Saves Lives

There is a large literature linking social trust to a range of health outcomes both within and among countries, as surveyed by Kawachi (2016). Many of these studies are derived from within-country direct linkages ranging from social trust to subjective well-being (e.g., Yip, Subramanian, Mitchell, Lee, Wang, and Kawachi 2007). At the national level, healthy life expectancy is in turn a well-established contributor to average life evaluations, through its impact in explaining international differences in life evaluations (Helliwell, Huang, and Wang 2016, Table 2.1). Beyond these linkages, social trust has been found to be correlated with international differences in mortality rates for two major sources of mortality: suicide (Helliwell 2007) and traffic accidents. The effects of social trust on traffic fatalities has been found both internationally (Helliwell 2007) and across states in the United States (Nagler 2013), with the U.S. effects appearing mainly in urban traffic (Nagler and Ward 2016). Suicide and traffic fatalities are roughly tied as tenth in leading causes of death worldwide, and the effects of national-level social trust on both rates are estimated to be equal (Helliwell 2007, Table VI), so the projected lives saved by higher social trust in the two cases are similar. The estimated effects are large. For example, if the level of social trust in France were as high as that in Norway, the projected rate of traffic fatalities would be halved to about the Norwegian rate (Helliwell and Wang 2011, 51).

Footprints of Trust and Well-Being after Migration

There is a long-standing literature, dating at least from Fischer (1991), that migrants from Europe to the United States brought many aspects of their culture, including social trust and other social norms, with them, and that these norms, including especially social trust (Rice and Feldman 1997), had footprints that could extend over generations, even surviving subsequent internal migration (Uslaner 2008). If so, and if these social norms themselves have causal linkages to subjective well-being, then we might also expect to find a postmigration footprint for subjective well-being. The migration footprint of trust, mainly studied with respect to immigration from other countries to the industrial countries, is extensively surveyed in Dinesen and Sønderskov (2016). Evidence from more symmetrical samples of global migration show that trust and other social norms (e.g., generosity) adjust with some lag when people migrate from one society to another, providing evidence of a trust footprint from their countries of origin. By contrast, confidence in national institutions shows no such footprint. For both results see Helliwell, Wang, and Xu (2015).

As for the happiness of migrants, there is evidence from some countries that migrants are less happy than nonmigrants. Because most of the migrant samples studied are in countries whose immigrants came from less happy source countries, it is hard to tell how much of their postmigration happiness deficit is a footprint effect. Recent evidence from immigrants to Canada from one hundred different source countries, with national source-country life satisfaction averages varying by a factor of two, shows that

immigrants from all countries tend to report life satisfaction levels almost equal to those of all Canadian residents, whether or not allowance is made for differences in education, age, and health. See Frank, Hou, and Schellenberg (2016) for research based on fifty-four countries, and Helliwell, Bonikowska, and Shiplett (2016) for the larger samples. There is a very small footprint effect for life satisfaction, perhaps consistent with the trust footprint weighted by a plausible estimate of the effects of social trust on life evaluations.

Inequality and Trust

If inequality matters for social trust, then this presumably provides one of the channels through which inequality affects well-being. Rothstein and Uslaner (2005) argue that two types of inequality—economic inequality and inequality of opportunity—are damaging to social trust. Their empirical work, and that of Bjørnskov (2007), emphasizes the role of income inequality, finding it to be one of the strongest variables used to explain international differences in social trust. Algan and Cahuc (2014) find significant negative correlations between social trust and income inequalities both internationally and among states within the United States. But if subjective well-being provides a broader, more relevant indicator of welfare than does income, we might also expect that the inequality of well-being would be a relevant measure of inequality, perhaps even stronger than the inequality of income.

One way of testing this would be to see which of the two measures of inequality has a stronger link to social trust. For both types of inequality, there is a strong likelihood that their correlation with social trust has causal arrows that run both ways, also reflecting their joint dependence on other aspects of a nation's or a community's culture and institutions. In some sense this does not matter, since both equality and social trust have independently established positive effects on well-being; thus any successful attempt to improve one will thereby have positive spillover effects on the other, with experimentation serving to reveal the most efficient ways of improving both. In any case, since these reverse linkages are no more likely for one type of inequality than the other, they should not influence the outcome of a horse race run to see which measure is a better predictor of social trust. What is the evidence? Goff, Helliwell, and Mayraz (2016) have shown, using all three of the international surveys that we are using here, that the negative link between inequality and social trust is even stronger and more robust when inequality is measured in terms of overall subjective well-being rather than in terms of income or wealth.

Radius of Trust Matters

What sorts of trust are more likely to support well-being? Fukuyama (2001) makes the distinction between the strength and the radius of trust, with the radius covering social, ethnic, linguistic, and geographic distances. Narrow-radius trust is sometimes

referred to as “in-group trust,” which may build on the in-group/out-group boundary and hence have an effect at the expense of the out-group. In such cases, collaborative action in response to a natural disaster, for example, may increase trust and well-being among the high-trust group, but perhaps also lead to further marginalization of out-groups (Aldrich 2011). Narrow-radius trust is similar to what has been called bonding social capital (Putnam 2000), as distinct from bridging social capital, as typified by the canonical social-trust question. There is some evidence of difference across cultures in the extent to which answers to the social trust question are based on broader or narrower social contexts (Delhey, Newton, and Welzel 2011).

Although narrow-radius trust is sometimes thought to represent, and hence to breed, insularity and suspicion of others, previous evidence comparing the well-being effects of trust measures with different distance and scope has tended to show positive well-being effects from each (Helliwell and Putnam 2004). Are these effects independent, or do the well-being advantages of narrow-radius or in-group trust come at the expense of the strength or well-being benefits of broader trust? Unraveling that puzzle is difficult, as social identities and trust are likely to be codetermined, with trust more easily established among those who see themselves as sharing social identities. One way of interpreting this interdependence is to see shared social identities as representing a channel through which high social trust supports happiness. For example, data from the Canadian General Social Survey shows that the estimated well-being effects of social trust are reduced where shared social identities are separately accounted for (Helliwell and Wang 2011, Table 3). That evidence shows that trust and a sense of belonging contribute to subjective well-being, with local identities and trust mattering most. As for the crucial question of whether there is a conflict between local and longer-distance belonging, that same Canadian evidence shows that while the well-being effects of local community belonging have a stronger well-being impact than does belonging to the province or country, all three contribute, and tests show a life satisfaction premium for those who have multiple overlapping senses of belonging (Helliwell and Wang 2011, Table 3).

Resiliency

One important but less studied channel from social trust to well-being resides in the resilience that enables high-trust communities to respond more successfully to natural disasters or economic shocks. Where communities with initially high levels of social trust were faced with disaster—as in the 2011 earthquake and tsunami (Yamamura, Tsutsui, Yamane, Yamane, and Powdthavee 2015)—the resulting efforts to cooperate in dealing with the suffering and damage led to postdisaster levels of trust (Uchida et al. 2014) and sometimes even happiness higher than before the disaster. Analyzing the same event using only a postdisaster survey, Hommerich (2012) found social trust to differ across communities according to their degree of damage—and significantly so for younger respondents, being higher in those prefectures that suffered more damage.

Looting in Chilean cities following the 2010 earthquakes was serious in low-trust regions and absent in high-trust regions. Social trust in Chile was estimated to have increased in

regions with more damage, to an extent that it was greater for regions with initially higher levels of social trust (Dussaillant and Guzman 2014, 2015). Although changes from prediaster to post-disaster levels of trust are only recently being measured, there is evidence that prediaster levels of social trust, or related measures of social capital or institutional quality, help to explain international differences in the death tolls from natural disasters (Kahn 2005), including differences among Tokyo wards in their ability to cope with the 1923 earthquake (Aldrich 2012) and among communities in South India in the wake of the 2004 tsunami (Aldrich 2011). Comparisons across communities with differing degrees of disaster damage show trust in strangers higher among those in the more disaster-damaged communities, based on trust experiments in various countries, including Thailand (Cassar, Healy, and Von Kessler 2017), Honduras (Castillo and Carter 2011), and Chile (Fleming, Chong, and Bejarano 2014). Similarly, as a national level, the frequency of natural disasters is associated with higher levels of social trust (Toya and Skidmore 2014).

A corresponding case has been made that countries with higher levels of social capital had better well-being outcomes following the 2007–2008 financial crisis. The lower trust countries suffered worse economic consequences, and reductions in happiness were much larger than would have been predicted on the basis of their reductions in income and employment (Helliwell, Huang, and Wang 2014).

UPDATED EVIDENCE ON THE LINKS BETWEEN TRUST AND WELL-BEING

In this section we use the largest available international samples of data to update some key basic results, emphasizing the links between social trust and life evaluations. To make our results as comprehensive as possible, we use all three large international surveys that have in some or all of their survey rounds asked the social trust question. These include six waves of the biennial European Social Survey (ESS 2002–2012); six waves of the World Values Survey (WVS, covering 1981–2014); and the Gallup World Poll (GWP), in which the social trust question was asked in most countries for only a single year, usually 2009. We have attempted to set up our estimation so as to make the results as comparable as possible across the three surveys. Even so, there remain some differences in what is available for all three of the key variables: life evaluations, social trust, and income.

We first consider the differences in life evaluations. The European Social Survey asks two life evaluation questions with answers on a scale running from zero to ten; one relates to satisfaction with life, and the second asks, “Taking all things together, how happy would you say you are?” We find here, as with our earlier research, that these two questions reveal the same underlying patterns of relative importance for the factors supporting subjective well-being, so much so that better-fitting equations are obtained by using an average of answers to the two questions. Hence we use this average life evaluation for the results reported in this paper. For the World Values Survey we use

the answers to a question asking respondents to report their life satisfaction on a scale running from one to ten. Although there is also a happiness question in the WVS, it has a different scale and is less clearly a life evaluation, so we do not make use of it here. The Gallup World Poll uses the Cantril ladder question as its central life evaluation. This question asks respondents to evaluate their current lives on a 0 to 10 scale using the image of a ladder, with the top rung (10) representing the best possible life for them, and the lowest rung (0) the worst possible life for them. There has been some uncertainty about how answers to this question could be compared to those from the life satisfaction question. Fortunately the GWP also included the life satisfaction question, on the same 0 to 10 scale used for the Cantril ladder question, although only for a single year. This significant set of data showed that answers to the Cantril ladder had a slightly lower average value, and were more tightly grouped around the global median answer of 5.0, just as Cantril presumed when he described it as a “self-anchoring” scale.¹ Looking across national averages for the 129 countries where both questions were asked, life satisfaction starts below the Cantril ladder and rises faster.² The two measures are of course positively correlated with each other at both the individual level ($r = 0.63$) and the national level ($r = 0.91$). For our comparisons here, the most important finding is that the estimated structural determinants of the two measures are almost identical, so much so that tighter explanations for the individual-level data are provided by averaging the two answers. This suggests, by triangulation, that we would expect the effects of social trust to be the same on both measures. This cannot be directly tested, since the satisfaction with life question was asked in 2007, and the trust question in 2009. Thus our equations reported here make use of the Cantril ladder answers on their own.

We turn now to consider measures of social trust. All three surveys ask the social trust question described above. In both the World Values Survey and the Gallup World Poll, the answers are binary, either 1 or 0. But the European Social Survey used a scale ranging from 0 to 10. The fuller range of available responses greatly increases the information provided, including the possibility of measuring international differences in the inequality of social trust, in order to match the measures of inequality of well-being. But it does pose a difficulty of comparability of results across surveys. The answers to the binary question are all clustered at 0 or 1, while the answers to the eleven-point assessment are distributed among the eleven possible answers. When the 0 to 10 scale responses are used in a regression explaining life evaluations in the ESS, it attracts a coefficient of 0.11, implying an increase of that size for each one-point increase on the ten-point scale, or more than a full point in moving from the bottom to the top of the scale. To make the ESS data and results more comparable with the binary answers from other surveys, we divide the whole sample of social trust answers into two groups. A binary high-trust variable is created, with the value of 1.0 for each of those who have answered 7 or above on the ESS social trust question. Its average value of 0.3 is fairly close to the fraction of the population in these same countries who answer yes rather than no to the binary trust question often asked in other surveys. And it naturally produces a coefficient, 0.45, which is larger than 0.11, because of the tenfold diminution of the range of the variable, but much less than ten times larger. This reflects the fact that

the distribution of answers over the 0 to 10 scale is much more even than for the binary variables. We will use both the binary and full forms of the ESS social trust variable. We shall use the binary form results in this section to help us to deliver comparability with the results from the other two surveys, in which only binary trust answers are available. We shall use the fuller information provided by the answers in the 0 to 10 scale for our more detailed analysis of the ESS trust data in subsequent sections.

There is also noncomparability among the surveys in their treatment of income. Ideally, we would like to be able to measure household income in logarithmic form, so as to be able to define the value of social trust in terms of a compensating differential measured as a proportionate change in income. This is possible in the case of the Gallup World Poll, where the household income data have been transformed into international dollars measured in terms of purchasing power parities. But in the ESS and WVS we only have income reported by decile of household income. Thus for our equations using these two surveys we include dummy variables for each decile, treating the fifth income decile as the omitted category. To get an income difference to compare with the estimated value of social trust we use the scaled-up coefficient on the ninth income decile, which shows the extra life evaluation from being in the ninth rather than the fifth income decile. For the ESS, the average income in the ninth decile is greater than that in the fifth decile by about 0.7 log units, not too far from the 1.0 log units implicit in the Gallup World Poll estimates. For a better comparison, we scale up the extra life evaluation from the ninth decile by a factor of 1/0.7, and use that coefficient as the gain in life evaluation from a one-unit move in the logarithm in household income, the same income move as that implicitly in the GWP regressions. For the WVS, the average income in the ninth decile is greater than that in the fifth decile by about 1.07 log units. We scale the extra life evaluation from the ninth decile by a factor of 1/1.07 to yield the gain in life evaluation from a one-unit move in the logarithm of household income.

Finally, a word about the preferred estimation form. In all three cases we include country and year fixed effects. Country fixed effects are necessary to absorb the net effects from the range of national-level variables not included. In all cases we include a number of individual-level controls, including age and age squared, health status, and other variables available only in specific surveys, especially the ESS. Full details are shown in the Statistical Appendix.

Table 18.1 shows the key results from each of the three surveys. The well-being advantages of social trust, as seen by the individual, and measured by a binary or binary-equivalent variable, range from 0.25 to 0.45 across the three surveys, in each case at a high level of statistical significance. Thus to be a generally trusting member of the global sample is associated with a life evaluation that is a quarter-point to a half-point higher on the 10-point scale. These effects can then be compared to those of income. The effects of household income are estimated to be 0.31 on log income in the case of the GWP. In the two other surveys, the effects are 0.50 for the ESS and 0.43 for the WVS.

The third set of numbers brings the social trust and income effects together to show the income-equivalent value of social trust. These ratios range from 0.7 to 0.9, and in all cases these ratios are very significant in statistical terms, reflecting the large sample

Table 18.1 Income-equivalent compensating differentials from individual-level regressions

	Survey		
	ESS	WVS	GWP
Effect of binary trust	0.45	0.30	0.25
Standard error	(0.03)	(0.03)	(0.03)
Effect of household income	0.50	0.43	0.31
Standard error	(0.05)	(0.06)	(0.02)
Ratio: trust effect/income effect	0.90	0.70	0.81
Standard error	(0.07)	(0.10)	(0.10)
Adjusted R ²	0.32	0.22	0.29
Number of observations	278k	356k	144k
Number of countries	32	110	112

Notes: Results are based on regressions using data from individual survey respondents—after controlling for country and year fixed effects, and a number of individual-level variables. In ESS, the effect of household income is estimated as that associated with a move from the 5th decile to the 9th decile of the income distribution—or an increase of log household income by 0.7 unit—divided by the factor 0.7. The underlying regression for the ESS estimates is reported in column 3 of Appendix Table 6. In WVS, the effect of household income is estimated as that associated with a move from the 5th decile to the 9th decile of the income distribution—or an increase of log household income by 1.07 unit—divided by the factor 1.07. The underlying regression for the WVS estimates is reported in column 1 of Appendix Table 12. In GWP household income is already in log form. Thus in all cases the income effect is in terms of a 1-unit increase in log income. The underlying regression for the GWP estimate is reported in column 1 of Appendix Table 7.

sizes and the generally powerful individual-level linkages between life satisfaction and both income and social capital. The range of estimates from one survey to another provides an appropriate note of caution about treating any one estimate as a precise measure. Indeed, one of the motives behind our decision to use all three major surveys in a consistent way was to produce a number of intentionally comparable estimates from all the available sources of data, expecting to find, as we did, a range of resulting estimates.

The results in Table 18.1 are entirely based on individual-level responses. Other possibilities include either national-level analysis or two-level analysis; in both cases, explicit allowance is made for the possibility of contextual effects, where individual well-being depends not only on their own circumstances but also on those of others in their countries. The individual-level analysis recognizes the possibility of such contextual effects, but

combines them within country fixed effects. Two-level analysis, which we used in some earlier analysis with the WVS and GWP data,³ is bedeviled by the relatively small number of national-level observations in relation to the possible number of relevant national-level variables. This has tended to lead to estimates of contextual effects that are highly unstable.

The use of national-level data in principle permits the estimation of the combined impact of direct and contextual effects. It is, however, limited by the relatively small number of countries and the short and often uneven country coverage from year to year. The best of the three surveys for this analysis is the ESS, with six complete survey rounds at two-year intervals. This permits us to use panel analysis with country fixed effects and year fixed effects, providing at least a tentative estimate of the within-country national-level linkages between social trust and life evaluations. For the Gallup World Poll, there is generally only a single year of observations based on social trust, making a pure cross-section the preferred form of analysis. The WVS has such a changing and uneven pattern of country surveys that stable national-level estimates for the effects of social trust cannot be pinned down without relying mainly on cross-sectional variation, which we achieve by using fixed effects for years but not for countries. Thus, looking across the three surveys, we lack the same comparability of results that we were able to achieve for the individual results with their much larger samples.

However, we nonetheless present in Table 18.2 our current estimates at the national level for all three surveys. The estimation method is a pure cross-section for the GWP, a panel estimation with year and country fixed effects in the case of the ESS, and a tattered panel without fixed effects for the WVS. In all three cases the estimated effects of social trust are higher than shown in Table 18.1, suggestive of positive contextual effects. Income effects are higher in the case of the ESS and roughly the same in the case of the GWP. The higher effect in the ESS probably reflects the well-established short-term dynamics between national income and subjective well-being. This dynamic aspect naturally does not appear in the GWP cross-section. In both surveys the estimated national-level compensating differentials for the value of social trust are higher than in Table 18.1. Because of the smaller sample sizes, and the resulting lower precision, we prefer not to rely too heavily on these larger national-level estimates beyond taking comfort in the fact that they are, if anything, higher than we found at the individual level.

Taken together, our individual-level and national-level results confirm a strong positive relation between social trust and life evaluations, while the ESS panel results with country fixed effects also suggest that these linkages are strong over time within countries as well as between countries. This in turn suggests that social trust, sometimes thought to be culturally fixed, can in fact change within policy-relevant time horizons, and that these changes in social trust are linked to significant changes in national levels of subjective well-being. An example may help to illustrate this point. Social trust in Poland averaged 3.82 (SE = 0.03) in the three rounds of the ESS 2002 to 2006, and 4.27 (SE = 0.04) in the two latest rounds (2010 and 2012). To evaluate this increase in social trust on the 10-point scale, we use the corresponding social trust and income coefficients from national panel estimation with country fixed effects (equation 5 in Table 9 of the Statistical Appendix). Using these estimates, the social trust increase

Table 18.2 Income-equivalent compensating differentials from national-level regressions

	Survey		
	ESS	WVS	GWP
Effect of binary trust	2.37	0.81	1.08
Standard error	(0.78)	(0.28)	(0.45)
Effect of GDP per capita	1.73	0.59	0.33
Standard error	(0.41)	(0.09)	(0.08)
Ratio	1.37	1.37	3.21
Standard error	(0.54)	(0.56)	(1.38)
Adjusted R ²	0.36 (within)	0.37	0.76
Number of observations	152	328	126
Number of countries	32	106	126

Notes: Results are based on regressions using national average data, and using GDP per capita (in PPP) rather than the national averages of household incomes. The ESS results are from a panel regression containing social trust, log GDP per capita, healthy life expectancy, and both country and year fixed effects (column 6 of Appendix Table 9). The WVS results have the same variables, but without controlling for fixed effects (column 1 of Appendix Table 13). The GWP regression is a pure cross-section (column 8 of Appendix Table 10) that also includes the six key variables used to explain international happiness differences in Table 2.1 of the World Happiness Report (Helliwell, Layard and Sachs 2012).

from 2002–2007 to 2010–2012 is calculated to have increased life evaluations by almost 0.18 points ($0.45 \times 0.458 = 0.206$), about one-third of the total increase in Poland's life evaluations over that same period. For comparison purposes, it would take an increase in GDP per capita of 12% to produce an equivalent increase in life satisfaction.

NEW EVIDENCE ON WELL-BEING EFFECTS OF DIFFERENT TYPES OF TRUST

The results in the previous section were focused on social trust. Here we try to estimate, relying mainly on the European Social Survey, the relative importance of several types of interpersonal and institutional trust. We concentrate on five different measures, all

reported on a scale ranging from zero to ten: social trust, trust in police, and trust in three aspects of governance—the legal system, parliament, and politicians. The simple correlations in the appendix show significant positive correlations among all pairs, with the tightest pairs being parliament and politicians ($r = 0.73$), police and the legal system ($r = 0.67$), and parliament and the legal system ($r = 0.65$). Social trust has the lowest correlations with the other variables, about $r = 0.3$ in each case. Given the close logical and statistical relations among the trust measures, we might expect it to be difficult to assess their separate and combined influence. However, when they are all entered in the same equation to explain life evaluations (as measured by the average answer to life satisfaction and happy with life) on an individual basis for roughly 260,000 respondents in thirty-two European countries, 2002–2012, they are all individually significant, permitting us to rank their individual importance and estimate their combined contributions to well-being.

Figure 18.2 shows the levels, and 95% significance bounds, for six different coefficients. Two are for social trust, the first from an equation in which social trust is included without any other trust measures, and the second from an equation in which the other four trust measures are all included. Columns 1 and 2 of Appendix Table 6 report the underlying estimates. When social trust is on its own, the coefficient is 0.11, and this falls to 0.08 when all of the other trust measures are included. This drop reflects the positive correlations reported above. Bearing in mind that the ESS trust variables are measured on a scale running from zero to ten, the social trust effects are very large in either specification. Moving up just one standard deviation (2.5 points on the zero- to ten-point scale) in social trust would thereby increase life evaluations by 0.28 points with the larger social trust effect, or by 0.20 points with the other trust variables included. Moving from the bottom to the top of the social trust scale would raise life evaluations by 1.1 points or 0.80 points in the two cases.

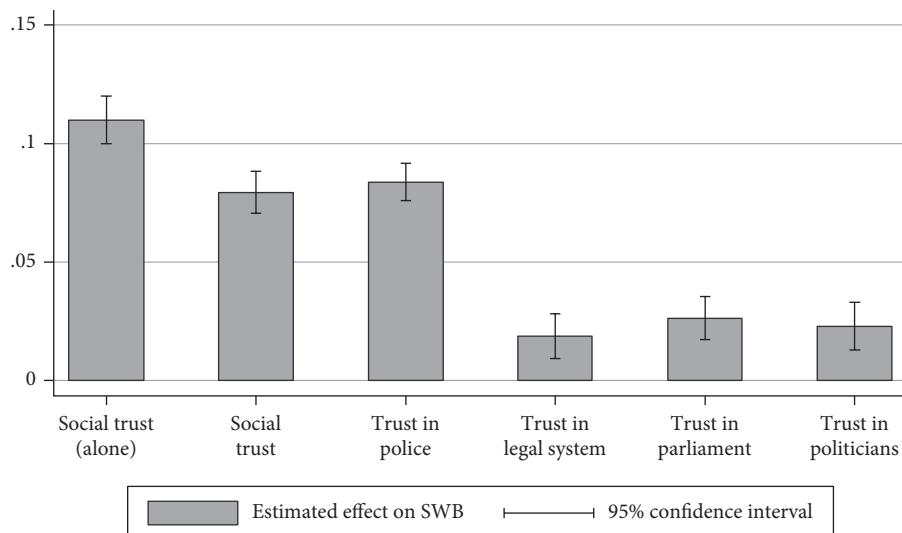


FIGURE 18.2 Estimated trust effects from ESS

What about the ranking of the different trust variables? Social trust and trust in police have the largest effects on well-being, about 0.08 in both cases, for a one-point change in the ten-step trust assessment. Each of these variables reflects each person's experience in their own lives, coupled with what they hear from friends and hear and see in the media. Social trust averages 4.91 across the ESS countries, compared to 5.77 for trust in police.

The other three variables reflect trust in institutions less closely connected to daily life—the legal system, parliament, and politicians. In each case, those who have more trust in the institutions in question report higher life evaluations. The estimated well-being effects of moving up one point in the ten-point trust evaluation scale are significant in each case, ranging from + 0.019 for the legal system to + 0.026 for parliament and + 0.023 for politicians. What is the scope for more institutional trust to make people happier with their lives? In all three cases the current levels of trust are at or below the midpoint on the ten-point scale, being highest at 4.99 for the legal system, 4.32 for parliament, and lowest for politicians (3.46). If trust in the three linked institutions were to be higher by one point on the ten-point scale, the estimated combined effect on well-being would be 0.068 points, a substantial boost, although less than for either trust in police or social trust.

Putting all these results together, any estimate of the effects of social trust alone shows it to provide a much lower bound on likely effects of the overall environment of trust. For example, using social trust on its own to represent all the other forms of trust provides a well-being impact of 0.11 for moving up one point on the ten-point trust scale. Moving up one standard deviation, 2.5 points, on the trust scale would thus translate into an increase of 0.28 points in life evaluations. This is a very substantial estimate, to be sure. But if we instead use the results from the equation with all five trust measures, and add up the increases in well-being that would be estimated to follow, we get a total well-being increase of 0.23 points from a one-point increase on the ten-point scale. Moving up all five types of trust by one-standard deviation, about 2.5 points in each case, would thus be estimated to increase subjective well-being by 0.58 points.

Thus we can conclude, based on the ESS evidence, with its larger range of trust measures and large samples of respondents, that the benefits of a high trust environment are likely to be more than twice as high if a broader range of trust measures is taken into account. The overall well-being increase from higher trust would be even higher if workplace trust, which is not measured in the ESS and has been shown to be at least as important as any of the other trust domains, were taken into account.

TRUST AND RESILIENCE AT THE INDIVIDUAL LEVEL

Here we estimate the extent to which the positive linkage between social trust and well-being at the individual level can be traced to the help it provides individuals to deal

with difficult circumstances. Our evidence is drawn from the European Social Survey, because it provides the largest international survey with continuing measures of social trust. The basic idea is fairly simple—that living in a high-trust environment increases both psychological and external resources available to individuals to weather storms of one sort or another. We thus see a parallel between what this evidence might show and what has already been studied at community and national levels—that on average communities or groups with higher levels of social capital are better able to deal with storms and other natural disasters.

Difficult circumstances reduce subjective well-being due to both unpleasant immediate consequences and fears about chances of future adversity. Why might higher levels of social trust or connectedness reduce the physical or psychological costs of adversity? Consider, for a particular example, the subjective well-being of people who perceive themselves as belonging to a group that is discriminated against in their country. Looking across the ESS sample, this is true for about 7% of respondents, or 20,000 among the quarter-million who provided subjective life evaluations in the six waves of the ESS spanning the years 2002–2012. As shown in the ESS results discussed in section 2 and reported in detail in the Statistical Appendix, to feel oneself a member of a group likely to be discriminated against is associated with a decline of 0.68 in a life assessment on a zero- to ten-point scale. This is a drop as large as would accompany moving more than halfway down the scale of income distribution. This group of respondents includes those who have been subject to discrimination, those who fear they might be subjected to discrimination in the future, and those who have neither felt past discrimination nor expect to see future discrimination against themselves personally but who perceive actual or potential discrimination against others. Those who have high social trust are less likely to interpret past or present actions as discriminatory or anticipate future discrimination. And they are also more likely, given their high social trust, to think that others will lend a hand to stop discriminatory actions by others. Thus we would hypothesize that those with higher social trust would face a significantly smaller well-being cost from being a member of a group that they think has been subjected to discrimination.

Similar theoretical arguments can be made to support the idea that either ill health or unemployment would cause less damage to well-being to those individuals who see themselves as living in a high-trust environment. Presumably that is the sort of environment where others would be more likely to lend a helping hand if needed, and to maintain a watchful eye just in case.

Just as high social trust may lessen the subjective damage to well-being from unfortunate events or circumstances, so it might lessen the need for, and advantages from, additional social connections of types that generally increase social trust and well-being. Thus we might expect to find that while people with low social trust actually meet less frequently with friends (by 0.35 on the seven-point scale, $p < 0.001$), they may have more to gain from doing so. Conversely, those who already see themselves as living in a high-trust environment may have less to gain,

either through higher trust or other well-being benefits of spending more time with friends.

These considerations lead us to hypothesize that the well-being effects of a discriminatory environment, ill-health, unemployment, and time spent with friends may all be significantly less for those who generally think that other people can be trusted. To test these hypotheses, we used the binary social trust variable described earlier, dividing the whole sample of social trust answers into two groups. Those who answer 7 and above on the ten-point scale are taken to belong to the high-trust group, comprising just over 30% of the sample. A high-trust variable is created, with the value of 1.0 for each of those who have answered 7 or above on the ESS social trust question. Its average value of 0.3 is fairly close to the fraction of the population in these same countries who answer yes rather than no to the binary trust question often asked in other surveys. We multiply the high-trust variable by each of the hypothesized variables: member of a group discriminated against, unemployed, in ill-health, and frequency of meeting with friends. These four variables are entered into the original equation (see last column of Table 6 in the Statistical Appendix). All are expected to show attenuation in the effects of the four variables. Thus we expect a positive coefficient in the case of the three negative events, and a negative coefficient reducing the positive effects from the frequency of meeting with friends.

Figure 18.3 shows the results, which in all cases support the hypotheses, with coefficients that are large in size and statistical significance. In the first example case we discussed, of being in a group subject to discrimination, the well-being damage is 0.26 points, or 38% ($p < 0.001$), less for high trusters than for the rest of the population, holding all else constant. This is consistent with other research using community belonging as a buffer against the individual well-being costs of discrimination

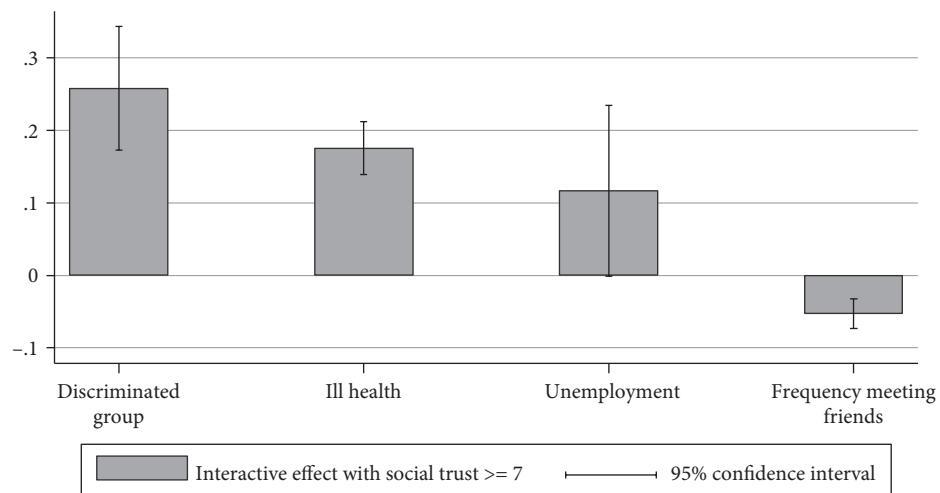


FIGURE 18.3 Estimated interactive effects from ESS

(Branscombe, Daley, and Phipps 2016). Their research finds an almost complete offset, perhaps because their evidence is taken from those who have actually faced discrimination, or because community belonging provides a better measure of relevant social support.

Moving up one point on the ill-health scale (with 1 for the best of health and 5 for the worst) is correlated with a 0.64 reduction in the life evaluations for the low-trust group compared to 0.46 for the high-trust group, a reduction of 28% ($p < 0.001$).

For unemployment, those in the low-trust group face a 0.84-point lower life evaluation. This effect is reduced by 0.12 points, or 14% ($p < 0.05$) for those in the high-trust group.

Finally, there is also attenuation of the gains from more time spent with family and friends. Increasing the frequency of meeting with friends by 1.0 (on a scale ranging from 1 to 7) raises life evaluations by 0.16 points for those in the low-trust group, compared to 0.11 for those in the high-trust group. Frequency of meeting with friends matters significantly for both groups ($p < 0.001$), but is nonetheless one-third smaller ($p < 0.003$) for those in the high-trust group.

Taken together, these resilience-providing channels between social trust and well-being offset more than one-quarter (26%) of the combined damage from the three unfavorable events, reducing it from 2.2 points to 1.6 points on the 0 to 10 scale of life evaluation. The gains from social meeting with friends also are reduced by roughly one-quarter. These four channels together account for almost one-third of the total benefits of high trust for subjective well-being, as shown by the coefficient on the binary trust variable falling from 0.45 in the equation without the interaction terms to 0.33 where the interaction terms are included. We of course expect to find that social trust will continue to have most of its total positive effects on well-being arising from the large majority of the population who are employed, are in good health, and are not members of groups thought likely to be subject to discrimination. Nonetheless, our tests show that social trust has greater proportionate advantages for those who are subject to ill health, unemployment, and discrimination. Thus the well-being gap between the advantaged and disadvantaged, in terms of employment, health, and discrimination, would be significantly narrower if trust levels were generally higher. Thus, increases in social trust would not only raise average levels of well-being for all but reduce inequality by raising well-being more for the disadvantaged than for the rest of the population. And these improvements in the distribution of well-being are estimated to further boost average well-being, as shown in Helliwell, Huang and Wang (2016).

SUMMARY AND POLICY APPLICATIONS

There are several conclusions that flow from our new results. First, we have used the largest available sets of international data to demonstrate large income-equivalent

values for social trust, with a likely lower-bound equivalent to moving two or three income deciles, or alternatively a doubling of household income. A companion paper (Hamilton, Helliwell, and Woolcock 2016) estimates that social trust alone represents, on these valuations, a significant part of total national and global wealth, on the order of 20% of total wealth as measured by the World Bank. This in itself has implications for policy, emphasizing the importance of paying earlier and deeper attention to maintaining and improving the social fabric.

Second, the more detailed and precisely measured trust data in the European Social Survey was used to show that social trust, while of central importance to well-being, is only a part of the overall climate of trust. We found significant additional well-being links from several different measures of trust. Social trust and trust in police are estimated to be the most important, but we also found benefits from trust in three key aspects of the institutional environment: the legal system, parliament, and politicians. Other surveys including workplace trust have found it to be of great value to individual well-being as well, above and beyond its effects on workplace efficiency. Thus any estimates of the total well-being value of a trustworthy environment will be larger than those based solely on social trust.

Third, we found strongly suggestive evidence that living in a high-trust environment makes people more resilient in the face of several types of adversity. In particular, being subject to discrimination, ill health, or unemployment, while always damaging to subjective well-being, is much less damaging to those living in more trustworthy environments. This evidence provides a natural individual-level counterpart to the more aggregate evidence that community-level and national-level responses to natural disasters are much more favorable to well-being in a high-trust environment. These individual-level effects reveal also a fresh set of links between trust and inequality. Those who are subject to discrimination, ill health, or unemployment are typically concentrated toward the lower end of the national distribution of happiness. Thus the resilience-increasing feature of social trust, which channels its benefits especially to those subject to adversity, thereby reduces the inequality of well-being as well as raising its average value. As shown elsewhere (Goff et al. 2016), reductions in the inequality of well-being are themselves likely to feed back to improve the climate of social trust, since the links between well-being inequality, and social trust are even closer than those running from income inequality to social trust.

Finally, the ESS country-level results with country fixed effects show that within-country changes in social trust can have significant effects on subjective well-being within policy-relevant time horizons.

STATISTICAL APPENDIX

1 Data Sources—ESS

European Social Survey Cumulative File Rounds 1–6:

- Documentation: The ESS Core Scientific Team (CST), ESS1-6, European Social Survey Cumulative File Rounds 1–6, Study Documentation

2 Variable Definitions—ESS

- Variable name *hapsat* (the term equals the simple average of *happy* and *stflife*). The ESS variable *happy* is labeled by ESS as “How happy are you” with the following description: “All rounds: Taking all things together, how happy would you say you are?” Scale in the raw data: 11 steps from 0 to 10. The ESS variable *stflife* is labeled by ESS as “How satisfied with life as a whole” and described in the codebook as: “All rounds: All things considered, how satisfied are you with your life as a whole nowadays? Please answer using this card, where 0 means extremely dissatisfied and 10 means extremely satisfied.” Scale in the raw data: 11 steps from 0 to 10 in the raw data.
- Variable name *pplrst*. Labeled as “Most people can be trusted or you can’t be too careful.” It is the response to the question “Using this card, generally speaking, would you say that most people can be trusted, or that you can’t be too careful in dealing with people? Please tell me on a score of 0 to 10, where 0 means you can’t be too careful and 10 means that most people can be trusted.” Range in data used for the analysis: 0–10.
- Variable name *trstplc*. Labeled as “Trust in the police.” It is the response to the question “Using this card, please tell me on a score of 0–10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust . . . the police?” Range in data used for the analysis: 0–10.
- Variable name *trstlgl*. Labeled as “Trust in the legal system.” It is the response to the question “Using this card, please tell me on a score of 0–10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust . . . the legal system?” Range in data used for the analysis: 0–10.
- Variable name *trstppl*. Labeled as “Trust in country’s parliament.” It is the response to the question “Using this card, please tell me on a score of 0–10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust . . . [country]’s parliament?” Range in data used for the analysis: 0–10.
- Variable name *trstplt*. Labeled as “Trust in politicians.” It is the response to the question “Using this card, please tell me on a score of 0–10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly . . . politicians?” Range in data used for the analysis: 0–10.
- Variable name *trustav* (equals *pplrst* + *trstplc*/2). The average of “Most people can be trusted or you can’t be too careful” and “Trust in the police.”

- Variable name *aesfdrk*. Labeled as “Feeling of safety of walking alone in local area after dark.” Value Label “1 Very safe; 2 Safe; 3 Unsafe; 4 Very unsafe; 7 Refusal; 8 Don’t know; 9 No answer.” Range in data used for the analysis: 1–4.
- Variable name *sclmeet*. Labeled as “How often socially meet with friends, relatives or colleagues.” It is the response to the question “Using this card, how often do you meet socially with friends, relatives, or work colleagues? 1 Never; 2 Less than once a month; 3 Once a month; 4 Several times a month; 5 Once a week; 6 Several times a week; 7 Every day; 77 Refusal; 88 Don’t know; 99 No answer?” Range in data used for the analysis: 1–7.
- Variable name *agea*. Labeled as “Age of respondent, calculated.” Range in data used for the analysis: 13–123.
- Variable name *dscrgrp*. Labeled as “Member of a group discriminated against in this country.” It is the response to the question “Would you describe yourself as being a member of a group that is discriminated against in this country?” We recode the variable into 0 or 1 with 0 indicating “No” and 1 indicating “Yes.” Range in data used for the analysis: 0 or 1.
- Variable name *agesq100* (*agesq100* equals *agea squared/100*), or age squared divided by 100.
- Variable name *health*. Labeled as “Subjective general health.” It is the response to the question “How is your health in general? Would you say it is . . . 1 Very good; 2 Good; 3 Fair; 4 Bad; 5 Very bad.” Range in data used for the analysis: 1–5.
- Variable name *uempla*. Labeled by ESS as “Doing last 7 days: unemployed, actively looking for job.” It is the response to the question “Using this card, which of these descriptions applies to what you have been doing for the last 7 days? Unemployed and actively looking for a job.” Scale in the raw data: 0 or 1.
- Household income. ESS 4–6 use a 10-category variable (namely *hinctnta*) to report respondents’ income. ESS 1–3 uses a 12-category variable (namely *hinctnt*).
 - Current approach: Categorical income. A total of $10+12+2 = 24$; 0-or-1 variables are created to combine the income information in ESS 1–3 and ESS 4–6. These 24 dummy variables are: “Decile 1 in ESS 4–6,” “Decile 2 in ESS 4–6,” . . . , “Decile 10 in ESS 4–6,” “Missing income in ESS 4–6,” “Category 1 in ESS 1–3,” “Category 2 in ESS 1–3”, . . . , “Category 12 in ESS 1–3”, “Missing income in ESS 1–3”, respectively. The regressions then use “Decile 5 in ESS 4–6” as the omitted group, and estimate categorical effects for each of the 23 dummy variables. The regression reports present 10 estimates, respectively the coefficients on the dummy indicators of “Decile 1 in ESS 4–6, . . . , Decile 4 in ESS 4–6, Decile 6 in ESS 4–6, . . . , Decile 10 in ESS 4–6, missing income in ESS 4–6.” The estimated categorical effects for the ESS 1–3 income variables are not shown. But they are available upon request.
- Weighting variable used in regression: *pspwght*” or “POST-STRATIFICATION WEIGHTS.” According to the ESS, “[t]he purpose of the post-stratification weights (PSPWGHT) is to reduce sampling error and nonresponse bias, using auxiliary information. The ESS post-stratification weights have been constructed using information about age, gender, education, and region. The ESS post-stratification weights also adjust for unequal selection probabilities (design weights).”
- Data imported from outside ESS. Variable name *lngdp*, or “Logarithm of per-capita GDP, PPP.” The statistics of GDP per capita (variable name *gdp*) in purchasing power parity (PPP) at constant 2011 international dollar prices are from the December 22, 2015 release of the World Development Indicators (WDI).
- Data imported from outside ESS. Healthy Life Expectancy (HLE). The time series of healthy life expectancy at birth are calculated by the authors based on data from the World Health

Organization (WHO) and the World Development Indicators (WDI). The challenge is that the healthy life expectancy, unlike the simple life expectancy, is not widely available as time series. We use WDI's non-health-adjusted life expectancy, which is available as time series up to the year 2013, as the basis of our calculation. Using country-specific ratios of healthy life expectancy to total life expectancy in 2012, available from the WHO, we adjust the time series of total life expectancy to healthy life expectancy by simple multiplication, assuming that the ratio remains constant within each country over the sample period. Once we have the data, we use interpolation and extrapolation to fill in the missing values (when necessary) and to extend the period to 2015.

Table 1 Summary statistics—ESS sample, 2002 to 2012

Variable	Mean	Std. Dev.	Min.	Max.	N
hapsat = (happy+stlife)/2	6.955	2.046	0	10	288,104
most people can be trusted or you can't be too careful	4.914	2.496	0	10	290,416
binary social trust: ppltrst>= 7	0.307	0.461	0	1	290,416
trust in the police	5.767	2.672	0	10	287,250
trust in the legal system	4.987	2.716	0	10	282,770
trust in country's parliament	4.32	2.604	0	10	282,534
trust in politicians	3.456	2.397	0	10	284,642
age of respondent, calculated	47.581	18.556	13	123	290,258
agesq100 = agea squared/100	26.083	18.491	1.69	151.29	290,258
Trustav = (ppltrst+ trstplc)/2	5.346	2.075	0	10	286,285
feeling of safety of walking alone in local area after dark	2.056	0.814	1	4	288,043
how often socially meet with friends, relatives, or colleagues	4.892	1.613	1	7	290,293
doing last 7 days: unemployed, actively looking for job	0.045	0.207	0	1	291,686
subjective general health	2.248	0.941	1	5	291,229
member of a group discriminated against in this country	0.067	0.249	0	1	287,137
GDP per capita, PPP (constant 2011 international dollars)	33,835.159	13,055.131	7,022.007	86,168.448	291,686

Table 2 Correlation Coefficients—ESS Individual-Level Data

Variables	hapsat	happy	stflife	ppltrst	binarytrst	trstplc	trstlgl	trstpnl	trstplt
hapsat	1.000								
happy	0.913	1.000							
stflife	0.934	0.707	1.000						
ppltrst	0.309	0.270	0.299	1.000					
binarytrst	0.249	0.217	0.241	0.762	1.000				
trstplc	0.331	0.281	0.327	0.292	0.244	1.000			
trstlgl	0.320	0.268	0.320	0.324	0.274	0.670	1.000		
trstpnl	0.304	0.252	0.305	0.323	0.272	0.521	0.651	1.000	
trstplt	0.292	0.241	0.295	0.336	0.281	0.494	0.582	0.726	1.000

Table 3 Summary Statistics—Gallup World Poll Individual-Level Data, 2005–2015

Variable	Mean	Std. Dev.	Min.	Max.	N
wp16 life today	5.499	2.257	0	10	1,523,085
wp9039 general trust	0.239	0.426	0	1	195,169
wp112 whether have confidence in the local police force	0.646	0.478	0	1	1,174,023
WP138: confidence in the judicial system and courts?	0.466	0.499	0	1	1,199,573
WP139 confidence in the national government?	0.47	0.499	0	1	1,205,183
WP144 confidence in the honesty of elections?	0.443	0.497	0	1	1,186,741
wp145 corruption in business	0.76	0.427	0	1	1,172,034
wp27 count on to help	0.808	0.394	0	1	1,383,889
Age	40.804	17.381	13	101	1,542,625
Age squared divided by 100	19.671	16.057	1.69	102.01	1,542,625
Log of (1+annual household income in international dollars)	8.949	1.539	0	18.065	1,141,361
Logarithm of per-capita GDP, PPP	9.252	1.161	6.355	11.806	1,505,800
Unemployed	0.062	0.242	0	1	1,121,595
wp23 health problems	0.244	0.429	0	1	1,422,900
Foreign-born indicator	0.057	0.231	0	1	1,336,419

Table 4 Correlation Coefficients—Gallup World Poll Individual-Level Data

Variables	ladder	trust	confidencePolice	confjudicial	confatgov	confselect	corruptBusiness
ladder	1.000						
trust	0.069	1.000					
confidencePolice	0.096	0.157	1.000				
confjudicial	0.089	0.120	0.309	1.000			
confatgov	0.056	0.105	0.277	0.463	1.000		
confselect	0.134	0.134	0.256	0.376	0.407	1.000	
corruptBusiness	-0.130	-0.143	-0.140	-0.183	-0.176	-0.215	1.000

Table 5 Summary Statistics from the National Panel—From ESS and GWP

Variable	Mean	Std. Dev.	Min.	Max.	N
hapsat = (happy+stlife)/2	7.041	0.85	4.93	8.48	152
how happy are you	7.218	0.726	5.41	8.449	152
how satisfied with life as a whole	6.859	0.988	4.22	8.58	152
most people can be trusted or you can't be too careful	4.939	0.961	2.27	6.95	152
Binary social trust: ppltrst>=7	0.31	0.158	0.09	0.690	152
Standard deviation of social trust	2.284	0.223	1.77	2.81	152
trust in the police	5.778	1.24	2.04	8.09	152
trust in the legal system	4.995	1.269	1.9	7.640	152
trust in country's parliament	4.36	1.165	1.67	6.36	152
trust in politicians	3.491	1.052	1.39	5.53	152
trustav = (ppltrst+ trstplc)/2	5.36	1.028	3.18	7.46	152
feeling of safety of walking alone in local area after dark	2.029	0.247	1.55	2.6	152
how often socially meet with friends, relatives, or colleagues	4.94	0.512	3.43	6.22	152
Life Ladder	5.437	1.119	2.69	8.02	1,275
wp9039 general trust	0.226	0.119	0.07	0.64	180
wp112 whether have confidence in the local police force	0.643	0.158	0.19	0.99	1,166
WP138 confidence in judicial system/ courts?	0.461	0.174	0.04	0.97	1,108
Confidence in national government	0.465	0.178	0.07	0.98	1,100
WP144 confidence in the honesty of elections?	0.442	0.19	0.09	0.940	1,107
wp145 corruption in business	0.754	0.183	0.05	0.99	1,207
Social support	0.811	0.118	0.29	0.99	1,267
Healthy life expectancy at birth	60.916	8.802	35.28	76.23	1,841
Freedom to make life choices	0.72	0.147	0.26	0.98	1,248
Generosity	0	0.161	-0.33	0.54	1,190
Perceptions of corruption	0.757	0.186	0.04	0.98	1,207
GDP per capita—PPP	18,038.959	19,637.896	535.42	134,974.125	1,798
Democratic quality	-0.174	0.898	-2.71	1.65	1,620
Delivery quality	-0.063	0.981	-2.43	2.2	1,622

Table 6 Regressions using ESS's Individual-Level Data, with Country Fixed Effects and Year Fixed Effects

	All (1)	OtherTrust (2)	BinaryTrust (3)	Interactive (4)
most people can be trusted or you can't be too careful	0.11 (0.005)***	0.079 (0.004)***		
binary social trust: ppltrst>= 7			0.445 (0.027)***	0.327 (0.07)***
trust in the police		0.084 (0.004)***		
trust in the legal system		0.019 (0.005)***		
trust in country's parliament		0.026 (0.005)***		
trust in politicians		0.023 (0.005)***		
feeling of safety of walking alone in local area after dark	-.119 (0.015)***	-.097 (0.013)***	-.132 (0.015)***	-.131 (0.015)***
member of a group discriminated against in this country	-.600 (0.043)***	-.502 (0.042)***	-.622 (0.044)***	-.683 (0.039)***
Interactive: binary social trust * discriminated group				0.258 (0.043)***
subjective general health (lower values indicating better health)	-.575 (0.02)***	-.547 (0.019)***	-.586 (0.02)***	-.636 (0.019)***
Interactive: binary social trust * subjective general health				0.175 (0.018)***
doing last 7 days: unemployed, actively looking for job	-.799 (0.043)***	-.754 (0.039)***	-.813 (0.044)***	-.842 (0.048)***
Interactive: binary social trust * unemployed				0.116 (0.059)**
how often socially meet with friends, relatives, or colleagues	0.148 (0.007)***	0.145 (0.007)***	0.152 (0.007)***	0.165 (0.009)***
Interactive: binary social trust * meeting with friends, relatives or colleagues				-.053 (0.01)***
age of respondent, calculated	-.030 (0.003)***	-.027 (0.003)***	-.031 (0.003)***	-.031 (0.003)***

(continued)

Table 6 Continued

	All	OtherTrust	BinaryTrust	Interactive
	(1)	(2)	(3)	(4)
agesq100 = agea squared/100	0.038 (0.003)***	0.033 (0.003)***	0.039 (0.003)***	0.039 (0.003)***
Decile 1 compared to decile 5	-.633 (0.059)***	-.618 (0.054)***	-.659 (0.059)***	-.649 (0.059)***
Decile 2 compared to decile 5	-.310 (0.031)***	-.296 (0.031)***	-.325 (0.032)***	-.321 (0.031)***
Decile 3 compared to decile 5	-.171 (0.029)***	-.158 (0.03)***	-.177 (0.03)***	-.175 (0.03)***
Decile 4 compared to decile 5	-.071 (0.025)***	-.071 (0.027)***	-.072 (0.025)***	-.071 (0.025)***
Decile 6 compared to decile 5	0.137 (0.021)***	0.126 (0.021)***	0.137 (0.022)***	0.135 (0.021)***
Decile 7 compared to decile 5	0.171 (0.02)***	0.163 (0.021)***	0.174 (0.019)***	0.173 (0.019)***
Decile 8 compared to decile 5	0.233 (0.03)***	0.212 (0.029)***	0.236 (0.029)***	0.24 (0.029)***
Decile 9 compared to decile 5	0.343 (0.033)***	0.309 (0.03)***	0.347 (0.033)***	0.351 (0.033)***
Decile 10 compared to decile 5	0.439 (0.054)***	0.411 (0.051)***	0.44 (0.053)***	0.447 (0.052)***
Missing income	0.085 (0.036)**	0.087 (0.036)**	0.072 (0.036)**	0.074 (0.036)**
Obs.	277,619	263,286	277,619	277,619
e(N-clust)	32	32	32	32
R ²	0.322	0.342	0.316	0.318

Notes: (1) Standard errors in parentheses. *, **, and *** indicate statistical significance at 10 percent, 5 percent, and 1 percent levels. (2) All standard errors are cluster-adjusted at the country level. The row "e(N-clust)" shows the number of countries (also clusters) in the sample.

Table 7 Regressions using GWP's Individual-Level Data, with Country Fixed Effects and Year Fixed Effects

	All countries	All countries	Subset	Subset
	(1)	(2)	(3)	(4)
wp9039 general trust	0.252 (0.028)***	0.192 (0.032)***	0.364 (0.042)***	0.282 (0.046)***
wpli2 whether have confidence in the local police force		0.132 (0.023)***		0.18 (0.047)***
WP138 confidence in the judicial system and courts?		0.099 (0.027)***		0.11 (0.041)***
WP139 confidence in the national government?		0.094 (0.034)***		0.185 (0.048)***
WP144 confidence in the honesty of elections?		0.079 (0.026)***		0.129 (0.036)***
wp145 corruption in business		-.118 (0.033)***		-.100 (0.073)
wp27 count on to help	0.721 (0.035)***	0.647 (0.039)***	0.915 (0.055)***	0.87 (0.071)***
wp23 health problems	-.417 (0.032)***	-.401 (0.037)***	-.681 (0.049)***	-.670 (0.047)***
Foreign-born indicator	-.154 (0.044)***	-.132 (0.055)**	-.242 (0.071)***	-.256 (0.081)***
Age	-.033 (0.004)***	-.037 (0.005)***	-.039 (0.006)***	-.047 (0.008)***
Age squared divided by 100	0.027 (0.005)***	0.031 (0.005)***	0.031 (0.006)***	0.04 (0.007)***
Log of (1+annual household income in international dollars)	0.31 (0.022)***	0.312 (0.029)***	0.314 (0.05)***	0.316 (0.057)***
Obs.	144,403	99,436	26,438	18,805
e(N-clust)	112	96	30	28
R ²	0.289	0.299	0.35	0.333

Notes: (1) Standard errors in parentheses. *, **, and *** indicate statistical significance at 10 percent, 5 percent, and 1 percent levels. (2) All standard errors are cluster-adjusted at the country level. The row "e(N-clust)" shows the number of countries (also clusters) in the sample. Columns 3 and 4 include only GWP surveys in countries that were also covered in the ESS for better comparisons with estimates based on the ESS.

Table 8 List of Countries in Regression Column Heading ESS Subset 1

Country	Country code in GWP	Number of observations
Austria	89	737
Belgium	16	342
Bulgaria	99	1,503
Croatia	109	2,236
Cyprus	111	388
Czech Republic	21	1,500
Denmark	25	1735
Estonia	119	414
Finland	121	907
France	13	747
Germany	14	681
Greece	24	766
Hungary	20	859
Ireland	132	352
Israel	38	792
Italy	18	364
Lithuania	143	357
Luxembourg	144	791
Netherlands	15	686
Poland	19	1,375
Portugal	166	1,108
Russia	76	1,498
Slovakia	175	779
Slovenia	176	426
Spain	17	780
Sweden	23	1,516
Switzerland	184	693
Turkey	8	747
Ukraine	77	682
United Kingdom	12	677

Table 9 Regressions Using Data of Yearly Panel by Country, from ESS

	Basic1	Basic2	Morel	More2	FEff1	FEff2	FEff3	FEff4
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
most people can be trusted or you can't be too careful	0.424 (0.07)***		0.279 (0.074)***	0.181 (0.08)**	0.458 (0.15)***		0.389 (0.184)**	0.349 (0.181)*
binary social trust: ppitrst>=7		2.534 (0.34)***			2.367 (0.779)***			
trust in the police			0.052 (0.125)	0.06 (0.082)			0.063 (0.094)	0.031 (0.096)
trust in the legal system			-0.034 (0.122)	-0.091 (0.079)			-0.233 (0.11)***	-0.256 (0.097)***
trust in country's parliament			0.114 (0.13)	0.015 (0.131)			0.154 (0.145)	0.113 (0.13)
trust in politicians			0.131 (0.114)	0.237 (0.125)*			0.096 (0.18)	0.162 (0.162)
feeling of safety of walking alone in local area after dark				-1.112 (0.266)***			-0.455 (0.301)	
how often socially meet with friends, relatives, or colleagues							-0.053 (0.126)	0.0202 (0.187)

(continued)

Table 9 Continued

	Basic1	Basic2	More1	More2	FEff1	FEff2	FEff3	FEff4
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log GDP per capita	0.545 (0.133)***	0.558 (0.154)***	0.277 (0.16)*	0.285 (0.15)*	1.717 (0.438)***	1.733 (0.406)***	1.401 (0.44)***	1.266 (0.437)***
Healthy life expectancy at birth	0.083 (0.021)***	0.093 (0.02)***	0.085 (0.022)***	0.059 (0.02)***	-0.035 (0.073)	-0.036 (0.081)	-0.041 (0.075)	-0.049 (0.073)
Obs.	152	152	152	152	152	152	152	152
$\epsilon(N\text{-clust})$	32	32	32	32	32	32	32	32
$\epsilon(r2-a)$	0.827	0.836	0.852	0.893	0.366	0.32	0.431	0.449
$\epsilon(r2-w)$					0.399	0.356	0.477	0.5

Notes: (1) All regressions include year fixed effects. Columns 5 to 8 include country fixed effects as well. (2) Standard errors in parentheses. *, **, and *** indicate statistical significance at 10 percent, 5 percent, and 1 percent levels. (3) All standard errors are cluster-adjusted at the country level. The row " $\epsilon(N\text{-clust})$ " shows the number of countries (also clusters) in the sample.

Table 10 Regressions using Data of Yearly Panel by Country, or Collapsed Cross-Section by Country, from GWP

	WHR2016	Pooled2	Pooled3	Pooled4	Pooled5	Xsect1	Xsect2	Xsect3	Xsect4
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
wp9039 general trust	1.041 (0.708)	1.183 (0.674)*	0.536 (0.593)	0.016 (0.685)	1.491 (0.47)***	1.501 (0.507)***	1.075 (0.446)***	0.54 (0.502)	
WPI38 confidence in judicial system/ courts?		-4.79 (0.659)			-.925 (0.645)		-.474 (0.666)		-3.95 (0.6)
Confidence in national government				-.183 (0.62)					
WPI44 confidence in the honesty of elections?					-.663 (0.586)		-.166 (0.549)		
Log GDP per capita	0.338 (0.059)***	0.449 (0.094)***	0.33 (0.117)***	0.217 (0.088)**	0.224 (0.097)**	0.518 (0.072)***	0.413 (0.092)***	0.334 (0.075)***	0.306 (0.077)***
Healthy life expectancy at birth	0.029 (0.008)***	0.034 (0.014)***	0.043 (0.017)**	0.04 (0.013)***	0.032 (0.014)***	0.031 (0.012)***	0.035 (0.014)***	0.032 (0.011)***	0.027 (0.011)***

(continued)

Table 10 Continued

	WHR2016	Pooled2	Pooled3	Pooled4	Pooled5	Xsect1	Xsect2	Xsect3	Xsect4
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Social support	2.334 (0.429)***			2.270 (0.764)***	1.796 (1.001)*			2.029 (0.617)***	1.439 (0.76)*
Freedom to make life choices	1.056 (0.319)**			0.876 (0.54)	1.590 (0.833)*			1.410 (0.494)***	2.236 (0.612)***
Generosity	0.82 (0.276)***			0.611 (0.5)	0.859 (0.502)*			0.544 (0.412)	0.696 (0.387)*
Perceptions of corruption	-.579 (0.282)**			-.511 (0.447)	-1.024 (0.546)*			-.006 (0.358)	-.857 (0.493)*
Obs.	1,118	179	139	174	138	128	113	126	113
e(N-clust)	156	128	105	124	104				
e(r2-a)	0.741	0.508	0.543	0.618	0.631	0.673	0.662	0.755	0.758

Notes: (1) Columns 1–5 are pooled regressions with year fixed effects. Columns 6–9 are from collapsed cross-sectional data. Also note that though the information is collapsed from the period 2009–2015, the information on trust is mostly from 2009. (2) Standard errors in parentheses. *, **, and *** indicate statistical significance at 10 percent, 5 percent, and 1 percent levels. (3) If panel regressions, all standard errors are cluster-adjusted at the country level. The row "e(N-clust)" shows the number of countries (also clusters) in the sample.

Table 11 Summary Statistics of WVS

Variable	Obs.	Mean	Std. Dev.	Min.	Max.
<i>Individual-level</i>					
Satisfaction with life	499,116	6.72	2.41	1	10
Social trust	482,310	0.28	0.45	0	1
Confidence in the police	477,654	2.60	0.91	1	4
Confidence in parliament	461,952	2.31	0.90	1	4
Confidence in the government	352,597	2.39	0.94	1	4
Confidence in the political parties	348,995	2.05	0.86	1	4
Confidence in justice system	419,890	2.52	0.90	1	4
<i>Income decile</i>					
Decile 1	390,798	0.10	0.29	0	1
Decile 2	390,798	0.11	0.32	0	1
Decile 3	390,798	0.14	0.34	0	1
Decile 4	390,798	0.14	0.35	0	1
Decile 5	390,798	0.16	0.37	0	1
Decile 6	390,798	0.12	0.33	0	1
Decile 7	390,798	0.10	0.29	0	1
Decile 8	390,798	0.07	0.25	0	1
Decile 9	390,798	0.04	0.19	0	1
Decile 10	390,798	0.03	0.18	0	1
Female	501,145	0.51	0.50	0	1
Age	501,437	41.96	16.68	13	99
Age-squared/100	501,437	20.39	15.68	1.69	98.01
Married	505,971	0.62	0.49	0	1
Separated, divorced, or widowed	505,971	0.12	0.33	0	1
Secondary school	505,971	0.36	0.48	0	1
College	505,971	0.18	0.38	0	1
Full-time job	494,150	0.37	0.48	0	1
Part-time job	494,150	0.08	0.26	0	1
Self-employed	494,150	0.09	0.29	0	1
<i>National-level</i>					
Satisfaction with life	355	6.75	1.00	3.73	8.51
Social trust	356	0.29	0.16	0.03	0.76
Log GDP per capita	338	9.60	0.93	6.75	11.76
Healthy life expectancy	346	63.80	6.28	34.64	75.08

Table 12 Individual-Level Regressions using WVS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Social trust	0.30 (0.03)***						0.21 (0.03)***	
Confidence in the police		0.22 (0.02)***					0.09 (0.02)***	0.12 (0.02)***
Confidence in parliament			0.19 (0.02)***				0.04 (0.01)***	0.03 (0.02)*
Confidence in the government				0.23 (0.02)***			0.12 (0.02)***	0.13 (0.02) ***
Confidence in the political parties					0.17 (0.02)***		0.01 (0.02)	0.02 (0.02)
Confidence in justice system						0.21 (0.01)***	0.07 (0.02)***	
Income decile (Ref: Decile 5)								
Decile 1	-0.88 (0.08)***	-0.86 (0.09)***	-0.86 (0.09)***	-0.89 (0.10)***	-0.90 (0.11)***	-0.86 (0.09)***	-0.88 (0.12)***	-0.86 (0.10)***
Decile 2	-0.64 (0.05)***	-0.64 (0.05)***	-0.63 (0.05)***	-0.67 (0.05)***	-0.68 (0.06)***	-0.63 (0.05)***	-0.68 (0.06)***	-0.67 (0.05)***
Decile 3	-0.47 (0.03)***	-0.45 (0.03)***	-0.46 (0.03)***	-0.51 (0.03)***	-0.50 (0.04)***	-0.44 (0.03)***	-0.50 (0.03)***	-0.50 (0.03)***
Decile 4	-0.20 (0.02)***	-0.19 (0.02)***	-0.20 (0.02)***	-0.23 (0.02)***	-0.22 (0.02)***	-0.19 (0.02)***	-0.25 (0.02)***	-0.24 (0.02)***
Decile 6	0.19 (0.02)***	0.19 (0.02)***	0.18 (0.02)***	0.23 (0.02)***	0.23 (0.02)***	0.16 (0.02)***	0.20 (0.02)***	0.23 (0.02)***
Decile 7	0.37 (0.03)***	0.37 (0.03)***	0.37 (0.03)***	0.45 (0.04)***	0.45 (0.03)***	0.34 (0.03)***	0.41 (0.03)***	0.44 (0.03)***
Decile 8	0.48 (0.05)***	0.49 (0.05)***	0.48 (0.05)***	0.64 (0.06)***	0.63 (0.06)***	0.45 (0.05)***	0.62 (0.05)***	0.63 (0.06)***
Decile 9	0.46 (0.06) ***	0.46 (0.05)***	0.46 (0.06)***	0.65 (0.07)***	0.65 (0.07)***	0.41 (0.05)***	0.61 (0.06)***	0.64 (0.07)***
Decile 10	0.54 (0.06)***	0.56 (0.06)***	0.55 (0.06)***	0.75 (0.07)***	0.72 (0.07)***	0.52 (0.06)***	0.73 (0.07)***	0.72 (0.07)***
Female	0.13 (0.02)***	0.12 (0.02)***	0.14 (0.02)***	0.15 (0.02)***	0.14 (0.02)***	0.11 (0.02)***	0.12 (0.02)***	0.14 (0.02)***
Age	-0.06 (0.00)***	-0.06 (0.00)***	-0.06 (0.00)***	-0.05 (0.00)***	-0.06 (0.00)***	-0.06 (0.00)***	-0.05 (0.01)***	-0.05 (0.00)***

Table 12 Continued

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Age-squared/100	0.06 (0.00)***	0.06 (0.00)***	0.06 (0.00)***	0.06 (0.00)***	0.06 (0.01)***	0.06 (0.00)***	0.06 (0.01)***	0.06 (0.01)***
Married	0.30 (0.03)***	0.28 (0.03)***	0.29 (0.03)***	0.26 (0.04)***	0.29 (0.03)***	0.30 (0.03)***	0.28 (0.04)***	0.27 (0.03)***
Separated, divorced, or widowed	-0.20 (0.03)***	-0.23 (0.03)***	-0.22 (0.03)***	-0.21 (0.04)***	-0.20 (0.04)***	-0.23 (0.03)***	-0.21 (0.04)***	-0.20 (0.04)***
Secondary school	0.10 (0.04)**	0.12 (0.04)***	0.11 (0.04)***	0.11 (0.04)***	0.11 (0.04)**	0.12 (0.04)***	0.13 (0.04)***	0.11 (0.04)**
College	0.20 (0.05)***	0.25 (0.05)***	0.24 (0.05)***	0.21 (0.05)***	0.20 (0.05)***	0.25 (0.05)***	0.24 (0.05)***	0.20 (0.05)***
Full-time job	0.09 (0.02)***	0.11 (0.02)***	0.11 (0.02)***	0.11 (0.03)***	0.11 (0.03)***	0.10 (0.02)***	0.10 (0.02)***	0.10 (0.02)***
Part-time job	0.02 (0.03)	0.04 (0.03)	0.03 (0.03)	0.01 (0.03)	0.01 (0.03)	0.05 (0.03)	0.02 (0.04)	0.00 (0.03)
Self-employed	0.09 (0.04)***	0.12 (0.04)***	0.12 (0.04)***	0.10 (0.04)***	0.11 (0.04)***	0.12 (0.03)***	0.11 (0.03)***	0.10 (0.03)***
Country dummies	Y	Y	Y	Y	Y	Y	Y	Y
Year dummies	Y	Y	Y	Y	Y	Y	Y	Y
Obs.	355,699	350,530	338,718	255,044	252,162	300,097	189,268	224,933
Number of countries	110	108	107	98	95	104	90	94
Adjusted R-squared	0.217	0.217	0.215	0.221	0.216	0.219	0.224	0.220

Notes: Standard errors in parenthesis are cluster-adjusted at the country level. *, **, and *** indicate statistical significance at 10 percent, 5 percent, and 1 percent levels respectively.

Table 13 National-Level Regressions Using WVS

	(1)	(2)	(3)	(4)	(5)
	Full sample	OECD	non-OECD	year >= 2000	year < 2000
Social trust	0.81 (0.28)***	1.38 (0.27)***	-0.70 (0.59)	0.13 (0.32)	2.06 (0.57)***
Log GDP per capita	0.59 (0.09)***	0.61 (0.18)***	0.41 (0.10)***	0.47 (0.09)***	0.78 (0.17)***
Healthy life expectancy	0.00 (0.01)	-0.01 (0.02)	0.01 (0.02)	0.02 (0.01)	-0.03 (0.02)
Obs.	328	161	167	191	137
Adjusted R-squared	0.374	0.356	0.140	0.389	0.404

Notes: Robust standard errors are in parenthesis. *, **, and *** indicate statistical significance at 10 percent, 5 percent, and 1 percent levels respectively.

NOTES

1. For the 129 countries with both measures, the national averages of satisfaction with life have a mean value of 5.91 (SD = 1.41) compared to 5.45 (SD = 1.11) for the Cantril ladder. At the individual level, the average satisfaction with life is 5.99 (SD = 2.40) compared to 5.57 (SD = 2.19) for the Cantril ladder.
2. Using the 129 national averages, satisfaction with life = $-0.41 + 1.16 \times \text{Cantril ladder}$ ($SE = 0.05$), $r^2 = 0.83$.
3. See Helliwell (2003) for two-level analysis using the WVS; and Helliwell, Barrington-Leigh, Harris, and Huang (2010, Table 10.1) for the GWP data.

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CHAPTER 19

TRUST AND POPULATION HEALTH

ICHIRO KAWACHI

THE TWO TRADITIONS OF STUDYING THE LINK BETWEEN (MIS)TRUST AND HEALTH

TRUST has been studied as a predictor of health in two parallel but distinct traditions. In the field of health psychology and psychosomatic medicine, trust of others is considered to be a healthy personality trait. Conversely, mistrust of other people—referred to as cynical mistrust—is a core component of the fifty-item Cook-Medley Hostility (Ho) Scale of the Minnesota Multiphasic Personality Inventory (Cook and Medley 1954). The cynicism subscale of the Cook-Medley Ho Scale asks respondents whether they endorse beliefs such as “it is better not to trust anyone,” “people don’t care about what happens to others,” and “people don’t bother to help others.” Beginning with the initial observation by Redford Williams and colleagues (Williams et al. 1980), an extensive body of research has emerged in the field of psychosomatic medicine, demonstrating that individuals who hold cynical and mistrusting views of others are at a significantly elevated risk of developing coronary heart disease and/or dying prematurely, even after controlling for differences in other health risk factors. The presumed psychological mechanism underlying this association is that individuals who hold cynical and mistrustful cognitions about other persons are more easily provoked to anger by other people’s behaviors, and that frequent daily experiences of negative emotions will set off physiologic stress (such as spikes in blood pressure) that will eventually result in coronary atherosclerosis. The toxic effect of cynical mistrust may also be partly mediated by the fact that such individuals have difficulties in maintaining supportive social relationships with others. The mechanisms linking mistrust—as a personality trait—and risk of cardiovascular disease are therefore well mapped out and seem biologically

plausible. There is a well-developed empirical literature on this topic in the discipline of psychosomatic medicine, particularly in the field of Type A personality studies and cardiovascular medicine (Allan and Scheidt 1996).

A second, distinct tradition in public health treats trust as a component of *social cohesion*, that is, as a characteristic of the social context in which the individual is embedded. Using questions derived from the General Social Survey (e.g., “Generally speaking, would you say that most people can be trusted, or that you can’t be too careful in dealing with people?”), researchers have attempted to measure the level of trust in various social settings in which individuals are embedded—for example, residential neighborhoods or workplaces (Kawachi et al. 2008). Rather than treating people’s response to the question about “trust of others” as an indicator of cynical personality traits (as in the psychosomatic tradition), the second approach is focused on: (a) measuring the individual’s perceptions about the trustworthiness of others in the environment; or (b) aggregating individual responses to a higher level (e.g., the neighborhood), and analyzing the average level of trust as a contextual characteristic, that is, as an element of social cohesion.

The conceptual dilemma in health studies is that individual trust perception overlaps with the personality trait of “cynical hostility” from psychology (Kawachi et al. 2013). When an individual endorses the belief that “others cannot be trusted,” there is no way to distinguish whether the individual is expressing a pathological, cynical belief about other people or whether they are accurately perceiving that their environment is untrustworthy. In the research linking trust with health, what we are actually interested in is the *trustworthiness* of institutions and individuals, rather than whether the individual has a trusting character. Interestingly, the results from experimental economics have suggested that individual responses to standard attitudinal-survey questions about “trust of others” in fact correlate with trustworthy behaviors in games involving cooperation (Glaeser et al. 2000). In these games, the “proposer” has the opportunity to send between zero to fifteen dollars to the “recipient.” Whatever amount is sent, the experimenter doubles the amount, which the receiver is now free to send back to the proposer. In this setup, the initial amount sent by the proposer is a measure of their trusting attitude, while the amount that is sent back by the receiver is a measure of trustworthiness. In the experiments described by Glaeser and colleagues, the responses to attitudinal surveys of trust turn out to be a better predictor of the trustworthiness of individuals (i.e., the amount of cash that they return to the proposer) than of their initial trust (the amount they initially share as the proposer). These results provide some assurance that the survey measures used in studies of trust and health are in fact capturing signal relative to noise, in other words, it is not all “garbage in, garbage out.” Indeed, studies of trust and health are primarily concerned about the trustworthiness of the social context, rather than whether the individual has a trusting disposition. Trust in the absence of trustworthiness simply equates with gullibility. Although psychologists may claim that being blessed with a positive, optimistic outlook on life is good for health, our primary interest is in whether the level of trustworthiness (e.g., of a workplace or neighborhood) is correlated with better health outcomes.

An additional methodological feature of research in the social cohesion field is that when sufficiently large numbers of individual responses are aggregated to obtain an average estimate about the level of trust (e.g., within a neighborhood or workplace), the quirks of individual personality differences will become smoothed out to obtain an accurate picture. In other words, the responses of a few hostile individuals are likely to be less influential in skewing the average estimate for the group.

As already alluded to, an extensive empirical literature exists on individual mistrust as a toxic personality trait and its relation to future risk of disease and premature mortality. Interested readers are referred to existing resources on the topic (e.g., Allan and Scheidt 1996). The focus of the present article is on trust as a dimension of social cohesion and its link to population health.

THEORETICAL MECHANISMS

In the literature on social cohesion and health, trust is considered as a type of “moral” resource that lubricates reciprocity exchanges between actors in a system. For example, if A chooses to do a favor for B, it is because A trusts that B will return the favor in the future. In the absence of trust, it would be very difficult to accomplish many things in life—not just the exchange of favors, but also collective action, market transactions, and the maintenance of group norms enforced through social sanctions. Simply put, trust reduces the transaction costs of social interactions in daily life, especially interactions involving reciprocity exchanges and cooperation.

Broadly speaking, the three mechanisms by which trust is proposed to promote health are through (i) lubricating reciprocity exchanges (social support), (ii) facilitating collective action, and (iii) social reinforcement.

(i) *Trust lubricates the exchange of social support*

There is a well-developed literature on the health benefits of social support (Berkman and Glass 2000). Social support can take the form of access to health-relevant information, the provision of material resources (e.g., cash loans, labor in kind), and emotional support during crises. The diffusion of health behaviors within a group reaches a tipping point when people receive and act on information from trusted sources. Most of us do not perform health behaviors in isolation; for example, we do not eat alone, smoke alone, or even exercise alone. In a now-famous case study based on the Framingham Heart Study, droves of people quit smoking during four decades of follow-up. The analysis by Christakis and Fowler (2008) demonstrated that smoking cessation did not happen in a social vacuum; rather, most smokers quit because their spouses, friends, and loved ones quit, and the spread of influence could be detected at a social distance of up to three degrees of separation. In a word, smokers gave up their habit not because their doctors told them to but because their trusted social contacts encouraged them to do so. Obviously, this mechanism has the potential to “cut both ways.” For example, if

a trusted contact is a source of misinformation—as in the case of rumors about childhood immunizations being a cause of autism—it can actually act as a detriment to public health (Liu et al. 2010).

A devastating case study of the failure of trust resulting in the collapse of health was witnessed after the fall of Soviet Russia. As described by Richard Rose (1995), the Soviet Union exemplified an “hourglass” society, composed of an elite class at the top (the nomenklatura), performing mutual favors (*blat*) for each other, while at the bottom of the hourglass, ordinary citizens had to get by with support of their informal social networks. This hourglass society had no “middle” because most forms of civic associations were actively discouraged by the totalitarian regime, which feared they might spawn movements for democratic reform. When the Soviet regime finally collapsed, it left behind a residue of epidemic levels of mistrust, registering close to 90% in terms of citizens’ mistrust of institutions, including bureaucracies, politicians, the courts, the police, and businesses. All that remained was for people to rely on their intimate contacts. Those who kept privileged connections to power survived and even thrived, while those who lacked such connections—such as socially isolated old-age pensioners—were abandoned to their own devices. The ensuing mortality crisis—male life expectancy in post-Soviet Russia collapsed by 6.6 years in the short interval following the collapse of the regime (Kennedy et al. 1998)—is a lesson in what happens when trust is deliberately destroyed by totalitarian regimes.

(ii) *Trust facilitates collective action*

Health promotion often depends on the ability of the community to undertake collective action. For example, prior to the passage of statewide legislation to restrict smoking in public places in Massachusetts (which was enacted in 2004), the protection of nonsmokers from exposure to secondhand smoke relied on local ordinances passed by towns and municipalities. The passage of local ordinances required collective action, for instance, residents needed to get organized to petition their local boards of health/health departments. Launching collective action, especially actions involving the creation of public goods, is frequently hampered by the free-rider problem, that is, it is tempting to sit back and make someone else do the hard work of gathering all the relevant background facts for a petition, collecting signatures, contacting officials, and turning up at a town hall meeting. In this case, trust facilitates collective action because those who volunteer are able to rest on the assumption that others in the community will not take advantage by free-riding on their time and effort.

A deficit of trust is also at the core of another major public health problem, namely, the less than optimal childhood vaccination uptake rates in many countries, resulting in periodic outbreaks of measles and mumps. Vaccination against childhood infections is, at its core, a collective action problem. In order for the vaccination to work properly, there needs to be a critical fraction of the population who must be protected in order to achieve herd immunity (typically 90% to 95% for a disease like measles). In countries with a vaccination uptake rate that is close to the herd immunity threshold, the decision to vaccinate relies on the parent to decide between taking the risk (and hassle) of

immunizing their child, versus sitting back and relying on *other* parents to do their part—in effect, free-riding on the herd immunity provided by other conscientious parents. At the margin, the decision to vaccinate therefore relies upon trust (“I choose to vaccinate my child because I trust that other parents will do the same”). Absent trust, herd immunity will be difficult to achieve. In short, nobody wants to be the sucker pulling all the weight. When we volunteer to do something, we trust that everybody else will do their part (in Lord Nelson’s memorable words, “England expects that every man will do his duty”), and that the group will sanction (i.e., punish) free-riders.

(iii) *Trust reinforces social norms*

In the world of public health, it turns out that a whole repertoire of health behaviors depend on the maintenance of effective community norms—as opposed to reliance on legal enforcement. For example, even though smoking in public places is banned by law, the enforcement of this legislation is seldom achieved by policing or meting out fines. It is, in fact, enforced by social norms. Many norms in daily life have direct relevance to public health—for example, “I will not bring my child to the daycare if she has a cold,” “I will wash my hands after going to the bathroom,” “I will scoop after my dog,” or “I will not text while driving.” In turn, we depend on the trustworthiness of others in the system to avoid the harmful spillover effects of their behaviors.

Generalized trust versus domain-specific trust

An important distinction can be drawn between the effects of generalized trust versus domain-specific trust. Generalized trust—defined as the readiness of individuals to trust others with whom they may not be personally acquainted (i.e., strangers)—is a core constituent of the concepts of social cohesion and social capital (Putnam 2000). When actors in a system are trustworthy, it facilitates collective action and reciprocity exchanges. Generalized trust, together with cooperation, reciprocity, and solidarity, constitute what has been labeled the aggregate “social capital” of a system, network, or structure. In the health field, the majority of published studies have focused on the health effects of generalized trust, following the social capital/social cohesion tradition (Kawachi et al. 2008).

A separate and growing literature exists on *domain-specific* trust and health outcomes; for example, trust between the doctor and patient (in the health services research field), or between the messenger and receiver (in the health communications field). On the subject of medical mistrust, researchers have focused on the link for HIV-related risk behaviors within a specific population group, namely African Americans (Bogart et al. 2011). The belief that AIDS was created as part of a government-led conspiracy to decimate the African American population remains salient to a significant minority of black people, partly due to the historical legacy of the Tuskegee Syphilis Experiment (a U.S. government study in which black patients with syphilis remained untreated for decades in order to study the “natural progression” of this devastating disease). Medical

mistrust specific to HIV is manifested as “HIV conspiracy beliefs,” where individuals believe that HIV is a (government-sponsored) genocidal conspiracy. Higher levels of this belief are, in turn, associated with more risky HIV-related behaviors, including refusal to be screened for HIV, nonadherence to medication, and lower condom use. One study examined the social networks of African Americans with HIV/AIDS, and found that nonadherence to treatment was particularly high when members of the social network shared similar demographic backgrounds and also expressed high conspiracy beliefs (Bogart et al. 2016). At the same time, medical mistrust does not play out in the same way for every HIV-related behavior. Specific subdomains of mistrust matter for specific outcomes. Thus Bogart et al. (2011) found that overall conspiracy beliefs and genocidal conspiracy beliefs were significantly associated with risky behaviors (non-use of condoms), but treatment-related conspiracies were not. Another study of black men who have sex with men (MSM) also examined individual and global measures of mistrust and found that while global medical mistrust was associated with longer time elapsed between medical appointments, provider-specific mistrust was not correlated (Eaton et al. 2015). In the same population, overall trust was also significantly associated with higher use of recommended preventative services.

In summary, a growing body of literature exists documenting the importance of medical trust for health service behaviors, particularly HIV-related outcomes. Moreover, there is a robust literature on trust and subjective well-being, or happiness, which is reviewed separately in the article by John Helliwell and colleagues in this book (Helliwell et al. forthcoming). In the section to follow, however, we shall limit our focus primarily to the studies linking *generalized* trust to *health outcomes* (which in fact constitute the bulk of the literature in the population health space).

EMPIRICAL EVIDENCE

General Considerations of Study Design

Generally speaking, three types of studies have been conducted in the health field linking generalized trust to health outcomes: (i) ecological studies; (ii) studies that measured individual trust perceptions and their links to individual health outcomes; and (iii) multilevel studies that focused on community trust in relation to individual health outcomes.

Ecological studies are of the type where both trust and health are measured at the population level, such as correlations between generalized trust levels with suicide rates across the fifty U.S. states (Smith and Kawachi 2014), or correlations between generalized trust and average mortality rates across neighborhoods of one city, Chicago (Lochner et al. 2003). Although they are effective in generating novel hypotheses, the principal limitation of ecological studies is that we cannot directly infer causality between the exposure and the outcome; in the jargon

of epidemiology, ecological studies are prone to the ecological fallacy. A classic instance of the ecological fallacy was Durkheim's observation that the proportion of Protestants in Prussian provinces in the eighteenth century was perfectly correlated with the average suicide rate (Durkheim 1897). Although Durkheim used this observation to bolster his celebrated claim that the Protestant religion was associated with increased risk of suicide, there is in fact no way of verifying from his data that the individuals committing suicide in provinces with high Protestant density were, in fact, Protestant (indeed, they might have been Catholics). In a similar vein, ecological studies of trust and health cannot tell us whether trusting individuals are healthier. All they can tell us is that areas with high average trust have better than average health. But the individuals who experience better health in such areas could be *either* trusting or mistrusting.

A prerequisite for understanding the causal link between trust and health is therefore to measure both exposure (trust) and outcome (health) at the individual level. We shall therefore not dwell further on the ecological studies of trust and health, except to reiterate that they have served a very useful purpose in generating initial observations and hypotheses in the field.

When we turn to studies that attempted to link individual trust perceptions to individual health outcomes, their principal limitation (as alluded to earlier) is that we cannot adjudicate between whether the responses to questions about generalized trust are tapping into cynical mistrust (a toxic personality trait) or accurate reflections of the trustworthiness of the individual's social environment. The problem of measurement is compounded when the studies include a self-reported health outcome on the left-hand side—for example, perceptions of self-rated health or mental health outcomes such as depressive symptoms. When both exposures and outcomes are self-reported, we cannot exclude the possibility of common method bias, that is, the correlation between trust and health is biased by simultaneity or an omitted third variable. For example, individuals in a depressed mood are simultaneously more likely to rate other people as less trustworthy *and* to rate their own level of health as poor.

To overcome these problems, the most secure design for causal inference is to conduct a multilevel study. For the purposes of illustration, we provide an example of a multilevel study linking individual and community-level trust to symptoms of psychological distress (see Kobayashi et al. 2015, summarized in Table 19.1a). The study sample comprised 9,761 older community-dwelling Japanese residents living in 35 communities. For each respondent, the researchers measured his/her trust of others in their community—in this instance, a question modeled on the General Social Survey ("In general, do you think other people can be trusted?") with responses given on a 5-point Likert scale. At the community level, the authors constructed an average measure of trust based on aggregating the individual responses to the survey. The health outcome, psychological distress, was measured using the Japanese version of the Kessler Psychological Distress scale (K-6), comprising six questions on depression and anxiety (Furukawa et al. 2008). Each question was measured on a 5-point scale, and the total score ranged from 6 to 30.

Table 19.1a. Multilevel studies of trust and health

Authors, year	Sample size, population/ setting	Age range	Trust measure	Health outcome	Covariates	Individual-level effect estimate	Area-level effect estimate
Hanano et al., 2010	5,956 individuals in 199 communities in Japan	Not provided	<i>Individual level:</i> Generalized trust <i>Neighborhood level:</i> Percentage of residents expressing high trust	Mental health measured by SF-36 MHI-5 scale (higher score = better health)	Age, sex, educational attainment, annual household income	Multilevel linear regression coefficient: $\beta=5.567$, $p<0.001$	Multilevel linear regression coefficient: $\beta=4.487$, $p<0.05$
Murayama et al., 2012b	1,716 individuals in from 72 districts in the city of Kashiba, Chiba prefecture, Japan	20 years and older	<i>Individual level:</i> Trust in neighbors, institutional trust in national security system <i>District level:</i> proportion of trust in neighbors, proportion of institutional trust in national security system	Poor self-rated health	Gender, age, years of residence in district, birthplace, marital status, annual income, educational attainment, current employment	Odds ratio of poor health among individuals expressing mistrust of neighbors: 1.93 (95% CI:1.48-2.52)	Odds ratio of poor health among residents living in areas with high mistrust: 1.17 (95% CI:1.02-1.34)
Engstrom et al., 2008	30,535 residents of Stockholm County, Sweden	18–84 years old	<i>Individual level:</i> Civic trust, political trust <i>Parish level:</i> Average civic trust, average political trust	Poor self-rated health	Overall model adjusts for age, socioeconomic position, education level, country of birth, income level, family structure, median income	-Not provided	Odds ratio of poor health for residents of low trust areas: 1.56 (95%CI:1.27-1.92)

Yip et al., 2007	1,218 individuals in three rural counties of Shandong province	16–80 years old	<p><i>Individual level:</i> Trust, measured by composite index of 12 questionnaire items</p> <p><i>Area level:</i> mean trust measures aggregated to village level</p>	Poor self-rated health	Household income, household assets, occupational status, education	Odds ratio of poor health for individuals reporting high trust: 0.71 (z-score: 4.46)	Odds ratio of poor health for residents of high trust communities: OR=0.76 (z-score: 1.35)
Kobayashi et al, 2015	9,761 residents of 35 communities in Okayama Prefecture, Japan	Aged 65 years and older	<p><i>Individual level:</i> general trust in community</p> <p><i>Community level:</i> proportion mistrust</p>	Poor self-rated health	Age, sex, educational attainment, frequency of alcohol consumption, smoking status, body mass index, marital status, socioeconomic status, number of cohabiters, social support (instrumental support, emotional support)	Risk ratio of poor health for individuals expressing low trust: 1.24 (95% CI:1.09–1.41)	Risk ratio of poor health for residents of communities with high proportion mistrust: 1.27 (95% CI:1.03–1.57)

The foregoing study design yields a two-level structure where the outcome is the level of psychological distress (y) for individual (i) (level-1) residing in neighborhood j (level-2).

For simplicity, we can dichotomize trust perceptions according to whether the subject reports a high or low level of trust (x_{ij}) for every individual (i) living in neighborhood (j) and coded 1 if the subject reports mistrust, 0 otherwise; and one neighborhood-level exposure, \bar{X}_{1j} , the proportion of subjects reporting mistrust in neighborhood (j). Importantly, multilevel models take account of the *simultaneous* influence of individual trust and community-level trust on individual health outcomes. The advantages of doing so are threefold: (a) it isolates the *contextual* influence of community-level trust on the health outcome from the influence of individual trust perception on the same outcomes; (b) the effects of community-level trust on health are now independent of the correlation between psychological distress and individual perceptions (i.e., it solves the common method bias); and (c) we are now able to explicitly test for *cross-level interactions* between community trust and individual trust.

Multilevel models proceed by developing regression equations at each level of analysis. Thus, models are specified at two levels. The level-1 model can be specified as:

$$y_{ij} = \beta_{0j} + \beta_1 x_{ij} + e_{0ij} \quad (1)$$

where, β_{0j} (the intercept) is the mean level of psychological distress (i.e., the K-6 score) for the j^{th} neighborhood for the group reporting high trust (the reference group); β_1 is the average differential in the K-6 score for individuals who report mistrust (x_{ij}), across all neighborhoods. Meanwhile, e_{0ij} is the individual or the level-1 residual term. We can elaborate β_{0j} in the following manner:

$$\beta_{0j} = \beta_0 + u_{0j} \quad (2)$$

where, u_{0j} , estimates the differential contribution (either positive or negative) that a neighborhood makes to the prediction of the individual K-6 score, independent of the individual's report of mistrust.

An attractive feature of multilevel models is their utility in modeling neighborhood and individual characteristics simultaneously. The model specified in equation (2) can be extended to include a neighborhood exposure, \bar{X}_{1j} , that is, the proportion of individuals expressing mistrust in neighborhood j :

$$\beta_{0j} = \beta_0 + \alpha_1 \bar{X}_{1j} + u_{0j} \quad (3)$$

Substituting equation (3) into the micro model (1) yields:

$$y_{ij} = \beta_0 + \beta_1 x_{ij} + \alpha_1 \bar{X}_{1j} + (u_{0j} + e_{0ij}) \quad (4)$$

Specifically, α_1 estimates the marginal change in the level of psychological distress for a unit change in level of neighborhood social capital (\bar{X}_{1j}), and is the parameter that

quantifies the *contextual* effect of neighborhood social capital on individual K-6 scores, conditional on individual characteristics (e.g., individual trust but also age, sex, race/ethnicity, socioeconomic status, etc.).

The classic formulation of a contextual model in equation (4), however, is susceptible to high collinearity between the individual and neighborhood values of trust. One solution is to reformulate equation (4) with x_{1ij} (individual trust coded as 1 for subjects who report low trust, 0 for those who report high trust) centered around its neighborhood mean, \bar{X}_{1j} (neighborhood mistrust). For individuals who report mistrust, $(1 - \bar{X}_{1j})$ then equals the proportion not reporting mistrust in neighborhood j ; for individuals not reporting mistrust, $(0 - \bar{X}_{1j})$ equals minus the proportion of individuals who report mistrust in neighborhood j . The reformulated model is then:

$$\gamma_{ij} = \beta_0 + \beta_1(x_{1ij} - \bar{X}_{1j}) + \alpha_1\bar{X}_{1j} + (u_{0j} + e_{0ij}) \quad (5)$$

Equation (5) is simply a reparameterization of equation (4) with the contextual effect of mistrust, α_1 of equation (4) being equivalent to $\alpha_1 - \beta_1$ of equation (5) (Raudenbush 1989). However, in equation (5) the individual-level mistrust, $x_{1ij} - \bar{X}_{1j}$, is orthogonal to its neighborhood analogue \bar{X}_{1j} , thus overcoming the problem of collinearity. Substantively, centering the individual mistrust at its neighborhood average allows us to disentangle the pure individual and contextual effects of trust on health outcomes. Thus, β_1 now measures the pure individual effect of mistrust on psychological distress, *within* a neighborhood, while α_1 measures the contextual effect of mistrust on psychological distress *between* neighborhoods.

Commentary on the Empirical Studies

Tables 19.1a and 19.1b summarize a selection of existing studies linking trust to health outcomes. This is not based on a systematic review—there are too many to capture in a single table—but rather a selected sample for illustrative purposes. For a systematic review of studies, the reader is referred to Kim et al. (2008) and Murayama et al. (2012a). We focus exclusively on multilevel studies (as opposed to ecological studies or studies that only looked at individual-level trust perceptions). The majority of the multilevel studies were conducted in the context of evaluating the effects of social capital/social cohesion on health outcomes. As alluded to earlier, much of the interest in trust within the public health field stems from the question of whether social cohesion is beneficial for public health (Kawachi and Berkman 2000). Generalized trust has been examined as a component of social cohesion, alongside other indicators such as norms of reciprocity, perceptions of fairness, community attachment, and solidarity. In the summary table, we have attempted to isolate the associations between generalized trust measures and health outcomes.

By and large, the directionality of the association between trust and health is positive, whereby higher levels of trust (either as an individual perception or an aggregate

Table 19.1b. Multilevel studies of trust and health featuring cross-level interactions

Authors, year	Sample size, population/ setting	Age range	Trust measure	Health outcome	Covariates	Individual-level effect estimate	Area-level effect estimate	Cross-level interaction effect
Subramanian, Kim and Kawachi (2002)	21,456 adults in 40 U.S. communities	18–89 years	<i>Individual level:</i> generalized trust <i>Community level:</i> index of trust made up of generalized trust, trust in neighbors, coworkers, local police, etc).	Poor self-rated health	Age, gender, race/ ethnicity, marital status, income, education.	Odds ratio of poor health among high trust individuals: 0.55 (95% CI: 0.50–0.61)	Odds ratio of poor health in individuals living in high trust communities: 0.87 (95% CI: 0.62–1.21)	Cross-level interaction found where high trust individuals report better health in high trust communities; but the opposite was true for low trust individuals (they report worse health in high trust contexts).
Mansyur et al., 2008	70,493 individuals in 45 countries	18–92 years	<i>Individual level:</i> generalized trust <i>Country level:</i> generalized trust	Self-rated health (linear variable: higher score = better health)	Individual level: Age, gender, income Contextual level: Gini index, GNP	Linear α for self-rated health for high trust individuals (controlling for outlier Russia); $\beta=0.14$, p<0.01	Linear β for self- rated health for high trust countries (controlling for outlier Russia); $\beta=0.74$, p=0.27	Country-level trust interacts positively with individual- level trust, i.e. association with good health became stronger.

Wang et al., 2009	9,608 individuals in five townships in Guizhou and Shanxi provinces, China	15–85 years	<i>Individual level:</i> generalized trust <i>Village level:</i> generalized trust	Good self-rated physical health and mental health	Age, education, income, wealth index, physical access to health facilities, pre-survey chronic condition	Odds ratio for good self-rated physical health in high trust villages: 1.21 (95% CI: 1.12–1.31) Odds ratio for good self-rated mental health in high trust villages: 1.59 (95% CI: 1.43–1.76)	Village-level trust interacts positively with individual-level trust to affect health.
Meng & Chen, 2014	10,372 adults in 125 county-level units in China	18 years and older	<i>Individual level:</i> bonding trust, bridging trust* <i>County level:</i> average factor score for bridging trust and bonding trust within county unit	Poor self-rated health	Individual level: gender, age, marital status, household registration (Hukou) type, migrant status, subjective socioeconomic status, education attainment, employment status, household income per capita County level: GDP per capita, poverty rate	Odds ratio of poor health among high trust individuals – bonding type: 0.95 (95% CI: 0.8–0.97). Odds ratio of poor health for high bridging trust: 0.97 (95% CI: 0.87–1.08).	In urban counties with high level of bonding trust – high-bonding-trust individuals obtained more health benefit than others. In counties with low level of bonding trust, the situation was the opposite.

(continued)

Table 19.1b Continued

Authors, year	Sample size, population/ setting	Age range	Trust measure	Health outcome	Covariates	Individual-level effect estimate	Area-level effect estimate	Cross-level interaction effect
Campos-Matos, Subramanian & Kawachi, 2016	203,452 Individuals in 35 countries between 2002 and 2012 in the European Social Surveys (ESS)	15 years and over	<i>Individual level:</i> Generalized trust <i>Contextual/level:</i> Generalized trust aggregated to the country level in each year.	Good self-rated health	Age, gender, marital status, education, minority ethnic group status, perceived income level, disability, occupation	Odds ratio of good health for high trust individuals: 0.94 (95% CI: 0.93–0.95)	Odds ratio of good health for high trust countries: 1.08 (95% CI: 0.92–1.28).	Authors found cross-level interaction between contextual and individual trust ($P < 0.001$), such that individuals with high interpersonal trust reported better health in contexts in which other individuals expressed high average interpersonal trust. Conversely, low trust individuals reported worse health in high trust contexts.

community characteristic) are correlated with better health outcomes. For example, in the multilevel study by Kobayashi et al. (2015) alluded to earlier, higher levels of community-level mistrust were associated with elevated risk of psychological distress, even after controlling for individual-level trust perceptions, social support, age, sex, educational attainment, frequency of alcohol consumption, smoking status, body mass index, marital status, socioeconomic status, and number of cohabiters. Individuals who personally reported mistrusting others were more likely to be psychologically distressed as well. Personal mistrust of neighbors was associated with a 24% increased risk of depressive symptoms (95% confidence intervals: 9–41%) compared to individuals who trust other people. Over and above this individual-level correlation, however, every 10% increase in the proportion of residents expressing mistrust in the community also increased the risk of psychological distress by 27% (95% confidence intervals: 3–57%). Since the latter estimate controlled for individual trust perceptions, the result implies that even if an individual has a trusting disposition, he/she will pay an extra “penalty” as a consequence of living in a mistrusting community. There is, in other words, a negative spillover effect (i.e., a contextual influence) of living in a mistrusting social context.

The association between trust and health is not statistically significant in every instance (Table 19.1). There is heterogeneity in the reported associations according to the health outcome measure used, the country context, the region (rural/urban) in which the study was conducted, and the ethnic makeup of the sample. In short, there is still much to understand about the generalizability of the association between trust and health. Furthermore, in multilevel studies, the simultaneous inclusion of individual and higher-level trust measures can cancel out or even reverse the associations observed at a single level. For example, in Murayama et al. (2012b), living in a neighborhood with higher levels of mistrust was paradoxically associated with a *reduced* risk of poor self-rated health, even though individual-level perceptions of mistrust were positively associated. We will return later to the issue of cross-level interactions between individual trust perceptions and contextual trust.

Some general observations to make about the studies summarized in Table 19.1 are that: (a) many of them were cross-sectional, (b) most of them involved self-reported health outcomes (e.g., self-rated health status, psychological distress), and (c) the majority of them focused on the assessment of generalized trust in the context of residential communities and neighborhoods. We turn now to a critical assessment of the quality of empirical evidence.

Causal Inference in Studies of Trust and Health

One of the most basic requirements for causal inference in observational data is *temporal order* (i.e., the cause should precede the effect). Cross-sectional designs are fundamentally limited in this respect, that is, a correlation between trust and health could be due to poor health resulting in pessimistic evaluations of the world (Kawachi et al.

2013). The possibility of this type of “reverse causation” is heightened in the case of health outcomes that involve mental health, such as depressive symptoms.

In principle, the limitation of self-reported health outcomes could be overcome with the use of objective measures—so-called biomarkers, such as blood pressure or blood samples (to measure long-term markers of inflammation or glycated hemoglobin)—or physician-diagnosed illnesses. Unfortunately no objective biomarker exists (yet) for mental health outcomes such as depression. Multilevel studies of trust and health have been almost exclusively focused on self-rated health (Table 19.1). This health outcome is based on a single-item assessment by the respondent of his/her overall level of health: “Generally speaking, how would you rate your overall health: Excellent, Very good, Good, Fair, or Poor?” Because of its parsimony, it happens to be the most commonly available measure of health status in surveys that also inquired about trust. In defense of its continued use, researchers have found that the responses to this single question is a strong predictor of subsequent health outcomes such as hospitalization and even mortality (Idler and Benyamin 1997). It suggests that even people with no medical expertise have little difficulty in providing an integrated assessment of their overall health status; indeed, self-assessed health has been found to be a better predictor of subsequent health outcomes than physician ratings. It is for these reasons that the use of self-assessed health has come to be accepted in the public health literature.

On the other hand, even the use of biomarker information combined with longitudinal panel data may not suffice to convince a hard-boiled skeptic. A major issue in the field of trust and health that remains to be solved is the problem of endogeneity and selection (Kawachi et al. 2013). Endogeneity arises in situations where unobserved third variables result in the selective movement of individuals into different social contexts (e.g., neighborhoods with varying degrees of trust). When these unobserved and omitted variables also predict health status, then the resulting correlations between trust and health—even in the context of panel designs—will be biased. To illustrate, suppose that a researcher demonstrates using panel data that living in a trusting neighborhood is associated with better health outcomes over time. Suppose further that the correlation survives statistical adjustment for a range of potential confounding factors such as educational attainment, wealth, personality, and so on. A hardboiled skeptic will nevertheless insist that causation is not proved so long as the researcher did not have access to private information about the individual’s *preferences* for living in a community surrounded by trusting neighbors. In other words, people are not dropped randomly out of the sky to settle into different neighborhoods (like Dumbo’s miraculous origin story). People *select* into different contexts based on their fit with their environmental circumstances. For example, cynical and uncooperative misanthropes are more likely to exit—or be ostracized and forced out of—trusting environments. And since cynical misanthropes are more likely to have shortened lives (see the foregoing discussion of the evidence from health psychology), one should not be surprised if mistrusting individuals living in mistrusting communities exhibit worse health outcomes. In short, most social behaviors—such as whether to trust a

stranger—are rooted in choice and preferences, and hence endogenous in any equation linking trust to health outcomes.

Addressing this type of endogeneity can be extremely challenging. No amount of statistical adjustment for covariates will convince a skeptic that endogeneity has been purged from the data; there is always bound to be yet another unobserved and unmeasured variable that could have produced a spurious correlation between X and Y. Note that this critique applies even to sophisticated forms of longitudinal data analysis, such as the fixed effects or first difference designs. In the fixed effects design, the analysis attempts to leverage repeated measures of individuals (or communities, if that happens to be the target of inference) to observe the effects of within-individual changes in the level of trust over time on within-individual changes in the health outcome, while differencing out the time-invariant characteristics as a set of fixed parameters. Obviously, this requires a longitudinal design with repeated assessment of the exposure (trust), as well as some sort of meaningful change in the level of exposure over time. For example, Oksanen et al. (2011) repeatedly assessed generalized trust perceptions among 28,043 public-sector employees in Finland. Individual records were subsequently matched to national registers to examine mortality as the outcome. During a five-year follow-up, each unit increase in trust toward coworkers was associated with a reduced odds of mortality (Odds ratio = 0.81, 95% confidence intervals: 0.55–1.19). Importantly, only the individuals whose trust perceptions *changed* over time contribute information to the fixed effects analysis. Trust perceptions changed either because the respondents changed workplaces or because individuals' attitudes changed.

Although fixed effects analysis has the advantage of controlling for all observed and *unobserved* time-invariant confounding variables, they are still limited by their inability to take account of unobserved *time-varying* characteristics. For example, when an individual reports a change in trust over time, it could be because they received cognitive psychotherapy between baseline and follow-up. In this scenario, it is not that increased trust resulted in improved health over time; more likely, it is the case that psychotherapy improved both trust perceptions and subsequent health. (The true believer might still insist that improving trust is the *mechanism* through which psychotherapy boosted health. But then the skeptic could counter that psychotherapy could have been effective through other pathways, and that the causal effect of trust is not proven, and so on.)

In short, there is no easy solution to untie the Gordian knot of causal inference without some sort of exogenous manipulation of trust—either through identifying natural experiments (instrumental variables) or direct experimental manipulation. The use of instrumental variable (IV) estimation is well established in the field of economics and other social sciences, but has yet to become routine in the field of public health (Kawachi et al. 2013).

In principle, instrumental variable estimation proceeds by finding variables in the dataset that induce exogenous variation in the treatment of interest (in our case, variations in the level of generalized trust) without directly influencing the outcome variable of interest (health). To provide consistent estimates of causal effect, IV analysis requires instruments to be both “relevant” and “exogenous.” A relevant instrument is

defined as a variable that is correlated with endogenous exposure such that it captures adequate variation in the treatment. To be valid and exogenous, the instruments must have no direct effect on the outcome. The IV estimation procedure then proceeds in a two-stage regression: in the first stage, the endogenous exposure (trust) is regressed on its predictors (i.e., “instrumented”); and in the second stage, the outcome (health) is regressed on the instrumented values of the exposure, controlling for additional observed covariates.

Following Card (1993), to understand the econometric issues in IV estimation, consider a simple two-equation system describing the relationship between trust (p_i) and self-rated health (h_i) for individual i :

$$P_i = X_i \times \gamma + \nu_i \quad (6)$$

$$h_i = X_i \times \alpha + p_i \times \beta + u_i \quad (7)$$

where X_i is a matrix of observed covariates (with $E(X_i \times \nu_i) = E(X_i \times u_i) = 0$) and β is regarded as the causal parameter of interest. Equation (1) describes the variables that affect levels of trust (p_i), while equation (2) describes how self-rated health (h_i) is affected by the instrumented values of trust. If we substitute equation (1) into equation (2), we can see that ν_i and u_i are mutually dependent. However, the estimate of β by ordinary least squares is consistent if and only if ν_i and u_i are uncorrelated. Otherwise, the estimate of β is biased.

A consistent estimate of the true effect of trust can be obtained if there is a component of the vector X_i that affects trust but not self-rated health. If this were a randomized clinical trial, one would randomly assign subjects to receive a drug that boosts trust based on the outcome of a coin toss—for example, if the coin comes up “heads,” the subject receives a spray of intranasal oxytocin (a neuropeptide which has been shown to boost trust); or if the coin comes up “tails,” the subjects receives an inert placebo. In this scenario, the outcome of the coin toss is the instrument determining assignment to treatment, which at the same time will not directly affect the outcome of interest. Absent this type of “pure” random assignment, however, we need to find a causal determinant of trust that can be legitimately excluded from equation (2).

Although far from perfect, researchers have attempted to find such instruments. For example, Kim et al. (2011) attempted to instrument country-average generalized trust in the World Values Survey/European Values Survey by using log population density, religious fractionalism, and perceptions of corruption. The authors argued that each of these factors—high population density, heterogeneity of religious beliefs, and corruption—erodes social trust. Provided that these variables also do not directly affect health outcomes, they can serve as instruments. In repeated cross-sections of over 167,000 individuals responding to these surveys, the authors found that instrumented levels of generalized trust were associated with improved levels of self-rated health. Schultz et al. (2008) attempted to instrument trust perceptions in a cross-sectional

study of 469 community-dwelling residents of Minnesota and Wisconsin. Their choice of instrument was whether the respondent had resided continuously in the same community for six or more years. They found that each 1% increase in instrumented trust was associated with a 1.03% increase in the probability of reporting excellent/very good health.

The principal limitation of the IV approach, however, is the challenge of proving that the instruments are, in fact, uncorrelated with the outcome (satisfying the so-called exclusion restriction). A more direct approach to manipulating trust would be to observe a natural experiment involving changes to the individual's social context. For example, in a residential mobility experiment—such as the Moving to Opportunity Demonstration Program¹—it would be possible in principle to study the effects of changing the individual's social environment on their trust perceptions and health outcomes.

In summary, formidable challenges remain in establishing a causal effect of trust on health outcomes. Given the scarcity of natural experiments in the real world, a fruitful direction for future research might be to test the link between trust and health in the laboratory setting. For example, spraying people with intranasal oxytocin (as compared with a placebo) was shown to correlate with more trusting behavior in a game involving cooperation (Kosfeld et al. 2005). It would not be too much of a stretch to add some biomarkers to these experiments—for example, measures of stress reactivity such as salivary cortisol or heart rate variability. Unfortunately, a recent meta-analysis concluded that the original oxytocin/trust experiments have not been reliably replicated (Nave et al. 2015). On the other hand, there have only been a handful of such experiments ($n = 7$ as of the 2015 meta-analysis), and the jury is still out as far as ruling out/ruling in the use of oxytocin as a viable approach to studying the link between trust and health.

FUTURE DIRECTIONS

From a theoretical perspective, trust can influence health at different levels of action. Earlier ecological studies focused on the effects of generalized trust at the level of countries, regions, or states. At this broad level of aggregation, trust is likely to be a marker for the functioning (or nonperformance) of institutions—for example, as witnessed by the epidemic levels of mistrust that characterized the collapse of the Soviet state and the equally precipitous decline in life expectancy that followed (Kennedy et al. 1998). At the opposite end of the spectrum, researchers have focused on individual relations between generalized trust perceptions and health outcomes. At this level, the findings blend with—and are difficult to disentangle from—the findings in health psychology on the toxic consequences of a cynical, hostile personality. In between the two extremes, researchers have sought to tease out the independent contextual effects of living in a trusting social environment on individual health outcomes. It is in this

“mesoevel” space (i.e., between the state and the individual) that multilevel researchers have focused on diverse social contexts, including residential neighborhoods, workplaces, and schools. The research question then moves beyond asking about whether the individual’s trusting attitude is good for health, and more toward asking about whether living with trusting neighbors, coworkers, and colleagues can be beneficial for health. In the parlance of multilevel analysis, these are separate and distinct levels of influence. Specifically, it opens up the question of whether there are cross-level *interactions* between individual-level trust and group-level trust.

In the earlier explication of multilevel regression models, equation (5) can be extended to evaluate whether the effect of neighborhood trust on individual psychological distress differs for individuals expressing high or low trust. This can be achieved by introducing a “cross-level interaction” in the fixed part of the multilevel regression model between “group-centered” individual mistrust ($x_{1ij} - \bar{X}_{1j}$) and neighborhood mistrust (\bar{X}_{1j}), given as $((x_{1ij} - \bar{X}_{1j})(\bar{X}_{1j}))$, referred to as X_{2ij} in the following equation:

$$y_{ij} = \beta_0 + \beta_1(x_{1ij} - \bar{X}_{1j}) + \alpha_1 \bar{X}_{1j} + \alpha_2 X_{2ij} + (u_{0j} + u_{1j}(x_{1ij} - \bar{X}_{1j}) + e_{0ij}) \quad (8)$$

The above formulation tests for the presence of interaction between a level-2 exposure (neighborhood mistrust) and level-1 exposure (individual trust), represented by the fixed parameter, α_2 . Specifically, α_1 estimates the marginal change in psychological distress for a unit change in the neighborhood mistrust for individuals reporting high trust; while α_2 estimates the extent to which the marginal change in psychological distress for a unit change in neighborhood mistrust is *different* for individuals reporting mistrust. Note that the random part of the model has an additional random term, u_{1j} , associated with $x_{1ij} - \bar{X}_{1j}$. Underlying the test of a cross-level interaction is the anticipation that the neighborhood variation in psychological distress is different for individuals who report high or low trust that can then be explained in differential quantities (cross-level interactions effects) by levels of neighborhood aggregate trust.

A growing number of multi-evel studies have documented such cross-level interactions (see Table 19.1b). For example, in one of the earliest demonstrations, Subramanian, Kim, and Kawachi (2002) did not find a statistically significant overall association between community trust and mental health in the Social Capital Community Benchmark Survey. However, the test of cross-level interaction between community trust and individual trust was statistically significant. That is, for trusting individuals, living in a highly trusting community appeared to be beneficial for their mental well-being, while for mistrustful individuals, the opposite was true; they appeared to pay a penalty as a result of being surrounded by more trusting neighbors. In another multilevel analysis, Campos Matos et al. (2016) examined data from the European Social Surveys 2002–2012, covering 203,452 individuals nested within 145 country cohorts from 35 countries. In that analysis, although individual trust perceptions were significantly correlated with better self-rated health, country-level trust was not associated. However, there was a strong cross-level interaction between contextual and individual trust ($P < 0.001$), such that individuals with high interpersonal trust reported better

health in contexts in which other individuals expressed high average interpersonal trust. Conversely, low-trust individuals reported worse health in high-trust contexts. These results underscore the point that a trusting context is not uniformly protective for the health of individuals; it all depends on the interaction between individual predisposition and their social environment. Trusting environments are good for trusting people, but maybe not for cynical misanthropes.

As the empirical evidence accumulates, researchers have begun to focus their attention more on the “dark side” of trust and health. In other words, is it possible to have *too much* trust in society? For example, in a study of communities in Kashiwa, Japan, living in an area where neighbors expressed high trust of each other was paradoxically associated with an increased risk of poor self-rated health (Murayama et al. 2012b; Table 19.1a). Interestingly in the same study, residents of areas expressing higher *institutional* trust of the national social welfare system had lower risk of poor health. One interpretation of these findings is that higher trust between neighbors—at least in this Japanese context—captures the phenomenon of *mura hachibu*. This Japanese concept (lit., “village eight”) refers to a custom dating back to feudal times when communes in Japan united to help each other during ten specified occasions—such as weddings, illnesses, funerals, putting out fires, and so on. If anyone committed a major infraction, the punishment was to forbid communal assistance being extended to the offender on eight out of ten occasions. Over time, *mura hachibu* has become a shorthand to express the stifling restrictions on individual freedom felt by many Japanese to be a characteristic—indeed a cost—of living in an orderly, well-regulated society. Of course, one cannot conclude that the *mura hachibu* phenomenon is a reflection of too much trust; it could be all the other stuff that runs together with trust, such as high levels of informal social control, expectations of conformity, excessive obligations to reciprocate favors, and so forth. Nevertheless, future research demands careful theorizing about the mechanisms through which trust is hypothesized to affect health outcomes for better or for worse.

NOTE

1. Moving to Opportunity (MTO) was a ten-year residential mobility experiment conducted by the Department of Housing and Urban Development (HUD). Residents of poor neighborhoods in major U.S. cities were randomized to receive a housing voucher that they could use to relocate to better neighborhoods. In theory, this could be used to look at exogenous changes in the individual’s trust perceptions, as well as changes in the level of aggregated community trust to which the individual is “exposed.” We are not aware of a study that looked at this in MTO, however.

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P A R T V I I

POLITICAL
CONSEQUENCES
OF SOCIAL TRUST

CHAPTER 20

TRUST AND CORRUPTION

JONG-SUNG YOUNG

WHILE trust has long been recognized as an important virtue by philosophers and psychologists, only in recent years has it gained attention from social scientists. Robert Putnam's (1993) pioneering study on the importance of social capital, of which social trust is considered a key component, has fueled studies on the causes and consequences of social trust. Eric Uslaner's book, *The Moral Foundations of Trust* (2002), has ignited further interest in social trust among social scientists. Corruption, by contrast, has been recognized as an important topic by social scientists as well as philosophers; however, empirical studies of the subject were scarce until the mid-1990s largely because of the lack of available quantitative data. With the availability of data on social trust from various surveys—including the World Values Survey (WVS) that began in the early 1980s, and cross-national data on corruption, such as the Corruption Perceptions Index (CPI) published annually by Transparency International (TI) since 1995—quantitative studies on the relationship between trust and corruption have burgeoned.

This chapter reviews recent research into the relationship between trust and corruption. The first section engages in a conceptual discussion of trust, trustworthiness, fairness, and corruption. The second section introduces issues in conceptualizing and measuring corruption. It also discusses how two different understandings of corruption as an agency problem and as a collective action problem have different implications for the relationship between trust and corruption. The third section reviews empirical studies on the causal effect of social trust on corruption, the causal effect of corruption on social trust, and multiple equilibria in levels of social trust and corruption. It also analyzes the different trust-corruption patterns between democracies and nondemocracies that have not been explored by the existing literature. The last section offers concluding thoughts.

TRUST, TRUSTWORTHINESS, AND CORRUPTION

Trust and Trustworthiness

Trust can be both beneficial and costly. Trust enables us to form relationships and cooperate with people and to rely on them. Trust is also risky. A trustor can incur losses, both material and psychological, if the trustee turns out to be untrustworthy. Hence, we face questions of whom to trust. Our decision to trust others is based on our belief or expectations of their trustworthiness, but it is difficult to know the trustworthiness of other people without repeated interactions.

The trustworthiness of a person is reflected in characteristics such as honesty, fairness, benevolence, and competence. While incompetence of the trustee can also disappoint and incur losses to the trustor, it does not incur the psychological cost of “trust betrayal.” Hence, trusting a stranger is not equivalent to merely taking a risky bet, because the former entails an additional risk of trust betrayal (Bohnert and Zeckhauser 2004). The term “confidence” may be more appropriate for a belief in the competence of the other party, but people often use the terms “trust” and “confidence” interchangeably. In particular, institutional trust, or trust in institutions, usually implies confidence not only in the integrity and fairness but also in the competence of institutions.

A difficult question is whether to trust a stranger or other people in general. Since social trust, or generalized interpersonal trust, is known to have many beneficial effects at both individual and societal levels, an important question is how people’s generalized trust is formed. Some psychologists argue that trust is a person’s dispositional tendency or personality trait formed in early life rather than a person’s reflection of experienced trustworthiness of other people in social life. According to Erik Erikson ([1950] 1963: 249), trust is critically shaped by the quality of the maternal relationship in the first two years of life.

On the other hand, some scholars argue that trust is not fixed during early childhood but transformed over the course of life by social learning from the relevant experiences. Glanville and Paxton (2007) examine whether social trust is better explained by a psychological propensity formed in early childhood or by social learning from more contemporary, localized trust experiences. Data from the Social Trust Survey (Pew Research Center 1998) and the Social Capital Benchmark Survey (Roper Center for Public Opinion Research 2000) show results that are more consistent with social learning theory. If trust reflects life experiences, the decision as to whether to trust a stranger will largely depend on one’s expected trustworthiness of average people based on one’s own experiences. Hence, the average trustworthiness of people in a community is likely to influence people’s trust in a stranger in the community. Thus, trustworthiness will likely affect trust at both individual and community levels (You 2012).

Whether to act in a trustworthy manner when one is uncertain if the other party will reciprocate one's trustworthiness is another challenge for individuals. In a one-shot prisoner's dilemma game, a person has to make a decision to cooperate or not. In many collective action problems for public goods or common-pool resources, individuals have to decide whether to take part or to free ride. While a rational choice model based on the assumption of self-interested rationality predicts that individual choices will always be noncooperation or free riding, many people in fact choose to cooperate or take part in collective action, even though their trustworthy behavior may not necessarily be reciprocated by the other party. Without trusting other people's trustworthiness, it will be hard to act unilaterally in a trustworthy manner. If you trust other people in general, it will be easier to act in a trustworthy manner. Trusting individuals are more inclined to act in a trustworthy manner; moreover, the average level of interpersonal trust in a community tends to influence the average level of trustworthiness of the people in the community positively. Thus, trust and trustworthiness will likely reinforce each other (You 2012).

Trust and Corruption

Corruption is a form of untrustworthy behavior. When a public official engages in corruption, s/he is abusing the entrusted power or betraying the public's trust in her/his integrity or fairness. While corruption as a form of untrustworthy behavior is likely to affect trust for those people who experience, observe, or hear about corruption, it is by no means certain how much the levels of corruption in a community will affect the levels of interpersonal trust.

First, people have different conceptions of corruption as well as different degrees of tolerance for corruption. Some may view nepotism and favoritism as intolerable corruption, while others may define corruption narrowly as illegal abuse of public office for personal material gain, such as bribery and embezzlement. And while some people may include abuse of private power, such as the influence of money, for broadly defined personal gain in their definition of corruption, others may exclude corruption in the private sector from their definition of corruption. There are not only individual differences in the understanding of corruption but also societal differences in cultural norms about corruption. If there are big cultural differences, the connection between corruption and trust will be weak.

Second, even if people in different cultures share the same broad definition of corruption and strongly condemn corruption, it is impossible for them to know the actual levels of corruption. Since only a small portion of corrupt acts are revealed, people may underestimate the levels of corruption. On the other hand, people may overestimate levels of corruption based on exaggerated information about alleged corruption cases. Ultimately, individuals' trust in other people's trustworthiness depends on their perceived levels of trustworthiness in others, including perceived levels of corruption,

not actual levels of trustworthiness or actual levels of corruption. Thus, the effect of corruption on trust can be radically different across individuals and societies.

Third, it can be argued that corruption can increase trust, especially among those involved in corrupt transactions. Hence, widespread existence of corruption networks may enhance overall levels of interpersonal trust. Some scholars distinguish between in-group trust and out-group trust, and between particularized interpersonal trust and generalized interpersonal trust, or social trust. Trust that can be functional for corrupt networks is considered particularized trust, as distinct from generalized trust (Uslaner 2002; 2008a). In a society in which basic public services such as education and health are not available without petty corruption, participating in petty corruption might enhance even generalized trust because corruption is considered a kind of lubricant for social life. Since we cannot rule out this possibility, the effect of corruption on trust is ultimately an empirical question.

Causal direction between trust and corruption may run the other way as well. If you trust that other people, in general, will not engage in corruption, you are less likely to act corruptly than when you perceive everyone else is engaging in corruption (Karklins 2005; Rothstein 2011: 100; Uslaner 2008b). Thus, the level of generalized interpersonal trust will likely affect the level of corruption. However, the effect of trust on corruption might be negligible depending on the prevailing conceptions and norms about corruption. If most people consider petty corruption as a social lubricant, trusting people may engage in petty corruption as frequently as nontrusting people.

Fairness, Trustworthiness, and Trust

Since it is inherently difficult to know both the actual degree of trustworthiness of a stranger or other people and the actual level of corruption, it is an important question how people form their perceptions about trustworthiness of other people in general. A number of social psychological studies suggest that individuals' perceived levels of trustworthiness of other people are strongly influenced by their perceptions of societal and institutional fairness.

DeConinck (2010) and Krosgaard et al. (2002) find that interpersonal and organizational trust is significantly influenced by perceptions of organizational justice, including procedural, distributive, and interactional justice. Fairness heuristics theory proposed by Lind (2001) suggests that fairness perceptions are formed more quickly than trustworthiness perceptions. Van Den Bos (2001) shows that individuals use fairness judgments to form their perceptions of trustworthiness. Roy et al. (2015) find empirical evidence that organizational fairness impacts trustworthiness of organizational members, which in turn increases customer trust in banking. These findings on the link from organizational fairness to trustworthiness to trust may be generalized at institutional or societal level. Institutional fairness, in terms of procedural, distributive, and interactional fairness, should directly affect institutional trust, which in turn may influence interpersonal trust as well.

Some psychological studies have indicated that people’s “beliefs in a just world,” or their perceptions of fairness of their societies, are highly correlated with interpersonal trust (Begue 2002; Lerner 1980). Since people’s perceptions of others are an integral part of their “beliefs in a just world,” strong believers in a just world are more trusting of other people in general. If the fairness/unfairness of a society affects people’s perceptions of societal fairness, it will also affect the level of generalized interpersonal trust.

While we have considered corruption as a form of untrustworthy behavior, corruption can also be considered a breach of interactional fairness, which requires equal treatment of people. Alternatively, corruption can be understood as a breach of “formal justice,” which John Rawls ([1971] 1999: 51) defines as “impartial and consistent administration of laws and institutions” (You 2012). Corruption as a violation of interactional or formal justice should affect people’s perceptions of fairness, which should in turn influence their generalized interpersonal trust. Also, the effect of corruption, or perceived corruption, on perceived trustworthiness and trust will significantly depend on the degree of perceived unfairness of corruption, which should be closely correlated with tolerance for corruption at both individual and societal levels. This suggests that the effect of corruption on trust will vary depending on individual attitudes and social norms about corruption as well as the types of corruption.

Overall, these studies suggest that corruption as a form of unfair and untrustworthy behavior is likely to reduce institutional and interpersonal trust on the one hand, but on the other hand trusting people are less likely to engage in corruption. However, the strength of both directions of causal effect is uncertain without empirical analysis.

DIFFERENT CONCEPTUALIZATIONS, MEASUREMENTS, AND UNDERSTANDINGS OF CORRUPTION

Conceptualizing Corruption

As the above section indicates, the link between trust and corruption will significantly depend on individuals’ conceptions and norms about corruption as well as their perceptions of corruption. The link will be stronger for individuals and societies that have a broader conception of corruption, a greater sense of unfairness about corruption, and higher perceptions of corruption. Also, theoretical and empirical analysis of the relationship between trust and corruption can be significantly affected by conceptualization and measurement of corruption.

In the current literature, corruption is typically defined as “abuse of public office (or power, or entrusted authority) for private gain.” It is often narrowly interpreted as public officials’ misuse (mostly illegal) of discretionary power for personal material gain, such as bribery and embezzlement. However, corruption is often initiated by the

private sector, using economic power. Also, many legal practices such as the political influence of large campaign contributions can be considered corrupt. Indeed, ordinary people seem to define corruption much more broadly.

Alina Mungiu-Pippidi (2006; 2015) proposes an alternative definition of corruption as “particularism,” as opposed to universalism or equal treatment of citizens. According to Transparency International’s 2013 Global Corruption Barometer (GCB) survey of 114,000 respondents in 107 countries, a majority of people around the world seem to consider favoritism (“personal contacts get things done in the public sector”) and influence of big interests (“the government is run by a few big interests”) essentially synonymous with corruption (Mungiu-Pippidi 2015: 4–10). In the survey, people’s perceptions of corruption (“most public officials/civil servants are very or extremely corrupt”) correlated more highly with favoritism and influence of big interests than with their experiences of paying a bribe. Moreover, at least in European countries, those people who have participated in petty bribery to obtain public services do not seem to consider it a functional social lubricant. The data from the 2013 European Quality of Government Index (EQI), which is based on surveys of European Union (EU) member states and some accession-aspiring countries, shows that people with experience of petty bribery were much less satisfied with public services than those who did not pay a bribe. Also, over 90% of bribe payers claimed that they received unequal treatment, while a majority of non-bribe payers perceived equal treatment (Mungiu-Pippidi 2015: 8–9). The data indicate that the possibility of petty corruption acting as a social lubricant, enhancing social trust, is practically nil and that widespread petty corruption is likely to increase people’s perceived unfairness and lower social trust, at least in European societies.

Corruption as an Agency Problem

Over the last decades, most research on corruption has been based on the understanding of corruption as an agency problem (Klitgaard 1988; Rose-Ackerman 1978). Ugur and Dasgupta’s meta-analysis of 115 studies on the effect of corruption on economic growth finds that they all took a principal-agent approach to corruption explicitly or implicitly (2011: 43). The principal-agent model posits that the agent can exploit their informational advantage over the principal to pursue their own interest, which diverges from that of the principal. The public can be considered the principal while public officials, both elected and appointed, can be considered the agents. Or, we can consider multiple layers of principal-agent relationships in the political system, such as voter-politician and politician-bureaucrat relationships. Here, corruption is a form of moral hazard by the agent. Anticorruption strategies based on this analysis typically stressed the need to reduce the discretionary power of public officials through deregulation, privatization, and liberalization, and to strengthen monitoring of officials and sanctioning of corrupt officials (Klitgaard 1988). The narrow focus of this approach is best expressed by the Nobel laureate Gary Becker (1995): “If you want to cut corruption, cut government.”

The exclusive focus on corruption as an opportunistic behavior of public officials (politicians and bureaucrats) makes the link between trust and corruption rather thin. Even if most officials are corrupt, and hence untrustworthy, they are a small portion of the population. Hence, it may not have much impact on generalized interpersonal trust. The adverse effect of corruption on institutional trust is also likely to be confined to political institutions. On the other hand, the effect of trust on corruption will also be limited. Whether most people other than public officials are trusting or not is unlikely to influence public officials' behaviors.

Corruption as a Collective Action Problem

Recently, some scholars have questioned the utility of the principal-agent model of corruption and the anticorruption strategies based on this model. They have proposed an alternative understanding of corruption as a collective action problem (Mungiu-Pippidi 2015; Persson, Rothstein, and Teorell 2013; You 2016).

Impartial civil service and absence of corruption can be considered a public good of the second order, which is prone to the problems of free riding and opportunistic behavior (Rothstein 2013). In the case of petty corruption to obtain public services, for example, citizens will gain if they refuse to pay a bribe and demand that services be provided equally and impartially to everyone. In a society in which most citizens pay a bribe for services, however, it will be meaningless for individuals to not participate in petty corruption. This is a typical collective action problem. Even if the majority of citizens morally condemn corrupt practices and realize that they, as a collective, stand to lose from ongoing corruption, they still find it nearly impossible to resist the practices (Karklins 2005).

This is where the role of social trust comes into play. Social trust facilitates cooperation and helps to overcome collective action problems (Putnam 1993; Rothstein 2005; 2013; 2016; Uslaner 2002; 2008a). Thus, a substantial stock of social trust is necessary to control corruption. Also, in a society in which few people engage in corruption, it is much easier for individuals to resist corruption. Hence, we can expect multiple equilibria: societies with high social trust and low corruption and societies with low social trust and high corruption. Causal direction should run both ways. Trust and corruption control are likely to reinforce each other, while mistrust and corruption are also likely to do so. An important question is how countries trapped in the vicious circle of low trust and high corruption can escape from it and move to a virtuous circle of high trust and low corruption.

Measuring Corruption

Any study of corruption encounters the difficult problem of measuring corruption. Objective measures of corruption, such as the conviction rate in corruption cases or newspaper articles on corruption, may reflect the rigor and effectiveness of the

judicial system or the freedom of the press rather than the actual level of corruption (You 2015: 38–39). Hence, measures of perceived corruption may be more reliable than objective measures of corruption, especially for cross-national comparison.

Transparency International's CPI and the World Bank's Control of Corruption indicator are the most widely used cross-national measures of perceived corruption. Both are composite indexes of perceived corruption, aggregated from multiple sources that are based on either expert ratings or surveys of business people and/or households. Another perceived measure of corruption widely used by scholars is the Political Risk Service Group's International Country Risk Guide (ICRG) index of corruption. This index is available for a relatively long period of time going back to 1984, and there have been attempts to conduct panel data regressions using the data. However, Johann Lambsdorff (2006), architect of the CPI, raises doubt about the reliability of the ICRG index, noting that it measures *political risks* from corruption rather than *degrees* of corruption. The CPI has not included the ICRG measure as a source, while the Control of Corruption indicator uses it as one of many sources. Measurement error is a particularly serious concern for the purpose of trend analysis. Year-to-year changes of a country score may result not only from the changing perceptions of the country but also from changes in sources and methodology (Lambsdorff 2006).

Transparency International has also developed a measure of the “experience” of corruption. Its annual Global Corruption Barometer (GCB) survey has asked respondents about their experience of bribery since 2004. One concern is the possibility of under-reporting. Focus-group research, however, has shown that the underreporting problem is surprisingly limited (Seligson 2006). Experience survey data also suffers from large measurement errors, with substantial yearly fluctuations within countries.

The Control of Corruption indicator and CPI largely represent the views of experts and businesspeople. Therefore, they are more likely to reflect high-level corruption rather than petty corruption experienced by ordinary people, which is reflected in data from the experience of bribery surveys. Fortunately, the two measures are highly correlated, suggesting the validity of both measures and a very high correlation between petty corruption and grand corruption. Political systems that are very corrupt at the level of day-to-day transactions are also highly corrupt at the top (Seligson 2006).

Some researchers have used official statistics on the conviction rate of corruption cases for the study of corruption in the United States (Kube 2013). Perhaps, official statistics on the prosecution or conviction of corruption can be better used for cross-time comparison within a country rather than cross-national comparison, because enormous variation in prosecutorial rigor and judicial efficacy across countries is largely fixed within countries.

While there has been substantial improvement in the availability and reliability of various measures of cross-national and subnational measures of corruption over the last two decades, the large measurement error is still a hurdle for empirical studies of corruption. In particular, there is a concern about conducting panel analysis of corruption data because the substantial part of yearly fluctuations in corruption measures may be a noise rather than a reflection of real changes.

REVIEW OF EMPIRICAL STUDIES ON THE RELATIONSHIP BETWEEN TRUST AND CORRUPTION

Evidence of Causal Effect of Trust on Corruption

Since Robert Putnam (1993: 111–112) found that regions with lower levels of social trust had higher levels of political corruption in Italy, many subsequent studies have examined the causal effect of social trust on corruption. La Porta et al. (1997) test Putnam's theory, using data from the World Values Survey (WVS, 1990–1993), and find strong cross-national evidence for the beneficial effect of social trust on corruption control as well as on bureaucratic quality and tax compliance, holding per capita GNP constant. A series of subsequent cross-national studies confirm the significant effect of social trust on corruption (Bjørnskov 2010; Graeff and Svendsen 2013; Kube 2013; Uslaner 2004; 2008a).

Eric Uslaner (2004) finds that change in social trust from 1981 to 1990–1995 (WVS) explains change in corruption from 1980–1985 to 1998 (TI's historical CPI for 1980–1985 and CPI 1998), while the reverse effect is insignificant. Uslaner (2008a) further extends the causal link, which starts from (high) inequality and runs through (low) social trust to (high) corruption and back to (high) inequality. This causal chain creates a vicious circle of high inequality and high corruption, or an “inequality trap,” in which social trust plays a mediating role. He tests his theory at both country and individual levels. Using a simultaneous equation model, he presents cross-national evidence for the effects from income inequality (Gini index) to social trust (WVS) to corruption (TI's CPI) and back to income inequality (Uslaner 2008a: 70–71). In particular, countries with higher social trust have much lower levels of corruption, controlling for regulation of business, fairness of legal system, gross national product (GDP) per capita, ethnic fractionalization, and Freedom House score of democracy.

Uslaner (2008a) also provides individual-level evidence that links generalized trust to perceived corruption. Using data from a survey of the Romanian population, he shows that trusting people are much more likely to believe that government is successful in handling corruption. However, individuals' generalized trust is not explained by their belief in the government's successful handling of corruption but mainly by perceived change in inequality and their belief that the country is heading in the right or wrong direction (2008a: 133–136). In surveys of the Estonian public and public officials, the perceived increase in corruption was significantly explained by generalized trust. In addition, people's perception of increased corruption was less affected by their experience and perceptions of petty bribery but more heavily affected by their perceptions of grand corruption (2008a: 158–165).

Bjørnskov (2010) attempts to disentangle two separate mechanisms connecting social trust and good governance: bureaucratic and electoral mechanisms. A bureaucratic effect can occur because the moral cost of corruption for public officials will

depend on trust that their fellow citizens abide by the rules of the game, which will be higher in countries with higher levels of social trust. On the other hand, the electoral effect of social trust may come from civic-minded citizens, who demand punishment of corrupt politicians. This argument is based on the assumption that trusting citizens are more civic-minded than nontrusting people. Using instrumental variable regressions, he shows that social trust has a significant causal effect on corruption, and that this is mainly due to bureaucratic effect rather than electoral effect.

Graeff and Svendsen (2013) examine causal direction between social trust and corruption, using the Granger causality test. They find that social trust in 1990 was a significant determinant of CPI 2000, controlling for CPI 1995, on a sample of 23 countries. However, CPI 1995 was not significant for social trust in 1999, controlling for social trust in 1990. Thus, trust is Granger causal for reduction of corruption, but corruption cannot be called Granger causal for trust.

While these studies all focus on the effect of social trust or generalized interpersonal trust on corruption, some scholars examine the effect of particularized trust or institutional trust on corruption. Uribe (2014), for instance, presents a theoretical model of corrupt public contracts embedded in networks of trust. Lambsdorff (2002) shows empirical evidence that confidence in corrupt deals enhances further spread of corruption in a cross-section of countries. Uslaner (2002; 2008a) emphasizes the contrasting effect of particularized trust and generalized trust. Their findings suggest that particularized trust facilitates corruption, whereas generalized trust deters corruption.

Drawing on data from an original opinion survey conducted in the Estonian public sector, Sööt and Rootalu (2012) show that institutional trust of individual public officials influences their awareness and tolerance of corruption. On the other hand, Wroe, Allen, and Birch (2013) find that less trusting individuals are more likely to perceive the presence of corruption than are their more trusting peers, using data from the United Kingdom.

Considering all the empirical studies reviewed above, there is considerable evidence supporting the causal effect running from social trust to corruption. However, it is difficult to establish causal direction convincingly because the correlation between social trust and corruption may be due to endogeneity or the reverse causality from corruption to social trust. There are some conflicting studies and, to date, there is still disagreement about the causal direction (Serritzlew, Sonderskov, and Svendsen 2014).

A difficult challenge is to show micro-level evidence that trusting public officials engage in corruption less frequently than their nontrusting counterparts, and that trusting citizens and entrepreneurs are less likely to participate in corruption or more likely to report and fight against corruption. Without this micro-foundation, a causal effect of social trust is uncertain as it may rest on a fallacy of composition, and spuriousness might be at play, as Serritzlew, Sonderskov, and Svendsen (2014) have noted.

In this regard, Uslaner's (2008a) micro-level analysis of Romanian and Estonian survey data is an important contribution to strengthen the micro-foundation of the causal claim. However, what his analysis shows at the individual level is not the effect of social trust on the actual experiences of corruption but on perceived effectiveness of

the government's anticorruption efforts (Romania) or perceived increase of corruption (Estonia). While one could argue that the effect of social trust on perceived corruption will further translate into individuals' propensity to participate in or resist corruption, this additional causal path needs to be empirically tested.

Some studies attempt to solve the endogeneity problem using instrumental variables. However, it is difficult to find valid instruments that are strongly correlated with social trust but are not directly correlated with corruption. Serritzlew et al. (2014) raise doubt on the validity of the instruments employed by existing studies. For example, Bjørnskov (2010) instruments social trust with the form of government (monarchy vs. other forms of ruling) and the average temperature in the coldest month of the year. It is, however, unclear why the form of government is directly correlated only with social trust but not with corruption. He argues that trust and social cohesion historically have been more important in regions with cold winters and that the cultures of such regions may have selected high-trust institutions through an evolutionary process. If so, why is cold winter not correlated with corruption?

Considering the difficulty, if not impossibility, of finding valid instruments, longitudinal analysis could be a good strategy for establishing causal direction. However, a sufficiently long time-span will be needed for such analyses because both social trust and corruption are known to be sticky and also because there will be substantial measurement errors for both variables. While Graeff and Svendsen (2013) have made an important contribution by conducting the Granger causality test, using data on social trust in 1990 and 1999 and CPI for 1995 and 2000 on a sample of 23 countries, it is uncertain how much the changes in social trust and CPI over the relatively short time span (5–9 years) in a small sample of countries reflect real changes rather than measurement errors. Uslaner's (2004) study examines changes in CPI (from 1980–1985 to 1998) and social trust (from 1981 to 1990–1995) for somewhat longer time spans, but TI warns that its historical data for 1980–1985 is not comparable with its annual data officially published since 1995 (Lambdsdorff 2006).

Evidence of Causal Effect of Corruption on Trust

Studies on the causal effect of corruption on social trust and institutional trust are generally based on the theory that institutional fairness, of which corruption is an important element, affects individuals' institutional trust as well as social trust. However, it requires empirical tests to determine whether corruption really impacts social trust to a considerable extent. First, if people's propensity to trust others is mostly formed during the first two years of life and little affected by life experiences (Erikson [1950] 1963), then cultural influence will overwhelm the influence of life experiences, and there is little room for institutional influence. Second, there may be other factors that affect people's social trust more strongly than corruption and institutional fairness even if life experiences shape social trust. Hence, other competing explanations, such as the impact of participating in voluntary associations and the

negative effect of ethnic diversity on social trust, also need to be considered. Besides, the role of institutional effectiveness may be more important than that of institutional fairness, and corruption may be a minor factor that shapes people's perceptions of institutional fairness.

Peter Dinesen (2012a; 2012b) tests the cultural and experiential explanations of social trust by examining the social trust levels of non-Western immigrants in high-trust European countries, utilizing the natural experiment of migration. Dinesen (2012a) examines whether social trust of first-generation immigrants from three low-trust countries of origin (Turkey, Poland, and Italy) has changed after migrating to high-trust countries in Northern Europe. Using the method of matching, his analysis shows that the destination-country context strongly influences trust of immigrants. Dinesen (2012b) finds that second-generation immigrants in Denmark are considerably more trusting than their parents and, to a large extent, acculturated to the trust levels of native Danish children. In addition, children's perceptions of institutional fairness, such as equal treatment of native Danes and immigrants, and fairness of teachers in school were important determinants of social trust. Dinesen and Hooghe (2010) also find that second-generation immigrants tend to adapt more to the level of trust of natives in the destination country than first-generation immigrants do. Nannestad et al. (2014) analyze migration from several non-Western countries to Denmark, and they demonstrate that institutions rather than culture matter for social trust. Together, these studies lend strong support to the experiential perspective on trust rather than the cultural explanation. Sønderskov and Dinesen (2014) also point out that the remarkable increase of social trust in Denmark from 1979 (when 47% of Danes agreed that most people can be trusted) to 2009 (when this share reached 79%) is hard to explain through cultural perspective. They present evidence that the rise in social trust is due to improved quality of state institutions and a concomitant increase in citizens' trust in these institutions, among other factors. On the other hand, Uslaner (2008b) finds both cultural and experiential effects on trust, but the cultural impact from ethnic heritage seems stronger from a study of immigrants in the United States. People whose grandparents came to the United States from countries that have high levels of trust (Nordics and the British) tend to have higher levels of generalized trust.

A number of studies have examined the effect of corruption and institutional quality on institutional and social trust. Some studies confirm the effect of corruption or institutional quality on social trust (Charron and Rothstein 2014; Delhey and Newton 2005; Freitag and Buhlmann 2009; Herreros and Criado 2008; Richey 2010; Rothstein and Eek 2009; Tsai, Laczkó, and Bjørnskov 2011; Uslaner 2008a, 2016; Wang and Gordon 2011; You 2012). Other studies verify the effect of corruption and institutional quality on institutional trust or political trust (confidence in political institutions) (Chang and Chu 2006; Choi 2014; Choi and Woo 2015; Hakhverdian and Mayne 2012; Kube 2013; Mishler and Rose 2001; Morris and Klesner 2010; Seligson 2002; Uslaner 2016; Wang 2016; Wong, Wan, and Hsiao 2011; Ziller and Schubel 2015), and the effect of institutional or political trust on social trust (Brehm and Rahn 1997; Rothstein and Stolle 2008; Sønderskov and Dinesen 2016; Steinhardt 2012; Tao et al. 2014; You 2012). Of

these studies, some theoretical advancements, methodological innovations, and significant empirical findings are worthy of mention.

Rothstein and Stolle (2008) distinguish between partisan institutions (parliament, political parties, government, and civil service), neutral and order institutions (army, police, and legal institutions), and power-checking institutions (the press and TV) when considering institutional trust. While trust in partisan institutions largely reflects the partisan orientation of individuals, trust in neutral and order institutions reflects perceptions of impartial treatment of people from these institutions. They argue that it is trust in the impartiality of neutral and order institutions that are closely related to generalized trust, and demonstrate that institutional impartiality is a significant determinant of social trust at both national and individual levels. Their study relies on cross-sectional data, but they nevertheless make a causal claim based on theoretical argument on the causal mechanism. On the other hand, a cross-national panel analysis of 74 countries for the 1980–2009 period by Blaine Robbins (2012a) shows the quality of property rights institutions increases trust, but the effect of corruption has not been tested. A cross-national study by Tsai, Laczko, and Bjornskov (2011) finds an interaction effect between governance and democracy, implying that the effect of governance on social trust is higher in democracies than in autocracies.

Among the micro-level studies on the effect of perceived corruption or objective measures of corruption on social trust, some scholars have attempted to identify the causal effect using instrumental variable regressions, experimental design, or panel data analysis. Uslaner (2008a: 162–164), for instance, finds a significant effect of perceived corruption on social trust among the Estonian public, public officials, and entrepreneurs (but not among Romanians) by employing instrumental variable regressions. Rothstein and Eek (2009) demonstrate that experiences of corruption lead to a reduced level of trust in an experimental study. A group of 64 Swedish students and a group of 82 Romanian students responded to a number of scenarios involving or not involving bribery and different outcomes. Experiences of corruption made them lose trust not only in corrupt officials but also in people in general. Richey (2010) tests the impact of corruption on individuals' generalized trust, using the state-level number of corruption convictions and the American National Election Study (NES) panel data from 2000, 2002, and 2004. The panel data analysis shows a large impact of corruption on generalized trust. Sonderskov and Dinesen (2016) provide convincing empirical evidence for the causal direction, using two Danish panel data surveyed over a long time-span (up to 18 years). Employing individual fixed effects and cross-lagged panel models, their results present strong evidence of institutional trust exercising a causal impact on social trust, whereas the evidence for a reverse causality is limited.

Some studies have utilized multilevel analysis at both individual and national or regional levels simultaneously. Herreros and Criado (2008) find that state efficacy, including corruption control, fosters social trust through a multilevel analysis of a sample of 35,221 individuals nested in 22 European countries, using the European Social Survey (2002–2003) data. Their measure of state efficacy was built from the Public Institutions Index from the World Economic Forum's 2003–2004 Global Competitiveness Report,

which is the mean of the contracts and law subindex and corruption subindex. Freitag and Buhlmann (2009) find not only that individuals' confidence in the police affect their generalized trust but also that country characteristics such as corruption, inequality, and power sharing also influence people's trust in others in a multilevel analysis of 67,617 individuals nested in 58 countries. Jong-sung You's (2012) multilevel analysis of 168,334 individuals nested in 80 countries shows that both individuals' perceptions of corruption as well as political trust and country-level corruption, inequality (and skewness), and democracy have significant and important effects on social trust, while ethnic diversity and per capita GDP lose significance when these variables are taken into account. Charron and Rothstein (2014; 2016) present a multilevel analysis of over 85,000 respondents nested in 206 regions in 24 European countries. They find robust evidence that both regional-level quality of government and individual-level corruption perceptions and experiences are strong determinants of social trust. Robbins (2011) and Wang and Gordon (2011) also find a significant effect of legal property rights institutions on social trust through multilevel analyses.

In summary, there is very strong and robust empirical evidence of the causal effect of corruption and institutional fairness on social trust as well as institutional trust. The variety of methods (experimental study, instrumental variable regression, panel data analysis, multilevel analysis), the variety of measures of corruption (cross-national measures such as CPI and Control of Corruption, and individuals' perceptions and experiences of corruption), and the wide coverage of a variety of data (hundreds of thousands of individuals, hundreds of subnational regions in Europe and America, close to a hundred countries, and up to 18 years of time span) used in these studies add weight of evidence. Overall, the evidence for causal effect from corruption to social trust seems to be stronger than that for causal effect from social trust to corruption.

Multiple Equilibria in the Levels of Social Trust and Corruption

The strong evidence for the causal effect of corruption on social trust and the considerable evidence for the causal effect of social trust on corruption suggest vicious circles of low trust and high corruption as well as virtuous circles of high trust and low corruption. Robbins (2012b) uses an identified nonrecursive structural equation model and instrumental variables to test if a reciprocal relationship exists between institutional quality and generalized trust. The results indicate a statistically significant and positive feedback effect between institutional quality, including corruption, rule of law and property rights protection, and generalized trust. He finds that the path is stronger from generalized trust to institutional quality. Although his use of monarchy as an instrument for generalized trust is not very convincing, the validity of informational technologies as an instrumental variable for institutional quality sounds more plausible. Becker et al. (2016) find long-run persistence of institutional trust and corruption

by comparing the communities on both sides of the long-gone Habsburg border. The communities have shared common formal institutions for a century but show stark differences in corruption and institutional trust between those formerly affiliated with the Habsburg Empire and those without a Habsburg-affiliated history.

Some scholars suggest expanded virtuous and vicious circles between social trust, corruption, and inequality. Rothstein and Uslaner (2005) argue that greater equality and less corruption produce greater generalized trust, which promotes more inclusive (universalistic) social welfare programs, leading to a greater level of equality and social cohesion. While this circular causality and feedback effect may lead to a positive equilibrium, it can also lead to a negative equilibrium, or an “inequality trap,” for countries with high inequality and corrupt governments. Uslaner (2008a; 2013) argues that the causal chain runs from (high) inequality to (low) social trust to (high) corruption and back to (high) inequality. Rothstein (2011) suggests that “the reinforcing effects of equality and high quality of government on trust and social policy—and the feedback to greater trust and less inequality—lead to a positive equilibrium for societies that initially took the steps to adopt universalist social welfare policies.” He cites his own empirical study with Staffan Kumlin (Kumlin and Rothstein 2005) that found that contacts with universal welfare-state institutions tend to increase social trust, whereas experiences with needs-testing social programs undermine it. You (2012) argues that people’s perceptions of institutional and societal fairness, including corruption as a breach of formal justice (or interpersonal justice), income inequality (skewness of income distribution, in particular) as an issue of distributive justice, and functioning democracy as a political system to ensure procedural justice, should determine their generalized trust. He suggests social trust is also likely to affect corruption and inequality. Although it may be impossible to sort out how exactly the causal chain runs, the existence of multiple equilibria for trust, corruption, and inequality is an important topic that requires further research.

Trust and Corruption in Democracies and Authoritarian Regimes

One very interesting pattern between trust and corruption that the literature has neglected is the striking contrast between democracies and authoritarian regimes. Figure 20.1 shows scatterplots of Control of Corruption (2012, from World Bank’s Worldwide Governance Indicators) and country-level social trust, measured as the percentage of people who agree that most people can be trusted (2009–2014, from the World Values Survey), by democracy status. Democracies denote the countries that Freedom House considers “Free,” as opposed to “Partly Free” or “Not Free” (2012). The scatterplot for democracies reveals a very strong correlation between the levels of control of corruption and the levels of social trust at the country level ($r = 0.74$). However, the correlation is essentially nil for nondemocracies ($r = 0.04$). While there seem to

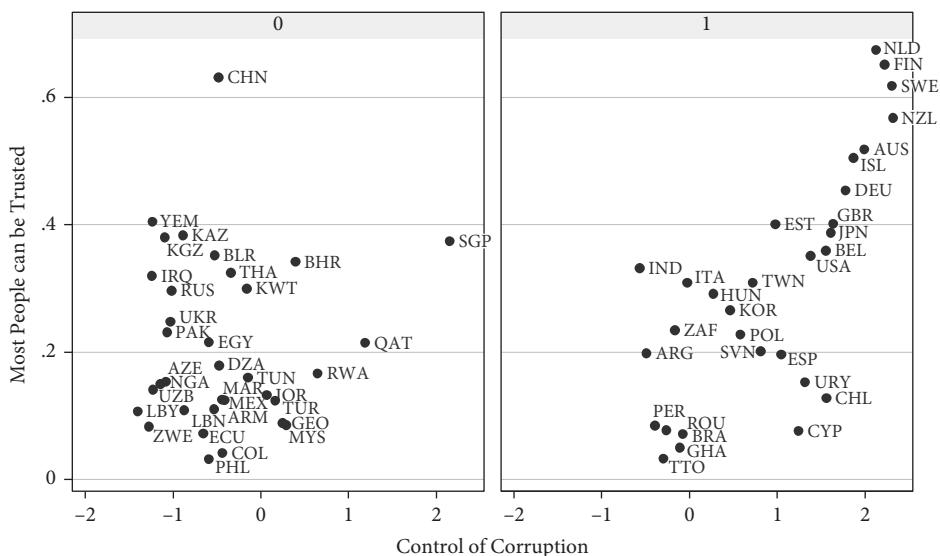


FIGURE 20.1 The Association between Control of Corruption and Social Trust, by Democracy Status

Notes: The left box (democracy = 0) scatterplots nondemocracies ("partly free" or "not free" countries), and the right box (democracy = 1) scatterplots democracies ("free" countries), based on Freedom House ratings (2012).

be multiple equilibria for corruption and trust among democracies, we cannot see that among nondemocracies. This contrasting pattern also applies to the relationship between confidence in the police and social trust ($r = 0.76$ for democracies and $r = -0.0015$ for nondemocracies; see Table 20.2).

Tables 20.1 and 20.2 show the descriptive statistics for these variables and the percentage of bribe payers (to the police), income inequality (Gini index), and pairwise correlations by democracy status. Overall, democracies (average Control of Corruption = 0.92, average percentage of bribe payers = 12.3%) are considerably less corrupt than nondemocracies (average Control of Corruption = -0.45, average percentage of bribe payers = 36.3%). Also, democracies have higher levels of social trust (average percentage of trusting population = 30.4%) than nondemocracies (average percentage of trusting population = 21.2%) on average. However, not all democracies enjoy low corruption and high trust. And those democracies with high levels of corruption (Control of Corruption < 0, i.e., more corrupt than the average country) tend to have low levels of social trust.

There is not much difference in people's confidence in the police between democracies (average confidence = 2.66, on a scale of 1 = "none at all" to 4 = "a great deal") and nondemocracies (average confidence = 2.62). Among nondemocracies, the correlation between confidence in the police and either Control of Corruption ($r = 0.51$) or the percentage of bribe payers ($r = -0.54$) is no less strong than among democracies ($r = 0.74$ with Control of Corruption; $r = -0.27$ with the percentage of bribe payers).

Table 20.1 Descriptive Statistics, by Democracy Status

Variable	Obs.	Mean	Std. Dev.	Min.	Max.
<i>Democracies (Free)</i>					
Control of Corruption	30	0.92	0.94	-0.56	2.32
Paid a bribe to police	28	12.3%	19.5%	0.0%	79.2%
Social trust	30	30.4%	18.7%	3.2%	67.4%
Confidence in police	30	2.67	0.34	1.97	3.30
Inequality (Gini)	24	35.81	9.50	25.59	63.38
<i>Nondemocracies (Partly Free or Not Free)</i>					
Control of Corruption	34	-0.45	0.77	-1.40	2.15
Paid a bribe to police	30	36.3%	20.5%	3.0%	80.6%
Social trust	34	21.2%	13.3%	3.2%	63.1%
Confidence in police	34	2.62	0.42	1.79	3.71
Inequality (Gini)	21	38.14	8.73	24.74	53.54

* Data source: Teorell et al. (2016), The QoG Standard Dataset 2016.* Democracies are countries that Freedom House considers "Free," as opposed to "Partly Free" or "Not Free" (2012).

* Control of Corruption (world mean = 0, standard deviation = 1), from World Bank's Worldwide Governance Indicators (2012).

* Paid a bribe to police (during the last year; percentage of respondents), from TI's Global Corruption Barometer survey (2009–2013).

* Social trust (percentage of respondents who agree that most people can be trusted), from World Values Survey (2009–2014).

* Confidence in police (1 = "none at all" to 4 = "a great deal"), from World Values Survey (2009–2014).

* Gini index of income inequality (0 = perfectly equal to 100 = perfectly unequal), from World Bank's World Development Indicators (2009–2013).

In summary, both perceived and experienced corruption is strongly correlated with institutional trust for both democracies and nondemocracies. Both perceived and experienced corruption are also strongly correlated with social trust for democracies, but not for authoritarian countries. Also, the correlation between institutional trust and social trust is very strong for democracies, but it is nil for authoritarian countries.

This puzzling contrast between democracies and nondemocracies in terms of the relationship between social trust and corruption has not been explored by the existing studies. While Tsai et al.'s (2011) finding of a significant interaction effect between governance and democracy implies a significant difference between the slope among democracies and that among authoritarian regimes, this topic has not received adequate attention. Now, an important question is what explains this contrasting pattern.

Table 20.2 Pairwise Correlations, by Democracy Status

	CoC	Bribed	Social trust	Conf. police	Gini
<i>Democracies (Free)</i>					
Control of Corruption	1				
Paid a bribe to police	-0.623	1			
Social trust	0.744	-0.394	1		
Confidence in police	0.743	-0.270	0.758	1	
Inequality (Gini)	-0.331	0.262	-0.509	-0.448	1
<i>Nondemocracies (Partly or Not Free)</i>					
Control of Corruption	1				
Paid a bribe to police	-0.544	1			
Social trust	0.044	-0.050	1		
Confidence in police	0.510	-0.541	-0.002	1	
Inequality (Gini)	0.136	-0.119	-0.451	0.129	1

It is beyond the scope of this chapter to address this question thoroughly. Let me briefly consider some possible explanations.

First, corruption may be a more salient factor affecting people's perceptions of fairness and interpersonal trust in democracies than in nondemocracies. Democracies are supposed to treat every citizen equally and impartially, whereas under authoritarian regimes certain forms of privilege, discrimination, and arbitrariness are formally institutionalized. People are likely to have higher expectations of fair and impartial treatment from the government and public officials under democracies than under authoritarian regimes. Hence, corruption as an unfair treatment of people is likely to have a stronger negative effect on both institutional trust and interpersonal trust. Also, the information about corruption, especially grand corruption, is tightly controlled under authoritarian regimes; therefore, the salience of corruption is likely to be weaker than in democratic countries.

Second, the effect of social trust on corruption is likely to be stronger in democracies than in dictatorships because of the different forms of corruption that exist in various regime types. The prevailing types of corruption under democracies are different from those under dictatorships, and corruption is generally more centralized in the latter. Under authoritarian regimes, predation by the dictator and the ruling elite may be the most important form of corruption. Since corruption is concentrated in a few

powerful people, the effect of average people's social trust will be minimal. Also, this type of corruption will erode trust in the government but not in people in general. Under democracies, the involvement of the private sector and special interests in various forms of corruption may be more frequent. Also, democracies typically have more extensive programs for social welfare and social services, with more people involved in and affected by fairness and impartiality of the administration of these programs. If trusting people are less likely to be involved in corruption, the effect of social trust on corruption will be higher under democracies because corruption is more decentralized and opportunities for corruption are more widespread. Also, people may consider corruption not just extortion by public officials but also private actors' opportunistic behavior. Hence, corruption is likely to erode not only trust in the government but also trust in other people in general in democracies.

Third, corruption as a collective action problem will be more salient in democracies than in authoritarian regimes (You 2016). As the ultimate principal in democracies, a democratic citizenry, or voters, will face more difficult collective action problems than authoritarian rulers or ruling groups. Voters (principals) are supposed to select politicians (agents) as well as monitoring and sanctioning corrupt politicians; however, the former may become the clients of the latter, as their patrons, if the primary mode of electoral mobilization and competition is clientelistic rather than programmatic. Although voters stand to gain collectively by promoting programmatic politics, they may be individually better off giving their votes in exchange for particularistic benefits. Thus, voters lose the ability to select honest and competent representatives and hold them accountable under clientelistic politics. Hence, democracies whose citizenry can successfully overcome the collective action problem by developing programmatic competition will be more competent at controlling corruption than those democracies that suffer from prevalent and persistent clientelism. Since collective action capacity is directly influenced by the level of social trust, the relationship between social trust and corruption control will be stronger in democracies than in dictatorships.

Fourth, the answer to the puzzle may come partly from the relationship between corruption and inequality. You (2015: 240–243) and You and Khagram (2005) find a strong correlation between inequality and corruption across democracies, especially in countries with a long duration of democracy, but no significant correlation between inequality and corruption across authoritarian countries. You (2015: 243–244) also finds a stronger correlation between inequality and clientelism in countries with a longer duration of electoral democracy. Table 20.2 indicates a relatively strong negative correlation between Control of Corruption and income inequality (Gini index) for democracies ($r = -0.33$), but an insignificant correlation with a wrong sign for nondemocracies ($r = 0.14$). A similar pattern is found with regard to the correlation between inequality and the percentage of bribe payers.

Since inequality is highly correlated with social trust across countries for both democracies ($r = -0.51$) and nondemocracies ($r = -0.45$), the differences in the correlation between corruption and social trust by democracy status may be, to a considerable extent, due to the difference in the correlation between corruption and inequality by

democracy status. You (2015) argues that inequality fuels corruption in democracies by increasing clientelism, patronage, and elite capture. He provides strong empirical evidence through a large N cross-national analysis using instrumental variable regressions and via a comparative historical analysis of South Korea, Taiwan, and the Philippines.

CONCLUSION

The voluminous literature on the relationship between trust and corruption, or broader institutional quality, over the last couple of decades has contributed to expanding and deepening our understanding of the topic. Understanding of corruption as a collective action problem illuminates why social trust is necessary to control corruption, especially in democracies, and why endemic corruption erodes social trust. The causation seems to run both ways—from trust to corruption as well as from corruption to trust—creating vicious and virtuous circles especially for democracies. However, more research is needed on micro-level evidence for the effect of social trust on corruption. Considering the difficulty of finding valid instrumental variables for both social trust and corruption, we may still need to wait for decades in order to find convincing empirical evidence for causality using panel data analysis. The most intriguing topic for future research is probably the different patterns of trust-corruption relationships between democracies and nondemocracies.

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CHAPTER 21

TRUST AND TAX MORALE

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INTRODUCTION

MAINTAINING high levels of tax compliance and trust are central to a well-functioning society; for example, Uslaner (2002, 2007) calls trust “the chicken soup of social life” (2002, 1) and refers to taxes as the “economic glue of social programs” (2007, 19). It is therefore natural that scientists have begun seeking for a relation between trust and tax compliance. Both trust and tax compliance are essential to a country’s social capital stock; they are capable of throwing light on why its citizens cooperate and are elements on the same continuum. According to Uslaner (2002, 8), “interpersonal trust, volunteering, giving to charity, tolerance, and solving collective action problems is about bringing people together—and solving problems collectively—what Jewish tradition calls *tikkun olam*, or healing the world.” He thus sees trust as the cause rather than the consequence of good governance, possibly because trust may enhance the strong standards of moral behavior (2002, 8–9).

Trust, however, has several dimensions. Uslaner (2002), for example, sees generalized trust—a trust in strangers or others without expecting anything specific in return—as the foundation of civil society (15). Also important are horizontal trust (the relationship between citizens) and vertical trust (the vertical interaction between citizens and the state or other organizations) (Fischer and Torgler 2013), which includes trust between taxpayers and the state (Frey and Torgler 2007). Such vertical trust is strongly based on reciprocity; for example, if a government were corrupt, citizens would have little reason to accept the paying of taxes as an acceptable social norm. This willingness to cooperate with the state in activities like tax paying is reduced by such negative conditions as institutional instability, lack of transparency, failure to represent citizens properly, and an inadequate supply of public goods (Torgler and Schneider 2007, 2009). In the tax

compliance context, not only is reciprocity a type of fiscal exchange, but the compliance itself involves a risky relationship:

[C]itizens undertake some immediate costly effort like paying taxes, and face some risk that future collective benefits expected in return for compliance (tax-supported public goods for compliance, orderly traffic for compliance with traffic rules, reduced pollution for compliance with environmental laws) may not materialize unless the government and other citizens maintain their side of the bargain.

(Scholz and Lubell 1998, 400)

In fact, there is substantial evidence across different countries and regions that the relation between trust in the state (including the government, president, legal system, and parliament) and the willingness or intrinsic motivation to pay taxes (tax morale) is strong and robust (see, e.g., Alm, Martinez-Vazquez, and Torgler 2006; Alm and Torgler 2006; Martinez-Vazquez and Torgler 2009; Torgler 2003a, 2003b, 2003c, 2003d, 2004, 2005a, 2005b, 2007a, 2012; Torgler and Murphy 2004; Torgler and Schneider 2005). More specifically, positive attitudes toward the tax authority (e.g., how taxpayers rate its performance, honesty and fairness, and assistance and information behavior) and the tax system significantly increase tax morale (see Torgler, Demir, Macintyre, and Schaffner 2008 for evidence from the United States and Turkey). Both Scholz and Lubell (1998) and Wintrobe and Gérxhani (2004) also identify a negative correlation between trust in the government and survey-based reports of tax noncompliance, while Hammar, Jagers, and Nordblom (2009), using Swedish data, provide evidence that distrust in politicians increases perceived evasion of redistributive and fiscal taxes.

Taxpayers can also influence each other. At the horizontal level, for instance, there is evidence for the importance of conditional cooperation or prosocial behavior (Frey and Torgler 2007). In particular, in line with the literature on conditional cooperation (see, e.g., Falk and Fehr 2002; Rabin 1998; Tyran and Feld 2006), if taxpayers believe that tax evasion is common, their tax morale decreases, but if they believe others to be honest, it increases. In fact, Lewis (1982) even argues for a possible “tax subculture, with its own set of unwritten rules and regulations,” under which citizens are more likely to evade not only because they know friends who “got away with it” but because “evasion is ethically acceptable” among these same friends, who the individual does not regard as criminals (144). Hence, Scholz and Lubell (1998), using a survey-based measure of tax noncompliance as a dependent variable, ask the following question: “What percentage of taxpayers at your income level . . . pay less taxes than they legally owe?” As part of this study, they identify a positive correlation between a lack of trust that others will pay their taxes and tax noncompliance. Conversely, Wintrobe and Gérxhani (2004), using Albanian data and basing their noncompliance measure on indirect survey questions designed to overcome sensitivity issues, show a positive correlation between tax compliance and trusting other citizens to pay their taxes.

Such horizontal influence and its link to conditional cooperation, however, are more closely related to strategic than to moralistic or generalized trust (Uslaner 2007). The

relation between generalized trust and tax compliance is less obvious because, as Uslaner (2007, 20) points out, “[w]e don’t pay taxes to our fellow citizens.” As a result, there is as yet little empirical support for a strong relation between generalized trust and tax compliance or tax morale (Frey and Torgler 2007; Uslaner 2007, 2010). Nonetheless, in an analysis of Romanian data, Uslaner (2007) demonstrates that generalized trust is significantly correlated with the reported obligation of a good citizen to pay taxes. This effect, however, is not very strong, and he finds no significant correlation between tax morale and generalized trust based on the first three waves of the World Values Survey. Nevertheless, he does suggest the possibility of an indirect path from trust to tax evasion, with low levels of generalized trust leading to higher levels of corruption, which in turn lead to ineffective government. Such ineffective government, combined with corruption, then leads to greater tax evasion (Uslaner 2007, 42). This negative effect of corruption on tax compliance is amply documented (Torgler 2007b; Torgler and Schneider 2007, 2009; Uslaner 2007, 2010). Hammar et al. (2009) further show that for perceptions of tax evasion, trust in politicians is more important than trust in fellow citizens.

In this chapter, we provide new empirical insights into how trust is related to tax morale. To do so, we add more recent data to previous work by analyzing all waves up to 2010–2014 of the World Values Survey/WVS (2015) and European Values Study / EVS (2011), two surveys that to date have been the main sources for tax morale exploration (see Torgler 2016a for an overview). Using this very large combined micro dataset encompassing 108 countries, we first identify country-level correlations and then perform an individual-level analysis (see Figure 21.1). The results confirm the accepted knowledge so far: although vertical trust matters, horizontal trust is not seemingly linked to tax morale. We do, however, observe notable differences between the two generalized trust measures, as well as certain interesting differences between countries. In a further analysis, we also explore whether the effect of generalized trust on tax morale varies under different conditions of vertical trust and governance quality. We conclude with an attempt to identify an indirect path from generalized trust to tax evasion using governance-quality factors as mediators.



FIGURE 21.1 Countries Explored

COUNTRY-LEVEL CORRELATIONS

Although our empirical analysis is based primarily on micro-level (individual-level) data, we first form initial impressions of what is occurring on a country level by drawing up scatterplots that calculate cross-country average values. Here, each single country value, regardless of which year or wave, is plotted as a single observation. The key variable, generalized trust (Figure 21.2), is measured by the following question: “In general, would you say that most people can be trusted or that you cannot be too careful in your dealings with people? (1 = most people can be trusted, 0 = cannot be too careful).” Tax morale is captured by the following item measured on a 10-point scale: “Please tell me for each of the following statements whether you think it can always be justified, never be justified, or something in between: . . . Cheating on taxes if you have the chance,” with the two extremes being “never justified” (10) and “always justified” (1). The analytic outcomes indicate no significant correlation between generalized trust and tax morale (Pearson $r = -0.012$).

We then explore the same correlation for each single wave independently (see Figure 21.3). Such an approach is warranted given the reservations expressed about the 1999–2004 WVS wave (see Müller, Torgler, and Uslaner 2012) in which trust seems to have been misestimated for Canada and Iraq. Even beyond the trust variable, other puzzling country values also appear anomalous—not only the WVS 1999–2004 wave but possibly also the WVS 2005–2009. As evident from our figures, most of the relations are not statistically significant, with Pearson r values ranging between -0.169

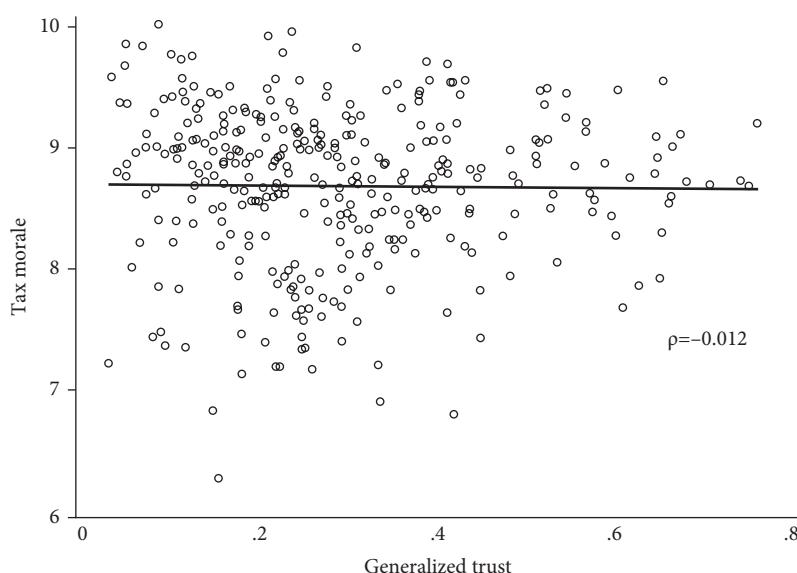


FIGURE 21.2 Tax Morale and Generalized Trust at the Country Level

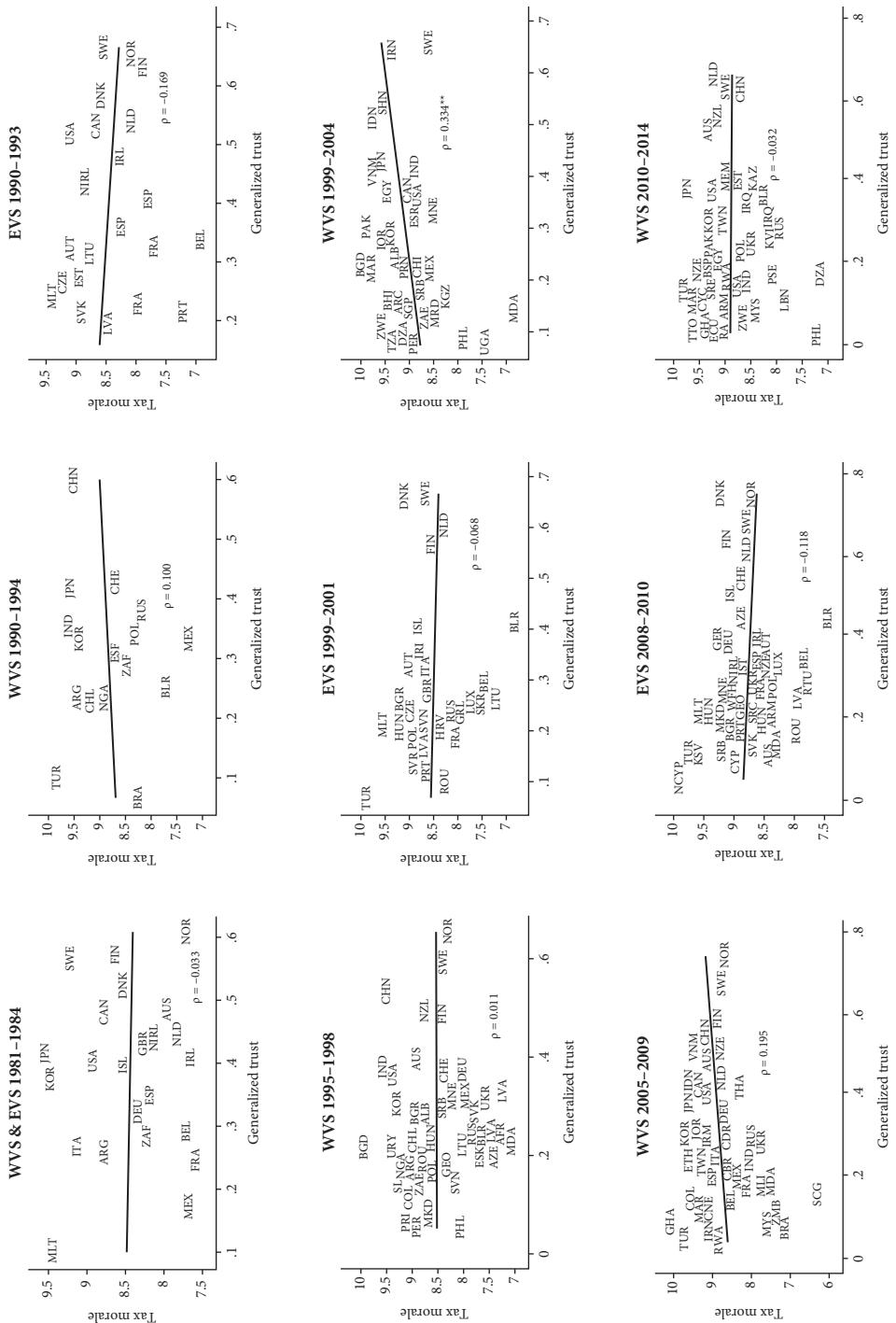


FIGURE 21.3 Generalized Trust and Tax Morale in Different Waves

(EVS 1990–1993) and 0.195 (WVS 2005–2009). Only for the WVS 1999–2004 wave do we observe a positive correlation between generalized trust and tax morale that is statistically significant at the 5% level (Pearson $r = 0.334$).

For a much smaller number of countries, we are also able to explore a second generalized trust variable directly related to respondents living in the same country (i.e., fellow citizens): “Could you tell me how much you trust the people of [country] in general? (5 = trust them completely; 4 = trust them a little; 3 = neither trust nor distrust them; 2 = do not trust them very much; 1 = do not trust them at all).” Interestingly, in this analysis we do observe a positive relation between tax morale and general trust, but again the correlation fails to reach statistical significance (see Figure 21.4).

The novel aspect of this generalized trust variable measured on a 5-point scale is that it allows us to assess whether uncertainty is correlated with tax morale. The possible existence of such a link is important because a higher level of uncertainty over whether others can or cannot be trusted increases the transaction costs of many functions within society. These increased costs may in turn affect how collective action problems are solved. Thus, generalized or moralistic trust, unlike strategic trust (Uslaner 2002, 22), is not about predicting the behavior of others and/or measuring whether this expected behavior matches what actually occurs. Rather, we measure trust uncertainty by calculating the standard deviation of generalized trust in a country using the (individual-level) micro dataset. Not surprisingly, we find a negative correlation between trust uncertainty and tax morale, albeit one that is not statistically significant (Figure 21.5).

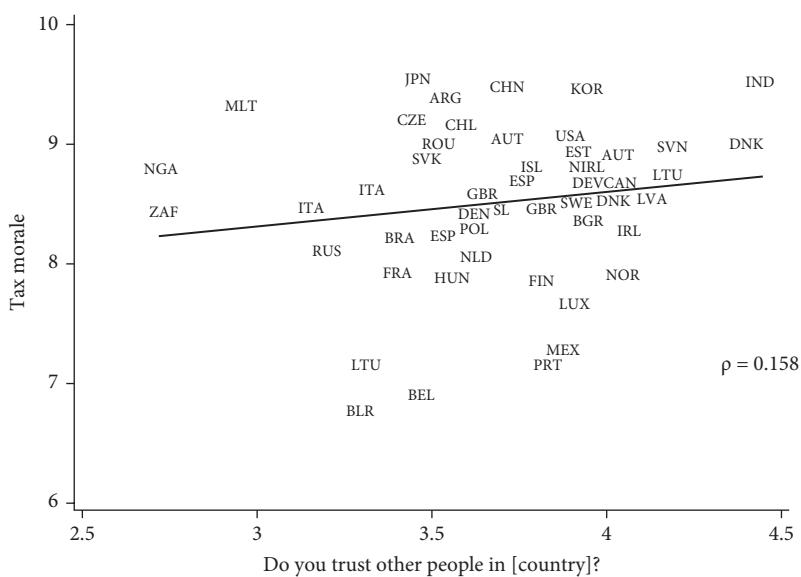


FIGURE 21.4 Generalized Trust among Respondents in the Same Country

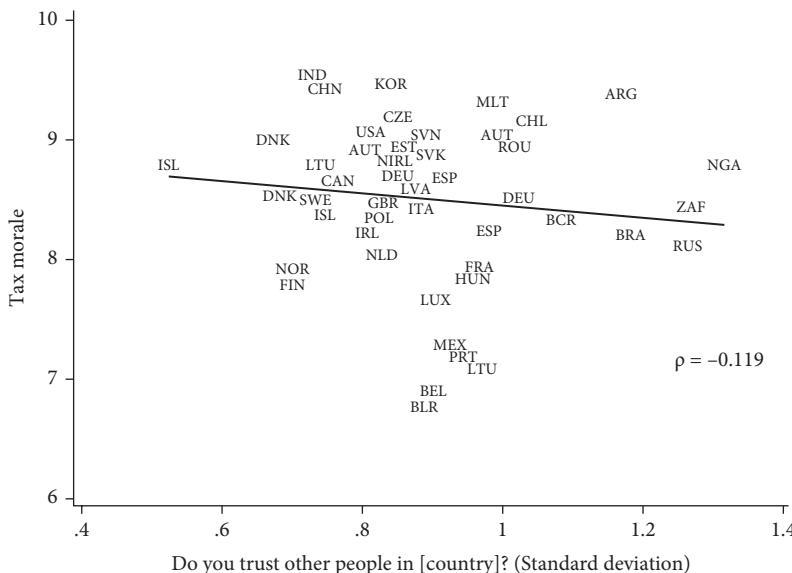


FIGURE 21.5 Trust Uncertainty and Tax Morale

MULTIVARIATE ANALYSIS AT THE INDIVIDUAL LEVEL

To better understand the relation between trust and tax morale, we now explore the micro dataset using first-weighted ordinary least squares (OLS) regressions and then ordered probit models that take into account the ranking information of the scaled dependent variable. The analytical sample again contains over 400,000 observations from 108 countries. To measure the quantitative effect, we report marginal effects that indicate how a one-unit change increases or reduces the probability of a “never justified” response on tax evasion. Estimates are weighted to bring the sample in line with the national distribution. In cross-country specifications, we use robust standard errors adjusted for clustering over countries. Our simple set of controls includes dummies for age, gender, education (provided by the WVS/EVS), and marital and employment status as well as wave fixed effects. We report results for the various specifications with and without country fixed effects to account for unobserved country-specific characteristics (Table 21.1).

In line with the country-level analysis, in none of the four specifications is generalized trust statistically significant. In all the analyses, however, the results for the controls are consistent with the literature (for an overview, see Torgler 2007a): age is positively correlated with tax morale, females have higher tax morale than males, self-employed individuals have lower tax morale than other taxpayers, married individuals have higher tax morale than others, and educational differences do not seem to matter for any group. The goal of this chapter, however, is not to focus on controls (whose

Table 21.1 Generalized Trust and Tax Morale at the Individual Level

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Generalized trust	0.027 (0.77)	0.016 (0.77)	-0.020 (-0.97)	-0.014 (-1.16)
			-0.008	-0.005
Age group				
30–39	0.15*** (5.51)	0.154*** (7.64)	0.080*** (6.13)	0.087*** (9.53)
			0.031	0.033
40–49	0.27*** (6.81)	0.301*** (10.00)	0.141*** (7.32)	0.165*** (12.36)
			0.054	0.063
50–59	0.4*** (7.87)	0.445*** (11.71)	0.219*** (8.66)	0.256*** (15.03)
			0.084	0.097
60–69	0.52*** (8.14)	0.534*** (11.48)	0.292*** (8.24)	0.320*** (13.21)
			0.112	0.122
70+	0.63*** (8.49)	0.661*** (13.50)	0.378*** (8.58)	0.421*** (15.56)
			0.145	0.160
Female	0.22*** (7.55)	0.263*** (12.52)	0.108*** (6.72)	0.143*** (12.52)
			0.041	0.054
Education				
Inadequately completed elementary education	0.066 (0.85)	-0.021 (-0.53)	0.054 (1.17)	0.007 (0.28)
			0.021	0.003

Table 21.1 Continued

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Completed (compulsory) elementary education	0.13*	0.034	0.073	0.031*
	(1.78)	(1.15)	(1.60)	(1.84)
			0.028	0.012
Incomplete secondary school: technical/vocational type	0.0014	-0.027	-0.003	-0.005
	(0.02)	(-0.81)	(-0.10)	(-0.29)
			-0.001	-0.002
Complete secondary school: technical/vocational type/secondary	-0.089*	0.022	-0.057*	0.015
	(-1.79)	(0.82)	(-1.96)	(1.08)
			-0.022	0.006
Incomplete secondary: university-preparatory type/secondary	-0.05	-0.012	-0.029	-0.000
	(-0.86)	(-0.33)	(-0.91)	(-0.02)
			-0.011	-0.000
Complete secondary: university-preparatory type/full secondary	-0.004	0.013	-0.001	0.011
	(-0.08)	(0.45)	(-0.04)	(0.75)
			-0.000	0.004
Some university without degree/higher education	0.026	0.052*	0.001	0.026
	(0.46)	(1.72)	(0.05)	(1.51)
			0.001	0.010
Employment status				
Part time	0.016	-0.019	0.011	-0.011
	(0.52)	(-0.68)	(0.69)	(-0.78)
			0.004	-0.004

(continued)

Table 21.1 Continued

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Self-employed	-0.019 (-0.34)	-0.149*** (-4.79)	-0.013 (-0.41)	-0.079*** (-4.83)
			-0.005	-0.030
Retired	0.13*** (3.64)	0.183*** (6.65)	0.080*** (3.45)	0.106*** (6.95)
			0.031	0.040
Homemaker	0.16*** (2.73)	-0.011 (-0.35)	0.117*** (3.24)	0.010 (0.59)
			0.045	0.004
Student	0.011 (0.25)	-0.010 (-0.32)	0.004 (0.21)	-0.008 (-0.55)
			0.002	-0.003
Unemployed	-0.072 (-1.61)	-0.080*** (-4.04)	-0.016 (-0.66)	-0.029*** (-2.70)
			-0.006	-0.011
Other	0.13 (1.42)	-0.047 (-1.01)	0.093 (1.61)	-0.010 (-0.37)
			0.036	-0.004
Marital status				
Divorced	-0.28*** (-7.57)	-0.197*** (-9.29)	-0.141*** (-7.41)	v0.096*** (-8.26)
			-0.054	-0.036
Separated	-0.23*** (-4.29)	-0.212*** (-5.85)	-0.112*** (-3.99)	-0.110*** (-5.65)
			-0.043	-0.042
Widowed	-0.1*** (-5.34)	-0.043** (-2.31)	-0.049*** (-3.96)	-0.022** (-2.25)
			-0.019	-0.009

Table 21.1 Continued

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Never married	-0.076** (-2.59)	-0.108*** (-5.72)	-0.044*** (-2.76)	-0.062*** (-6.42)
			-0.017	-0.024
Wave fixed effect	Yes	Yes	Yes	Yes
Country fixed effect	No	Yes	No	Yes
N (Obs.)	405380	405380	405380	405380
N (Cluster)	108	108	108	108
R ² /Pseudo R ²	0.027	0.083	0.011	0.035

Notes: *t*-statistics are in parentheses; marginal effects are in italics. The reference groups are *Age 13 to 29, Male, University with degree/higher education*, and *Married*. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

possible number is far greater than those used here) but rather to compare horizontal with vertical trust. As proxies for vertical trust, we use trust in the government, the parliament, and political parties.¹ We also include an overall (additive) index that combines all three factors (see Table 21.2).

The analysis reveals a consistent picture. All vertical trust proxies are positively correlated with tax morale, and the correlations are statistically significant. The OLS specifications indicate that an increase in vertical trust leads to between a 0.7 and 1.3 unit (0.049 for the index) increase in tax morale. The ordered probit specifications suggest that a one-unit increase in vertical trust increases the probability of a “never justified” response on tax evasion by up to 3 percentage points. The strongest influence on tax morale is exerted by trust in parliament. Once we control for vertical trust, however, generalized trust is actually negatively correlated with tax morale, although it is not robustly statistically significant throughout all specifications. Nevertheless, although our discussion alludes to “influence,” “leading to,” and “increase,” we are unable to distinguish any causal relations, only identifying correlations when other factors are held constant.

For a closer examination of single countries, we independently apply two specifications: one with and one without vertical trust. We focus on trust in parliament so as to maximize the number of observations and thus the number of countries explored. Table 21.3 summarizes 220 regressions applying OLS using the same set of controls as before. In the regressions without vertical trust, generalized trust is statistically significant in 45 (47) out of 108 countries (see specifications 1 and 2). In 24 (22)² regressions, we observe

Table 21.2 Horizontal versus Vertical Trust

		Dependent variable: Tax morale							
		OLS	OLS	OLS	Ordered probit	Ordered probit	Ordered probit	Ordered probit	Ordered probit
Independent variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Generalized trust	-0.014 (-0.64)	-0.001 (-0.04)	0.0005 (0.02)	-0.011 (-0.47)	-0.029** (-2.12)	-0.022* (-1.93)	-0.020 (-1.47)	-0.027** (-1.97)	
Confidence in government					-0.011 0.074*** (9.79)	-0.011 0.028 (9.61)	-0.009 0.030 (9.81)	-0.008 0.030*** (3.80)	-0.010 0.011 (8.33)
Parliament					0.152*** (9.79)	0.078*** (9.81)			0.026*** (7.33)
Political parties					0.067*** (5.28)	0.030 (5.28)	0.030*** (3.80)		0.010 0.011
Vertical trust						0.049*** (8.33)			

Age group							
30–39	0.121*** (5.85)	0.153*** (7.72)	0.118*** (5.85)	0.120*** (5.61)	0.071*** (7.09)	0.085*** (9.35)	0.068*** (6.88)
40–49	0.241*** (8.28)	0.297*** (10.15)	0.240*** (8.36)	0.239*** (8.15)	0.138*** (9.85)	0.163*** (12.24)	0.136*** (9.79)
50–59	0.363*** (9.39)	0.441*** (12.30)	0.366*** (9.52)	0.365*** (9.52)	0.221*** (11.82)	0.253*** (15.63)	0.220*** (11.68)
60–69	0.427*** (9.20)	0.531*** (12.25)	0.437*** (9.57)	0.430*** (9.21)	0.275*** (10.56)	0.318*** (13.89)	0.278*** (10.72)
70+	0.532*** (10.83)	0.650*** (14.77)	0.551*** (11.32)	0.538*** (11.00)	0.364*** (12.64)	0.416*** (16.46)	0.372*** (13.03)
Female	0.224*** (10.76)	0.262*** (12.46)	0.228*** (11.02)	0.224*** (10.59)	0.127*** (10.28)	0.141*** (12.25)	0.127*** (10.48)
						0.054	0.048
							0.048

(continued)

Table 21.2 Continued

Independent variable	Dependent variable: Tax morale							Ordered probit (8)
	OLS (1)	OLS (2)	OLS (3)	OLS (4)	Ordered probit (5)	Ordered probit (6)	Ordered probit (7)	
Education								
Inadequately completed elementary education	-0.030 (-0.80)	-0.068* (-1.85)	-0.049 (-1.29)	-0.047 (-1.21)	-0.001 (-0.03)	-0.021 (-0.89)	-0.010 (-0.42)	-0.011 (-0.45)
Completed (compulsory) elementary education	-0.002 (-0.07)	0.010 (0.34)	-0.009 (-0.32)	-0.011 (-0.39)	0.011 (0.66)	-0.008 (1.08)	-0.004 (0.48)	-0.005 (0.32)
Incomplete secondary school: technical/vocational type	-0.047 (-1.44)	-0.029 (-0.88)	-0.054* (-1.70)	-0.041 (-1.28)	-0.016 (-0.84)	0.004 (-0.38)	0.007 (-1.07)	0.002 (-0.67)
Complete secondary school: technical/vocational type/secondary	0.006 (0.26)	0.016 (0.63)	-0.001 (-0.03)	0.008 (0.32)	0.010 (0.81)	-0.006 (0.88)	-0.003 (0.50)	-0.005 (0.93)

Incomplete secondary: university-preparatory type/ secondary	-0.013 (-0.37)	-0.028 (-0.76)	-0.022 (-0.60)	-0.014 (-0.41)	-0.001 (-0.07)	-0.010 (-0.50)	-0.008 (-0.38)	-0.002 (-0.08)
Complete secondary: university-preparatory type/full secondary	0.013 (0.49)	0.011 (0.39)	0.005 (0.19)	0.013 (0.46)	0.013 (0.90)	-0.000 (0.66)	-0.004 (0.60)	-0.003 (0.89)
Some university without degree/higher education	0.035 (1.18)	0.043 (1.43)	0.019 (0.62)	0.033 (1.07)	0.021 (1.29)	0.004 (1.24)	0.003 (0.69)	0.005 (1.28)
Employment status								
Part time	-0.039 (-1.27)	-0.027 (-1.00)	-0.045 (-1.48)	-0.038 (-1.19)	-0.021 (-1.20)	-0.015 (-1.00)	-0.022 (-1.32)	-0.019 (-1.06)
Self-employed	-0.114*** (-3.71)	-0.140*** (-4.65)	-0.124*** (-4.10)	-0.113*** (-3.70)	-0.060*** (-3.57)	-0.074*** (-4.71)	-0.065*** (-3.89)	-0.059*** (-3.58)
						-0.022 (-4.71)	-0.028 (-3.89)	-0.024 (-3.58)
								-0.022 (-3.58)

(continued)

Table 21.2 Continued

	Dependent variable: Tax morale							
Independent variable	OLS (1)	OLS (2)	OLS (3)	OLS (4)	Ordered probit (5)	Ordered probit (6)	Ordered probit (7)	Ordered probit (8)
Retired	0.193*** (6.50)	0.187*** (7.28)	0.185*** (6.27)	0.190*** (6.51)	0.111*** (6.46)	0.109*** (7.60)	0.106*** (6.33)	0.108*** (6.42)
Homemaker	-0.017 (-0.51)	-0.005 (-0.16)	-0.017 (-0.51)	-0.011 (-0.36)	0.010 (0.50)	0.014 (0.88)	0.009 (0.45)	0.014 (0.73)
Student	-0.001 (-0.04)	-0.004 (-0.16)	-0.007 (-0.23)	0.007 (0.27)	-0.002 (-0.17)	-0.006 (-0.47)	-0.005 (-0.33)	0.000 (0.00)
Unemployed	-0.049** (-2.38)	-0.064*** (-3.41)	-0.057*** (-2.64)	-0.046** (-2.19)	-0.012 (-1.02)	-0.020* (-1.90)	-0.018 (-1.46)	-0.011 (-0.93)
Other	-0.029 (-0.61)	-0.031 (-0.67)	-0.034 (-0.71)	-0.025 (-0.54)	0.001 (0.02)	0.001 (0.05)	-0.003 (-0.10)	0.002 (0.08)

Marital status								
Divorced	-0.137*** (-5.80)	-0.189*** (-9.02)	-0.148*** (-6.19)	-0.138*** (-5.69)	-0.072*** (-5.57)	-0.092*** (-7.84)	-0.075*** (-5.82)	-0.071*** (-5.38)
Separated	-0.176*** (-4.24)	-0.206*** (-5.39)	-0.177*** (-4.45)	-0.176*** (-4.08)	-0.093*** (-3.90)	-0.106*** (-5.19)	-0.092*** (-4.16)	-0.093*** (-3.77)
Widowed	-0.044** (-1.93)	-0.047** (-2.38)	-0.053** (-2.32)	-0.052** (-2.20)	-0.028** (-2.11)	-0.024** (-2.22)	-0.024** (-2.45)	-0.035 (-2.34)
Never married	-0.098*** (-5.12)	-0.114*** (-6.22)	-0.108*** (-5.68)	-0.107*** (-5.74)	-0.061*** (-5.92)	-0.064*** (-6.87)	-0.064*** (-6.53)	-0.063*** (-6.35)
Wave fixed effect	Yes							
Country fixed effect	Yes							
N (Obs.)	287457	378722	287663	272563	287457	378722	287663	272563
N (Cluster)	108	107	107	106	108	107	107	106
R ² /Pseudo R ²	0.088	0.088	0.083	0.087	0.039	0.037	0.036	0.037

Notes: t-statistics are in parentheses; marginal effects are in italics. The reference groups are Age 13 to 29, Male, University with degree/higher education, and Married. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 21.3 Trust and Tax Morale in 108 Countries

Country	(1)		(2)		Confidence in parliament
	Generalized trust		Generalized trust		
Albania	0.103	(1.20)	0.085	(0.97)	0.091** (2.20)
Algeria	-0.110	(-0.67)	-0.167	(-0.95)	0.130** (2.04)
Andorra	0.023	(0.13)			
Argentina	-0.175*	(-1.67)	-0.224**	(-2.06)	0.118** (2.28)
Armenia	0.114	(1.07)	0.127	(1.17)	0.105** (2.12)
Australia	0.019	(0.30)	-0.016	(-0.24)	0.171*** (3.59)
Austria	0.053	(0.72)	0.040	(0.53)	0.217*** (4.64)
Azerbaijan	-0.044	(-0.49)	-0.056	(-0.61)	-0.061 (-1.34)
Bangladesh	-0.086***	(-2.68)	-0.095***	(-2.89)	-0.007 (-0.39)
Belarus	0.030	(0.41)	-0.004	(-0.06)	0.320*** (6.99)
Belgium	0.187**	(2.27)	0.143*	(1.71)	0.474*** (8.90)
Bosnia	0.404***	(3.56)	0.365***	(3.16)	0.329*** (3.81)
Bosnia and Herzegovina	-0.069	(-0.68)	-0.148	(-1.44)	0.281*** (4.94)
Brazil	-0.044	(-0.21)	-0.027	(-0.13)	0.100* (1.65)
Bulgaria	0.085	(1.16)	0.071	(0.96)	0.133*** (3.44)
Burkina Faso	-0.287	(-1.52)	-0.363*	(-1.75)	-0.052 (-0.65)
Canada	0.142**	(2.57)	0.135**	(2.39)	0.242*** (5.91)
Chile	-0.248***	(-2.86)	-0.240***	(-2.72)	0.045 (1.19)
China	0.114**	(2.12)	0.147**	(2.14)	0.200*** (3.54)
Colombia	-0.024	(-0.37)	-0.051	(-0.73)	0.060** (2.48)
Croatia	0.158	(1.14)	0.120	(0.88)	0.475*** (6.35)
Cyprus	-0.278**	(-2.02)	-0.308**	(-2.22)	0.188*** (3.88)
Czech Republic	0.059	(1.06)	0.053	(0.94)	0.131*** (3.75)
Denmark	0.199***	(2.86)	0.160**	(2.29)	0.341*** (7.46)
Dominican Rep.	-0.381	(-1.40)	-0.398	(-1.39)	-0.103 (-0.68)
Ecuador	-0.004	(-0.02)	-0.006	(-0.04)	-0.117** (-2.27)
Egypt	0.097**	(2.22)	0.156***	(2.97)	0.102*** (3.67)
El Salvador	-0.417*	(-1.95)	-0.423**	(-1.98)	0.033 (0.45)
Estonia	0.150**	(2.39)	0.070	(0.98)	0.415*** (9.22)
Ethiopia	0.183***	(2.77)	0.157**	(2.18)	-0.114** (-2.21)

Table 21.3 Continued

Country	(1)		(2)		Confidence in parliament	
	Generalized trust		Generalized trust			
Finland	0.187***	(2.88)	0.086	(1.30)	0.438***	(9.27)
France	0.048	(0.60)	0.008	(0.10)	0.299***	(6.66)
Georgia	-0.563***	(-5.73)	-0.555***	(-5.45)	0.086**	(2.07)
Germany	0.043	(0.92)	0.000	(0.00)	0.290***	(8.80)
Ghana	-0.046	(-0.65)	-0.048	(-0.66)	0.008	(0.42)
Great Britain	-0.016	(-0.26)	-0.047	(-0.77)	0.234***	(5.93)
Greece	-0.047	(-0.39)	-0.087	(-0.73)	0.181***	(2.96)
Guatemala	-0.149	(-0.67)	-0.131	(-0.60)	-0.034	(-0.30)
Hong Kong	0.241***	(2.71)	0.219**	(2.39)	0.125	(1.53)
Hungary	-0.262***	(-3.43)	-0.288***	(-3.72)	0.106***	(2.79)
Iceland	0.219***	(2.98)	0.188**	(2.56)	0.335***	(6.00)
India	-0.074	(-1.40)	-0.049	(-0.90)	0.120***	(3.89)
Indonesia	0.119**	(2.07)	0.128**	(2.08)	-0.005	(-0.09)
Iran	0.001	(0.01)	0.010	(0.12)	0.146***	(3.85)
Iraq	0.276**	(2.16)	0.318**	(2.41)	-0.077	(-1.05)
Ireland	0.123	(1.55)	0.083	(1.03)	0.385***	(7.88)
Italy	0.329***	(6.40)	0.304***	(5.95)	0.216***	(6.79)
Japan	0.066*	(1.67)	0.069*	(1.65)	0.086**	(2.49)
Jordan	0.148*	(1.71)	0.135	(1.43)	0.101**	(2.54)
Kazakhstan	0.042	(0.33)	0.046	(0.35)	-0.045	(-0.58)
Kosovo	-0.147	(-1.15)	-0.145	(-1.19)	0.331***	(6.75)
Kuwait	-0.121	(-0.65)	-0.297	(-1.58)	0.254***	(2.94)
Kyrgyzstan	-0.393***	(-3.49)	-0.400***	(-3.53)	0.079	(1.30)
Latvia	-0.004	(-0.05)	-0.038	(-0.40)	0.181***	(3.34)
Lebanon	-0.444*	(-1.93)	-0.532**	(-2.29)	-0.284***	(-3.48)
Libya	0.178	(1.55)	0.240**	(2.14)	-0.015	(-0.24)
Lithuania	0.142	(1.58)	0.212*	(1.83)	0.191**	(2.12)
Luxembourg	-0.059	(-0.47)	-0.110	(-0.85)	0.263***	(3.14)
Macedonia	-0.190*	(-1.67)	-0.213*	(-1.84)	0.095**	(1.98)
Malaysia	-0.582***	(-3.13)	-0.592***	(-3.17)	0.141**	(2.16)

(continued)

Table 21.3 Continued

Country	(1)		(2)		Confidence in parliament	
	Generalized trust		Generalized trust			
Mali	-0.215	(-0.78)	-0.338	(-1.11)	0.241**	(2.04)
Malta	0.111*	(1.74)	0.102	(1.56)	0.167***	(4.86)
Mexico	-0.342***	(-4.31)	-0.360***	(-4.43)	0.011	(0.32)
Moldova	0.297***	(2.63)	0.321***	(2.83)	0.022	(0.41)
Montenegro	0.090	(0.89)	0.030	(0.29)	0.312***	(5.82)
Morocco	-0.106	(-1.48)	-0.134*	(-1.77)	0.138***	(5.38)
Netherlands	-0.062	(-1.11)	-0.117**	(-2.05)	0.233***	(5.94)
New Zealand	0.357***	(4.40)	0.299***	(3.49)	0.328***	(5.01)
Nigeria	-0.155**	(-2.43)	-0.184***	(-2.80)	-0.010	(-0.39)
Northern Cyprus	-0.053	(-0.45)	-0.073	(-0.58)	0.025	(0.95)
Northern Ireland	0.108	(0.98)	0.028	(0.25)	0.396***	(5.72)
Norway	0.249***	(3.32)	0.183**	(2.43)	0.417***	(8.00)
Pakistan	-0.154***	(-3.12)	-0.158***	(-3.17)	0.020	(0.90)
Palestine	-0.012	(-0.06)	-0.099	(-0.45)	0.085	(0.87)
Peru	-0.224*	(-1.95)	-0.245**	(-2.12)	-0.047	(-1.00)
Philippines	0.029	(0.14)	0.038	(0.19)	0.010	(0.16)
Poland	-0.128*	(-1.75)	-0.141*	(-1.89)	0.140***	(3.06)
Portugal	-0.156	(-1.12)	-0.180	(-1.26)	-0.033	(-0.47)
Puerto Rico	-0.038	(-0.22)	-0.074	(-0.43)	0.274***	(4.02)
Romania	0.087	(1.12)	0.061	(0.76)	0.152***	(3.95)
Russian Federation	0.038	(0.62)	0.034	(0.53)	0.185***	(5.18)
Rwanda	0.052	(0.63)	0.047	(0.57)	0.048	(1.32)
Serbia	-0.063	(-0.74)	-0.072	(-0.84)	0.239***	(5.22)
Serbia and Montenegro	-0.924***	(-2.87)	-0.812**	(-2.46)	-0.138	(-0.86)
Singapore	-0.043	(-0.50)	-0.095	(-0.91)	0.175**	(2.31)
Slovakia	-0.119	(-1.39)	-0.106	(-1.22)	0.109***	(2.60)
Slovenia	-0.104	(-1.54)	-0.135*	(-1.94)	0.181***	(4.69)
South Africa	-0.345**	(-2.47)	-0.246**	(-2.03)	0.182**	(2.23)

Table 21.3 Continued

Country	(1)		(2)		Confidence in parliament	
	Generalized trust		Generalized trust			
South Korea	0.033	(0.61)	0.041	(0.74)	-0.061*	(-1.70)
Spain	-0.118***	(-2.73)	-0.127***	(-2.89)	0.274***	(10.35)
Sweden	0.215***	(4.00)	0.141***	(2.60)	0.401***	(10.58)
Switzerland	0.120*	(1.82)	0.060	(0.80)	0.278***	(4.52)
Taiwan	0.086	(0.97)	0.083	(0.92)	-0.028	(-0.49)
Tanzania	-0.417	(-1.45)	-0.333	(-1.19)	0.238***	(2.71)
Thailand	-0.073	(-0.77)	-0.076	(-0.80)	0.062	(0.86)
Trinidad and Tobago	0.124	(0.60)	0.232	(1.13)	0.115*	(1.89)
Tunisia	-0.032	(-0.17)	-0.149	(-0.77)	0.271***	(2.71)
Turkey	-0.119***	(-2.64)	-0.137***	(-2.91)	0.031***	(2.60)
Uganda	0.542	(1.39)	0.756**	(2.00)	0.443***	(2.86)
Ukraine	0.052	(0.75)	0.036	(0.50)	0.142***	(3.46)
United States	0.101**	(2.38)	0.074*	(1.71)	0.145***	(4.38)
Uruguay	-0.208**	(-2.47)	-0.219**	(-2.54)	0.065	(1.57)
Uzbekistan	-0.007	(-0.05)	-0.034	(-0.22)	0.122	(1.38)
Venezuela	-0.110	(-0.90)	-0.092	(-0.75)	-0.042	(-0.90)
Viet Nam	0.178***	(3.21)	0.193***	(3.46)	0.315***	(4.61)
Yemen	0.243	(1.59)	0.216	(1.29)	0.213**	(1.97)
Zambia	0.241	(1.04)	0.202	(0.84)	0.200**	(2.18)
Zimbabwe	-0.050	(-0.33)	-0.114	(-0.70)	0.125**	(2.27)

Notes: *t*-statistics are in parentheses. Regression model = OLS. All specifications control for age, gender, education, employment status, and marital status. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

a statistically significant positive correlation between trust and tax morale, but in 21 (25) regressions this relation is statistically significantly negative. We thus observe substantial heterogeneity across countries on which additional research might throw valuable light. For example, whereas North America and Europe show a positive correlation between generalized trust and tax morale, Central and South America exhibit a negative one (see

Figure 21.6).³ The results for Asia and Africa, on the other hand, are mixed, while the Middle East and Southeast Asia and China tend to a positive correlation.

The trend for vertical trust, however, is clear: in 73 of the 108 countries, the correlation is positive and statistically significant (see Figure 21.7). Thus, vertical trust is a key



FIGURE 21.6 Country-Level Correlations between Generalized Trust and Tax Morale. Upper (a) world map: Regression results without vertical trust; see specification (1), Table 21.3. Lower (b) world map: Regression results controlling for vertical trust; see specification (2), Table 21.3



FIGURE 21.7 Correlation between Vertical Trust and Tax Morale. Based on specification (2) in Table 21.3

factor in understanding tax morale across different cultures and institutions. Vertical trust matters more than horizontal trust.

After exploring the first generalized trust proxy in detail, we now address the second, which is designed to pinpoint the relevance of trust uncertainty. We first analyze both trust factors separately (see Table 21.4, specifications 1 and 2) and then in combination (specification 3), after which we again analyze them separately but controlling for trust in parliament (see specifications 4 and 5). In the last set of specifications in Table 21.4 (6–10), we also investigate vertical trust uncertainty. Using these variables, we are able to work with up to 35 countries (Table 21.4).

Throughout all the reported specifications, trust is positively correlated with tax morale, and the coefficient is always statistically significant. Not only is a higher level of trust uncertainty at the horizontal level negatively correlated with tax morale (and always statistically significantly so) but also, surprisingly, vertical trust uncertainty does not seem to crowd out tax morale. Rather, the coefficient for vertical trust uncertainty is positive, albeit mostly not statistically significant. Trust in parliament, on the other hand, is always positively correlated with tax morale at a statistically significant 1% level.

Next, recognizing that the difference between the two generalized trust proxies could be driven by sample selection, we assess the impacts of both trust proxies by conducting separate analyses using the exact same individuals (see Table 21.5). Although the OLS regressions show both factors to be positive and statistically significant, once we apply an ordered probit, only the 5-point scale proxy remains significant, with an effect size that is also much stronger. One reason could be that in this analysis, we measure generalized trust of fellow citizens, which is related to the tax compliance research evidence of a positive correlation between tax morale and national pride (see Torgler 2007a for an overview).

Having noted earlier that, when we use the vertical index to proxy vertical trust, a higher level of vertical trust seems to benefit tax morale, we now explore whether the effect of generalized trust on tax morale depends on vertical trust and thus varies under different vertical trust conditions. We find that the interaction effect between these two types of trust is positive and statistically significant at the 1% level, indicating that the vertical trust slope for individuals with high trust is significantly different from that for low-trust individuals (coeff. = 0.019, $t = 2.17$). We graph this difference in Figure 21.8 by fitting a separate slope for high- and low-trust individuals. As the hypothetical predicted values in the figure show, when generalized trust is high, each additional unit of vertical trust increases tax morale by 0.02. In general, the slope for those with higher trust is much steeper, indicating that the effect of generalized trust on tax morale grows larger as vertical trust increases. Thus, we observe a multiplier effect with respect to how trust affects tax morale (horizontal trust breeds vertical trust and vice versa).

In a subsequent step, we extend our analysis of the vertical–horizontal influence interaction by looking at governance quality. To do so, we employ two datasets: the International Country Risk Guide (ICRG) ratings, which focus on political risks (see Tables 21.6 and 21.8); and the World Bank's Worldwide Governance Indicators (WGI),

Table 21.4 Trust and Trust Uncertainty

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Generalized trust	0.260*** (6.14)	0.217*** (5.25)	0.2226*** (5.58)	0.190*** (4.68)	0.266*** (6.35)	0.236*** (5.97)	0.236*** (4.92)	0.195*** (4.92)		
Generalized trust (<i>SD</i>)	-1.744*** (-3.85)	-1.362*** (-3.09)	-1.523*** (-3.35)	-1.217*** (-2.76)	-1.217*** (-2.76)	-1.217*** (-2.76)	-1.217*** (-2.76)	-1.844*** (-4.01)	-1.561*** (-3.48)	
Confidence in parliament			0.232*** (6.59)	0.258*** (7.10)	0.220*** (6.44)	0.220*** (6.44)	0.220*** (6.44)	0.234*** (6.67)	0.259*** (7.17)	0.220*** (6.42)
Confidence in parliament (<i>SD</i>)					1.656 (0.83)	1.656 (0.83)	1.656 (0.83)	1.856 (0.96)	2.785 (1.41)	2.999 (1.55)
<i>N</i> (Obs.)	55364	56853	55364	51421	52562	51421	52733	51421	52562	51421
<i>N</i> (Cluster)	35	35	35	33	33	33	33	33	33	33
<i>R</i> ²	0.049	0.046	0.054	0.055	0.053	0.059	0.050	0.056	0.056	0.062

Notes: *t*-statistics are in parentheses. Regression model = OLS. All specifications control for age, gender, education, employment status and marital status. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 21.5 Comparison of the Two Generalized Trust Variables

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Generalized trust	0.111*** (2.83)		0.031 (1.49)	
			0.012	
Generalized trust: 5-point scale		0.219*** (6.97)		0.105*** (7.36)
				0.041
Age group				
30–39	0.242*** (5.38)	0.229*** (5.15)	0.124*** (5.97)	0.117*** (5.61)
			0.049	0.046
40–49	0.485*** (8.88)	0.463*** (8.69)	0.251*** (11.03)	0.240*** (10.55)
			0.099	0.095
50–59	0.660*** (13.07)	0.622*** (12.61)	0.341*** (14.49)	0.323*** (13.65)
			0.134	0.127
60–69	0.825*** (10.41)	0.777*** (10.02)	0.431*** (11.98)	0.409*** (11.20)
			0.170	0.161
70+	1.020*** (14.36)	0.967*** (14.28)	0.571*** (15.20)	0.545*** (14.64)
			0.225	0.214
Female	0.350*** (9.14)	0.361*** (9.41)	0.182*** (8.77)	0.188*** (9.00)
			0.072	0.074

(continued)

Table 21.5 Continued

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Education				
Inadequately completed elementary education	-0.357 (-1.64)	-0.381 (-1.60)	-0.142 (-1.48)	-0.152 (-1.44)
			-0.056	-0.060
Completed (compulsory) elementary education	0.106 (0.72)	0.071 (0.49)	0.072 (0.95)	0.058 (0.77)
			0.028	0.023
Incomplete secondary school: technical/vocational type	-0.003 (-0.02)	-0.014 (-0.09)	-0.001 (-0.01)	-0.003 (-0.04)
			-0.000	-0.001
Complete secondary school: technical/vocational type/secondary	0.100 (0.74)	0.088 (0.66)	0.052 (0.79)	0.048 (0.73)
			0.021	0.019
Incomplete secondary: university-preparatory type/secondary	0.022 (0.25)	-0.003 (-0.04)	0.044 (1.07)	0.032 (0.79)
			0.017	0.012
Complete secondary: university-preparatory type/full secondary	-0.027 (-0.24)	-0.034 (-0.33)	-0.013 (-0.25)	-0.015 (-0.30)
			-0.005	-0.006
Some university without degree/higher education	0.062 (0.46)	0.061 (0.48)	0.034 (0.52)	0.034 (0.54)
			0.014	0.013

Table 21.5 Continued

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Part time	0.002 (0.03)	-0.004 (-0.07)	-0.005 (-0.17)	-0.008 (-0.29)
			-0.002	-0.003
Employment status				
Self-employed	-0.276*** (-3.26)	-0.272*** (-3.19)	-0.133*** (-3.56)	-0.131*** (-3.49)
			-0.052	-0.052
Retired	0.075 (1.54)	0.072 (1.49)	0.063** (2.43)	0.064** (2.42)
			0.025	0.025
Homemaker	0.037 (0.70)	0.033 (0.63)	0.027 (1.01)	0.026 (0.96)
			0.011	0.010
Students	-0.028 (-0.32)	-0.037 (-0.40)	-0.014 (-0.38)	-0.018 (-0.50)
			-0.005	-0.007
Unemployed	-0.261*** (-3.07)	-0.254*** (-3.01)	-0.102*** (-2.68)	-0.096** (-2.55)
			-0.040	-0.038
Other	-0.031 (-0.30)	-0.030 (-0.29)	0.014 (0.29)	0.017 (0.34)
			0.006	0.007
Marital status				
Divorced	-0.298*** (-5.42)	-0.267*** (-4.89)	-0.135*** (-4.50)	-0.118*** (-3.91)
			-0.053	-0.046
Separated	-0.235* (-2.02)	-0.194 (-1.65)	-0.106* (-1.91)	-0.085 (-1.53)
			-0.042	-0.034

(continued)

Table 21.5 Continued

Independent variable	Dependent variable: Tax morale			
	OLS	OLS	Ordered probit	Ordered probit
	(1)	(2)	(3)	(4)
Widowed	-0.064 (-1.53)	-0.058 (-1.39)	-0.007 (-0.24)	-0.003 (-0.11)
Never married	-0.087* (-1.74)	-0.077 (-1.59)	-0.040* (-1.66)	-0.016 (-1.51)
<i>N</i> (Obs.)	52649	52649	52649	52649
<i>N</i> (Cluster)	35	35	35	35
<i>R</i> ² /Pseudo <i>R</i> ²	0.094	0.101	0.033	0.035

Notes: *t*-statistics are in parentheses; marginal effects are in italics. The reference groups are *Age 13 to 29, Male, University with degree/higher education, and Married*. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

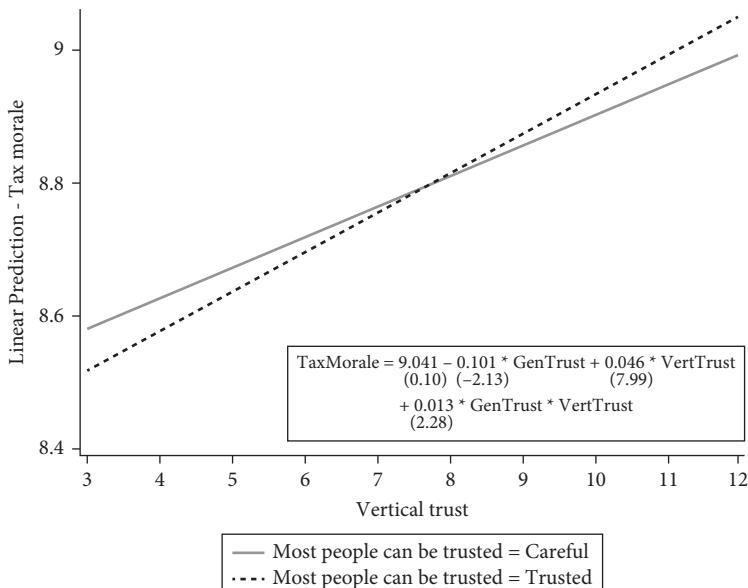
**FIGURE 21.8** Interaction between Vertical and Generalized Trust

Table 21.6 Trust and Governance Quality (ICRG)

	Political risk rating	Law and order	Legislative strength	Government stability	Government cohesion	Democratic accountability	Corruption	Bureaucracy quality
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Generalized trust	-0.366 (-1.53)	-0.283* (-1.89)	-0.100 (-0.46)	-0.037 (-0.10)	0.192 (0.69)	-0.107 (-0.81)	-0.087 (-0.72)	-0.067 (-0.70)
ICRG	-0.004 (-0.67)	-0.045 (-0.92)	-0.048 (-0.34)	-0.080 (-1.13)	0.185 (1.14)	0.007 (0.12)	0.019 (0.40)	0.068 (1.23)
Generalized trust*ICRG	0.006* (1.82)	0.075** (2.30)	0.052 (0.67)	0.012 (0.25)	-0.051 (-0.57)	0.031 (1.19)	0.032 (1.06)	0.030 (1.01)
N (Obs.)	379272	379272	379272	379272	379272	379272	379272	379272
N (Cluster)	94	94	94	94	94	94	94	94
R ²	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.030

Notes: t-statistics are in parentheses. Regression model = OLS. All specifications control for age, gender, education, employment status, and marital status. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 21.7 Trust and Governance Quality (WGI)

	Voice and accountability	Political stability	Government effectiveness	Regulatory quality	Rule of law	Control of corruption
	(1)	(2)	(3)	(4)	(5)	(6)
Generalized trust	0.004 (0.08)	0.023 (0.66)	-0.020 (-0.45)	-0.012 (-0.26)	-0.017 (-0.41)	-0.008 (-0.19)
WGI	-0.015 (-0.23)	-0.085 (-1.22)	0.004 (0.06)	-0.008 (-0.13)	0.017 (0.32)	0.009 (0.18)
Generalized trust*WGI	0.043 (1.24)	0.071* (1.69)	0.056* (1.73)	0.054 (1.66)	0.055* (1.81)	0.041 (1.38)
N (Obs.)	401199	401199	401199	401199	401199	401199
N (Cluster)	104	104	104	104	104	104
R ²	0.028	0.028	0.028	0.028	0.028	0.028

Notes: *t*-statistics are in parentheses. Regression model = OLS. All specifications control for age, gender, education, employment status, and marital status. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

which focus on several key governance factors (Tables 21.7 and 21.9). In addition to applying the 12 weighted variables that make up the ICRG political risk index, we also focus on seven key factors: law and order, legislative strength, government stability, government cohesion, democratic accountability, corruption, and bureaucracy quality.⁴ The WGI then covers another six dimensions: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption.⁵ For both datasets, we use the average of all available years for each country. We find that generalized trust is indeed dependent on the political risk index; however, the interaction is statistically significant only at the 10% level (Table 21.6). The key factor driving these results must necessarily be law and order given that no other interaction effects are statistically significant, a result that we also find for vertical trust (Table 21.8). In the WGI analysis, in contrast, the importance of governance for the trust effect, both horizontal and vertical, is far more multidimensional. Three factors are statistically significant at the 10% level for horizontal trust and four for vertical; not only rule of law but also regulatory quality (vertical trust), government effectiveness, and political stability. These observations indicate that the connection between trust and tax morale differs in some locations and is stronger or weaker in others based on specific quality of governance factors, particularly law and order. However, we still need a better understanding as to why this could be the case.

Table 21.8 Vertical Trust and Governance Quality (ICRG)

	Political risk rating	Law and order	Legislative strength	Government stability	Government cohesion	Democratic accountability	Corruption	Bureaucracy quality
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Confidence in parliament	-0.093 (-0.59)	-0.069 (-0.71)	-0.006 (-0.03)	-0.193 (-0.69)	0.010 (0.04)	0.047 (0.42)	0.055 (0.68)	0.063 (0.95)
ICRG	-0.009 (-1.21)	-0.146** (-2.17)	-0.290 (-1.21)	-0.224* (-1.94)	0.014 (0.05)	-0.020 (-0.21)	-0.034 (-0.47)	0.001 (0.01)
Confidence in parliament *ICRG	0.004 (1.64)	0.055** (2.56)	0.061 (0.91)	0.046 (1.30)	0.044 (0.62)	0.025 (1.08)	0.030 (1.34)	0.035 (1.47)
N (Obs.)	371065	371065	371065	371065	371065	371065	371065	371065
N (Cluster)	94	94	94	94	94	94	94	94
R2	0.033	0.034	0.033	0.034	0.033	0.033	0.033	0.034

Notes: t-statistics are in parentheses. Regression model = OLS. All specifications control for age, gender, education, employment status, and marital status. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 21.9 Vertical Trust and Governance Quality (WGI)

	Voice and accountability	Political stability	Government effectiveness	Regulatory quality	Rule of law	Control of corruption
	(1)	(2)	(3)	(4)	(5)	(6)
Confidence in parliament	0.144*** (5.57)	0.156*** (7.20)	0.136*** (5.30)	0.140*** (5.10)	0.141*** (5.85)	0.142*** (5.83)
WGI	-0.072 (-0.61)	-0.206** (-2.03)	-0.077 (-0.80)	-0.065 (-0.60)	-0.075 (-0.85)	-0.065 (-0.81)
Confidence in parliament *WGI	0.041 (1.46)	0.063** (2.32)	0.043* (1.71)	0.036 (1.28)	0.049** (2.06)	0.040* (1.73)
N (Obs.)	391823	391823	391823	391823	391823	391823
N (Cluster)	103	103	103	103	103	103
R2	0.032	0.033	0.032	0.032	0.032	0.032

Notes: *t*-statistics are in parentheses. Regression model = OLS. All specifications control for age, gender, education, employment status, and marital status. *, **, and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

Nevertheless, there is substantial consistency regarding what sort of interactions matter for horizontal as well as for vertical trust.

Finally, in line with a suggestion from Uslaner (2007), we test for the existence of an *indirect path* from trust to tax evasion. This test takes into account the possibility that the direct effect of horizontal trust is not that strong compared with the effect of vertical trust. In other words, we explore whether low levels of generalized trust lead to higher levels of corruption or ineffective governance, which in turn reduce tax morale. To assess the extent to which the trust–tax morale relation might be indirectly mediated through governance effectiveness, we employ structural equation models in which the governance quality factors (ICRG and/or WGI) are the mediating variables, and generalized trust is the key independent (exposure) variable. In our case, structural equation modeling is more appropriate than alternatives like the counterfactual approach suggested by Valeri and VanderWeele (2013) because it permits clustering over countries, an important feature when analyzing ICRG and WGI variables, which are measured at the country level. According to the analytic results, neither the total effect for generalized trust nor the direct effect or indirect effect through governance quality is statistically significant (see Tables 21.10 and 21.11).

Table 21.10 Indirect Effect of Generalized Trust on Tax Morale (ICRG)

Generalized trust	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Direct effect	0.049 (1.45)	0.053 (1.48)	0.044 (1.22)	0.055 (1.54)	0.033 (0.92)	0.039 (1.02)	0.029 (0.83)	0.018 (0.49)
Mediation/indirect effect	-0.009 (-0.34)	-0.014 (-0.51)	-0.0004 (-0.21)	-0.0015 (-1.19)	0.011 (0.93)	0.006 (0.34)	0.018 (0.75)	0.032 (1.45)
Total effect (Direct effect * Mediation)	0.040 (1.03)	0.039 (1.02)	0.043 (1.21)	0.040 (1.11)	0.043 (1.2)	0.045 (1.25)	0.047 (1.23)	0.051 (1.36)

Notes: z-statistics are in parentheses; standard errors are clustered over countries. All specifications control for age, gender, education, employment status, and marital status.

Table 21.11 Indirect Effect of Generalized Trust on Tax Morale (WGI)

	Voice and accountability (1)	Political stability (2)	Government effectiveness (3)	Regulatory quality (4)	Rule of law (5)	Control of corruption (6)
Direct effect	0.025 (0.71)	0.040 (1.20)	0.019 (0.51)	0.023 (0.65)	0.014 (0.40)	0.017 (0.47)
Mediation/indirect effect	-0.0002 (-0.01)	-0.021 (-0.93)	0.009 (0.39)	0.003 (0.14)	0.015 (0.70)	0.011 (0.54)
Total effect (Direct effect * Mediation)	0.025 (0.70)	0.019 (0.50)	0.028 (0.77)	0.026 (0.73)	0.029 (0.82)	0.028 (0.78)

Notes: z-statistics are in parentheses; standard errors are clustered over countries. All specifications control for age, gender, education, employment status, and marital status.

CONCLUSIONS

This explorative chapter on the relation between trust and tax morale is based on updated data from the World Values Survey and the European Values Study. Overall, the analysis confirms previous findings that vertical trust (i.e., trust in the state) is more important than generalized trust (also termed “horizontal trust”). However, the results raise important new questions that require further exploration. For example, the difference between the two proxies used to measure horizontal trust cannot be fully explained by sample selection, because in testing both trust variables we restricted the analysis to the exact same individuals. Likewise, the seemingly positive effect on tax morale of the 5-point-scale variables may result from the fact that the scale measures trust among fellow citizens but may have other explanations. Lastly, although the results for vertical trust show a clear trend (in 73 countries) of statistically significant positive correlation with tax morale, the results for generalized trust are more diverse. Future research should seek to provide insights into why this is the case. It should also be noted that our analysis, by not discriminating between different survey waves, does not address the previously mentioned criticisms of the 1999–2004 and (possibly) 2005–2009 WVS. Future investigation might consider remedying this shortcoming.

One especially novel aspect of our analysis is its initial exploration of the implications of uncertainty, which apparently matters quite substantially for generalized trust but less so for vertical trust. This finding is surprising given that expectations are relevant primarily for strategic trust and not for moralistic trust. Nevertheless,

our understanding of how uncertainty is linked to social capital is still in its infancy. Another notable finding is that the effect of generalized trust on tax morale varies under different vertical trust or governance conditions. In particular, the slope is steeper for individuals with higher trust, suggesting that this effect grows larger as vertical trust increases. We also find that in some countries, although outcomes vary with the use of ICRG versus WGI data, governance, particularly with respect to law and order, has a notable influence on tax morale. We are unable, however, to identify an indirect path from trust to tax morale using governance quality as a potential mediator. Such failure, however, may stem from the fact that our analysis only explores governance quality at the country level, implying that future research based on individual data might be better suited to in-depth exploration of how governance quality is perceived. The ability to explore certain dynamic aspects is also reduced by the nature of the WVS/EVS dataset and the explorative nature of this chapter. Yet realistically, successfully meeting the next great challenges in the areas of tax morale or tax compliance requires a far better understanding of the dynamics of compliance and of societies in general. Achieving such understanding will require the identification of new avenues through which to explore interaction, possibly using a more organic approach (Torgler 2016b).

NOTES

1. These variables are measured as follows: “Could you tell me how much confidence you have in . . . [parliament] [government in YOUR CAPITAL] [political parties]: Do you have a great deal of confidence, quite a lot of confidence, not very much confidence, or no confidence at all? (4 = a great deal of confidence to 1 = no confidence at all.)”
2. Values in brackets refer to the second specification that includes vertical trust.
3. Statistically significant at a minimum 10% level.
4. A detailed discussion of the proxies is available at <http://www.prsgroup.com/wp-content/uploads/2012/11/icrgmethodology.pdf>.
5. For an overview, see <http://info.worldbank.org/governance/wgi/index.aspx#home>.

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CHAPTER 22

SOCIAL TRUST AND ECONOMIC GROWTH

CHRISTIAN BJØRNSKOV

INTRODUCTION

THE idea that interpersonal trust matters to long-run economic development is far from new. Indeed, this point was an integral part of the thinking of many early economists (Bruni and Sugden 2000). Adam Smith (1763/1978, 538) assessed that “[o]f the nations of Europe, the Dutch, the most commercial, are the most faithful to their word.” John Stuart Mill likewise noted in 1848 that “there are countries in Europe . . . where the most serious impediment to conducting business concerns on a large scale, is the rarity of persons who are supposed fit to be trusted with the receipt and expenditure of large sums of money” (cited in Zak and Knack 2001, 317). Such beliefs were not restricted to economists and business specialists. Baedeker’s (1904, xiii) extremely popular travel guide to Italy noted that the “insolence and rapacity of the lower classes have attained an almost incredible pitch,” which reflected a general Northern European assessment of Italian trust levels as well as Baedeker’s correct belief that problems were substantially larger in the south.

Yet, after having been forgotten for a long time, the notion that features such as overall trust and trustworthiness could play a vital role in economic development resurfaced in the 1980s from two very different directions in sociology represented by Bourdieu (1986) and Coleman (1988). These studies set in motion the development of new theories as well as a series of empirical studies.

With Robert Putnam’s (1993) groundbreaking study of regional governance in Italy, in which the conclusions crucially rested on Coleman’s work, the study of features of society captured in the umbrella concept of social capital reemerged in the social sciences. Putnam suggested that substantial differences in the quality of regional governance in Italy—and by extension, large differences in economic well-being—could be explained by large and persistent differences in social norms, in associational activity,

and, not least, in social trust. Fukuyama (1995) likewise indicated that differences in interpersonal trust are strongly associated with economic performance and provided a number of theoretical directions for future research in the field.

The subsequent literature has both replicated the main findings and added many more theoretical suggestions. The purpose of this chapter is to account for the state of the literature on the association between social trust and economic growth.¹ I do so by first outlining the multiple theoretical arguments for why a causal association should exist, distinguishing between direct and indirect mechanisms. I then survey the empirical literature testing the association. The chapter concludes with a discussion of several lacunae in the literature.

THEORETICAL DIRECTIONS

Numerous contributions to the trust literature have speculated on the mechanisms through which trust might affect long-run growth. While often unclearly stated in existing studies, social trust can logically influence economic growth through four distinct channels: (1) by affecting the rate of productivity growth directly; (2) by affecting the rate of factor accumulation directly; (3) by affecting institutions and policies that in turn affect relevant growth factors; and (4) by affecting the elasticity of substitution. The situation can best be exemplified by the simple illustration in Figure 22.1.

Theoretical Options

Imagine that the economy consists of a single representative firm that employs two inputs—a catch-all type of capital and effective labor (i.e., a labor force with some level

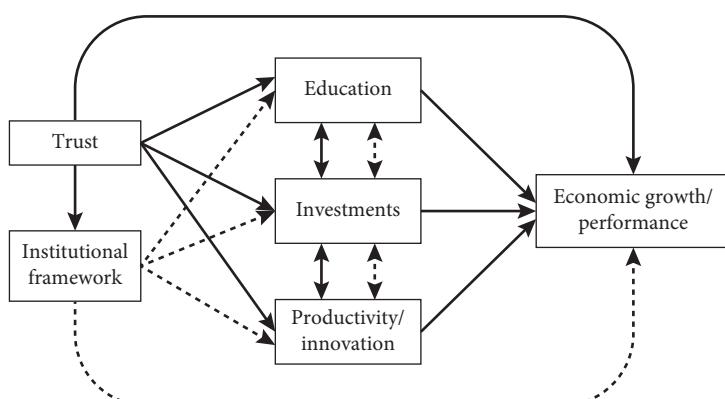


FIGURE 22.1 Theoretical options

of education)—and a specific type of technology. All capital and education are the result of previous investment activity, and all technology is the result of some innovative activity that allows the more or less productive use of all inputs and resources. The causal effects of social trust can then be exemplified by the different arrows in Figure 22.1. First, education, investments, and the level of productivity and innovation directly affect the long-run growth rate through several mechanisms (the full lines to the right in Figure 22.1). However, the inputs can also affect each other, such as through new and more productive technology requiring some level of investment, or when improved education makes the effective labor force more productive and thereby increases the marginal productivity of investments. When such changes occur, the actual implementation of them and their economic effects depend on the elasticity of substitution in the economy—the percentage change in the ratio of two inputs used in response to a percentage change in their prices or marginal productivity. As outlined below, social trust may affect the elasticity of substitution through various indirect mechanisms (as illustrated by the dotted lines between the inputs in Figure 22.1). However, trust may also affect the accumulation of education and investments and the development of productivity directly (the full lines to the left in Figure 22.1) as well as indirectly through its influence on the institutional framework. Finally, it remains a theoretical possibility that social trust might have direct effects on growth apart from their indirect effects through education, investments, and productivity (the full line above in Figure 22.1), or social trust may have indirect effects if the institutional framework directly affects growth (the full line below in Figure 22.1). In the following, I provide a set of examples of all types of theoretical mechanisms through which social trust could affect the long-run economic growth rate of society.

Theories of Direct Mechanisms

The early accounts of transmission mechanisms between social trust and economic growth mostly focused on transaction costs directly associated with production. In his highly influential book, Fukuyama (1995) for example focused on how social trust could reduce transaction costs between firms and individuals by reflecting the strength of the “moral bonds” that tie fellow citizens together. Much of the thinking was therefore predicated on the existence of internalized social norms that prevented people from acting opportunistically in situations where such behavior would provide them with short-term benefits. A main point in Fukuyama’s account of trust was that such moral bonds become increasingly important when societies develop over time and anonymized market transactions and information provision become both more prevalent and potentially more profitable. While social trust and shared norms are not particularly important in a tribal society, in which all transactions are personal and known in the wider society, the expansion into trade and transactions not restricted to geographically specific areas predicated some form of either generalized trust or the existence of formal institutions to overcome the trust problem (Williamson 2000).

Sufficient levels of trust would allow most people to internalize what would otherwise be external costs and thus to avoid multiple market failures when information becomes anonymized.

Knack and Keefer (1997, 1252) specified the scope and application of such mechanisms by defining trust-sensitive transactions as “those in which goods and services are provided in exchange for future payment, employment contracts in which managers rely on employees to accomplish tasks that are difficult to monitor, and investments and savings decisions that rely on assurances by governments or banks that they will not expropriate these assets.” As such, they argued that trust is more important to transactions in which there are elements that are difficult to write into formal contracts—such as quality, work effort, and proper behavior in unforeseen circumstances—or where production, cost, and payment decisions are sufficiently separated in time to provide strong incentives for opportunistic behavior.

Another mechanism mentioned by Fukuyama (1995) is that, as trust increases, firms and individuals will rationally be able to divert fewer resources to protective purposes because higher trust reflects a lower probability of theft, violent crime, and predatory litigation. This therefore not only includes physical protection in the form of guards and fences but also enables firms to economize on direct transaction costs, such as writing shorter and thus cheaper contracts and investing fewer resources in monitoring and enforcing contract compliance (la Porta et al. 1997). All other things being equal, employing fewer potentially productive resources on protection either provides the firm with a cost advantage or allows it to divert proportionally more resources to investments or innovative purposes. This type of mechanism would therefore be consistent with both factor accumulation effects—through larger investments in physical capital—and a factor productivity effect if the free resources are spent in research and development and thus effectively on innovation.

Akçomak and ter Weel (2009) further developed some of these ideas in a formal model of innovative investment in which social norms, network connectivity, and social trust all play a role. The main theoretical idea was that strong social norms will prevent researchers from cheating each other. One may thus interpret this effect as one in which reciprocity norms allow researchers to share information more effectively than if no one expected sharing to be reciprocated. However, in the model, researchers generate the productive ideas but need some form of venture capital to put the ideas to use. Investors are therefore expected to provide funding for research projects, but they can rationally expect a share of all researchers to not exert particular efforts. In the game between investors and researchers, Akçomak and ter Weel (2009, 547) therefore expect that the necessary monitoring costs borne between an investor and a researcher are reduced by higher trust levels and “make innovation a more efficient investment.”

As such, due to directly lower transaction costs in the production of knowledge as well as the financial intermediation necessary to put ideas to productive use, trust greases the wheels of innovation and makes economies more productive (Ikeda 2008). Similarly, several papers building upon ideas in Fukuyama discussed the consequences of how trust might lower the transaction costs of obtaining relevant information. Knack

and Keefer (1997, 1253), for example, noted that when “trust facilitates the enforcement of contracts, the return to specialized education will increase,” which will cause more people to invest in formal education. Likewise, when hiring decisions in low-trust societies rationally depend on personal knowledge of applicants or shared kinship, “the returns to acquisition of educational credentials” are reduced, causing fewer people to acquire education (Knack and Keefer 1997, 1254). Given that education in general makes people more productive and tends to affect long-run growth, such direct mechanisms could theoretically affect the growth rate. Dixit (2004) provides an encompassing overview of such mechanisms, which are not restricted to only trust-related theories. However, these direct mechanisms may interact with a number of indirect mechanisms in the literature or be superseded by them.

Indirect Mechanisms

While the assumption that the mechanisms through which trust affects growth are direct remains standard in many empirical papers, a number of studies have suggested indirect mechanisms. These hypotheses state that trust affects some characteristic that is known to subsequently affect growth or investment in physical capital.

In one of the first contributions to this strand of the literature, Zak and Knack (2001) introduced the theoretical idea that relevant transaction costs, which were affected by social trust, were related to the production of inputs. In their model, growth is primarily driven by investments, which are funded by savings. However, the financial intermediation mechanism is imperfect in their model, as it consists of investment brokers of differing honesty. Zak and Knack’s model is therefore one of many examples of the application of an overall theoretical principal-agent framework in which a principal (in this case, all private agents) faces the problem of how to enforce the proper behavior of an agent (the investment broker) acting on their behalf. All principals in the model are therefore subject to a moral hazard problem when the actual effort of their investment brokers cannot be directly observed, but they can invest resources in ascertaining the honesty of their broker or choose not to investigate and run the risk of being cheated. Each private agent then chooses the optimal level of resources devoted to investigating investment brokers—their “optimal diligence”—such that a share of the total resources available for investments is lost in transaction costs in the financial market.

Zak and Knack’s (2001) theoretical model thus predicts that as higher trust levels reflect lower risks, high-trust societies should exhibit higher investment rates, all other things being equal, and thus also higher growth rates in the long run. However, a further development and clarification of this type of model in Ahlerup et al. (2009) also implicitly suggested that trust effects ought to be larger in societies with relatively poor formal investor protection. The logic, which Ahlerup et al. make explicit, is that, with full legal protection, agents need only worry about the trustworthiness of their investment brokers to the extent that the costs of litigation make an otherwise well-functioning formal legal system a prohibitively expensive way of ascertaining compliance.

Cline and Williamson (2016) provide a set of similar, although informal, theoretical arguments for how trust could affect financial development. The basis of their main argument is that adherence to informal social norms—for example, causing delinquent individuals to feel shame or guilt when they do not abide by internalized norms of proper behavior—work as effective internal constraints on individual behavior. High trust thus reduces the need for formal enforcement of rules against self-dealing in financial markets, such that trust and formal institutions become substitutes.

Bjørnskov (2009) presented a similar principal-agent situation embedded in a fairly simple theoretical growth model in which education contributes to growth. The main idea is similar to that in Zak and Knack (2001) in that there are transaction costs associated with the decision to employ educated workers because their performance cannot subsequently be precisely monitored. The transaction costs consist in the resources invested in checking potential employees before hiring them. Instead of Zak and Knack's investigation costs, the model includes transaction costs associated with screening potential employees before hiring them as suggested by Knack and Keefer (1997). The demand for an educated workforce is therefore increasing in social trust because the transaction costs associated with hiring decisions are lower. Schooling growth will consequently occur faster in high-trust countries, even though their initial level of technological sophistication need not be different from other countries. In addition, the model has the implication that the trust effect is increasing in the level of prior technological sophistication because it makes the marginal costs of hiring a “bad” employee disproportionately higher. The model in Bjørnskov (2009) implies that the trust effect on educational development is conditional on prior technological development. It is also an example of the type of theoretical model in which transaction costs or regulations affect the elasticity of substitution—here between skilled and unskilled labor—and thus the optimal use of resources. Contrary to the models of financial intermediation, in which trust is a substitute to formal protection, the education model implies that trust and technological sophistication are complements in the creation of increased demand for education.

Yet, Putnam's (1993) original claim was that social trust not only affects individual and firm behavior but also is reflected in the enforcement behavior of bureaucracies and other formal institutions. A set of theoretical outlines therefore instead focus on the quality and scope of formal institutions and how they are affected by social trust. Boix and Posner (1998) discussed a number of mechanisms through which trust and similar informal social institutions could affect bureaucratic and judicial quality and the overall quality and accountability of politicians and government. Their paper and the subsequent literature, although sometimes appearing tangential to studies focused on growth, is therefore important due to the general acceptance of the importance of institutional quality to long-run economic performance (see Acemoglu and Johnson 2005; North 1990; Rodrik et al. 2004).

Boix and Posner (1998) provided a brief overview of a set of different mechanisms through which social trust and similar characteristics might affect the quality of both formal institutions and policymaking. In particular, they further specified Putnam's

idea of the importance of voters as “sophisticated consumers of politics” (Boix and Posner 1998, 690). In a democratic polity, it is first necessary to have approximately correct information in order to punish politicians, which multiple theories state is more likely when people are more trusting or have better networks. More trusting citizens may also be able to overcome the collective action dilemma and thereby organize formal “groups that can articulate their interests to the government” (Boix and Posner 1998, 690). This type of mechanism would thereby make it more likely that alternative organized groups in democratic society could counterbalance the political influence of special interest groups and avoid the policy failures that may derive from their influence (see Olson 1982; Pinotti 2012). If special interest groups gain substantial political influence when voters cannot solve the collective dilemma, regulations will often be implemented in order to protect particular sectors with monopolistic influence or declining industries (Hillman 1982). Further regulations in low-trust societies can thereby theoretically reduce the long-run growth rate by preventing structural change through regulatory means and thus reduce the elasticity of substitution in the affected sectors of the economy.

Bjørnskov (2010) provided a formal model of a different version of Putnam’s argument. Instead of forming formal groups, the theoretical mechanism rests on the potential availability of “better” politicians. When high-trust voters observe outcomes that they interpret as unacceptable and evidence of untrustworthy political behavior, they will rationally react by changing their vote at the next election. The main reason is that their beliefs about general trustworthiness or honesty in society lead them to expect that a random alternative politician or party will be more trustworthy than the incumbent and thus an objectively better choice. A low-trust voter in the same situation is likely to have a substantially weaker incentive to change her vote as her perceived chances of finding a better politician are small. As such, the credibility of the threat to be expelled from government in the next election works as an effective disciplining mechanism on all politicians in high-trust societies, despite their inherent trustworthiness, while this mechanism is weak in low-trust societies. Bjørnskov goes on to hypothesize that institutional quality and policy choices are likely to be better in societies with higher trust levels, but that the mechanism is only likely to work in democratic societies in which elections can actually change the composition of government.

However, social trust may also change the demands of the median voter or other important voter groups that democratically elected politicians are likely to be sensitive to. Either a strong belief that market failures are endemic or a general distrust in other people, in both cases creating the belief that most other market actors are likely to cheat, cause people to demand more restrictive regulations and bureaucratic procurements, which in turn impose large transaction costs and reduce the efficiency of organizations and markets (see Whiteley 2000). Particularly tight regulations can, for example, reduce the elasticity of substitution and thereby affect firms’ ability to reallocate resources to their most effective uses when technology, environmental resource constraints, consumer preferences, or competitive forces from abroad change, which in the longer run reduces overall growth and productivity.

Boix and Posner (1998) finally mentioned two simple mechanisms that do not require the existence of democratic political institutions. First, they noted the likelihood that high-trust citizens, due to having strong internalized norms of proper behavior and a belief that most other people in their society are likely to abide by those norms, will comply with most formal rules. This logically reduces the amount of resources that must be devoted to enforcing formal regulations and legislation and thus potentially releases resources that can be used to invest in other high-quality aspects of the institutional framework. Secondly, when public employees and civil servants also share such norms and the belief that most people adhere to them, trust serves to increase the efficiency of public and private bureaucracies (Uslaner 2002).

In the trust literature as well as in the broader literature on economic institutions, this has often been exemplified in the form of a principal-agent-client situation in which the agent is a potentially corruptible bureaucrat and the client is a private citizen or firm that needs to engage with the public sector. In several formal theoretical models, trust is directly modeled as a factor influencing the “moral cost” of accepting bribes, breaking formal rules, or in other ways exerting effort below what is contracted (see Bjørnskov 2010). By raising the costs of offering and of accepting bribes or other potentially corrupt payments or favors, higher levels of trust thus affect the overall quality and efficiency of most nonpolitical public institutions, which in the long run affects economic performance.

What often follows from the models outlining indirect mechanisms is the existence of particular conditions under which trust is effective. Again, Knack and Keefer were the first to discuss, however briefly, the idea that the effects of trust might be conditional on other factors. They argued that the effect could be heterogeneous in initial development “if trust is more essential where contracts are not reliably enforced by the legal system, and where access to formal sources of credit is more limited due to an underdeveloped financial sector” (Knack and Keefer 1997, 1260). However, they also noted that when “greater specialization increases the number of transactions between strangers, and over time and across space,” trust might have a larger effect in rich countries due to the disproportionately larger amount of trust-sensitive transactions in more developed market economies. Yet, whether the *general* implications of these theoretical considerations hold, and if the hypothesized *conditions* reflect some form of empirical reality, has necessarily been the abode of empirical studies.

THE EMPIRICAL EVIDENCE

While many of the original theoretical ideas were already sketched out in Knack and Keefer (1997), the empirical literature has proceeded since then without much clear interaction with theoretical development. The literature can be divided into three parts: (1) studies establishing the existence, robustness, and generality of the

trust-growth association; (2) studies exploring the causality of the trust-growth association; and (3) studies discussing and empirically exploring likely transmission channels.

In all cases, the empirical pattern that the studies attempted to explain is similar to those illustrated in Figures 22.2 and 22.3. The figures combine the largest available sample of trust scores with the logarithms to real purchasing-power-adjusted gross domestic product (GDP) per capita and real GDP produced in the industrial sectors of the country. The GDP and industry data are from CIA (2016) and, combined, the sample covers a total of 136 countries of which 74 have been democratic during all years between 1996 and 2015.² Although both figures exhibit clear outliers, the overall correlations between social trust and real GDP per capita and real industrial output per

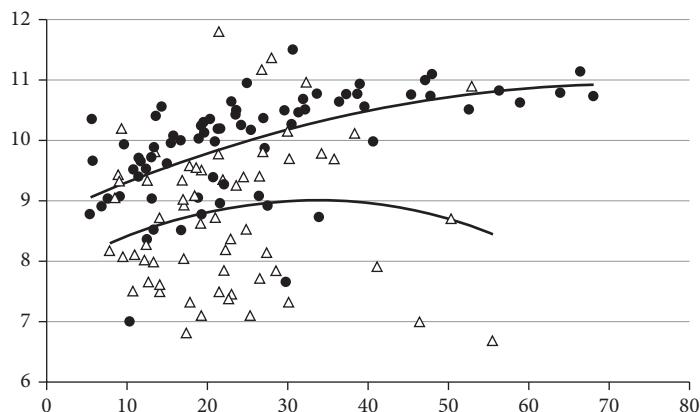


FIGURE 22.2 Real GDP per capita (log) and social trust

Note: Full circles represent democratic countries; triangles represent countries not fully democratic in the period 1996–2015.

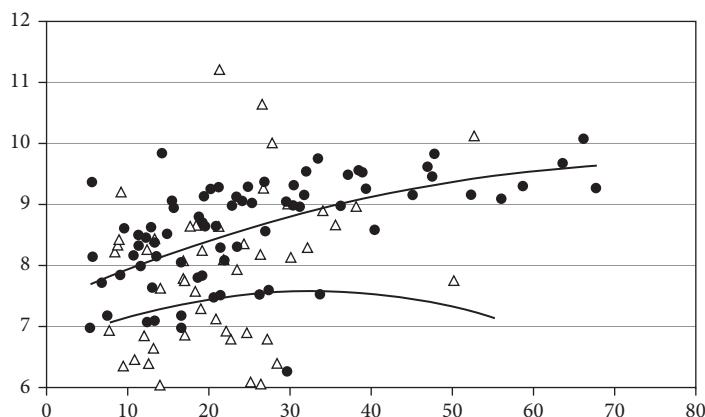


FIGURE 22.3 Real industrial output per capita (log) and social trust

Note: Full circles represent democratic countries; triangles represent countries not fully democratic in the period 1996–2015.

capita, respectively, are .34 and .30. However, as I will discuss at the end of this section, the figures also exhibit that the association is substantially stronger in the subsample of countries that have been stably democratic for the last 20 years. The correlations are .56 and .54, respectively, in the two subsamples while they are .1 across nondemocratic countries.

Establishing the Association

Taking the overall association as a starting point, three different studies clearly defined the early development of the literature on the trust-growth nexus. Knack and Keefer (1997) first found the strong association between trust and the long-run growth rate and provided a long list of theoretical ideas and further tests. Zak and Knack (2001) found that the association was robust to applying being estimated using a larger sample; argued that part of the association was driven by an investment channel; and furthermore provided the first causality tests. Finally, Whiteley (2000) demonstrated that the association between trust and growth was robust to measuring trust in a somewhat different way. Subsequent studies have in general established the statistical robustness of the association.

Knack and Keefer (1997) was the first large published study to deal with the trust-growth nexus. Although their small sample consisting of only 29 countries severely limited what could be done, the study proved to be exceptionally rich in detail and outlines for future research. Knack and Keefer rested on Putnam's (1993) seminal work in which trust was considered part of a broader concept of "social capital," which also included social norms and associational activity. They therefore tested social trust against measures of these apparently similar measures but found stronger evidence for trust than norms and no unambiguously significant evidence for any effects of associational activity. The identified trust effect moreover was of economic importance, as the results suggested that a one standard deviation change in trust—14%, or approximately the trust difference between France and Germany—was associated with a growth increase of more than half a standard deviation.

Knack and Keefer were also the first to attempt to test whether the overall trust effects were primarily due to factor accumulation or increases in total productivity (i.e., whether social trust primarily affects the use of labor, capital, and education) or if trust effects contribute to new technology and knowledge that make such factors more productive. They noted that when investments were included in the specification, trust lost significance, which they interpreted as an indication that factor accumulation is the most important overall transmission channel of trust. However, they found no direct evidence of significant effects of trust on investment rates, but there was a significant association with prosocial norms. Excluding human capital in growth regressions conversely resulted in a larger coefficient on trust, which Knack and Keefer took to indicate that education is another important transmission channel for which they did find independent evidence. Further exploring the correlations between trust and aggregate

output, as well as physical capital and total factor productivity, the evidence turned out to support factor accumulation channels instead of a general productivity increase. Yet, Knack and Keefer (1997, 1275–1276) also found preliminary evidence of effects of trust on two different measures of the protection of property rights and institutional quality. Overall, the study thus yielded few solid answers but a plethora of indications for future research. In particular, Knack and Keefer (1997, 1284) concluded that social trust appears to “be more important in facilitating economic activity where formal substitutes are unavailable.” As such, they laid the ground for studying potentially conditional effects.

Zak and Knack (2001) followed the directions set out by Knack and Keefer but within a sample of 41 market economies and through looking at growth in a longer time span (1970–1992). Their study was thus first and foremost a replication of the general association, using a much larger sample of countries that was also more representative of the distribution of trust and income across the world. In testing their theoretical model more carefully than in most later studies, Zak and Knack’s focus was on growth and investments, although they also provided a formal test of potential determinants of trust. Their findings first of all replicated the main results in Knack and Keefer, showing that social trust is a significant and strong determinant of long-run growth and not merely a proxy for factors such as the quality of formal institutions. Their estimates even suggested a larger marginal effect of trust, as a one standard deviation change appeared to be associated with a growth increase of approximately 60% of a standard deviation. However, Zak and Knack also found significant evidence of a relatively strong effect on investment rates, consistent with their theoretical model, such that a one standard deviation of trust was associated with an increase in the investment rate of 30% of a standard deviation.³ They nevertheless noted that trust remained significant in growth regressions even when including investment rates, which they took to indicate that “trust may influence growth through other channels besides investment” (Zak and Knack 2001, 309). In addition, they employed a robust regression technique that downweights observations with relatively large residuals. They nevertheless found very similar results when using this alternative technique, concluding that outliers were not behind their overall findings.

Whiteley (2000) took another route toward testing the overall implications of the social capital theory emerging out of Putnam’s (1993) work and the findings of Knack and Keefer (1997). While most studies before and after have used a one-item measure of social trust—the share of survey respondents stating that most people can be trusted—Whiteley used principal components analysis to create a three-item trust score. His trust measure was a weighted average of respondents’ trust in family members, nation-als, and people in general and, as such, the study was the first to test the robustness of the trust-growth nexus to changes in the exact measure. His findings across 34 countries nevertheless echoed those of Zak and Knack (2001) as trust appeared strongly significant and robust, even when including investment and education indicators, removing obvious outliers, and restricting the sample to countries with trust scores dating from the early 1980s. Quantitatively, the measurement change also had little impact, as the size of Whiteley’s trust estimates were very similar to those of Zak and Knack.

The first papers thus established the correlation between social trust and long-run growth and showed that trust differences should be considered important explanations of why some countries remain richer than others. Yet, as growth empirics have developed particularly strong standards of robustness testing, these standards have also been applied to the trust-growth association. Several subsequent papers have either revisited the association in more detail or challenged its robustness.

Beugelsdijk et al. (2004), Berggren et al. (2008), and Horváth (2013) are examples of formal robustness tests of the trust-growth association. Beugelsdijk et al. used variations of extreme bounds analysis that allow for testing a large array of potentially omitted variables, varying the set of conditioning variables, varying the particular measurement of central variables, and varying the sample. While they challenged Knack and Keefer's (1997) original findings, those of the larger study in Zak and Knack (2001) appeared as or more robust than most other standard variables.

Berggren et al. (2008) explored another dimension of robustness by estimating Zak and Knack's findings using Least Trimmed Squares (LTS). Their findings were less positive than those of Beugelsdijk et al. (2004) as LTS estimates have the advantage of mainly being identified from a subsample with similar characteristics. In other words, LTS effectively takes care of outliers anywhere in the sample, which Berggren et al. showed rendered the trust-growth nexus fragile. However, their study also questioned the robustness of a number of variables considered standard drivers of growth. Comparatively, social trust appeared as robust as these much more widely accepted factors.

Finally, Horváth (2013) instead used Bayesian model averaging to assess the robustness of the association. The advantage of his approach compared to the previous studies is that it requires no fixed baseline specification but endogenously assesses the performance of any possible specification of variables. Taking this extremely agnostic approach to growth regressions again yielded evidence that social trust is highly robust and likely to outperform more standard empirical explanations of long-run growth differences. However, Horváth (2013) also found that social trust appears particularly important to growth in countries with poor formal institutions.

An alternative route taken by a small number of papers has been to employ within-region or within-country variation to study the association. The basic idea, which has been employed extensively in other studies on growth and institutional quality outside the trust literature, is that a pattern that appears in cross-country data must be replicable in data across regions within a single country if the pattern is not to be caused by any relevant, omitted factors. To some extent, this method has its natural precursor in the trust literature as Putnam's (1993) original study took advantage of the considerable variation across Italy's regions.

Dincer and Uslaner (2010), in one of the first studies of regional trust and growth, took advantage of the large trust differences across US states. Across the 44 states included in the study, trust varied from 10% in Arkansas to above 60% in New Hampshire, thereby exhibiting almost the same range as across European nations. Their findings also closely mimicked those of the cross-country studies in both size and robustness,

thereby giving more credibility to the broader claims in the trust literature. In addition, Dincer and Uslaner estimated the growth of manufacturing employment as an indicator of actual, productive investment activity and found a strong and robust effect of social trust.

Akçomak and ter Weel (2009) is another of multiple examples of papers that use regional variation in trust in order to assess its effects. Employing the within-country variation across 102 regions within 14 member states of the European Union, Akçomak and ter Weel noted that these regions all share similar *de jure* institutions such that the potential effects of trust on institutional design cannot be a major explanation for any differences. Doing so revealed that social trust significantly affected innovation but did not affect regional economic performance through other channels. Their study thus contradicted previous cross-country studies by finding no evidence of factor accumulation effects and only productivity effects of trust.

Forte et al. (2015) is one of the most recent attempts at estimating economic consequences of trust using within-country variation. In order to provide an agnostic estimate of the determinants of medium-run growth, measured by the average growth of gross regional product per capita from 1995 to 2008, they applied data across 85 regions at the NUTS 1 level in 21 European countries. As the NUTS 1 level is the most aggregated of the European standard regions, this choice meant that for eight regions in the dataset the region consists of the entire country. In order to get a precise estimate of the effects, Forte et al. employed country fixed effects, a specific control for spatial spillovers, and a Bayesian framework for estimating the importance of central factors. Despite the somewhat different empirical setup, their results were quantitatively similar to those in previous cross-country studies, thus emphasizing the robustness of the general result.

However, studies using within-region indicators are likely to suffer from two particular problems. First, as noted by Algan and Cahuc (2014) in their survey of the empirical literature on the trust-growth nexus, some European countries exhibit substantial regional variation in social trust while other countries are remarkably homogenous across regions.⁴ For several studies employing the within-region variation in social trust across Europe, this implies that empirical identification is going to derive from very few countries—primarily Belgium, Italy, and Spain—in which there is substantial variation. Using either an estimator with country fixed effects or trust measures relative to the country average effectively renders very little systematic variation from comparatively homogenous countries such as Denmark or the Netherlands. Studies using the trust variation across US or Indian states or Russian provinces do not suffer this problem because the within-country variation in these cases is known to be comparable to the variation across countries.

The second problem of some regional studies of trust derives from the likelihood that a number of relevant transmission mechanisms relate to institutional and policy choices. To the extent that these choices are made at the *national* level and are thereby common to an entire country, the regional trust variation within the country should not affect characteristics such as the quality of national institutions or national educational

policy.⁵ Regional studies are therefore likely to primarily identify trust effects that either (1) run through mechanisms that can logically vary across regions if regional governments either have discretionary influences over institutional and policy choices or the country exhibits enough variation across regions in order to create interregional policy variation; or (2) run through direct mechanisms such as reduced individual- and firm-level transaction costs. As such, there is a limit to the usefulness of regional data in trust studies. Several studies therefore instead focus on the other main problem: causality.

The Causality Problem

The literature has also addressed the causality problem, although in three different ways. Various studies have employed instrumental variable techniques, relying on variation in other arguably exogenous factors or on data on immigrant trust levels, and alternative outside validation of causality. All methods can suffer from serious shortcomings, although no perfect method evidently exists.

Zak and Knack (2001) provided one of the very first studies in which causality was gauged by the use of plausibly exogenous instruments. Taking a lead from La Porta et al. (1997) and arguing that the shares of adherents of Catholicism, Christian Orthodox churches, and Islam in each country's population are sufficiently predetermined to be considered fully exogenous—and the majority of the variation in these variables across countries was indeed determined before the advent of modern growth—they identified an exogenous component of trust. However, while one might expect social trust to be endogenous to long-run trust scores if it reflects people's strategic short-run interests (see Uslaner 2002), Zak and Knack (2001, 310) found that their instrumented estimates were "similar in magnitude" to those obtained by simple Ordinary Least Squares.

Several other instrumental approaches have been implemented in the literature, although with similar results. Horváth (2013), for example, instead employed the genetic distance from the United States, the absolute latitude, and a dummy for whether a country is a former colony. Using an instrumental variables Bayesian model averaging estimator in addition to the more standard Bayesian technique, and resting on the performance of this set of instruments, he concluded that "the degree of endogeneity present in our data is very small" (Horváth, 2013, 781).

Bjørnskov (2012) instead employed a somewhat alternative option by estimating a system of equations using three-stage least squares. Although this choice comes with its own set of problems, it allows the direct estimation of a set of potential transmission channels through which trust might work. In a first step, he employed dummies for monarchy and whether the dominant language allows dropping the personal pronoun (a characteristic popularly called "prodrom") along with the shares of Muslims and Catholics in the population. In the next steps, these variables were then used as instruments of trust in regressions estimating the effects of trust on education, institutional quality, and investment rates. In a last step in the system, Bjørnskov estimated the effects of these variables on long-run (1970–2010) growth rates. The results suggested

that the effects of social trust on long-run growth were fully mediated by education and institutional quality such that there is no evidence of direct effects of trust on growth.

In further research, Bjørnskov and Méon (2015) instead used prodrop in combination with the average temperature in the coldest month of the year as instruments for trust. Focusing on the potential effects of trust on total factor productivity, they were still able to document a strong and significant effect of trust on productivity. Applying a similar three-stage technique as in previous research, they again found that the effects of trust are mediated by education and institutional quality.

However, all attempts at instrumentation must satisfy a set of formal tests as well as the requirement that the instrumental variables somehow capture a credible association between trust and the instrument (Rodrik et al. 2004). It is often the case that subsequent studies criticize instrumental approaches because arguments are offered that the former approach does not yield properly exogenous variation. Several studies therefore also argue for outside validation by noting that trust scores are known to be remarkably stable over time in most countries. Although one might worry that the trust-growth relation is endogenous, the stability of social trust and the variability of long-run growth rates seem to belie the existence of a medium- or long-run feedback mechanism from growth to trust.

Dincer and Uslaner (2010), in their study of growth differences across US states, took another route in which exogeneity under more widely applicable conditions is more certain and rested on the long-run stability of trust. Instead of employing some source of theoretically exogenous variation between trust and characteristics that is either historical or almost orthogonal to economic and institutional development, they instead employed instruments that captured specific migration patterns to the United States. Resting on Uslaner's (2008) finding that states with larger populations of Nordic, British, and German descent have substantially higher levels of trust, they used these remnants of historical trust differences on another continent as exogenous variation. Their results nevertheless turned out to be very similar to those in simpler estimates, suggesting very little actual endogeneity bias.

Algan and Cahuc (2010), resting on the work of former studies employing immigrant data, pioneered the approach of using the trust levels of immigrants in the United States as instruments for modern trust levels across the world. Contrary to Dincer and Uslaner (2010), who used trust levels within Europe as predictors of trust levels across US states, Algan and Cahuc's instrumental approach used the same correlation, but to gain exogenous variation *from* US immigration for trust levels across nations. They furthermore argued that the inherited trust levels that second- and third-generation immigrants have in the United States reflect varying trust levels within countries over time. Using both the cross-country variation and the apparent within-country variation over time, Algan and Cahuc (2010) found that the long-run effects of trust differences are not only qualitatively similar to previous studies but very sizable for most developing countries.

A final problem related to causality is that even though the cross-country and cross-state variation in trust may appear exogenous, the use of multiple outcome variables

may create other types of endogeneity problems. In Bjørnskov (2012), such problems were only to some extent handled by the system of equations, but the method implicitly assumes that there are no feedback mechanisms between these outcomes. Dearmon and Grier (2011) is one of the few studies that allow for such feedback mechanisms and thus for a more complex causal pattern. Their aim was to estimate the effects of social trust on educational outcomes and investment rates. However, they noted that while trust could affect both, its full effects in the long run may be underestimated if one does not take into account that education and capital investments are jointly determined and thus that any change to one variable also affects the other.

Allowing education and investment rates to be jointly determined and thus create a long-run multiplier effect, Dearmon and Grier (2011) found that a situation in which trust affects education and also makes investments marginally more productive, thus raising the investment rate. In turn, the larger investments may put a premium on skilled labor and thus raise educational enrollment in the longer run. Their estimates showed that trust is a significant determinant of both factors but that its effects on investment rates are much larger in low-trust countries. As such, Dearmon and Grier suggested that while the effects of trust on education seemed homogenous, those on investment rates may be conditional on the level of trust or some underlying factor associated with it.

Are There Conditional Effects?

Dearmon and Grier's (2011) study is far from the only study that notes that the effects of social trust may be conditional on some underlying characteristic. Knack and Keefer's (1997) seminal study assigned the role of mediating variable to initial income and found evidence suggesting that the growth effects of trust are larger in poorer countries. Zak and Knack (2001) replicated Knack and Keefer's interaction between initial income and trust and likewise found that only countries above the global trust average exhibit income convergence toward richer countries. As initially poorer countries also tend to have lower trust levels, Dearmon and Grier's finding of conditional trust effects on investment rates was broadly in line with these previous studies.

Ahlerup et al. (2009) instead provided a direct test of an alternative idea, originally set out in Knack and Keefer (1997) and Zak and Knack (2001), which stated that the relevant mediating variable may be the quality of formal institutions. They tested their theory directly by interacting a measure of the quality of governance with trust scores, thereby allowing the trust effect to vary with the availability of formal protection. While Ahlerup et al. found that both trust and formal governance *on average* are significantly associated with growth, they appeared as clear substitutes: when the quality of formal institutions is low, the effects of trust on growth and investments are substantially larger than on average and thereby also much larger than suggested by previous studies. Conversely, the beneficial effect of trust on growth “almost ceases to matter when institutions are strong” (Ahlerup et al. 2009, 13). Similarly, they found that the effects of

institutional quality are strongest when trust levels are low and malfeasance is therefore more likely to be widespread.

However, while Ahlerup et al. (2009) carefully tested the substitutability between trust and formal institutions, they only briefly mentioned the possibility that the quality of institutions can be affected by social trust. In the shorter run, trust and institutions may therefore be substitutes, but the long-run pattern is likely to be more complex. Bjørnskov (2010) therefore focused on the specific effect of trust on institutions. Following one of the ideas set out by Boix and Posner (1998), he instead suggested that the main effects of social trust on institutional quality appear because high-trust voters behave differently in elections. The results in the paper indeed supported the notion that the effects of social trust on the quality of formal institutions mainly works through political channels, as the effects were increasing in political competition and only appeared significant in countries with stable democratic institutions.

Although not directly tested, one of the implications of this type of study is that at least one of the likely transmission mechanisms of trust on growth is restricted to countries with democratic political institutions. Coming back to the simple plots in Figures 22.2 and 22.3, these simple associations can be seen as an indication that the consequences of social trust may be conditional on either democratic political institutions, as suggested by Bjørnskov (2010), or on other features sufficiently correlated with democracy, as in Alherup et al. (2009) and Horváth (2013). A final main challenge for the literature is therefore that interactions with indicators of democracy, formal institutional quality, and initial income are all going to be colinear and therefore tend to yield relatively similar results.

CONCLUSIONS

Since Knack and Keefer's (1997) original study, the literature has documented that social trust is significantly associated with long-run economic growth and has since grown to be a substantial field of its own within growth studies. The literature on the association between social trust and growth began with Putnam's (1993) seminal study, which suggested that the substantial and very visible differences in institutional and economic performance between Northern and Southern Italy could be explained by stable differences in social characteristics such as trust. These studies grew out of the work on social capital initiated by Coleman (1988) and Putnam (1993), but in more recent years they have become part of the increasing attention to culture in economics and political science (Gorodnichenko and Roland in press; Guiso et al. 2009; Tabellini, 2008).

However, while a survey of the specific literature connecting social trust to growth demonstrates how theoretically rich it is, as well as how the empirical evidence has advanced, it also emphasizes the many details that have been ignored and, at a broader level, what we as a profession still do not know. More than two decades of intense

research have provided substantial insights but also revealed significant lacunae in an otherwise voluminous field.

A first question relates to the causality discussion. The literature shows quite clearly—using multiple methods—that causality in the long run must flow from trust to economic growth. If not, trust levels should logically have grown rapidly over time in some countries and slowly in others, proportionate to the speed of economic development. The fact that current levels of social trust in countries of origin of American third-generation immigrants are so similar to those of the immigrants themselves in the United States attests to the stability of trust over time (Uslaner 2008). Likewise, the relative stability of social trust scores across most countries during the period in which it has been measured is also inconsistent with the reverse causal direction, as is the association between social trust and a number of deep historical features. The stability in the very long run could nevertheless potentially mask shorter-run fluctuations in social trust caused by economic fluctuations.

A second question relates to the *structure* of economic change and how trust relates to the more particular way in which societies develop economically. Within firms, Bloom and van Reenen (2010) suggest that trust affects the transaction costs associated with delegating responsibility, such that high-trust environments will be characterized by less formal hierarchy. The basic transmission mechanism is that higher trust levels alleviate the principal-agent problem and thereby make it less risky to delegate decisions to nonmonitored employees. Recently, van Hoorn (in press) provides evidence that similar mechanisms imply that social trust affects countries' comparative advantages. While such mechanisms do not necessarily affect the long-run growth rate, they do hold implications for the development of the *structure* of the economy, as high-tech industry and niche production logically require a substantial workforce undertaking nonmonitorable tasks. With further economic integration and development, which groups benefit relatively more or less from overall development could therefore also be associated with social trust if it affects the development of comparative advantages or if, as argued here, it also affects the elasticity of substitution and thereby the ability of society to react to exogenous economic changes.

These examples point to the third problem that remains unresolved in most studies: that while theory often yields indications of the precise conditions under which one would expect to observe large effects of social trust, the empirical applications tend to be more general. Bjørnskov's (2009) study of trust effects on the growth of education is a case in point. Although, as pointed out above, his model suggests that the large effects of social trust should be seen in countries that have gone through some process of adopting more advanced technology, the empirical section only provides evidence of average effects across the entire sample. Ahlerup et al. (2009) is a notable exception to the general pattern, which most of the literature tends to ignore, that formal as well as informal theoretical considerations often point to clear conditionalities. However, with the advent of substantially more detailed data on political institutions and economic structure in developing and middle-income countries, the empirical applicability of more specific theory is now a practical option.

A final problem is the dearth of firm-level and individual-level studies relating to the role of trust in growth processes. Recent studies from Bloom and van Reenen (2010) and van Hoorn (in press) are among the few that provide direct tests of some of the direct mechanisms through which social trust might affect the economic structure and performance of society. Yet, many such mechanisms still await a direct test, and most of the specific mechanisms of the behavior of voters and bureaucrats have only been tested indirectly using regional and national outcome measures. Despite the fact that these institutional theories were pioneered by Putnam (1993), Knack and Keefer (1997), and Boix and Posner (1998) more than two decades ago, the individual-level studies needed to confirm, reject, or qualify such theoretical mechanisms are still lacking. In particular, theoretical developments in the political economy of how social trust affects long-run growth, and through which mechanisms, remain well ahead of our empirical knowledge.

NOTES

1. In the rest of the chapter, I refer to “social trust” as the belief that most people in society can be trusted to abide by a commonly held set of social norms. Other studies use the terms generalized trust, general trust, interpersonal trust, and bridging trust to denote the same phenomenon.
2. The measure of democracy is an update of the dichotomous indicator from Cheibub et al. (2010). The indicator takes on the value of one if the country has free and fair elections that can result in the de facto change of government. The differences in the figures are illustrated as round marks (democratic) and triangles (nondemocratic). Further, the figures use the logarithm to gross domestic product (GDP) and industrial output per capita as they would otherwise appear dominated by particularly rich countries.
3. Subsequently, it may be worth noting that Cline and Williamson (2016) find evidence that directly supports Zak and Knack’s (2001) theory of how social trust affects the quality of financial intermediation and in turn affects financial development. They find that trust and formal protection against “self-dealing” are substitutes, as hypothesized by Zak and Knack. Guiso et al. (2008) provide more general evidence for similar effects in stock markets.
4. Using, for example, the ten-point measure from the European Social Survey (2016), the cross-region variation (measured by the coefficient of variation) is twice as large in Belgium as in Denmark. While the latter is known to be one of the most homogenous countries in terms of within-country trust variation, the former is often defined by the large difference between the two main regions (Flanders and Wallonia).
5. Beugelsdijk and van Schaik (2005) is an early example of this type of problem, as they measured regional trust and associational activity *relative* to the national average. They thereby found that trust is not a robust determinant of regional growth, but associational activity is such a determinant. However, due to the particular way of measuring both growth and social capital variables, it is impossible to gauge any national-level effects from their findings. One can only conclude that regions with more associational activity move ahead of other regions in the same country while the effect on the entire nation may be negative (see Heckelman and Wilson 2013).

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P A R T V I I I

**POLITICAL TRUST:
WHERE DOES IT
COME FROM, WHY
IT MATTERS**

CHAPTER 23

FOUNDATIONS OF POLITICAL TRUST

OLA LISTHAUG AND TOR GEORG JAKOBSEN

OVER the last decades, the study of political trust has become an important part of political behavior research. Empirical studies have expanded to include both old and new democracies, and for many countries a time series is now available. This research has built on a long-term concern for the state of democracy in developed democracies in Western Europe and North America, going back to at least the 1970s. The early research was not primarily related to political trust narrowly conceptualized, but was focused on a broader crisis diagnostics of Western democracy—maybe also of the Western political system and culture on an even wider scale (Crozier, Huntington, and Watanuki 1975). On the surface, we can view the crisis interpretation through a longer time-frame, as the postwar period with strong economic growth, low unemployment, expansion of welfare, and political stability came to an end (Norris 2011). The concept of overload (King 1975) was often used to describe the combination of economic problems and political conflicts that emerged, suggesting that citizens demanded more than the system could deliver. Or, as expressed in the words of Fuchs and Klingemann (1995: 5), “the demands made by citizens on democratic governments were increasing, and doing so irreversibly, while, at the same time, the capacity of governments to realize their policy objectives was declining due, among other things, to lower economic growth.” In the years that have passed since this research was done, one can still observe elements that have been on the research agenda from the beginning, and still are, although such questions are not focused only on the crisis of government.

In assessing the foundations of political trust, one can either focus on theoretical arguments, often with a broad crisis perspective, or investigate empirical problems of democracy and political trust within standard political behavior models. It is the latter approach that we will find in the present review, which is the orientation of research that has been dominant in the disciplines since the 1970s. While the crisis perspective in recent years has been more dominant in social capital research (Putnam 1993)

than in research on political trust, we are of course aware of the considerable overlap between these fields of study.

We present a general overview of political trust research as the research has developed within a standard political behavior framework. More specific models are also discussed in other chapters in this volume. In addition, we analyze political behavior models within a macro-setting. This is primarily about institutions, but we will also include other macro-characteristics like resource curses, political conflict structures, and the welfare state.

This means that our understanding of political trust has become broader and captures research questions that go far beyond a psychological trust model. Especially useful is the fact that data now allow us to compare political support across the borders of new and old democracies. We can also analyze other regime characteristics, such as how parties that originate from communist times are adapting to new political contexts. For example, among parties that are losing in an election we find that supporters of the traditional communist parties show the weakest political support, followed by reformed communists and voters for other parties (Anderson et al. 2005: 106–107).

Pippa Norris has moved the research beyond the crisis view, particularly in *Critical Citizens* (1999) and more recently in *Democratic Deficit* (2011). The latter book stands as a comprehensive review and overview of conceptual issues in the study of political trust as well as an analysis of relevant data—both comparative and time series. It is also obvious that the two books offer a more positive picture of political trust than we usually see.

When summing up her main findings, Norris (2011: chap. 12) does not support what she now calls the “conventional wisdom” that there is a long-term decline in political system support. Rather, she discusses a “trendless fluctuation” across the main dimensions of a revised set of Eastonian political support indicators (Norris 2011: 24–31), ordered from specific to general: officeholders, regime institutions, regime performance, regime principles and values, and national identities. Not all the indicators are analyzed with overtime data, but it is fair to say that we now have a large set of empirical studies that cover many of the system support indicators and allow us to conclude the research on a sounder basis than we could do before (Norris 2011: 24).

In contrast to the crisis literature, which typically focused on one major factor to trigger a decline of trust, research has moved to encompass a wider set of factors that are used to account for variations in political trust (Newton and Zmerli 2011). Some of the important groups of independent variables are political distance, socioeconomic performance, and impact of institutions and historical legacies. Many of these factors—but surely not all—were included in the Beliefs in Government project, and showed that the basis for political trust was complex and could not support one single formula (Kaase and Newton 1995; Klingemann and Fuchs 1995).

The importance of political distance goes at least back to the controversy between Miller (1974) and Citrin (1974) on the impact of political issues on trust in government in the United States. In contrast to other studies on the relationship between crisis and political trust, the Miller and Citrin studies were specific in content and tried to sort

out particular elements and mechanisms of dependent variables as well as independent variables.

Miller argued that political cynicism was caused by the distance between political positions of the government and issue positions in the mass publics. Key questions in this early research were related to racial conflicts in American cities as well as participation in the Vietnam War. These issues were very polarizing and created large differences between important groups of citizens and the governing party. Miller interpreted the trust indicators as general (diffuse) measures of confidence in the political system, while Citrin saw the decline as related to weakening support for particular leaders, making understanding of the gaps between groups holding conflicting issue positions less dramatic than the interpretation of Miller. As is often the case in research, this controversy is more important for the questions that were raised than for an answer that is “correct.”

For a discussion based on the time series of American National Election Studies (ANES) data, Norris (2011: 63–64) finds that the trust item in the battery is quite volatile, but the long-term trend is declining. In addition to discussion of trust items as specific or diffuse, political distance might be related to comparisons across demographic groups—age, gender, education, and others. Empirical research has given scant support to hypotheses that demography plays a significant role for political trust (Listhaug 1995). The main reason for this is that demographic variables are not in many cases linked to political issues and conflicts. Demographic factors and social cleavages normally have an impact on political trust only when they are linked to political conflicts between groups.

When mass opinion moves away from the political views of government elites—or when governments shift their policies further away from mass audiences—the political distance between mass and elite will increase. The size of political gaps between mass and elite is an important element in political representation, and we assume that political trust declines when gaps increase.

There are several measures of political gaps that can be constructed. Later research has emphasized more general aspects of distance, for example, by left-right ideology. Most governments are recruited either from the moderate left or the moderate right. Distance to government will then be shortest for voters in these positions. Policy issues are the most important element in the distance model. However, research has expanded to include general aspects of politics as well as study of the interaction between ideological positions of government as measured by parties that form the government and parties that are the basis of government support in the parliament. While policy issues in many democracies are quite stable, it is likely that they are less stable than the distribution by left-right ideology or other ideological dimensions. For many ideological dimensions, we find a significant impact of ideological distance on political trust. This relationship often shows a curvilinear pattern, with weaker trust placed to the left or on the right rather than in the middle.

If government is based on parties on the left, trust will improve for citizens who share this ideological position. If government is formed by parties to the right, political trust

will show an improvement on this side of the ideological spectrum (Listhaug 1995). In this way the shifts in political trust are linked to the alternation of political power and are part of the democratic movements that follow election outcomes.

There is also an impact of winning and losing on political trust. Research by Anderson (2005) and several others have emphasized that citizens who vote for parties who win elections are more likely to support the political system than those who vote for parties that are on the losing side in elections. There is now a considerable amount of empirical findings that support this hypothesis. In the multivariate model, Anderson et al. (2005: 104) find that losing has a negative impact on four measures of political support. The empirical findings also demonstrate that the negative impact of losing is larger in new democracies and transitional regimes than in the more stable European democracies.

The low political support that we find in new democracies is normally attributed to shorter experience with democracy and weaker political institutions in these countries than in countries with longer experience of a democratic system and working political institutions over an extended period of time. In addition, in some new democracies the expectations for what the new system could deliver was exceedingly high, and was thus difficult to meet when political realities came. Or it could be phrased this way: “[L]osers in new democracies have not yet learned to lose—that is, that they have not developed the experience necessary for behaving like graceful losers” (Anderson et al. 2005: 105).

Many of these observations are probably equally relevant today as in the late 1990s, and what was considered a success story of democratization is not so obvious in contemporary new democracies. In a discussion of this model, Esaïasson (2011) puts less emphasis on losers and argues that both winners and losers retain their trust levels, this may even become more positive, probably because elections stimulate democratic attitudes. If trust in government declines, it is likely seen as a reaction toward violations of the democratic process.

Although political distance is a key element in a model to explain variations in political trust, there are several other parts of the standard political behavior model that are relevant. The most important is political performance. Political trust increases when government delivers results and outcomes that are in demand by citizens. Previous research has demonstrated a large number of variables that are relevant as performance indicators. Economic measures are at the core, but more generally all valence variables are relevant for performance. The emphasis on valence moves some of the political trust research close to the literature on economic voting.

The distance model is a model of conflict. This is not so clear for a performance model. If citizens agree on the goals for society, political competition between parties about who can best deliver results comes to the forefront. Political trust might be seen as a byproduct of what goes well in society. Normally the emphasis is on the economy, but as Huseby (1997) argued many years ago, there are other issues that have valence characteristics and could play a role for political trust. Especially in the European welfare states we assume that performance of healthcare, care for the elderly, and several other welfare-state indicators could be important for how citizens will trust the relevant areas of government as well as the state in general.

Huseby (1997) included the environment as a valence issue that everyone is concerned about. This is even more relevant today when global warming is becoming an issue of great public concern (Kvaløy, Finseraas, and Listhaug 2012), and there are also good reasons that it will develop further as a performance issue in years to come. The global concern for the environment should also be linked to a survey analysis of mass and elite, and the survey should be part of a public policy analysis, preferably also in a comparative model.

A full distance model also needs measurement of policy positions of government in addition to a survey of citizens. This is lacking in much of current research. Several methodological issues must be solved, but there is a considerable experience in election studies measuring both policy positions of voters and parties. However, we know from earlier research that perceptions of policy positions bias the estimates (Grand and Tiemann 2013), and we know from Soroka (2014) that there is a marked bias toward negativity in the measurement of politics and political communication. These sources of errors must also be handled.

Since the 1960s there has been a general decline in public trust in the federal government in the United States. Today, according to the Pew Research Center, only two out of ten Americans express that they can trust the government in Washington to do what is right “just about always” or “most of the time.”¹ At the start of the 1960s corresponding numbers were above 50%, and there has been a continuous decline ever since, with the exception of a couple of spikes that were relatively short-lived. This trend is robust to different age groups, only with a tendency that those who identify with the incumbent party have more trust than those who do not. These findings are consistent with those of the General Social Survey of adults (1972–2012) and the Monitoring the Future (MtF)² survey of twelfth graders (1976–2012). This counters the prediction made by Sander and Putnam (2010) that the co-called millennial generation would bring a revival of social capital.

The time series available for European countries are shorter than those for the United States. We have looked at trust in parliament, taken from the European Social Survey (2002–2014). The trends from Europe are relatively heterogeneous, as the country variations are large. However, there is a tendency that some of the countries hardest hit by the economic crisis or warfare have experienced a decline (e.g., Portugal and Ukraine), while some of the richest countries have experienced a rise (e.g., Norway and Switzerland), and others have experienced little change. These tendencies are not so clear as in the case with a downward trend seen in the United States. As such, European data contradict the claim that contemporary democracies are losing citizens’ support. Note also that Dalton (2004) has advocated a thesis of a general decline in advanced democracies, which is somewhat in contradiction to what we and an earlier study by Marien (2011b) have found.

The decline of political trust in the United States has stimulated a literature that sets the decline in a broader setting (Hibbing and Theiss-Morse 2001, 2002; Hetherington 2005). Recently, several studies have related the polarization in American politics to the decline in political trust (Hetherington 2015; Hetherington and Rudolph 2015; Uslaner 2015).

INSTITUTIONS

In line with what we find for other aspects of political behavior—voting, political participation, and policy attitudes—institutional effects are becoming important in empirical models of political trust. Institutions can be defined narrowly, primarily as electoral institutions, but they are also defined more broadly, which we find for example in Norris (1999). A weakness of some of the previous research is the lack of ability to combine data about macro-level indicators and institutions and micro-level data on attitudes and behavior. By establishing a major research collaboration of election studies and including a module of questions in the election surveys, and at the same time collecting important macro-level data about electoral systems, it became possible to observe effects of both micro- and macro-level institutions, which add empirical results to previous research findings (Klingemann 2009; Norris 1999, 2011; Thomassen 2014). Norris (2011) also points to the fact that several countries were working to change their electoral system, thus increasing interest in studying how institutions contributed to democracy or, for that matter, to political participation and other indicators that are relevant for assessment of the democratic system in a country.

The empirical findings of institutional effects are not consistent as Klingemann and others observe; many of them are weak and do not go in the expected direction. Using data from the Comparative Study of Electoral Systems (CSES), we now have edited volumes (Klingemann 2009; Thomassen 2014) that analyze the data. Listhaug, Aardal, and Ellis (2009) studied the impact of institutions on three political support indicators—satisfaction with the democratic process, efficacy, and if it makes a difference who is in power. The classification of institutions follows the distinction between accountability and participation and how these dimensions are reflected in election systems. The authors do not find a clear impact of institutional effects on political trust indicators. This is the case both for measures of accountability and representation.

Thomassen and van der Kolk (2009) study how political support varies by age of democracies, and find that satisfaction is higher in old democracies than in new democracies. Interestingly, they also find that new democracies are more sensitive to variations in effectiveness than old democracies (Thomassen and van der Kolk 2009, 346). An important interpretation is that established democracies are able to build on a reservoir of diffuse support, which helps citizens tolerate output to which they are opposed (Thomassen and van der Kolk 2009; 337). In another article, also based on CSES data, Aarts and Thomassen (2008) study how satisfaction with democracy is dependent on some key indicators of institutions, primarily accountability and representation.

Sanders et al. (2014) use Eurobarometer data and data from CSES on satisfaction with democracy to study the impact of electoral institutions, as well as other macro- and microvariables. Many of their findings are in line with previous research, although the authors emphasize better than many scholars that institutions might have positive as well as negative effects on satisfaction with democracy. The authors argue that

the practical effects of the rules are more important than the formal rules themselves (Sanders et al. 2014: 159). They emphasize especially the impact of plurality rules.

Rules that produce plurality are often associated with negative effects of satisfaction with democracy. Disparities of vote share versus seat share are also hypothesized to have a negative effect. But majoritarian systems have positive effects as well, such as the effect of clarity of responsibility as described by Powell and Whitten (1993). In contrast to majoritarian institutions the impact of proportional systems or consensus democracy will improve political representation, which in turn will increase satisfaction with democracy (Thomassen 2014).

In the conclusion on the question if institutions matter, Thomassen (2014: 19) comes up with an overall assessment that for political trust—and other political behavior characteristics—what matters is not the formal structure of institutions, but rather how institutions work. In addition, he points to the observation that effects can cancel each other. This leads him to be skeptical as to what can be achieved by institutional engineering.

In studies on the impact of institutions on political trust, scholars mostly do their research on national institutions. However, we also now see a considerable research interest in the study of multilevel governance and political trust. The following summaries build partly on a chapter by Listhaug and Ringdal (2009). One of the volumes in the Beliefs in Government project was devoted to international trust (Niedermayer and Sinnott 1995), and it is likely that the research interest in international trust will rise in the years to come.

The conventional approach is to compare countries, regions, and other geographical units within countries. Above the country level, important examples are the European Union (EU) and the United Nations (UN). Including institutions at these levels, we will increase the complexity of the empirical analysis. In addition to the models with what we call “conventional geographical units,” Hooghe and Marks (2003: 235) have extended research even more and classified this as Type II (the conventional units are called Type I). Listhaug and Ringdal (2009) propose that if the Hooghe and Marks thesis is correct, this could lead to a decline in political trust as citizens would be overwhelmed by information and options that they cannot handle.

Papandopolus (2007: 483) puts the emphasis on factors that might reduce accountability, and in the next stage reduce trust. One argument against this scenario is that citizens do not pay attention to much of the elite politics of the new governance structures, but keep their attention on traditional politics with the nation-state at its core. It is also likely that Euroskepticism is driven by political conflicts in the intersection between national politics and EU politics.

There are three research questions in these studies (Listhaug and Ringdal 2009: 236). The first is at which level policies should be decided. The levels that we can study are the global level, the European level, and the regional or local level. The second question is to study if there is a relationship between political level and trust. We are concerned especially about the European level as there has been much focus on Euroskepticism (Hix 2008). Finally we investigate if there is a relationship between preferences for where

policies should be decided and trust. The empirical support for the research questions is weak.

We find that trust in national parliaments on average is higher than trust in the EU parliament. However, trust in the United Nations is the highest of the three institutions. For the UN the relatively high support is probably due to the fact that this institution represents an ideal that the United Nations has problems to achieve, but nevertheless is supported by most people. For the EU parliament and the national parliaments the situation is different. National parliaments are key political institutions and are supposed to be involved in significant political issues in the countries.

For the EU parliament the situation has been somewhat different, as this institution has had weak powers compared to other EU institutions. Reforms have been implemented to increase the powers of the elected EU parliament—in contrast to EU institutions that are not elected. Currently the European Union has run into a series of problems in handling the main issues of conflicts in Europe. We are thinking of economic issues as well as questions of security politics and conflicts between groups of member states. These problems may be related to political trust and legitimacy.

In addition to institutions that are located above the nation-state, there has been considerable research on political units below the nation-state—local political units and regional institutions (Denters et al. 2014). Several research questions are relevant for the understanding of political trust at the local level. Denters (2002) used survey data from Denmark, the Netherlands, Norway, and the United Kingdom. The findings showed that those who held political offices at the local level had higher trust than national politicians. As for the impact of the size of the national communities, he observed that citizens in small municipalities were more satisfied than those who lived in larger units.

In a very detailed study of Norway, Rose and Pettersen (1999: 119) use some strong language regarding their findings—which they characterize as “very solid, indeed even spectacular”—that those who live in small communities are more confident in how their politicians spend the taxpayers’ money.

In a study by Fitzgerald and Wolak (2016), they emphasize that trust in local government is dependent on institutional mechanisms. Building on the view that local government is becoming more important in governing societies, trust in local government is also becoming more important. Small-size governments in Europe seem to develop more trusting audiences than large municipalities.

In several studies by Denters and collaborators, a large list of research questions on the size of local government and political support is examined. Denters (2002) found earlier that citizens in smaller municipalities were more satisfied with their local government, leading to a negative relationship between size and trust. In the main book from the project (Denters et al. 2014), a detailed model is developed, giving a rich empirical study for investigating key questions on the link between size and democracy in the research line from Dahl and Tufte (1973). Before we proceed with the discussion of other macro-level characteristics and political trust, we have included a table (Table 23.1) with an overview of some examples of newer research in the field.

Table 23.1 Newer Quantitative Research on Political Trust: Some Examples

Author(s)	Data	Main explanatory variable(s)	Dependent variable	Findings
van der Meer (2010)	European Social Survey 2002, 2004, and 2006, 29 countries	Corruption Perception Index, GDP per capita, electoral systems, and regime type	Variable 0–10 denoting trust in parliament	Corruption affects trust negatively, trust is higher in proportional electoral systems, and trust is lower in former communist countries
Marien (2011a)	European Social Survey 2006 and 2008, 23 countries	Electoral systems, using Gallagher's disproportionality index	Scale 0–30 composed of three variables on trust in parliament, political parties, and politicians	Political trust is highest in countries that have very proportional or very disproportional election outcomes
Dunn (2012)	World Values Survey 1995, 1999, and 2005, global sample	Gallagher's disproportionality index	Variable 1–4 denoting trust in parliament	Proportionate outcomes in parliament are associated with a higher level of individual trust
Bauer & Fatke (2014)	Swiss Electoral Studies 2007	Availability of direct democratic rights	Variable 0–10 denoting trust in cantonal authorities	Greater availability of direct democratic rights is associated with higher levels of political trust
De Juan & Pierskalla (2014)	World Health Survey 2003, Nepal	Count data on the number of total killings <i>per village development committee</i>	Political trust in the national government 1–5	Exposure to violence reduces trust in national government
Ellinas & Lamprianou (2014)	European Social Survey 2002, 2004, and 2010, Greece	Social performance, measured through two questions on the respondents' rating of education and health services	Scale 0–10 showing average scores on trust in parliament, legal system, police, and politicians	The effect of social performance on political trust is stronger during extraordinary conditions than during normal times

(continued)

Table 23.1 Continued

Author(s)	Data	Main explanatory variable(s)	Dependent variable	Findings
Reitan et al. (2015)	Norwegian Citizen Study (2009)	Performance measurements index, Managerial autonomy index, Two-tier organization and Citizens' participation index	Legitimacy index 15–15 composed of five questions on local politicians	No connection between government reforms and individual-level trust
Hooghe et al. (2015)	Belgian Political Panel Study 2006–11, which tracks respondents aged 16–21	Own educational track, educational goal, mother's education, father's education	Scale 0–10 composed of six questions on trust in police, courts, federal parliament, regional parliament, European parliament, and political parties	Students in higher education have already during secondary education acquired a value pattern congruent with their future status
Kroknes et al. (2015)	European Social Survey 2004, 2006, 2008, and 2010, 25 countries	Economic indicators: GDP growth, unemployment, GDP gross debt, and GDP <i>per capita</i>	Scale 0–30 composed of three variables on trust in parliament, politicians, and political parties	The financial crisis of 2007–2008 had a negative influence on citizen's trust levels in those countries hit hardest by the crisis
Freitag & Ackermann (2015)	Politics and Society in Switzerland 2012	Agreeableness and direct democracy	Variable 0–10 denoting trust in cantonal authorities	Direct democracy has a negative influence on trust for persons that score high on the personality trait of agreeableness

If we follow the institutional approach, political trust and distrust can be considered to be rational responses by citizens to the performance of institutions (March 1988; North 1990). That is, those institutions that can deliver will be more trusted than those that are not perceived to function properly. When it comes to elections, it has been argued that political trust is related to citizens' feeling of the fairness of proportional election outcomes (Lijphart 1999), as this model includes the wishes of as many people as possible in the government. However, it can also be said that the effectiveness and

accountability of disproportional election outcomes could increase trust-levels (Aarts and Thomassen 2008), as is the case when only the wishes of the majority of the people are included in government.

Several newer empirical studies have investigated the link between the proportionality of the electoral system and political trust. In a study of 23 countries using data from the European Social Survey (2006–2009), Marien (2011a) studies the effect of electoral outcomes on political trust. She finds a curvilinear effect of proportionality on political trust, as both proportional and disproportional election outcomes are associated with high trust-levels, while the middle category holds lower trust-levels. Another study by Dunn (2012) shows a more linear relationship. Using data from the World Values Survey (1995–2005), he finds proportionate voter outcomes to be associated with a higher individual level of trust in parliament.

Taking the argument about citizen participation even further, two Swiss studies have investigated the link between direct democracy and political trust. First, Bauer and Fatke (2014) argue that greater availability of direct democratic rights will lead to increased trust levels. The argument is that direct democracy will increase people's perception of control over political authorities as well as function as an incentive for them to act trustworthy. This argument is supported by their empirical results. Second, Freitag and Ackermann (2015) add personality traits to the equation. Their argument is that the previous lack of findings can be attributed to not including the diverse effect that direct democracy has on individuals, and this effect is conditioned by an individual's personality traits. They investigate data from 26 Swiss cantons and find that the trait of agreeableness moderates the influence of direct democracy on trust in cantonal authorities in Switzerland. People with a high score on agreeableness will interpret direct democracy as a signal of political and societal conflict, and thus have less trust in cantonal authorities.

Another study of trust levels in local politicians is performed by Reitan, Gustafsson, and Blekesaune (2015). They look at the relationship between local government reforms (New Public Management) and citizen trust in local government, finding no clear relationship between these two. In a panel study of Belgian adolescents and young adults, Hooghe, Dassonneville, and Marien (2015) investigate the impact of education on the development of political trust. Their results show that during secondary education, students have already acquired a value pattern that continues into adulthood.

Kroknes, Jakobsen, and Grønning (2015) predict that the countries hardest hit by the financial crisis of 2007–2008 will experience a decrease in political trust. This is tested by way of investigating economic indicators on general trust levels for 25 countries over the time period 2004–2010 using data from the European Social Survey. Their conclusion is that the financial crisis has a negative influence on citizens' levels of trust in countries where the crisis has affected the economy the most. Using data from Greece, also taken from the European Social Survey, Ellinas and Lamprianou (2014) study the effect of extreme economic conditions on trust. They find that economic performance does not have a large effect on political trust, and that his effect does not increase with

the worsening of the crisis. However, there is an effect of social performance, and this effect is stronger in times of economic hardship.

RESOURCE CURSE

The distribution of resources in the world is not equal. Some countries have an abundance of valuable minerals like oil, diamonds, gemstones, or cobalt, while others have shares of high-value renewable commodities like fish, coffee, and fertile soil. One would often think that the presence of such resources could be regarded as a blessing, and should naturally contribute to raising the expectations of the citizens of these resource-rich countries. However, many of these states have trouble generating growth and providing welfare for their populations. Researchers within the study of conflict have found that the presence of natural resources, especially when it constitutes a large part of a country's exports, is strongly related to civil conflict (Collier and Hoeffer 2004; de Soysa & Neumayer, 2007; Fearon 2005; Lujala 2010).

When it comes to political trust, there are two mechanisms explaining why an abundance of natural resources may affect political trust negatively. First, we have the local grievances explanation. If a given country has an unequal (real or perceived) distribution of resource revenues, people in the region where resources are extracted may develop grievances toward the political institutions of that country. The reason is that they have to bear the costs of extracting the resources, while at the same time perceiving that they are not getting their fair share of the income. The presence of minerals, oil, or renewable resources will raise people's expectations, thus leaving them dissatisfied, which can manifest as a decrease in political trust. This mechanism could be expected to increase where the resource-rich regions coincide with other societal cleavages (Lujala 2015). Second, resource-rich countries have experienced lower growth rates than other countries. Reasons for this include the so-called Dutch disease, where resource exports remove capital and labor from other export sectors, the latter often consisting of those that could have secured long-term growth of that country. Financial gains from export also affect the exchange rate, hurting other sectors of that country.

The expectation raised from the presence of natural resources, together with poor handling of the economy resulting in an economic decline, can thus have an effect on political trust. We can apply the mechanism presented by Davies (1962), where you get a gap between expected need satisfaction and actual need satisfaction. In the worst instance, as Davies suggested, this could lead to armed uprisings. But before it goes so far, a large enough gap between what people want and what they get will also lead to a drop in citizens' political trust. What is important is not only what people actually are getting but also the contrast between what a person has and what he or she expects to have. The presence of natural resources is often followed by a short-term financial gain, but when income decreases people's expectations do not automatically decrease, and an intolerable gap is experienced.

A global sample of 132 countries Tsui (2010) finds a negative connection between level of oil export and level of democracy (which again is linked to political trust). This finding is robust when excluding large Middle Eastern producers from the analysis. The mechanism is not limited to developing countries. Listhaug (2005) argues that Norway, which has taken steps to avoid the resource curse, also has experienced a drop in political trust due to the discrepancy between expectations and what people are actually getting. The Norwegian state has imposed strong government involvement in the production of oil, which strengthens citizens' expectations of benefits they may receive. However, much of the oil wealth has been placed in an oil fund (investments abroad), and citizens thus perceive government to be too tight on spending, contributing to a decline in political trust in Norway. Listhaug (2005) views this decline as a mild form of resource curse, that is, a public perception of a contrast between growing wealth, which is stacked away in the oil fund, and more demands for public services and lower taxes.

CONFLICT AND POLITICAL TRUST

Trust is an important topic in the field of international relations and peace research. With regard to the former, trust is important in the security dilemma, where fear or lack of trust makes the actors keep arming themselves, creating an increasingly insecure environment. Regarding the latter, the opportunity cost of conflict is directly related to the issue of political trust. The opportunity school of thought (Collier and Hoeffler 1998) assumes that each individual makes a cost-benefit calculus, deciding whether or not to participate in armed rebellion. Their decision to go to war is a function of both income level (the higher your income is, the less likely you are to rebel), potential reward (diamond mines, oil fields, etc. increase the risk of war), and the perceived probability of success (a weak state increases the risk of war). If there is little trust in the existing system, this will make war more likely as people see little chance of political improvement, representation, or more material gain. They thus have less to lose by participating in a rebellion. In addition, trust is essential to establishing peace, as it is necessary to solve commitment problems (Fearon 1995; Walter 1999).

If we view political trust as an outcome variable, one argument would be that exposure to war or violence can affect people's levels of trust in a negative way. The reason is that the presence of civil war shows the state to be unable to protect its citizens, that is, to uphold its monopoly over the use of violence. Or, even worse, the state's engagement in military activities could be the reason for the loss of lives and property as well as displacement, thus directly influencing people's perceptions of the government in a negative manner. Few studies have approached the effect of conflict on political trust. One exception is De Juan and Pierskalla (2014), who use survey data and village-level information on casualties to investigate the effects of exposure to violence on political trust in Nepal. The survey was conducted in 2003 and comprised 8,822 households in

65 out of 75 districts in Nepal. Their finding was that exposure to violence reduces trust in the national government.

In their study of political trust in Africa in 2000–2005, Hutchison and Johnson (2011) found that institutional capacity was associated with increased levels of trust in government, and that this effect was independent of other individual-level attitudes, socioeconomic characteristics, and prior violent conflicts in a given state.

In a study of postwar Tajikistan, Cassar, Grosjean, and Whitt (2011) found that conflict exposure undermines trust in people within local communities. It must be noted that the data were collected more than a decade after conflict. In a study of conflict and voting in Uganda, Blattman (2009) found that exposure to violence increased voting. The same was found by Bellows and Miguel (2009) in a study of Sierra Leone. In another study of Sierra Leone, Sacks and Larizza (2012) look at the consequences of political decentralization in a postconflict society using longitudinal survey data. They find respondents living in areas affected by the war to have more trust in their local government councilors. Using survey data from 2010, Bakke et al. (2014) find only limited evidence concerning the effect of internal political violence on trust in the president and parliament in Abkhazia. Note also here that the survey was conducted more than a decade after the end of violence. We observe that the impact of conflict is related to both levels of voting and trust in local government.

According to De Juan and Pierskalla (2014), such diversity in findings can be attributed to the time aspect as well as peace-building activities after violent conflicts. The longer the period after violence, the less influence the conflict has on political trust. This argument is supported by De Luca and Verpoorten (2011), though with a different dependent variable, as they find a short-term effect of violence and social capital followed by a rapid recovery.

THE WELFARE STATE AND POLITICAL TRUST

All countries must in some way provide their citizens with protection against the risks of modern life in order to secure continued economic growth and political stability. Thus, the state must play a role in promoting the social well-being of the individual. In most countries there is general support for and acknowledgment of the positive social consequences of the welfare state, especially with regard to the area of health care (Wendt et al. 2010). The output side is important for the legitimacy of the state, something that is especially valid in the modern welfare state. Citizens today are in many cases directly dependent on public-sector programs and schemes.

Scant research has been performed on the topic of welfare state experiences on political trust. An exception is Kumlin (2004), who uses Swedish primary survey data to answer this question. His main finding is that personal welfare state experiences have a substantively significant effect on political trust. More specifically, he looks at what happens when a person is discontent with welfare-state service as a result of personal

experience. In doing this he draws on Skocpol's (1994) argument that public opinion is partly influenced by citizens' experiences with preexisting governmental institutions and programs. Kumlin makes his reckoning which with earlier findings, suggest that aggregated collective experiences of events have a greater effect than personal experiences, with reference to the "economic voting" literature. His finding, that citizens' own experiences have an effect, is different from much of the previous literature (e.g., Kinder and Kiewiet 1981).

CONCLUSION

Research on political trust has been through a period of strong growth and now constitutes an important field within political behavior. The research growth is driven at least partly by access to new sources of data that are relevant for testing many of the explanations of political trust that the research literature has discussed. Research has moved in several directions. Overall, we observe that the research on political trust is strongly integrated into mainstream political behavior research with an emphasis of attitudes and other political psychology constructs. Complementing the micro approach, there is also a movement toward macro studies, with strong links to institutions. The institutional approach is primarily linked to electoral institutions and tests main hypotheses about differences between electoral systems.

Overall, we do not find a strong and consistent impact of institutions on trust. While institutions are the most important set of macrovariables that are relevant for the analysis of political trust, we have added several macrovariables that are not so commonly used in the study of political trust, including studies of the resource curse, political conflicts, and the welfare state and political trust.

NOTES

1. Pew Research Center, National Election Studies, Gallup, ABC/Washington Post, CBS/New York Times, and CNN Polls.
2. Monitoring the Future, www.monitoringthefuture.org.

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CHAPTER 24

POLITICAL TRUST AND POLARIZATION

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PARTISAN polarization among lawmakers in Washington has increased sharply in recent years (Lee 2009; Theriault 2008). As polarization has reached new heights, congressional productivity has reached new depths. The 112th and 113th Congresses, which served from 2011 to 2014, were the least productive ones on record (Binder 2014; Terkel 2012), with the 114th on pace at the time of this writing to be similarly sluggish. Such unproductivity and political dysfunction can be quite costly. For example, Congress's inability to forge a budget compromise in 2013 automatically triggered a policy of sequestration, a painful round of mandatory cuts in Medicare, discretionary domestic spending, and cuts in the defense budget. A government shutdown followed later that same year, with an estimated cost to the economy of \$24 billion and losses of about 120,000 jobs.

The American public is uniquely positioned to rein in legislators and put the brakes on partisan and ideological excesses in Washington. Since representatives rely on public support to secure reelection, they have powerful electoral incentives to listen to public opinion (Mayhew 1974). Yet the public has done little to discourage elite polarization in Washington. Why? Is it because the American electorate is just as ideologically polarized as Washington elites? It doesn't seem so; public opinion surveys have repeatedly found that the policy preferences and ideological predispositions of average citizens are not particularly extreme (Bafumi and Herron 2010; Clinton 2006; Fiorina et al. 2005). Although most Americans may not be polarized in their *policy preferences* or *ideology*, a growing body of evidence suggests that they are polarized in their *feelings* about their political opponents (Hetherington and Rudolph 2015; Huddy, Mason, and Aaroe 2015; Iyengar, Sood, and Lelkes 2012; Iyengar and Westwood 2015; Mason 2015, 2016). Simply put, the American public is currently experiencing a state of affective polarization in which Republicans and Democrats dislike each other to an unprecedented degree.

Over the last decade, Americans' increasingly hostile feelings toward their political opponents have engendered a new and politically consequential type of polarization—the polarization of political trust along partisan lines. Republicans and Democrats are now much less likely to trust the federal government when the opposite party controls it. This development is of consequence because political trust is a critical commodity in democratic societies in that it helps bridge the ideological gap that inevitably exists between policy ideas of the governing party and those of the opposition party. Polarized trust inhibits the formation of public consensus on public policy because it reduces the willingness of citizens to sacrifice their ideological proclivities for the common good (Hetherington and Rudolph 2015). As a result, political leaders struggle to gain support for government programs in an environment in which political trust is both polarized and low. The polarization of political trust has, we believe, contributed significantly to the ongoing political dysfunction in Washington.

In this chapter we will explore the polarization of political trust within the United States. First, we will analyze the relationship between partisanship and political trust over time in an effort to document the emergence of polarized trust. Second, we will use individual-level panel data to help explain when and why political trust became polarized along partisan lines. Third, we will demonstrate the far-reaching policy consequences of polarized trust by showing the effects of political trust on public support for a range of programs. Finally, we connect our findings about ordinary Americans to the decisions that political elites make in Washington. Specifically, the polarization of trust allows minority party leaders to do what is best for their political party even if it is not best for the larger public interest.

THE EMERGENCE OF POLARIZED TRUST

Since the 1950s, public opinion surveys have regularly asked the American people how much they trust the federal government. Respondents have most commonly been asked the following question: "How much of the time do you think you can trust the government in Washington to do what is right? Just about always, most of the time, or only some of the time?" For nearly fifty years, the correlation between political trust and partisanship was only modest at best. Republicans expressed slightly higher levels of trust than Democrats under a Republican president, and Democrats voiced slightly higher levels of trust than Republicans under a Democratic administration (Hetherington 2005).

The relationship between political trust and partisanship has undergone a fundamental transformation since the dawn of the twenty-first century. To illustrate this transformation, Figure 24.1 uses data from the 2010 Cooperative Congressional Election Study (CCES) to display the distribution of responses to a trust-in-government instrument. The results are striking. A majority (52%) of Republicans reported that they "never" trusted the government in Washington to do what is right. A sizable percentage (46%)

of Republicans said that they trusted government “only some of the time.” Only 2% of Republicans reported they trusted government “most of the time,” and not a single Republican respondent in the survey said that he or she trusted government “just about always.” Democrats, by contrast, expressed much higher levels of trust. Only 13% of Democrats reported that they “never” trusted the government to do what is right. Nearly one-third (29%) said they trusted government at least “most of the time.” The results in Figure 24.1 are indicative of a public in which political trust is remarkably polarized along partisan lines.

How did we get to this point? When did political trust become so polarized? The trend lines displayed in Figure 24.2 shed some insight on these important questions. Figure 24.2 tracks the level of political trust expressed by Republicans and Democrats at multiple intervals between 2002 and 2013. In the wake of the terrorist attack on

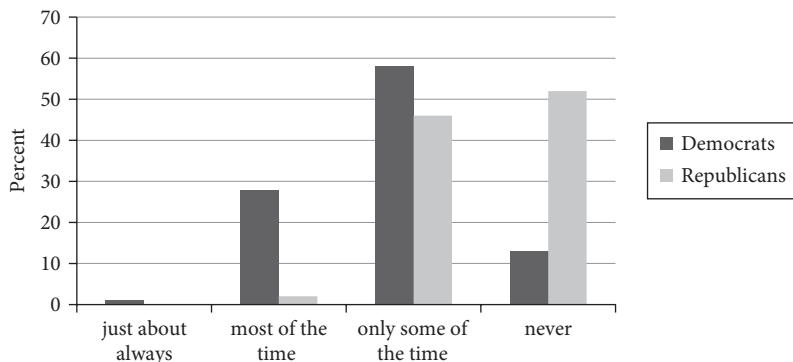


FIGURE 24.1 Trust in Government by Party, 2010

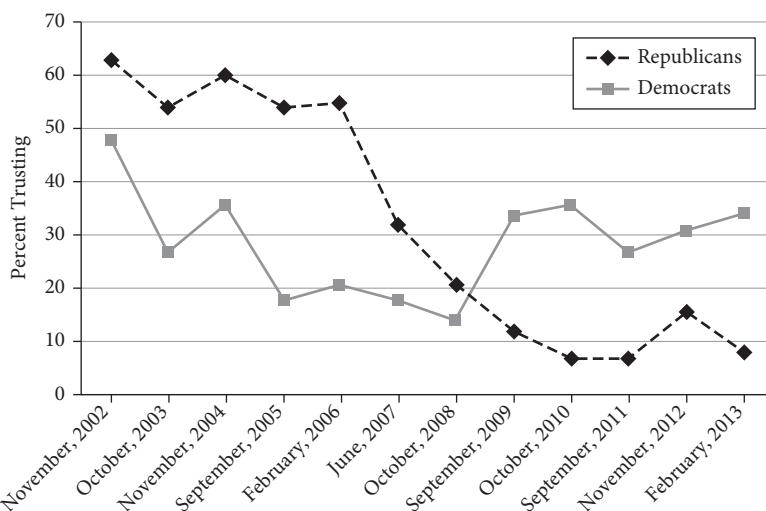


FIGURE 24.2 Political Trust by Partisanship, 2002–2013

September 11, 2001, both Republicans and Democrats expressed high levels of political trust. Nearly two-thirds (63%) of Republicans said they trusted government at least “most of the time.” Even though Republicans controlled the White House and the House of Representatives in November 2002, almost half (48%) of Democrats said they trusted government at least “most of the time.” Not only did many members of both parties trust government but also the partisan gap in political trust was relatively small.

The warm glow of national unity experienced in the months following September 11th did not last for long, as the polarization of political trust was well underway by the close of 2004. By September 2005, Democrats’ trust in government plunged to 18%, while Republicans’ trust remained quite high at 54%. This pattern continued into 2006, as only about one-fifth of Democrats trusted government while more than half of Republicans did. This yawning partisan gap in political trust made it difficult for President George W. Bush to build public support for signature initiatives such as Social Security privatization and comprehensive immigration reform (Rudolph and Popp 2009). With little trust, Democrats in the electorate would not buy into the GOP’s ideas.

Figure 24.2 also reveals that this pattern quickly reversed soon after the election of Barack Obama as president. By October 2010, Democrats’ trust in government had rebounded to 36%, which has been around the norm for Democrats, regardless of which party occupies the White House, since the 1970s. Republicans’ trust in government, on the other hand, had plummeted to only 7%. As we will demonstrate later in this chapter, the near-complete absence of trust among Republicans worked against key Obama agenda items, such as health care reform and an economic stimulus (Popp and Rudolph 2011). Although both ultimately passed, the legislative process was so bruising that it undermined the efficacy of both initiatives.

EXPLAINING THE POLARIZATION OF POLITICAL TRUST

The preceding results have established that the early 2000s experienced a remarkable polarization of political trust along partisan lines. But why? Why did political trust become so responsive to individuals’ partisanship? As detailed in this section, we believe there are at least two contributing factors. First, longitudinal survey data suggest that partisans increasingly dislike the opposing political party. Second, we argue that partisans, when forming their trust judgments, now engage in a motivated reasoning process in which they see the world as much worse than partisans used to when their party was out of power and place greater weight on the evaluative criteria that favor their preferred party. Working together, these processes help to explain the emergence of polarized political trust.

More than ever before, partisans don’t like the opposing political party. It might not be too much of a stretch to say that they actually hate the opposition. The National Election Study has regularly asked ordinary Americans to rate various social and political groups from 0 to 100 on a thermometer scale. Very low scores suggest deep dislike;

and very high scores suggest a very positive affect, with 50 degrees a neutral point. In the 1980s, partisan dislike of the opposition was not particularly intense. During the Reagan administration, for example, the average rating of the Democratic Party among Republicans was 45 degrees, and the average rating of the Republican Party (also referred to as the GOP) among Democrats was 44 degrees. This pattern held relatively steady for a couple decades. Feelings toward the opposition party became a bit more negative by 2000, as the average rating of the Democratic Party among Republicans fell to 38 degrees while the average rating of the Republican Party among Democrats fell to 41 degrees, but these scores were still not too far from the neutral point of 50 degrees.

This trend toward negative feelings accelerated after that. By 2008, Republicans' average rating of the Democratic Party dropped to 34 degrees and Democrats' average rating of the Republican Party sank to 30 degrees. During the first term of the Obama administration, negative feelings toward the opposition party intensified even more. A 2011 YouGov survey found that Republicans gave the Democratic Party an average rating of 18 degrees. Democrats returned the favor, giving the Republican Party the same average rating of only 18 degrees. Such negativity toward the opposition party is quite striking from a historical perspective. These icy thermometer ratings are comparable to those that Americans used to reserve for widely unpopular groups like "urban rioters," "marijuana users," "radical students," and "black militants" in the 1970s.

Partisans' increased hostility toward the opposing party helps to explain the recent emergence of polarized political trust. People are typically unwilling to trust people and institutions they dislike. Researchers have shown that people are more likely to view members of their own social groups as more trustworthy than nongroup members because they are perceived to be more like them than are outsiders (Uslaner 2012). This same logic can be applied to trust in the federal government. Partisans who do not identify with the president's party are now very unlikely to express much trust in the government. When members of one party are reluctant to trust government because it is controlled by the other party, the polarization of political trust along partisan lines is an inevitable consequence.

A second factor that has contributed to the polarization of trust is rooted in a decision-making phenomenon known as motivated reasoning. Motivated reasoning is a decision-making practice in which individuals process information or evidence in a biased way so as to enable them to reach a preferred judgment or conclusion (Kunda 1990; Lodge and Taber 2013; Redlawsk 2002; Rudolph 2006; Taber and Lodge 2006). Put in more plain terms, it is a biased mode of thinking that allows people to see the world, including the political world, as they wish to see it.

Motivated reasoning can influence political trust judgments in a pair of related ways. First, partisans may evaluate government performance more favorably when their party is in power and less favorably when the other party is in charge. Because trust is a function of people's perceptions of government performance, this will move one side's trust scores up and the other side's down. Consider how this process works with the economy. Even though Republicans and Democrats experience the same *national* economy by virtue of living in the same *nation* as each other, they evaluate those conditions differently based on whether their party is in power (Bartels 2002; Gerber and Huber 2010). If Republicans are

in power and the economy is experiencing modest growth, for example, Republicans in the electorate might perceive it to be quite strong while Democrats might view it as somewhat lackluster. If Democrats were in power, by contrast, Democrats might perceive the same economy as strong while Republicans might rate it as rather weak. In short, motivated reasoning can bias perceptions of government performance. Since perceptions of government performance are a key determinant of political trust judgments (Hetherington and Rudolph 2008), partisan bias in such perceptions can lead to polarized trust.

In addition to directly influencing performance evaluations, motivated reasoning can also influence political trust judgments by influencing the weight that people assign to different evaluative criteria when forming their trust judgments. Partisans are expected to act as biased information processors who selectively focus on information that favors their political friends and disfavors their political foes. If the economy is strong but the nation is mired in an international conflict under a Republican administration, for example, Republicans are expected to place more weight on the economy and less weight on foreign policy when rendering political judgments such as political trust or presidential approval. Our theory of motivated reasoning thus generates two specific hypotheses. First, when Republicans are in power, we expect that they will evaluate various conditions better than will Democrats. Second, we also expect that Republicans will place greater weight on the most favorable evaluations and less weight on the least favorable evaluations when forming their trust judgments. Democrats, by contrast, would be expected to place greater weight on less favorable criteria when making trust judgments.

Partisan Perceptions of Government Performance

We turn first to the question of whether there are partisan differences in individuals' assessments of economic and foreign policy performance. Figure 24.3 reports Republicans' and Democrats' perceptions of economic performance in both 2002 and 2004. As can be seen in Figure 24.3, the data suggest that individuals' subjective economic perceptions are colored by their partisan attachments. From an objective standpoint, economic conditions in 2002 were far from robust. Unemployment was rising, real income was declining, and gross domestic product (GDP) growth fell below 2%. The economic boom of the 1990s was a fading memory. Republicans were hardly sanguine about the economy, as 62% of them thought the economy had gotten "somewhat" or "much" worse over the previous year. Among Democrats, however, that figure was substantially higher at 83%. By 2004, the economy was rebounding. Unemployment was falling and economic growth had increased to nearly 3%. Consistent with our first hypothesis, such improvement was viewed quite differently by Republicans and Democrats. Among Republicans, 39% felt that the economy had gotten better while only 18% thought it had gotten worse. Democrats perceived a different economic world, as 58% thought the economy had gotten worse while only 8% thought it had gotten better.

As shown in Figure 24.4, partisan bias is also evident in individuals' assessments of foreign policy conditions. In 2002, the United States had experienced some successes on the international stage. In the wake of the 9/11 attacks, a broad "coalition of

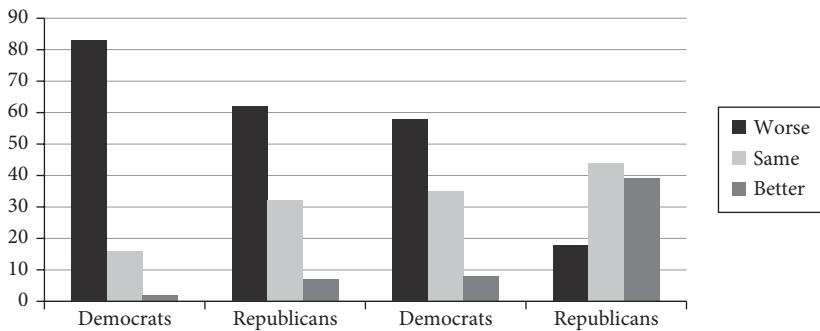


FIGURE 24.3 Perceptions of Economic Performance over the Past Year, 2002, 2004

Source: American National Election Studies, 2000–2004 Panel Study.

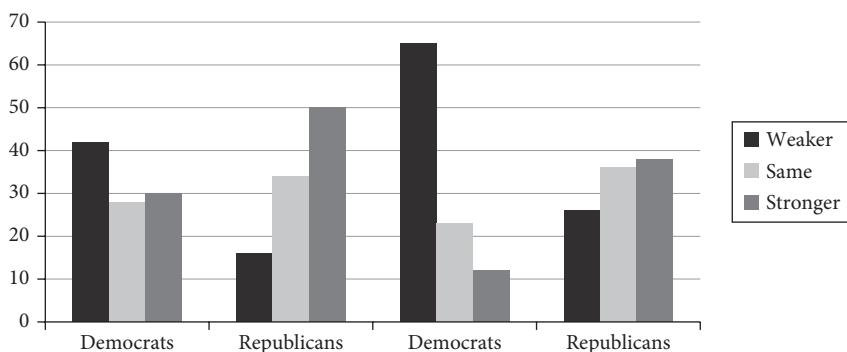


FIGURE 24.4 Perceptions of Foreign Policy Performance over the Past Year, 2002, 2004, by Party

Source: American National Election Studies, 2000–2004 Panel Study.

the willing” helped the United States achieve a quick military success in Afghanistan. With a Republican administration in charge of Washington, Republicans were inclined to believe that the nation’s place in the world had grown stronger over the past year. Indeed, 50% of Republicans felt that America’s position in the world had grown stronger. Democrats were less optimistic in their assessment, as only 30% shared this view. By 2004, as the wars in Afghanistan and Iraq started to bog down, the partisan gap in foreign policy assessments had grown even larger. As shown in Figure 24.4, 65% of Democrats felt the country’s position in the world was weaker while only 25% of Republicans shared that sentiment. In fact, a plurality of Republicans still felt that the nation’s position had gotten stronger. These growing differences ought to move Republicans’ trust in government up and Democrats’ trust in government down.

The gulf between Democrats’ and Republicans’ evaluations of objective economic conditions has only widened over time. Indeed, data from the most recent American National Election Study (ANES), collected in 2012, seems to indicate that partisans live in completely different worlds. In 2012, the economy had been growing steadily for three straight years. Of course the doldrums of 2007–2008 had been intense. But there was not an objective

economic indicator in 2012 that suggested a deteriorating economy. The worst one could say is that conditions were not improving fast enough for Americans' taste, which might lead them to answer the classic national retrospective economic evaluation question by saying that the economy had "stayed about the same." Objectively, however, the correct answer was that the national economy had improved. It had definitely not gotten worse.

Democrats perceived it correctly. In 2012, just under 50% of Democrats thought the national economy had gotten better over the past year. A shade under 35% thought it was about the same. Fewer than 20% of Democrats erroneously thought the economy had gotten worse. Republicans were apparently living in a parallel universe. Fewer than 10% of them perceived the economy as getting better, and well over 50% perceived it as getting worse, with the rest seeing it as staying the same. Put more succinctly, 40 percentage points fewer of Republicans than Democrats (correctly) saw the economy as better, and 40 percentage points more of Republicans than Democrats (incorrectly) saw the economy as worse.

In 1988, the first year scholars discovered this form of partisan-motivated reasoning (Bartels 2002), there were partisan differences to be sure. This time it was Democrats seeing the economy less positively than Republicans, with Ronald Reagan finishing his second term in office. But the key finding is that the amount of motivated reasoning was only half as large (20 percentage points) in 1988 and 2012. The difference between 1988 and 2012 on foreign policy assessments is even larger than on the economy. In that sense, not only does partisan-motivated reasoning exist, its effect appears to have doubled in recent years. This will drive down trust among out-party partisans while driving up trust among in-party partisans. The result is deeper polarization in political trust.

Partisan Weighting in the Formation of Trust Judgments

We turn next to the question of whether people engage in partisan weighting of government performance evaluations when forming their trust judgments. To test our hypotheses, we employ panel data from the ANES. The 2000–2002–2004 ANES panel is particularly well suited for our purposes. In addition to including the requisite measures of political trust, this ANES panel asked people to assess both economic and foreign policy performance. This will permit us to observe whether Republicans and Democrats assess performance differently and whether they differentially weight those assessments when making their trust judgments. Importantly, the panel component of the data allows us to examine whether trust judgments change over time and, if they change, why they do so.

Table 24.1 reports the results of a regression model in which we examine the determinants of change in political trust from 2000 to 2002. We use panel data from the 2000–2004 ANES to help us make more reliable inferences about the causes of trust judgments. The model controls for a number of important variables, including presidential approval, congressional approval, feelings toward each political party, and demographic traits. Of central interest in this analysis, though, are the effects of individuals' economic and foreign policy evaluations on political trust.

The results suggest that both Democrats and Republicans engaged in partisan weighting of performance evaluations. Not only did Democrats perceive a weaker economy in

Table 24.1 Change in Political Trust as a Function of Partisan Assessment, 2000–2002

	Democrats	Republicans
Political Trust ₂₀₀₀	0.599*	0.481*
	(0.048)	(0.058)
Foreign Policy Evaluations ₂₀₀₂	0.038	0.082*
	(0.028)	(0.034)
Economic Evaluations ₂₀₀₂	0.180*	−0.044
	(0.059)	(0.062)
Feeling Thermometer—Democratic Party ₂₀₀₀	0.044	−0.009
	(0.056)	(0.075)
Feeling Thermometer—Republican Party ₂₀₀₀	0.132*	0.146*
	(0.054)	(0.081)
Presidential Approval ₂₀₀₀	−0.082*	0.002
	(0.036)	(0.030)
Congressional Approval ₂₀₀₀	0.026	0.038
	(0.024)	(0.028)
Race (African American)	−0.050	−0.406
	(0.033)	(0.282)
Gender (Female)	0.006	0.044*
	(0.022)	(0.026)
Education (Some College)	0.023	−0.045
	(0.027)	(0.032)
Education (College)	0.012	−0.003
	(0.033)	(0.036)
Education (Graduate School)	0.030	−0.058
	(0.048)	(0.042)
Age	0.000	0.001
	(0.001)	(0.001)
Constant	0.076	0.065
	(0.059)	(0.081)
Number of Cases	296	266
Adjusted R ²	.42	.28

* p<.05, one tailed test

Source: American National Election Study, 2000–2004 Panel Study.

2002 than did Republicans, as we showed above, but also the results in Table 24.1 show that they placed much greater weight on their economic perceptions in forming their trust judgments than did Republicans. We observed earlier that Republicans were more likely than Democrats in 2002 to perceive strong foreign policy performance during the Bush administration. The results in Table 24.1 indicate that Republicans weighted their positive foreign policy evaluations heavily in rendering their trust judgments while Democrats did not incorporate foreign policy evaluations into their trust judgments at all.

Table 24.2 reports the results of a similarly specified regression model in which we examine the determinants of change in political trust from 2002 to 2004. Evidence of

Table 24.2 Change in Political Trust as a Function of Partisan Weighting, 2002–2004

	Democrats	Republicans
Political Trust ₂₀₀₂	0.577* (0.042)	0.556* (0.047)
Foreign Policy Evaluations ₂₀₀₄	-0.042 (0.030)	0.088* (0.028)
Economic Evaluations ₂₀₀₄	0.118* (0.046)	0.049 (0.051)
Presidential Approval ₂₀₀₂	0.015 (0.021)	0.088* (0.051)
Congressional Approval ₂₀₀₂	0.015 (0.020)	0.061* (0.025)
Race (African American)	0.038 (0.027)	-0.188* (0.064)
Gender (Female)	0.034* (0.019)	-0.043* (0.022)
Education (Some College)	0.027 (0.023)	-0.006 (0.026)
Education (College)	0.038 (0.029)	-0.009 (0.030)
Education (Graduate School)	0.058 (0.041)	0.049 (0.037)
Age	0.002* (0.001)	-0.001 (0.001)
Constant	-0.125 (0.040)	0.017 (0.064)
Number of Cases	307	330
Adjusted R ²	.48	.42

* p<.05, one tailed test

Source: American National Election Study, 2000–2004 Panel Study.

partisan weighting can again be seen by examining the types of evaluations Democrats and Republicans used to update their trust judgments. Democrats updated their trust judgments by focusing on their largely negative economic perceptions. Republicans, by contrast, updated their trust judgments by concentrating on their largely positive evaluations of foreign policy performance. Collectively, this pattern of results provides support for the proposition that trust judgments are shaped by partisan-based reasoning.

THE CONSEQUENCES OF POLARIZED TRUST

The polarization of political trust carries the potential for profound political consequences. Political trust functions as a useful heuristic that enables citizens to make policy judgments in a less effortful and more efficient manner. Complex policy decisions are reduced to simple questions of trust. People are more likely to reject a policy when they perceive its architect to be untrustworthy and are more likely to support a policy when its architect is perceived to be trustworthy (Hetherington 2005). The effects of political trust on individuals' policy judgments are expected to be particularly pronounced among those for whom policy support requires either material or ideological sacrifice (Hetherington 2005; Hetherington and Globetti 2002; Hetherington and Rudolph 2015; Popp and Rudolph 2011; Rudolph 2009; Rudolph and Evans 2005; Rudolph and Popp 2009). In this section, we demonstrate the consequences of polarized trust by showing how it can influence public support for health care reform and foreign intervention.

We begin by examining the effects of political trust on public support for eight specific health care reforms that were considered during the debate over the Affordable Care Act. Informed by previous findings from the trust literature (Hetherington 2005), we generally expect that political trust will be positively associated with support for government-sponsored health care reforms. We anticipate that the effects of trust will be greatest among those who believe that such reforms will require them to sacrifice their material interests. To test these hypotheses, we estimate models of support for eight health care reforms using survey data from a 2009 Kaiser Health Tracking Poll. To streamline the presentation of those results, Figure 24.5 displays the effects of political trust and perceived material sacrifice on the predicted probability of support for each of the eight health care reforms. Figure 24.5 consists of eight separate panels, one for each of the eight health care reform proposals. Within each panel, we graphically depict the effects of political trust on policy support for those who believe that the reform will make their family worse off and for those who believe the reform will make their family better off. In essence, each panel illustrates the effects of political trust among those for whom policy support requires a perceived material sacrifice and among those for whom it does not.

A cursory inspection quickly reveals a recurring pattern across seven of the eight panels. Among those for whom policy support does not require a perceived material sacrifice, the effects of political trust are negligible to nonexistent. However, among those who believe the specified reform will make their family worse off, the effects

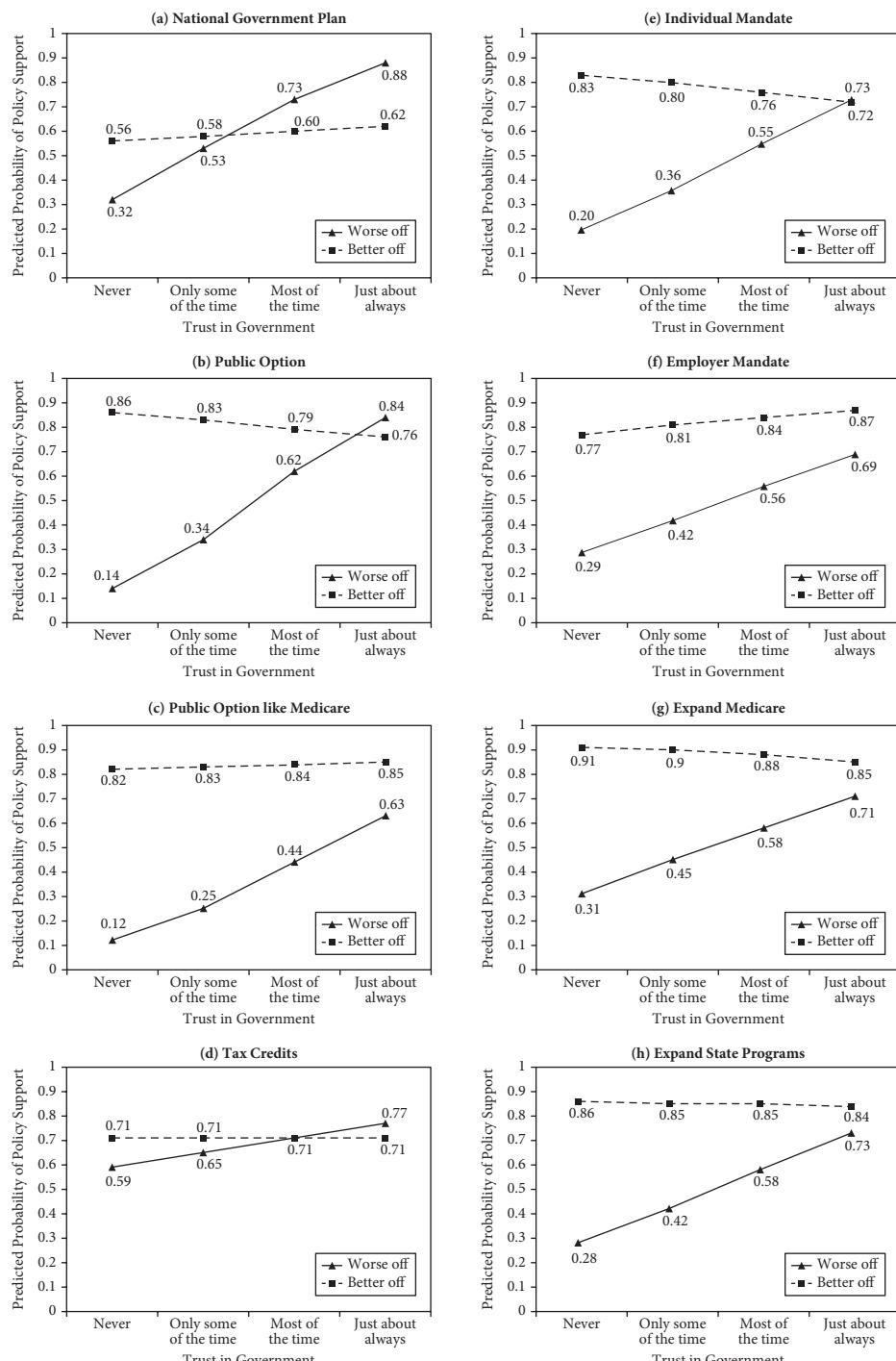


FIGURE 24.5 Effect of Political Trust by Material Sacrifice and Reform Proposal, April 2009

of political trust are both statistically and substantively significant. As political trust increases from low to high, public support for a national government-sponsored health plan increases by 56 percentage points. A similar rise in political trust increases support for a public option plan and a public option like Medicare by 70 and 51 percentage points, respectively. When political trust rises from low to high, public support for the individual mandate, employer mandate, expansion of Medicare, and expansion of state programs like Medicaid and the Children's Health Insurance Program increases by 53, 40, 40, and 45 percentages points, respectively. On only one reform proposal, tax credits to buy private insurance, does political trust fail to exert any influence.

Polarized trust also has implications regarding public support for foreign intervention. Support for increased government intervention abroad is buoyed by public trust just as public support for increased investment on domestic issues like health care is lifted up. Using panel data from the 2000–2004 ANES, we find that political trust is an important determinant of individuals' foreign policy preferences. People who trust government were more likely to think that both the war in Iraq and the war in Afghanistan were worth it. Using cross-sectional data, we find that political trust is positively associated with a number of additional foreign policy attitudes. People who trust government were more likely to believe the war in Iraq reduced terrorism, to believe it is important to have a strong military, to support increased defense spending, and to support increased spending on the War on Terror.

We also find that the effects of political trust on support for such policies are greater among those for whom such support requires a greater ideological sacrifice. Support for increased defense spending, for example, requires a greater ideological sacrifice on the part of liberals than it does on the part of conservatives. This implies that the effects of political trust should be more pronounced among liberals than among conservatives. That is precisely what we observe. For each of the six foreign policy issues noted above, the effects of political trust on policy support are greater among liberals than they are among conservatives. On average, political trust increases policy support by 4.5% among conservatives and by 11.7% among liberals. These results suggest that political trust is a valuable resource that can help to build support for a conservative foreign policy agenda. When trust is polarized along partisan lines, however, there will be precious few liberals who trust a Republican-controlled government. As a result, polarized trust can make it very difficult to build bipartisan support for foreign intervention.

FROM MICRO TO MACRO

The study of mass behavior in general, and political trust in particular, is, to us, only significant insofar as these studies provide us with some purchase on politics. When we use the term "politics," we have in mind the definition that Harold Lasswell (1936) made famous nearly a hundred years ago, "who gets what, when, and how." One of the unfortunate developments in our subfield is the increasing distance between micro-level

findings (what is going on in the brains of ordinary Americans) and macro-level findings (who gets what, when, and how). In *Why Washington Won't Work*, we endeavored to connect the trends in trust in government that we identify to the shape and nature of the political dysfunction political commentators commonly observe in Washington.

Our argument about the importance of political trust for understanding gridlock starts from the fact that the last several Congresses have been the least productive since scholars have been keeping data on congressional productivity. Polarization between the congressional parties is a key source of this gridlock (Binder 2014). However, the public, at least in terms of issues and ideology, is not polarized like the members of Congress (Fiorina et al. 2005). This makes sense because people need to care about politics to develop strong issue commitments and overarching ideological predispositions. More than five decades of scholarship make clear that most Americans do not care much. Hence it is unrealistic to think that ordinary Americans would be polarized along policy or ideological lines. Instead we have been experiencing what amounts to "leapfrog democracy" over the last couple of decades (Bafumi and Herron 2010). We go from having majority parties in Congress that are either far to the right or far to the left of public opinion without ever stopping in the middle where the public is. What is puzzling is why the public does not demand greater moderation from those who represent them in Washington.

In connecting the micro-level story (ordinary people) to the macro-level story (who gets what), it is critical to assess the incentives that officeholders have in the present political context. One of the most important recent developments in the study of Congress has been Frances Lee's (2009) work on changing minority party behavior in an era characterized by close partisan margins. From the late 1950s through the 1980s, the Democrats' majorities were so large that Republicans could never expect to win the majority in the next election, at least not in the House. Indeed, the Democrats held the majority in the House of Representatives for 40 straight years, from 1954 to 1994. When the minority party cannot hope to win the majority in the next election, it has incentives to compromise. It might not get close to everything it wants, but at least it will get "part of a loaf." That approach to governance characterized American lawmaking for many decades.

The Republican Revolution in 1994 changed the calculus for the minority party. When the GOP seized power, it did so with a narrow majority. The stunned and suddenly minority party Democrats believed they could retake the majority and all the perks that go along with it in the next election. The same was true of the Republicans after the Democrats finally retook the majority in both houses in 2006. Rather than compromise, minority parties began to believe it in their interest to bring the legislative process to a halt. The reasoning went that, if the minority party compromised, the majority party would get the credit for any successes, which would undermine the minority party's case that it ought to be the majority party after the next election. Because it is the party in charge, moreover, the majority would likely get blamed for the gridlock that the minority party caused, which would, perversely, aid their case to the voters in their efforts to take the majority in the next election.

Never was this approach to “governance” any clearer than in Barack Obama’s first term. Although the economic collapse of 2007–2008 under George W. Bush’s leadership provided Democrats with relatively large majorities in Congress in 2009, the two Republican floor leaders in Congress (Representative John Boehner in the House and Senator Mitch McConnell in the Senate) decided their respective caucuses would not provide any meaningful support for the president’s program. The rank and file in both houses followed their leaders. This did not have an enormous effect in the House of Representatives where bills can be passed with simple majorities. But, in the Senate, changes in norms pressed by Republicans during this period meant that passing almost all legislation would require 60 votes. This meant at least some Republican support for any Democratic initiatives would be required for final passage of a bill. That is why, for example, the fiscal stimulus that was required to confront the Great Recession was much smaller than Democrats hoped for. Minority Leader McConnell surmised, almost certainly correctly, that Obama and the Democrats would get credit for any success that followed, which would undermine the GOP’s case to the voters in 2010 that they should be the majority party. Looking back with nearly a decade of perspective, the strategy of gridlock seems to have worked to the GOP’s advantage. The Republicans retook the House majority in 2010 in one of the biggest electoral sweeps of the last 100 years, making Boehner the Speaker. And, by 2014, McConnell was no longer Minority Leader but rather Majority Leader of the U.S. Senate.

Next, we need to connect these changing incentives of elected officials to the micro-level story about political trust. The key to that part of the story is that Republicans who distrusted the government in Washington to do what is right were reluctant to support Obama’s major policy initiatives. We show throughout the latter chapters of *Why Washington Won’t Work* that conservatives who trusted government were willing to follow the president’s lead on matters like health care reform, government stimulus, and so forth. But there were few of them. Recall the data in Figure 24.1 that only the smallest handfuls of Republicans expressed trust in government. The 95-plus percentage of them who distrusted the government offered almost no support at all.

This is a critical point when we return to the incentives of Republican members of Congress. More than 40 years ago, David Mayhew (1974) termed members of Congress “single-minded seekers of re-election.” The logic of his argument was that members do not get to make policy after they lose at the ballot box. To avoid defeat, they pay a lot of attention to what members of their constituencies think. As Aldrich (1995) points out, however, not all members of representatives’ districts are equally important. Most central to them is their reelection constituency. In this period of unprecedented party polarization in voting behavior, this means that Democratic members of Congress will attend almost exclusively to the preferences of Democrats in their districts, and Republicans will do the same with the preferences of Republicans in their districts. Partisans are thus more unlikely to vote for members of the other party.

Recall from the preceding discussion that distrust in government causes conservatives not to support Democrats’ policy initiatives. That is because, without trust, Republicans in the electorate are unwilling to make ideological sacrifices. Without

much support for Obama's program among Republicans in the electorate, Boehner, McConnell, and the members of their legislative caucuses did not have to worry about their reelection constituencies being angry with them for gridlocking the legislative process when they had to face the voters in the next election. Unlike when Ronald Reagan was president in the early 1980s, when trust was higher and a large percentage of Democrats supported his program, Obama's program had no such crossover appeal. Whereas Democrats in Congress in the 1980s had to worry about losing support from fellow Democrats in the electorate who liked Reagan's program, Republican members in the 2000s had no such worry. They could gridlock with impunity.

Although Americans often *say* they want their members in Congress to make sacrifices, it does not seem to be true, at least not in the present context. When partisans deeply distrust the government run by the other party, they do not really want their party's representatives to work with the other side. Instead, what they want is for the other side to capitulate to their views. Taken together, deep and intense distrust of government allows the minority party to govern in an ideologically extreme way without alienating their ideologically indifferent constituencies.

LOSERS AND WINNERS

When gridlock grips Washington, the result is not neutral. The consequences will almost certainly fall disproportionately on the have-nots. Borrowing from Schattschneider (1960), it is the have-nots who need government to redress the inequalities built into any capitalist system. The haves would rather keep political conflicts private, which favors maintaining the status quo. Had Obamacare not been enacted, for example, those at the top of the income ladder might not have noticed. But the more than twenty million formerly uninsured Americans, disproportionately drawn from the lower rungs of the economic ladder, would have been the worse for it. Indeed, it is noteworthy that, as gridlock has become a regular feature in modern American politics, income and wealth inequality have reached their highest points since the government started to track such measures in the 1940s. Clearly polarized trust has negative implications for those who would benefit from more government innovation.

Although reactions to these changes have differed by race, the evidence is that the working class, whether white or minority, has fallen further behind economically over time. Especially worrisome, Case and Deaton (2015) find life expectancy rates actually dropping among whites with less than a college education, an unprecedented development in modern American life. They point to both declining economic fortunes and drug and alcohol addiction as root causes. This points up that working-class Americans regardless of race might benefit from a well-functioning government that redistributes wealth more. In contrast, wealthy economic interests have been well served by things like low upper-bracket tax rates, the elimination of the estate tax, and deep cuts in

capital gains taxes, which is the type of governing that is possible in a low-trust environment. A distrustful public is always happy to see taxes eliminated whether or not this action actually benefits them (Bartels 2008).

CONCLUSION

Not all that long ago, scholars didn't even consider the effects that political trust had on the American political system. In the 1950s and 1960s, trust was high and relatively constant across the population. When trust began to drop in the late 1960s, a trend that lasted throughout the 1970s, the scholarly focus was on why trust was dropping, not on what impact declining trust might have. Over the last 20 years, however, scholars have identified a wide range of measures affected by trust in government. Political trust is, without doubt, politically relevant.

We argued in *Why Washington Won't Work* and summarized here why the polarization of political trust is fueling the political dysfunction that has infected Washington of late. Trust became polarized because of increasingly negative views that partisans developed about the other political party, the increased tendency of partisans to engage in partisan-motivated reasoning, and a newly identified tendency of partisans to engage in partisan weighting of politically relevant conditions. We suspect the key change is the negative feelings that partisans have about the other side, which pushes trust down among out-party partisans when the other party is in power. The increase in negative feelings is almost certainly behind the increased effect of partisan-motivated reasoning. These days it is almost as though Republicans and Democrats live in different worlds, with one seeing up as down while the other sees down as up. The end result is that Republicans' and Democrats' trust evaluations grow further and further apart.

Completely lacking trust in government, out-party partisans do not support the president's party's initiatives. Doing so would require an ideological sacrifice from them, and sacrifices require trust. But with little trust among those with ideologies that differ from the president's, vanishingly few will provide him or her leeway. That means that opposition leaders in the House and Senate can grind the legislative process to a halt without fear of retribution from their reelection constituency. With voting behavior so polarized by party, Republicans who represent Republican-leaning districts do not have to worry about the preferences of Democratic voters. The same is true of Democrats who represent Democratic-leaning districts. Absent some major shock to the political system, polarized trust will continue to hamstring the government's ability to solve problems. The impact of this situation is almost certainly asymmetric. Democrats and political liberals want government to do more, and Republicans and conservatives want government to do less. In either case, however, polarized political trust is a central reason why Washington no longer seems to work.

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CHAPTER 25

ECONOMIC PERFORMANCE AND POLITICAL TRUST

TOM W. G. VAN DER MEER

INTRODUCTION

PERFORMANCE has long been considered a central determinant of political trust.¹ Easton (1975, 449) argued that “evaluation of outputs and performance may help to generate, and probably at all times will help to sustain, confidence in the authorities.” Short-term evaluations of specific policies may affect this confidence on a more superficial level—defined by Easton as “specific support.” The deeper, more fundamental attitude toward the regime—defined by Easton as “diffuse support”—would be “more or less detached from its immediate performance and forms a ‘reservoir of goodwill’” (Thomassen et al. 2017, 512). But even this diffuse support would not be isolated from performance evaluations, even though these evaluations should be more general, be more fundamental, and cover a longer time span.

To the extent that political trust is a more or less cognitive evaluation of the relationship between citizens and their institutions of government, it makes sense that the performance of these institutions affects the trust that people have in them, if only because strong performance suggests that “interests [are] attended to even if the authorities were exposed to little supervision or scrutiny” (Easton 1975, 447).

Despite some inroads into studying the effects of performance in noneconomic areas (e.g., De Blok et al. 2016; Hutchison and Johnson 2017; King 1997; Ulbig, 2002), political trust research has generally stuck to macroeconomic performance as the one that is “critical to overall public support of government” (Miller and Listhaug 1999, 216). But while the relationship between economic performance and political trust has been vigorously studied since the 1970s, understanding this relationship has never been straightforward, whether theoretically or empirically.

In theory, macroeconomic performance and its subjective evaluation may be the cause of political trust as well as its consequence. Yet, unlike research on social trust—where inequality is generally modeled as a determinant (Björnskov 2007; Uslaner 2002)

and economic growth as an outcome of social trust (Björnskov 2012; Serritzlew et al. 2014)—research on political trust has generally considered economics as a cause rather than a consequence.

The theoretical underpinning of the supposedly causal effect of macroeconomic performance (and subjective evaluations thereof) on political trust finds its roots in an approach that understands the nature of political trust as evaluative. In this theoretical scheme, citizens first evaluate political procedures or outcomes (such as economic performance) on criteria that are relevant to them, and subsequently they base their trust in political institutions on these evaluations. Yet, precisely this evaluative nature of political trust has been remarkably understudied. Theoretically, the trust-as-evaluation approach would push scholars to move beyond the study of direct effects, as the evaluative causal scheme is more elaborate. On the one hand, we would expect a stronger focus on mechanisms that mediate the relationship, as according to the trust-as-evaluation approach macroeconomic performance can only affect political trust if it is observed subjectively by citizens. On the other hand, we would expect a stronger focus on conditionalities: macroeconomic performance (and/or subjective evaluations) can only affect political trust vis-à-vis citizens' expectations, values, and attributions of responsibility.

While empirical studies show that subjective evaluations of macroeconomic performance are quite consistently and positively related to political trust at micro- and macro-levels, this cannot be said about the effect of objective macroeconomic performance. This is particularly the case in studies that focus fully or partially on the years before the Great Recession, which show mixed results. Some studies found significant effects of at least some objective macroeconomic performance (e.g., Anderson 2009; Anderson and Singer 2008; Bargsted et al. 2017; Clarke et al. 1993; Kalbhenn and Stracca 2015; Kroknæs et al. 2015; Lipset and Schneider 1983; Marien 2011; Miller and Listhaug 1999; Rose and Mishler, 2011; Schäfer 2012; Van Erkel and Van der Meer 2016); others found none (e.g., Dalton 2004; Hakhverdian and Mayne 2012; Kotzian 2011a, 2011b; Oskarsson 2010; Rahn and Rudolph 2005; Van der Meer 2010; Van der Meer and Hakhverdian 2017; Zavec 2017), found mixed effects depending on type of political trust (Weil 1989), or even see evidence for inverse effects (McAllister 1999).

This chapter aims to provide an overview of the literature. First, it will provide a basic outline of the trust-as-evaluation approach, its implications, and its alternatives. Second, this chapter provides an overview of the literature on macroeconomic performance, subjective evaluations, and political trust, aiming to find an explanation for divergent findings in the literature. Finally, this chapter focuses on three relatively new scholarly lines of research—economic inequality, performance in multilevel governments, and the Great Recession.

POLITICAL TRUST AS AN EVALUATION

First, let me conceptualize the nature of political trust in the evaluative approach. Most discussions of trust imply the existence of a relationship between subject A (the

trustee) and object B (the trustee).² Trust is implicitly or explicitly conceptualized as an evaluation of this relationship by subject A. Hardin (2000, 26), for instance, famously summed up the relational aspect in trust as “A trusts B to do x.” What sets political trust apart is that the object is made up by political institutions rather than fellow citizens; that is, trust is vertical rather than horizontal.

Any trust relationship is inherently defined by a degree of uncertainty of the subject over the object. While the object holds power over the subject, the subject is uncertain of the object’s future behavior and cannot enforce it. The larger the power imbalance, the more difficult it will be to trust the object. This might be a reason why trust in political institutions generally ranks lower than trust in other institutions: the modern state holds historically large power over its subjects that can hardly be avoided or ignored.

This trust-as-evaluation approach has led scholars to focus not only on the subjects that do or do not trust (their socialization, their genetic dispositions, their social background, their attitudes, etc.) but also on the characteristics of the object (e.g., good government) as well as the interplay between subject and object characteristics. In the last decade scholars have pushed the boundaries of the approach. Increasingly, scholars have focused not only on *whether* economic performance affects political trust but also on the *why* and *when*: macro-level relationships are related to micro-level processes.

A first question is to what extent the performance-trust relationship is mediated by citizens’ subjective perceptions and evaluations of macroeconomic performance. Perceptions of macroeconomic performance seem to be “grounded in economic reality” (Duch and Stevenson 2008, 160). On the whole, perceived changes in economic growth and inflation reflect the actual trends on these measures (e.g., Christensen et al. 2006). Ansolabehere et al. (2014) argue that these perceptions about the state of the economy are induced by “the noisy signals about aggregate economic performance they get in their daily life,” that is, by the (changes in) economic outcomes in the social groups that people belong to.

Yet, very few studies have tested whether subjective perceptions and evaluations also mediate the macro-micro relationship. Many studies have focused exclusively on the micro- or macro-level relationship; various others modeled both simultaneously, thereby overlooking the possibility of mediation. Van der Meer and Dekker (2011) did study the mediation effect, but they reached inconclusive outcomes as their cross-national analysis found no significant effect of macroeconomic performance to be explained by subjective evaluations.

A second question deals with the prior expectations, values, and assignment of responsibilities by citizens, which have been missing links in most, if not all, macro-micro studies on political trust. “It matters not only how a polity performs in terms of the quality of its political process and the economic outputs it produces, but also *who* evaluates this performance” (Van der Meer and Hakhverdian 2017, 85). Expectations are likely to matter as they set the benchmark for comparisons of actual macroeconomic performance. The theoretical importance of expectations for political trust research had already been recognized in the 1970s (Miller 1974, 952). Since then, various scholars have proposed that rising expectations that are not met by government might be a root cause for declining political trust (e.g., Dalton 2004; Miller and Listhaug 1999;

compare Thomassen 2015). This might hold in particular for countries that experienced a transition toward democracy: Zavecz (2017), for instance, argued in his analysis of political trust in Central and Eastern Europe: “The impact of political and economic performance should not be considered apart from expectations and perceptions . . . Highly exaggerated expectations may downplay achievements.”

These expectations or benchmarks may be anticipatory or normative, that is, based on what citizens think *will* happen or based on what they think *should* happen (Seyd 2015). Anticipatory expectations or benchmarks are more continuously present in the literature, although implicitly. Scholars who study determinants of political trust in a cross-national design, for instance, fundamentally test whether political trust is higher if one’s country performs better than other countries. Similarly, a longitudinal design implicitly assumes that political trust is the result of a historical comparison (or that it is held to a longitudinally equivalent standard).

One recent study to model normative expectations or benchmarks explicitly is the study by Seyd (2015) among British citizens. While he finds evidence that expectations matter to political trust as a benchmark for evaluations, their explanatory relevance is rather secondary to that of evaluations. More generally, though, explicit tests of the role of expectations and benchmarks have been largely absent in political trust research.

Closely related to normative expectations is the role of sociopolitical values as moderators in the trust-as-evaluation approach. Outcomes should matter most to those citizens who care about these outcomes, that is, to those for whom these outcomes are the most salient (Hetherington and Rudolph 2008). Anderson and Singer (2008, 574) argue, “the effects of macro-level performance on attitudes toward government are strengthened or weakened . . . because of differences in people’s sensitivity to a particular macro-level outcome (or any outcome for that matter).”

Yet, empirical tests that show that the strength of macroeconomic performance depends on subjective benchmarks or values have been rather scarce. Anderson and Singer (2008) found support for their general argument. Their multilevel analysis of twenty European countries revealed a stronger negative effect of economic inequality on political trust among left-wing citizens than among right-wing citizens. However, Van der Meer and Hakhverdian (2017) did not find support for the general argument when they extended the same logic (by including multiple macroeconomic performance indicators, employing more specific policy preferences, and analyzing a larger and more diverse set of countries). Economic inequality and unemployment rates did not have significantly stronger effects on citizens who prefer income equality and state provision; inflation and budgetary deficits did not primarily affect those who prefer the inverse.

A final step in the causal scheme is the incorporation of citizens’ attributions of responsibility. After decades of liberalization, globalization, and supranationalization, it is no longer self-evident that governments are held responsible for macroeconomic outcomes. National political institutions have had fewer means to influence economic policy as economic power moved to supranational and nonpolitical actors (Peters and Pierre 1998). Whether or not perceptions of responsibility are accurate, the effect of

macroeconomic performance on trust in national political institutions hinges theoretically on citizens holding their national government and/or parliament responsible.

Generally, citizens hold their governments strongly accountable for the state of the economy (Lewis-Beck and Paldam 2000; Stimson 1991). This might explain why perceptions of accountability are hardly ever modeled as a moderating factor in the political trust literature. A couple of recent studies show that the effect of citizens' subjective performance evaluations indeed depends on the responsibilities they are assigned; yet, both studies do not focus directly on economic performance but on other policy areas instead (De Blok et al. 2016; Hobolt and Tilley 2014).

All in all, direct effects of macroeconomic outcomes on political trust are necessary, but they do not provide sufficient evidence for the trust-as-evaluation approach. Macro-level outcomes need to be perceived by citizens, their subjective salience should depend on expectations and values, and their effect on trust in political institutions hinges on the extent to which citizens hold political institutions responsible for these outcomes. A more stringent test of the trust-as-evaluation approach would incorporate these mediators (perceptions) and moderators (expectations, values, responsibility attribution) in a panel design to prevent potential endogeneity issues.

SUBJECTIVE EVALUATIONS OF MACROECONOMIC PERFORMANCE

That political trust tends to go hand in hand with subjective evaluations of the economy is by now almost a truism. Decades of research have shown that citizens who have a positive evaluation of the performance of the national economy tend to have more trust in politics (e.g., Chanley et al. 2000; Citrin and Green 1986; Elinas and Lamprianou, 2014; Kronberg and Clarke 1992; Lawrence 1997; Uslaner 2014). Sociotropic evaluations of the national economy tend to matter more than egotropic evaluations of private or household income.

While political trust research traditionally focused on western democracies, data have increasingly become available to study other regions of the world. Recent studies consistently find evidence for the strong relationship between subjective evaluations of the national economy and political trust across the globe, including Latin America (e.g., Zmerli and Castillo 2015), Eastern Europe (e.g., Rose and Mishler 2011), Southeast Asia (e.g., Park 2017), the Arab region, and sub-Saharan Africa (e.g., Hutchison and Johnson 2017). The study by Park (2017) is particularly revealing, showing that subjective evaluation of the national economy is consistently one of the strongest (if not the strongest) determinants of political trust across a wide range of countries, including not only established democracies, such as Japan and South Korea, but also regimes such as the formerly communist Mongolia, one-party-state Cambodia, authoritarian dictatorship Vietnam, and semidemocracy Malaysia.

Yet, it would be unwise to treat these strong correlations between economic evaluations and political trust as compelling evidence for a causal effect. In particular, the cross-sectional design that dominates this line of research allows for interpretation of the correlation as a spurious effect (e.g., if an underlying attitude such as general optimism explains both the evaluation and political trust) or as an example of reverse causality (e.g., if people use their level of trust as a heuristic). Too rarely did the literature focus on moderators (Hobolt and Tilley 2014, who included responsibility perceptions) and causal pathways (Hetherington 1998, who employed a 2SLS design on cross-sectional data from the American National Election Study) to get a better understanding of this relationship.

A second line of research focused on fluctuations in average subjective evaluations of the economy and political trust rates at the aggregate level. Just like the cross-sectional studies at the individual level, these macro-level studies revealed a strong relationship between macroeconomic evaluations and political trust. Fluctuations in political trust coincide with (or even lag behind) changes in consumer confidence in the economy (Bovens and Wille 2008; Chanley et al. 2000; Dalton 2004; Hetherington and Rudolph 2008; Keele 2007). Keele (2007), for instance, found that changes in consumer confidence explain quarterly fluctuations in political trust in the United States. Hetherington and Rudolph (2008) show that this relationship is particularly strong at times when the salience of economic issues is high. Moreover, fluctuations in macroeconomic evaluations do not only have an immediate short-term impact but also have a more lasting long-term effect on political trust.

OBJECTIVE MACROECONOMIC OUTCOMES

Such consistent evidence does not seem to exist when we shift our focus from subjective evaluations to objective outcomes as determinants of political trust. There is serious diversity in the findings. Macroeconomic performance is found to have an effect in some studies (e.g., Anderson 2009; Anderson and Singer 2008; Bargsted et al. 2017; Clarke et al. 1993; Kalbhenn and Stracca 2015; Lipset and Schneider 1983; Marien 2011; Miller and Listhaug 1999; Rose and Mishler 2011; Schäfer 2012; Van Erkel and Van der Meer 2016;), but not in others (e.g., Dalton 2004; Hakhverdian and Mayne 2012; Kotzian 2011a, 2011b; Oskarsson 2010; Rahn and Rudolph 2005; Van der Meer and Hakhverdian 2017; Zavecz 2017).

The crucial question is, of course, what explains these differential findings. It seems to have little to do with the choice of the dependent variable (e.g., trust in government, institutional trust, satisfaction with democracy) nor with the choice of the independent variable (objective performance indicators such as economic development, economic growth, unemployment rates, inflation, and deficits) (see, e.g., Clarke et al. 1993; Kotzian 2011a; Miller and Listhaug 1999; Van der Meer and Hakhverdian 2017). Even the rigor of the design of the statistical model does not seem to be the crucial explanation for

the divergence in findings. Although we deal with macro-micro linkages, a variety of research designs has been employed. Some studies analyzed individual-level data without cluster correction, which effectively disaggregates contextual characteristics and makes it more likely to find significant effects because standard errors are vastly underestimated. Other studies were performed at the aggregate level, which conflates individual-level determinants (like unemployment and household income) with their contextual counterparts (like unemployment rate and per-capita gross domestic product), rendering it impossible to pull apart the micro- and macro-level effects. Those studies generally found more evidence for the macro-micro relationship. By contrast, there have also been studies that may have underestimated the effect of objective macroeconomic performance indicators by controlling for subjective evaluations of the economy. Those studies generally found little or no evidence for the macro-micro relationship. Nevertheless, even the bulk of studies that did not employ such a design (either too rigorous or not rigorous enough) showed mixed outcomes.

Upon closer inspection, there are patterns that explain the mixture of findings. First, we need to distinguish primarily cross-national tests from primarily longitudinal tests. Second, we need to distinguish between studies that included corruption as a relevant control variable and studies that did not.

Cross-National Analyses

A large number of cross-national, multilevel analyses did not reach consistent outcomes. Some of these studies found significant macroeconomic effects (Kotzian 2011a, 2011b; Marien 2011; Schäfer 2012); others did not find any or at best very few effects (Hakhverdian and Mayne 2012; Oskarsson 2010; Van der Meer 2010; Van der Meer and Hakhverdian 2017).

The crucial difference that drives this mixture of findings is the inclusion or exclusion of a crucial control variable: corruption. In cross-national studies, the estimated level of corruption in one's country (according to experts) is generally the strongest macro-level determinant of political trust (Della Porta 2000; Hakhverdian and Mayne 2012; You, this volume). Because corruption is characterized by partiality, clientelism, and the abuse of discretionary powers (Rothstein and Teorell 2008), it is corrosive to political trust. In fact, the corruption effect is so strong in cross-national analyses that it tends to crowd out most other explanations. Macroeconomic effects on political trust turn nonsignificant once corruption is included in these comparative, multilevel models (Van der Meer and Hakhverdian 2017).

As I argued above, the choice for a cross-national research design implicitly assumes that citizens directly or indirectly (i.e., derived from media and/or politicians) make a cross-national comparison. The design implies that citizens compare the state of their national economy to that of other countries. More specifically, it implies that they base their trust in politics on a comparison of national economies at one point in time, or even on a comparison to an absolute standard that is cross-nationally equivalent.

The lack of significant effects in more recent cross-national analyses suggest that this assumption may not hold.

Longitudinal Analyses

That does not mean, though, that objective macroeconomic performance has no effect on political trust. Rather, various recent studies have begun to employ longitudinal designs. These models start from a different assumption, namely that the relevant comparison is longitudinal (Kayser and Peress 2012). In that perspective, citizens base their trust in politics on a comparison of macroeconomic performance in their own country through time or even to a country-specific benchmark that is rather constant over time.

This model has been taken up in various recent studies. Van Erkel and Van der Meer (2016) analyze 21 waves of the Eurobarometer between 1999 and 2011 in 15 European Union (EU) member states. By eliminating cross-national variance on the dependent variables and time-lagged independent variables, their analysis focuses purely on within-country differences. They find that some macroeconomic performance indicators (most notably unemployment rate and budgetary deficits) affect political trust consistently and as expected. Kroknæs et al. (2015) analyze 25 countries in four waves of the European Social Survey (2004–2010). They found very similar effects. Yet, their models collapse within-country and between-country variance and thus do not eliminate cross-national variance completely. Bargsted et al. (2017) analyze ten waves of the Latinobarometer between 2002 and 2011 in 17 Latin American countries. Their study also eliminates cross-national variance to find that gross national income stimulates within-country growth of political trust, whereas economic inequality harms it. The rise of recent studies that focused specifically on the effects of the Great Recession will be discussed in a section below.³

The effect of macroeconomic performance remains significant once the models control for corruption.⁴ This sets the conclusions derived from longitudinal analyses apart from those derived from cross-national analyses. The implication is ultimately that macroeconomic performance affects political trust, but mainly when citizens compare the state of their economy longitudinally rather than cross-nationally.

ECONOMIC INEQUALITY AND POLITICAL TRUST

Finally, within this general subfield I identify three relatively new lines of research. The first of these is the attention to economic inequality of the context as a determinant of political trust. While economic inequality has long been related to low levels of social trust (Björnskov 2007; Kumlin et al., this volume; Uslaner 2008), the suggestion that

economic inequality might harm political trust is not new. Uslaner has long proposed what he called the “inequality trap” (Uslaner 2008; 2011). He lays out a range of reasons why economic inequality could be detrimental to political trust. It would lead to disaffection as “ordinary citizens . . . see the system as stacked against them,” ultimately causing them to “feel less constrained about cheating others . . . and about evading taxes.” Simultaneously, inequality would “distort the key institutions of fairness in society, the courts” and “create political leaders who make a virtue out of patronage.” Ultimately, “these leaders are not as accountable to their constituents as democratic theory would have us believe” (Uslaner 2011, 143).

In recent years the relationship between economic inequality and political trust has come under empirical scrutiny (for a different perspective, see Kumlin et al., this volume). Rahn and Rudolph (2005) found that in the United States inequality harms trust in local government, even when they control for trust in national government. Cross-national studies in (predominantly Western) Europe (Anderson and Singer 2008; Medve-Bálint and Boda 2014; Min Han and Chang 2016; Schäfer 2012; Van der Meer and Hakhverdian 2017) and Latin America (Zmerli and Castillo 2015) have led to mixed findings.

Van der Meer and Hakhverdian (2017) found that inequality does not harm political trust, at least not once their models control for corruption as a control variable. Anderson and Singer (2008), Schäfer (2012), and Zmerli & Castillo (2015) did find significant inequality effects but did not control for corruption. To what extent this control variable is theoretically justified needs further investigation, particularly given the argument raised by Uslaner (2008; 2011) (see also Zmerli and Castillo 2015) that inequality and corruption go hand in hand.

Equally interesting are studies that focus on the role of inequality as a moderator of causal relationships at the individual level. Anderson and Singer (2008) argue that left-wing citizens ought to be more sensitive to inequality than right-wing citizens, and they find that this is the case in their analysis of the European Social Survey. Yet, Van der Meer and Hakhverdian (2017) find a very weak, inverse effect in their analysis of the European Values Studies. Min Han and Chang (2016) relate inequality to the winner-loser effect often found in political trust research, according to which citizens whose preferred party won the elections are consequently more likely to trust politics than citizens whose preferred party lost (Anderson et al. 2005). They argue that economic inequality increases the trust gap between winners and losers: “Rising economic inequality raises the electoral stakes for both the poor and the rich, inducing them to pay attention to the election results. Under these conditions of heightened inequality, if one economic group (i.e., the poor, the rich) loses the election, their dissatisfaction with democratic practices will be even more pronounced. On the other hand, if the group wins the election, their relief and satisfaction with democracy is also amplified because they can either usher in new policies for redistribution or thwart such attempts” (Min Han and Chang 2016, 86). Their analysis of the Comparative Study of Electoral Systems (CSES) data shows strong support for their hypotheses: the winner-loser gap ranges from less than .02 in the most equal societies to .1 in the most unequal societies (Min Han and Chang, 2016, 92).

THE GREAT RECESSION

A second recent focus has been the impact of the Great Recession since the late 2000s, which has spurred a range of scholars to investigate its effects on political trust (e.g., Kenworthy and Owens 2011; Polavieja 2013). Some focused particularly on countries that were hit hardest by the economic downturn, such as Greece (Elinas and Lamprianou 2014; Theocharis and Van Deth 2015) or Spain and Portugal (Torcal 2014). In the United States, Kenworthy and Owens (2011, 204) found that “economic downturns, including the Great Recession, have had surprisingly little impact on Americans’ view of government, even in the short run . . . The levels move only slightly and in inconsistent directions, if they move at all.” By contrast, European studies report that political trust did indeed experience a long-lasting decline after 2007. Here, I can only speculate about the reasons for this difference between the United States and European countries. On the one hand, in Europe the recession was exacerbated by the subsequent crisis of the Eurozone and relatively harsh austerity policies. On the other hand, the United States saw the inauguration of a new president in January 2009 who entered government with a relatively high job-approval rate.

While in Europe the general downward trend in political trust only came about in early 2009, this masks differential patterns in the countries that were hit the hardest: Spain, Ireland, and Greece tended to decline as early as the middle of 2008 (Roth et al. 2011). Those countries also witnessed the sharpest declines in political trust (Kroknes et al. 2015). Surprisingly, though, these declines were a rather proportional response by voters to the economic downturn: the decline in economic performance simply dropped substantially across western countries, even though the effect of macroeconomic performance indicators on political trust itself did not change (Van Erkel and Van der Meer 2016). Citizens in Spain, Ireland, and Greece lost their trust in government because they faced such a sharp economic downturn. This is in line with the findings of Cordero and Simon (2016), who show that—*ceteris paribus*—satisfaction with democracy was not significantly lower in European countries that had to agree to a bailout program.

There need not be a trade-off, however, between various explanations of the decline in political trust after the start of the Great Recession. Torcal (2014) focuses on subjective evaluations of macroeconomic performance and evaluations of political responsiveness in Spain and Portugal in 2012 and 2013. The analysis shows an interaction effect between the two subjective evaluations: the perception that government is not responsive to its citizens has a negative effect on trust in parliament. Yet, this negative effect is even stronger when citizens’ perceptions of the economy have deteriorated. The reinforcing effect—that citizens are less forgiving about political fallacies under deteriorating economic conditions—mirrors the finding by Zechmeister and Zizumbo-Colunga (2013) that bad economic performance in the region strengthens the negative relationship between perceived corruption and presidential approval in the Americas.

MULTILEVEL GOVERNMENT

Finally, recent scholarship has begun to study the effects of economic performance on political trust in multilevel government. Multilevel governments are characterized by the dispersion of legislative and executive power over multiple levels of government, such as the national level, the local or regional level, and—particularly in the case of the European Union—the supranational level. Because the attribution of responsibility is more complex, new questions come up.

One of these questions is to what extent trust in sub- or supranational levels of government are affected by (changes in) economic performance. Rahn and Rudolph (2005) analyzed trust in local government in 55 cities in the United States. Their analysis shows trust in local government is strongly related to trust in national government, a finding that has been replicated time and again (Muñoz 2017). Interestingly, even when we take into account that local political trust may be largely derived from national political trust, cities matter as well. Among a range of explanatory variables, Rahn and Rudolph find that income inequality in the city negatively affects local political trust, whereas the median income of the city does not have such an effect.

The Great Recession has been related quite consistently to a decline in trust in the European Union (Armingeon and Ceka 2014; Armingeon et al. 2016; Dotti Sani and Magistro 2016). Trust in the EU declined particularly in those member states that were hit hardest by recession (Armingeon and Ceka 2014), particularly among citizens that were most vulnerable to the effects of the recession, such as those with a low level of education and/or a low income (Dotti Sani and Magistro 2016). This effect was mirrored by citizens' perceptions: there was a strong negative effect of having the perception that the worst of the crisis was yet to come (Braun and Tausendpfund 2014). Armingeon et al. (2016) tested to what extent the Great Recession simultaneously affected trust at national and European levels. They find that membership in the Eurozone, the monetary union with the euro as its common currency, exacerbated the harmful effect of the recession. Because nation-states that are faced with recessions and deficits cannot externally devalue the currency in a monetary union, they need to resort to an internal devaluation (i.e., lowering labor costs).

A different approach in the literature poses the question to what extent economic performance and evaluations at one level of analysis affect trust at another level. Focusing on the dependency between trust in national governments and the EU, Harteveld et al. (2013) find a sizable negative effect of objective performance at the national level (measured as corruption and economic growth) on trust in the EU. This is a direct effect, as their models control for respondents' specific evaluations of the EU itself, their national and European identities, and their trust in national government. Harteveld et al. (2013) theorized that the EU might function as a kind of "lifebuoy" in

countries whose national political institutions perform badly. While in the established democracies of Western Europe they find no evidence for a similar negative relationship between citizens' subjective evaluations of their national economies and trust in the EU (where bad evaluations of the national economy relate to relatively high levels of trust in the EU), they do find evidence for the lifebuoy effect in the former communist regimes of Central and Eastern Europe. Yet, it is unclear to what extent these relationships have changed with the Great Recession, as the analysis by Harteveld et al. (2013) was limited to the summer of 2009.

All in all, multilevel government complicates the generally rather straightforward theory that relates macroeconomic performance and subjective evaluations thereof to political trust. To understand the dynamics, we need to take into account the nested nature of trust in different levels of government (Muñoz 2017; Zmerli and Newton 2017), the assignment of political responsibilities (De Blok et al. 2016; Hobolt and Tilley 2014), and the different mechanisms that may explain political trust in a multilevel setting (e.g., Harteveld et al. 2013).

CONCLUSION

At first sight, the relationship between economic performance and political trust seems rather straightforward. To the extent that citizens evaluate the performance of the economy positively or negatively, they appear likely to reward or punish their government. However, the literature increasingly shows that this relationship is more complex.

The strong relationship between subjective perceptions of macroeconomic performance and political trust is hardly a disputed feature across continents (Chanley et al. 2000; Hutchison and Johnson 2017; Park 2017; Rose and Mishler 2011; Van Erkel and Van der Meer 2016; Zmerli and Castillo 2015). Yet, in closer inspection it is not clear to what extent this strong relationship is indeed causal and signals a true evaluation. Future research ought to focus more on mediation and moderation (by expectations, values, and the attribution of responsibilities).

The macro-micro relationship between macroeconomic performance and political trust has been contested. The relationship tends to be nonsignificant in multilevel, cross-national research at a single point in time, once differences in corruption are taken into account. Yet, various within-country, longitudinal analyses do show consistently strong effects of (changes in) macroeconomic performance on political trust, even when they control for macro-level (changes in) corruption.

This suggests that—ultimately—the economy is an important driver of political trust, because citizens make a longitudinal comparison to their own past rather than a cross-national comparison to other countries. This comparison need not be direct (as it may be due to attention in media or politics) or even conscious, but the pattern is quite consistent.

NOTES

1. Elements of this chapter have appeared previously in Tom W. G. van der Meer, “Democratic input, macro-economic output, and political trust,” in Sonja Zmerli and Tom W. G. van der Meer, eds., *Handbook on Political Trust* (London: Edward Elgar, 2017).
2. Yet, generalized social trust functions as an exception, as it is not necessarily relational theoretically or empirically (Uslaner 2002).
3. These empirical patterns are echoed in studies on democratic satisfaction. They are not so easily categorized as either cross-national or longitudinal when their regression models do not isolate between-country (cross-national) from within-country (longitudinal) effects. Min Han and Chang (2016) employ the Comparative Study of Electoral Systems (CSES) dataset, covering 76 election surveys in 43 countries between 2001 and 2010. Their models show that economic growth stimulates satisfaction with democracy. Similarly, Quaranta and Martini (2016) study the Eurobarometer data, covering 572 surveys in 28 countries between 1973 and 2013. They, too, find evidence for macroeconomic effects: Economic growth stimulates satisfaction with democracy, whereas debt, unemployment rates, and inflation tend to undermine it.
4. At least in the papers by Bargsted et al. (2017), Min Han and Chang (2016), Quaranta and Martini (2016), and Van Erkel and Van der Meer (2016). The paper by Kroknnes et al. (2015) does not control for level of corruption.

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CHAPTER 26

TRUST AND ELECTIONS

MARC HOOGHE

FOR most citizens, elections signify a crucial moment in which they have the most intensive form of interaction with the political system. Citizens not only select future representatives and officeholders but also assume that, in doing so, they will evaluate the track record of incumbents and express their preferences on how the country should be governed (Powell 2000). From the wide range of political participation acts, voting stands out as the most widely practiced activity, and for most citizens it may be the only form of political participation they will ever perform. Almost self-evidently, political trust plays a major role in every step of the electoral process, and there are numerous relations between trust and electoral behavior. As Citrin (1974) noted already some decades ago, a lack of trust in the political system could result in either a full withdrawal from the political process or a preference for more elite-challenging forms of political behavior, which would be associated with a more critical or even hostile attitude toward current officeholders. The currently available research still hints at the same mechanism: while political trust is routinely associated with forms of loyalty, distrust leads, depending on the circumstances, to an exit from participation or to voicing discontent.

With regard to the relation with elections, the claim Citrin made still seems to be supported by current research, as evidence suggests that political trust has an effect on political participation in a number of distinct ways. First, we know from research that political trust is positively related to electoral turnout, as citizens who do not trust the political system apparently are less motivated to go out and cast a vote. Second, there are some indications that political trust can also serve as a voting motive, with the least trusting to be less likely to have a preference for incumbent candidates and parties, while low levels of political trust have also been related to populist voting. Finally, the literature suggest that supporters of the winning political party are much more likely to receive a boost in their political trust levels than supporters of a losing political party. This entire body of research makes clear that political trust and elections are strongly intertwined, with various potential directions of causality. In this article, we review these various research lines, before we close with some observations on the

most pressing research issues in this field, given the current trend toward declining levels of trust in government.

ELECTORAL TURNOUT

A first step in the electoral process is, of course, that citizens actually turn out to cast a vote. If we assume that the main goal of elections is to record in a reliable manner the preferences of the population, most scholars would agree on a preference for high turnout levels, as this reduces the possibility that the electoral signal would be distorted. A vast literature demonstrates that voter turnout shows a strong pattern of social stratification, where turnout levels are higher among those with the highest level of resources, in terms of income, education level, and other indicators of socioeconomic status. In fact, the lower the turnout level in a society, the stronger the effects are of this pattern of stratification (Gallego 2010; Geys 2006). Low levels of voter turnout almost inevitably imply that the well-off within society manage will have a disproportionately large impact on politics. The stratification pattern is problematic because it means that some groups of the population most likely will be less well represented in the political decision-making process than others. The stratification that is typically found in electoral participation also implies that, for empirical research, it is rather difficult to isolate the effect of political trust on turnout levels, as elements like education and socioeconomic status are also strongly related to political trust (see Listhaug and Jacobsen, this volume). The less privileged in society usually are characterized by lower levels of political trust, and it could even be argued that indeed they have fewer reasons to express trust in the political system. Again and again it has been found that nonvoters have lower trust levels than voters, but there is some debate on the question whether this also means that political trust is a causal element in explaining voter turnout. In the older research literature, it was generally assumed that political trust itself is not associated with the likelihood to vote, as the observed difference could be completely explained by invoking sociodemographic variables (Rosenstone and Hansen 1993). This line of research hinted at the fact that the lower educated are indeed much less likely to vote, but that their level of political trust did not have a further impact on their willingness to cast a vote.

In the more recent literature, on the other hand, one observes that in full multivariate models, political trust emerges as an independent and significant factor explaining voter turnout. Dalton (2004), for example, finds a positive relation between trust and voter turnout in advanced industrial democracies. A meta-analysis indeed confirms that, in most of the studies that include trust in political institutions as an independent factor to explain voter turnout, a significant and positive effect was found (Smets and Van Ham 2013). Based on these observations, it can safely be stated that the current body of research suggests that political trust has an independent and positive effect on the likelihood that citizens will participate in elections. One might speculate that this stronger impact of political trust on turnout can also be explained by the fact that there

is more variance in political trust, which would allow this attitude to have a stronger impact on behavior. To some extent, the lower level of electoral participation among the distrustful might be compensated by a stronger tendency to take part in noninstitutionalized or elite-challenging forms of political participation, but in this regard the strength of the relation is less clear. Research suggest that there is not a single direct relation between political distrust and elite-challenging behavior, but that this correlation is also dependent on elements like political efficacy or the specific mobilization structure within a society (Hooghe and Marien 2013). The idea that distrusting citizens will more easily resort to noninstitutionalized acts of participation, like demonstrations or other forms of protest, is not supported by empirical research. While this research line focuses mainly on the role of political trust, some research hints at the fact that higher levels of ingroup trust, too, might be positively related to voting (Crepaz, Jazayeri, and Polk 2016).

In most of the studies on the relation between political trust and electoral turnout, a rather general scale on trust in various political institutions has been used. However, if one distinguishes between the level of trust in different institutions, theoretically relevant differences may be observed. Grönlund and Setälä (2007) show that especially more diffuse and abstract forms of political trust have a strong effect on the likelihood of voting. Expressing trust in parliament, for example, is seen as a rather general form of support for the electoral process itself. As a result, this general form of political trust has the strongest effect on turnout: if a citizen believes that parliament as such behaves in a trustworthy manner, apparently this person will also be more motivated to cast a vote in elections for parliament. Trust in specific politicians, on the other hand, or even trust in incumbents is much more specific, and therefore their relation with turnout is less clear. A strong form of distrust among current officeholders can even serve as an incentive to cast a vote and therefore remove current officeholders. These kind of studies clearly highlight the fact that it is important to make a clear distinction between various forms of political trust, which could be situated on either a more abstract or diffuse level or refer to more specific persons or institutions. These differences might also extend toward different policy levels. Throughout the European Union, voter turnout tends to be much lower for European elections than for national elections. Cox (2003) observes that the gap in turnout levels for national and European elections is increased with low levels of political trust. As the European Union is seen as a rather recent new political institution, distrusting voters are less likely to pay attention to the electoral campaigns for these elections or to go to the trouble to cast a vote. This already renders visible the difficult, potentially reinforcing relationship between political trust and political participation. If voter turnout is already lower for European elections, it is more likely that the European Parliament that is elected through these elections will be seen as less legitimate. Decisions by this assembly, therefore, might further erode levels of political trust.

In most empirical studies on the relation between political trust and electoral turnout, authors tend to assume political trust serves more or less as a control variable, and not a lot of attention has been paid to the causal mechanism that could be responsible for the relations that have been found. Nevertheless, the impact of political trust on voter

turnout is compatible with various theoretical approaches to voter behavior (Harder and Krosnick 2008). From a rational choice perspective, it is far more unlikely that distrustful citizens believe that their vote will make a difference in the way their society will be governed. The investment in becoming informed about elections, and to actually cast a vote, is much less rewarding or attractive for these groups. Furthermore, distrustful actors are less likely to see any benefit in a specific party or candidate winning the elections. Other authors, however, emphasize that social norms are at least equally important in the decision to cast a vote or not (Blais 2000). If voters have the conviction that it is their civic duty to take part in elections, they are more likely to cast a vote, whether or not this individual vote will be meaningful for the end result of the elections or not.

Blais and Rubenson (2013) argue that declining levels of voter turnout are caused mainly by the fact that a sense of civic duty is much less strongly developed in younger age groups than in older age groups. Although the authors of the study do not explicitly test this relation, we can assume that there is a positive relation between trust in the political system and the belief that one has an individual duty to take part in elections. Dalton and Welzel (2014) have argued that for current generations of “critical citizens,” notions like duty or trust are much less salient, as these younger age groups are more strongly motivated by their own personal convictions and preferences. According to this framework, political trust should be seen as the expression of a more deferential attitude toward the political system, which is at odds with the more critical attitude that is so characteristic of younger age groups. Younger age groups are indeed characterized by lower levels of political trust, and partly as a result, we can observe that they are also less likely to take part in elections, which implies that lower levels of political trust erode the feeling that one has a duty to take part in elections. This reasoning opens up a promising venue for future research, as we know that specific groups of a population (e.g., young people and ethnic minorities) indeed show lower levels of voter turnout. Lower levels of political trust might be an important causal factor, contributing to the observed differences.

Some research hints at a very specific element of political trust: the perception of whether or not the electoral process is fair clearly has an impact on the propensity to vote. In the research literature, this aspect is most clearly linked to the process of voting itself, which can be subject to manipulation, falsification of results, or other irregularities (Birch 2010; Kumlin and Esaiasson 2012). In conditions where potential voters believe that the system of elections itself is being rigged (and apparently in some countries they have good reasons to believe so), there is no point at all to go out and vote. While we know that perceptions of corruption in general have a sharp negative impact on trust levels (Uslaner 2008), this effect seems to be all the more powerful when it occurs in relation to a crucial institution of democracy itself, namely free and fair elections. An interesting case study in this regard was conducted in the United States, following the highly contested 2000 presidential election that eventually was decided by the Supreme Court. Quite some voters had doubts about both the fairness of this process and the impartiality of the Supreme Court judges. Partly as a result of these highly exceptional circumstances, it was shown that, following the announcement of the decision, supporters of the losing Democratic candidate actually lost trust

in the political system (Craig et al. 2006). In cases like these, the negative impact on political trust might even have spillover effects on a loss of trust in the legal institutions of the country, which are perceived as being partisan and biased (Nicholson and Howard 2003). It is noteworthy in this context that lack of political trust might even serve as an obstacle to introduce technologically more advanced ways of conducting the vote process. Traditional paper-ballot voting procedures at least have an advantage in that the counting process is rather transparent and can be checked by outside observers, which is not always the case for electronic forms of voting. In countries with low levels of political trust, therefore, there has been quite some opposition against efforts to modernize the voting and counting process (Alvarez et al. 2013). On the other hand, the presence of outside observers, who are seen as trustworthy enforcers, can have a positive effect on trust in the electoral process, especially in emerging democracies (Brancati 2014). Although in the literature there is some debate on what kind of electoral system should be preferred (proportional or more majoritarian systems), the literature does not hint at the fact that the proportionality of the electoral system would be related to levels of political trust (see, however, the impact on winner-loser effects discussed later in this article; see also Powell 2000).

The general consensus within the current literature clearly is that political trust (no matter how it is conceptualized or measured) should be positively related to voter turnout. This cross-sectional observation does not necessarily imply, however, that a potential decline in political trust should also be seen as a cause for the observed decline in voter turnout. In the United States, we can indeed observe that both political trust and voter turnout have been declining in a structural manner in previous decades (Leighley and Nagler 2014). But in other liberal democracies, there is no structural downward trend with regard to observed levels of political trust. Most of the evidence for Europe even suggests rather stable levels of political trust, despite the fact that in these countries, too, electoral turnout levels are caught in a downward trend. Therefore, a decline in political trust cannot be invoked as a general cause for the observed decline in electoral turnout rates. While cross-sectionally there is sufficient evidence for a strong and significant effect, the relationship over time between political trust and electoral turnout levels needs to be further investigated. Some research hints at the fact that the more voters are satisfied with the way democracy functions in their country, the less they feel pressurized to cast a vote themselves (Ezrow and Xezonakis 2016). But it remains rather questionable how this aggregate-level observation could be reconciled with the stable finding that trusting citizens actually vote in larger numbers. As both trust and turnout levels continue to decline, this remains an important research question.

VOTE CHOICE

Political trust not only helps explain who turns out to vote and who does not but also has an effect on the vote-choice process itself. The general assumption is that political

trust increases the likelihood that one will vote for an incumbent party. High levels of political trust apparently reflect a general satisfaction about the way the political system functions, and for those voters there does not seem a pressing motivation to change current officeholders. Although political trust should not be equated with an approval of current officeholders, apparently trusting voters feel more positive about those who are in the majority, governing the country. Hetherington (1999) has shown that while political trust in the past played a role in determining the vote, the impact of political trust has become more important in US presidential elections. A reason might be that a distrusting attitude toward government has become stronger in the United States, with the result that a reservoir of distrusting voters has become larger, increasing their impact on the electoral process. Trends toward polarization could also result in the growth of a perceived distance between presidential candidates. The exact way in which political distrust has an effect on the vote-choice process, however, is dependent on the specific circumstances of the elections. In a race with two candidates, distrusting voters will prefer the candidate from the nonincumbent party, which implies that declining levels of political trust would gradually erode the positive incumbency effect. If a viable third candidate is present, however, distrusting voters tend to prefer this “outsider” candidate, which might equally harm the incumbent and major opposition candidate.

The effect of political trust on the vote-choice process, however, is not limited to electoral systems that offer such a clear opposition between the governing and opposition parties. Most research hints at the fact that right-leaning voters show higher levels of trust in political institutions. The effect is stronger for those institutions that are most strongly associated with typical law and order issues, like courts and the police. This again could be taken as an indicator that political trust is often associated with a rather traditional and hierarchical view on how society and the political system should function (Newton and Norris 2000). Leftist voters, on the other hand, are expected to develop a more critical outlook toward the political system as a whole, which results in lower levels of political trust. Other research, however, shows that those with lower levels of political trust are much less likely to support political parties that are in favor of a stronger involvement of the state system in social life (e.g., by increased intervention in social security schemes). If one has the feeling that government institutions cannot be trusted to deal with one’s financial resources in a reliable manner, a consequence might be that there is a general political option for reduced political intervention in social and political life (Hetherington 2005). In political systems where the question of how strongly government institutions should interfere in the economy and society, therefore, declining levels of political trust could be associated with reduced vote shares for liberal or leftist parties that are committed to redistribution or other social programs. The central and widely publicized claim of Hetherington therefore is that lower levels of political trust will lead to less government intervention:

Declining trust should not affect support for all things that government does. Indeed, people do not need to trust the government much when they benefit from it. Instead, people need to trust the government when they pay the costs but do not

receive the benefits, which is exactly what antipoverty and race-targeted programs require of most Americans. When government programs require people to make sacrifices, they need to trust that the result will be a better future for everyone.

(Hetherington 2005, 4)

The impact of political trust on policy preferences, however, might be influenced both by the intensity and the tone of media reports on specific policy areas (Hetherington and Husser 2012). If economically conservative parties or news outlets emphasize that “big government” plays a negative role in social security programs, this should strengthen the social opposition against further development of these programs.

The impact of lower levels of political trust on the vote-choice process, however, might also go further. In recent elections, populist and anti-establishment parties have scored a remarkable success in various liberal democracies (Mols and Jetten 2016). Although there is an ongoing debate on how populism should be defined, it is clear that a hostile attitude to what has been labeled as “the political establishment” is a key ingredient of the rhetoric of these parties (Bakker, Rooduijn, and Schumacher 2016). With regard to terminology, this is a very interesting turn. While the political trust question mainly refers to political institutions, these parties almost always use the terms “political elites” or “political establishment.” While they often refer to the same entities, it is clear that “elites” or “establishment” is meant to cast doubts on the integrity of these institutions. A term like “establishment” conveys the notion that officeholders in various institutions are related and espouse the same ideology, and in extreme cases this might even lead to conspiracy beliefs. Most often, populist parties depart from the notion of the “will of the people,” which is characterized as common sense and at odds with the interests and decisions taken by the political elites. Almost self-evidently, therefore, this form of rhetoric appeals to voters with low levels of political trust. To phrase it differently: there is a perfect match between the hostile rhetoric of populist parties against the political elites and low levels of political trust. This hostile attitude toward political institutions and elites has even been defined as one of the defining characteristics of populism:

Populists define “the people” as the core and the heart of democracy.... The people are viewed not only as sovereign, but also as homogeneous, pure, and virtuous. The people represent the backbone of society; they are the silent majority, constituting the basis of the good society The people are subsequently contrasted with the elite, that is, those who threaten the purity and unity of the sovereign people. The elite is seen as “evil,” while the people are seen as “good.” This distinction between “good” and “evil,” or “pure” and “corrupt,” is an essential distinction and a defining feature of populism; it further separates the populist concept of the people from that of the mainstream parties.

(Akkerman, Mudde, and Zaslove 2014, 1327)

Comparative research on populist voting, however, suggests that it is not true for all societies that political distrust plays a role in leading to a vote for a populist party. Especially

in traditionally high-trust societies, like the Scandinavian countries, other vote motivations, such as hostility toward immigration, might serve as the most important vote determinant of populist voting. In the literature, it has been suggested that left- and right-wing tendencies can be distinguished within populist parties, but for left-wing populism a distrusting attitude toward the political system serves as a major voting motive. Nevertheless, the finding of a strong relation between political distrust and populist voting is a theoretically interesting reversal. As we have seen, the traditional assumption is that especially right-wing voters will have higher levels of trust, as they tend to prefer a continuation of the status quo. Among predominantly right-wing populist voters, however, this relation is opposite: while there seems to be a preference among this group for strict law and order, simultaneously we can observe a strong level of hostility toward mainstream political parties and the political institutions associated with these parties.

The relation between political distrust and populist voting, however, might even be more complex than the mere observation that distrust serves as a voting motive. A vote for a populist party should not just be seen as an expression of discontent, as subsequently it can also further fuel distrust toward the political system as a whole (Rooduijn, van der Brug, and De Lange 2016). The mechanism behind this process might be one of increasing identification: once a voter has cast a vote for a populist party, s/he is also more likely to pay attention to the messages of that specific party, and these messages will also be received in a more favorable manner. If the rhetoric of that party continues to emphasize the claim that the current officeholders cannot be trusted at all, and do not pay attention to the real interests of the people, it is likely that voters will continue to be exposed to this message and will gradually interiorize this negative assessment. Hooghe and Dassonneville (2016) show evidence that a vote for a populist party first of all expresses low levels of political trust. Subsequently, however, voters for populist parties are characterized by eroding levels of political trust, as their preferred political party continues to send out messages that are highly critical of the functioning of the political system as a whole. Even if the populist party takes on some form of government responsibility, the basic claim that political elites cannot be trusted will continue to resonate among its electorate.

With regard to the vote-choice process, we can therefore conclude that low levels of political trust mainly serve as a motive not to support incumbent parties. In general, this would be associated with a vote for an opposition candidate or party, but especially in recent years, this has also been associated with growing electoral success of populist parties that thrive on negative rhetoric about the functioning of the political system as a whole. There is by now quite some evidence that this rhetoric can lead to further strengthening of distrust attitudes.

Winners and Losers

While in the preceding discussion we have dealt with the effects of political trust on the electoral process and electoral participation, it has also been documented that elections

themselves, and their results, have an effect on levels of political trust. While there are some indications that elections boost political trust, in the vast majority of the literature it is expected that there will be strong differences among supporters of winning and losing parties in an electoral contest. Again, this leads to a more profound question about the theoretical status of the notion of political trust. If this should be equated with diffuse support for the underlying principles of the political system, the level of political trust should not be dependent on who exactly is the officeholder, as these basic values are a much more structural and durable characteristic of the political system. The occurrence of strong winner-loser effects would mean that citizens do not make a clear distinction between general principles and institutions, on the one hand, and officeholders on the other. The available literature, however, suggests considerable variation in the strength of winner-loser effects, depending on election characteristics and specific electoral systems.

The basic argument in this literature is that those who vote for a losing political party subsequently lose trust in government if they notice that another political party exerts power following the elections (Anderson and LoTempio 2002). The loser effect responds to a fundamental disappointment following the election: the candidate citizens have voted for will not take part in power, and therefore these citizens rightly might have the impression that their preferences will not be taken into account in the political decision-making process. Supporters for the winning party, on the other hand, might not just be satisfied with the procedure of voting itself, but they will also be happy about the outcome of the electoral process; since their preference has prevailed, they assume the political system will be governed in accordance with their own individual preference. For forms of direct democracy, it has been found that satisfaction with the outcome can moderate perceptions about the fairness of the procedure that has been used to arrive at decision making (Persson, Esaiasson, and Gilljam 2013). Although it can be assumed that procedural fairness considerations are important, and that elections most often are considered to be a fair decision-making procedure, the outcome of the entire process will inevitably have an effect on the long-term attitudinal consequences of a democratic decision. A recurring expectation in the literature is that only voters who are in favor of the winning party would have a reason to become more trusting as a direct consequence of the election result (Singh, Lago, and Blais 2011). Especially if voters for the opposition perceive the governing party to be very distant from their own concerns, or to govern in a dishonest or negative way, it becomes very likely that they will not only express dissatisfaction with the way democracy functions in their country but also lose trust in the political system (Whiteley et al. 2016). This winner-loser effect is completely independent from any concern about the integrity of the electoral process itself: even if supporters of the losing party would agree that the elections have been completely free and fair, they will still feel inclined to be less trusting toward the political system, after a disappointing electoral result.

The winner-loser model seems to be most strongly present in two-party systems, where elections automatically respond to a zero-sum game. If party A gains power, this can have no other effect than that party B is removed from power, with a result

that there are clearly identifiable winners and losers in the electoral game. Not in every political system, however, is it this easy to identify winners and losers of elections (Beaudonnet et al. 2014). In multiparty systems, it might be possible that a party loses some electoral support, but still gains seats. A loss of votes might also be perceived as a victory if the major competing party has lost in even stronger ways. Finally, in this kind of political system, it might not matter that much what the electoral result is, but rather whether the party can take part in a governing coalition or not.

Although it is often claimed that the winner-loser effect is a general phenomenon, the empirical evidence offers quite some variation, both within as across political systems. Even for the United States, too, not all research hints at the occurrence of this effect. Dabros, Parker and Petersen (2015) argue that especially what happens during the election campaign can have profound consequences for the level of political trust. Election campaigns are a period of intensive political communication, and citizens are exposed to all kinds of information that is meant either to highlight the qualities of a candidate, or to damage his/her reputation. Depending on the intensity of the exposure, this might result in some important shifts with regard to the level of political trust. Other research, too, questions whether the winner-loser effect is such a general phenomenon. For Spain, e.g., it was shown that the negative effect of losing an election only occurs among supporters of political parties that have a long tradition of being left out of government power. Furthermore, the effect was strongest among the voters that identify most strongly with that losing party. The main finding of the study on Spain was that just losing one election is not considered as a total failure for voters in a country that does not have a majoritarian system. Only if the electoral defeat is repeated again and again, this might lead to a total dissatisfaction with the political system as this group of the electorate feels excluded from democracy (Delgado, 2016). This would imply that voters do not react all that strongly to one specific election, but rather that they take a long term perspective, allowing for the fact that their party might from time to time lose or win an election. Only if their own party loses again and again, or is constantly left out of governing coalitions, this might strengthen distrust toward the political system as a whole (Curini, Jou & Memoli, 2012). For other countries too, the evidence suggest that the winner-loser effect might not be a general phenomenon. At least for the Belgian context, there does not seem to be a significant difference between the evolution of political trust between the supporters of winning or losing political parties. Hooghe and Stiers (2016) speculate that this can be explained by the presence of an extensive system of power-sharing within Belgian politics, even a party that loses elections still can participate in various forms of governing. If a party loses seats in parliament, it might still exert power in its local or regional strongholds. All of this research hints at the fact that winner-loser effects can show a considerable level of variation. It is likely that differences are strongest if losing an election effectively means that a party is removed from office, and no longer can exert any political power at all. Ideological distance, the perceived trustworthiness of the winning party, the history of a political system, and the magnitude of the electoral defeat, however, can all mitigate to some extent the winner-loser effect. The general tendency within this line of research

therefore would be, that the more an electoral defeat means that voters will be excluded from what they perceive as their fair share of influence on government, the more likely it is that they will lose trust in the system itself. In majoritarian systems, with a clear and hard distinction between those in power and those in opposition, the winner-loser gap therefore is much more clearly visible than in more consensus-oriented political systems where even losing political parties might still be involved in various power-sharing schedules (Anderson & Guillory, 1997). The debate about the occurrence of the winner-loser effect is also important with regard to the theoretical status of political trust. The notion that political trust only relates, or should relate, to the fundamental principles of a political system, supposes that citizens indeed can make a rather strict distinction between the political system as an abstract entity, and the current office holders. If that distinction would be absolute, in fact there should not be a winner-loser effect at all. The fact that at least in some cases, and in some political system, the effect does occur demonstrates that at least some contamination occurs between diffuse support for the political system, and specific support for office holders.

CONCLUSION AND SUGGESTIONS FOR RESEARCH

As we have seen throughout this article, political trust has powerful effects throughout the various components of the electoral process. Not only will political trust help to mobilize voters, it also partly determines voter choice, and subsequently it might be affected by the way an election has been conducted or by election results. The effect of political trust furthermore has become more salient, as at least in some countries political trust levels seem to be declining, while there is a simultaneous process of electoral dealignment. The review, however, also suggests that a number of research questions remain open and are in need of further investigation.

A first, and important, consideration is that various operationalizations of political trust are used almost interchangeably in the academic literature. In the US-based literature, questions on “satisfaction with democracy” are routinely used in survey research, while in Europe, a measurement of trust in political institutions seems to predominate. In the widely used European Social Survey, respondents are presented with a list of political institutions, and to a large extent, this has become the dominant standard in European political science research. On the surface, both measurements seem to refer to a very broad assessment of democracy and the political institutions that shape the democratic process. In practice, however, the available research indicates that questions on satisfaction with democracy seem to fluctuate much more strongly than questions on trust in political institutions. A likely explanation for this pattern might be that the reference to the “functioning” of democracy evokes the way current officeholders actually perform, while a general reference to institutions

is seen as a less timely reference. The results indeed suggest that questions on satisfaction with democracy fluctuate more rapidly than questions about levels of trust in the main political institutions (Linde and Ekman 2003). There is no readily available explanation for this pattern. A potential element might be that satisfaction with democracy more easily invokes an immediate response, such as inviting reflections on current affairs in the news. On the other hand, the reference to vague institutions like "Parliament" might be less easily associated with the specific and recent behavior of some Members of Parliament. If the battery of institutions includes the courts, this might have a further moderating effect against sudden fluctuations as it is very unlikely that a large number of courts would receive the same level of media coverage simultaneously. Although based on the current level of knowledge we do not know specifically what explains the difference between both operationalizations, it does remain important that in empirical research these measurements are not seen as interchangeable.

A second concern is that most of the relations that have been documented in this article are based on cross-sectional observations, primarily because there are so few longitudinal studies available on the evolution of political trust. Nevertheless, the causal claims emphasized in the literature would become much stronger if we could have access to observations over time. This is especially the case with regard to the relation between political trust and electoral turnout. While both indicators seem to evolve in a similar manner over time, self-evidently this does not yet imply that they are also causally related. From a normative point of view, however, it could be argued that it is a crucial challenge for political science research to know more about the observed decline in electoral turnout, as this erosion has profound consequences for the entire democratic linkage between citizens and the political system. More specifically, this begs the question as to whether political trust can be causally linked to the reduced willingness of citizens to cast a vote. The question is important, because it is rather easy to imagine a downward cycle: if, because of relatively low or declining turnout levels, parliaments and governments no longer accurately reflect the preferences of the population, this could also have negative consequences for the perceived legitimacy of the political system, rendering it extremely difficult to return to a situation of broad support for democratic institutions and functioning. The correspondence between political trust and populist voting does indeed suggest that there might be a mutually reinforcing relation. While populist parties appeal to distrusting voters, there is by now also quite some evidence to suggest that populist parties might subsequently further fuel discontent. If this cycle develops, there may be a continuing rise in levels of discontent. Especially in the work of Hetherington (1999), it is assumed that eroding levels of political trust will reduce any potential incumbency effect in elections. If that would be the case, the entire "responsible party model" becomes difficult to maintain. If incumbents know that it is very unlikely that they will be rewarded by future voters, they have fewer incentives to respond to voters' expectations. It is clear that the nature of elections has changed in a dramatic manner in recent decades in most liberal democracies, partly as a result of a structural dealignment of voters and political parties. What role political trust plays

in this process, both as a potential determinant and with regard to the possible consequences for political trust, remains an open research question.

Finally, we have seen that elections can offer some form of expression of popular discontent. Disgruntled voters can take the opportunity of elections to stay at home, to vote against incumbents, or to vote for a political party that challenges the political status quo. Thus far, liberal democracies have proven to be quite resistant to this negative mood of the electorate, and while populist parties or candidates have been successful at the polls, they managed to displace mainstream parties from their hold on power. It has to be noted, however, that these parties to some extent have taken over the rhetoric of populist challengers, especially with regard to immigrants and integration policy. One cannot help but ponder the implications of a further extrapolation of current trends. If political trust further declines, this creates even more opportunities for populist challengers or outsider candidates in politics. The 2016 presidential elections in the United States, for example, were the first where an outsider candidate who was highly critical of the political system managed to obtain the nomination of a major political party. If the trend toward increasing polarization and rising levels of distrust is not reversed, this might make future elections increasingly unpredictable, resulting in a declining level of stability in the political system. A fundamental question in this regard, of course, is whether populist parties would be able to reverse the downward trend in legitimacy if they ever got a hold on power, or whether negative sentiments in turn would be directed against the way they govern a country. While some European countries have seen populist parties enter governing coalitions, thus far the experience has been too limited to draw any firm conclusions on its effects. While it has been argued that "critical citizens" have a positive effect on the state of democracy in a country, it remains to be seen what could be the long-term consequences of an ever-increasing reservoir of distrusting voters.

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CHAPTER 27

TRUST IN JUSTICE

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THE issue of public trust in the police is a mainstay of criminological research. The 1983 *Police and People in London* study (Smith and Gray 1985) heralded a run of books, journal articles, and research reports that continues to this day in the United Kingdom. A similar research tradition exists in the United States, Canada, and other Anglophone countries. Other international scholars have started to assess public trust in the police in their own countries (e.g., Bradford et al. 2014; Cheng 2015; Jonathan-Zamir and Weisbord 2013; Kochel et al. 2013; Tankebe 2009) and to mount ambitious comparative analyses spanning multiple jurisdictions (Hough et al. 2013; Nivette 2016). And while the tradition of research on trust in the courts is less well developed, and research on trust in other aspects of the criminal justice system even less so, interest here has been relatively consistent over the years. In the United States, for example, the Gallup Poll has included a measure on “trust and confidence” in the judicial branch of the federal government since 1972.

Of the many issues motivating scholarly interest in this topic two are most notable. First, there is widespread acceptance in academic and policy circles of the notion that it is normatively desirable that people should trust a justice system with an unusually intrusive set of powers to coerce, detain, and protect them. People have the right to live in a society with justice institutions that can be trusted; at the very least, the absence of trust indicates a problematic relationship between citizens and legal authorities. Second, the legal systems of democratic countries require the trust of citizens in order to function. To sustain the reproduction of order, the police and courts need the cooperation of citizens as providers of information, witnesses, jurors, and collaborators. People are unlikely to report a crime to the police, for instance, if they distrust officers to act effectively and fairly.

In this article we consider what it means for citizens to trust the police and criminal courts. We outline our broad understanding of trust as a concept; we consider the relevance of four theories of trust formation and reproduction; we use these theories

to derive a set of propositions concerning the sources of trust in the legal system and the factors that sustain and/or undermine it; and we provide a brief review of existing criminological research that provides evidence as to the relevance of these factors. The article closes with a discussion of some of the similarities and differences between trust and legitimacy in the context of a system of authority relations that is founded on both consent and coercion.

TRUST IN JUSTICE INSTITUTIONS

We consider first what PytlikZillig and Kimbrough (2015) describe, in their review of reviews, as the triad of subject (a trustor), object (a trustee), and relationship (interdependent but involving some degree of risk and shared interest). The *subject* (trustor) that concerns us here is the citizen: as an individual able to make free choices based, in part, on rational calculation; as a person with a particular personal background, trajectory, and set of motivations; and as a member of various social groups that structure, enable, and constrain attitudes and possibilities for action in multiple ways and at multiple levels.

The *object* (trustee) is the relevant criminal justice agency. Some of these objects have the characteristic of being both an organization and an institution. They comprise “real” organizational entities (e.g., a specific police force) that are to a significant degree coterminous with institutions (e.g., “the police”). Institutions can be defined as “interlocking double-structure(s) of persons-as-role-holders or office-bearers . . . and of social practices involving both expressive and practical aims and outcomes” (Harre 1979:98), and one implication of the merging of organization and institution is, for example, that any one police organization (the London Metropolitan Police Service, say, or the New York City Police Department) can and does stand in the view of citizens for the institution of police, and therefore perhaps for other police organizations in the same jurisdiction. Symmetrically, people’s (imagined) relationship with the institution of police will color their relationships with specific police organizations. In this article we use, primarily, the abstract language of “institutions” and “authorities,” but it is important to remember that the discussion likely applies also to organizations.

While some have argued that it makes little sense to talk of trust in institutions (e.g., Hardin 2013), not least because it is difficult to conceive of institutions as “caring” or “intending” (PytlikZillig and Kimbrough 2015:11), we share the view of PytlikZillig and Kimbrough that it is meaningful to talk of institutional trust precisely because people anthropomorphize institutions. This point is especially relevant in the context of policing, where the image of the police officer, as well as of particular police organizations, is steeped in social and cultural meaning, in which the individual actor represents and embodies the institution to a significant degree, and where the police comprise a visible, apprehensible presence in the lives of most citizens that is not “faceless” but is instead associated with a variety of more or less imagined, yet nevertheless “real”, social personas.

Relevant here is Hardin's (2006) suggestion that stereotyping is important in the development of trust relations, at least in so far as that stereotypes can be used to help form trust judgments when other sources of information are lacking. People have a range of stereotypical views of the "police officer"—positive ones might include figures of authority in their neighbourhood (Sunshine and Tyler 2003), an avuncular representative of the community (Reiner 2010), and an effective crime-fighter—and at least some of these positive views may promote trust. The figure of the judge may provide a similar personification, this time of the court system, providing a basis for a set of similarly stereotyped assumptions in relation to fairness and impartiality, along with perhaps some less positive stereotypes concerning elitism, class prejudice, and a lack of awareness of the modern world.

Finally, *relationship* refers to the interdependence of subject and object, without which it makes little or no sense to talk of trust. Here, again, we follow PytlikZillig and Kimbrough (2015:11) and others (e.g., Schoorman, Wood, and Breur 2015) in suggesting that, while trust is by definition relational, it is not necessarily reciprocal, in that it is meaningful to speak of the subject trusting the object even where the object does not, and even cannot, trust the subject. This distinction is clearly relevant in the current context. While individual police officers may or not trust citizens or "the public," it would take a significant conceptual leap to suggest that "the police," as organization or institution, can or might trust individual citizens.

Willingness to be Vulnerable

The second way in which we draw on PytlikZillig and Kimbrough's (2015) review is in following the definition of trust that is attracting a growing consensus in the literature. People who trust criminal justice institutions are "willing to rely upon, give control to, or otherwise 'be vulnerable to' those institutions under conditions of risk" (2015:9). Thus envisaged, trust in legal authorities involves consideration of both (1) the future behavior of specific individual actors whom one can come to rely upon for valued actions or outcomes; and (2) beliefs about the behavior of "role-holders" (e.g., police officers, judges) in relation to social regulation and the production of order (c.f., Hamm et al. 2017). For example, people who trust the police are willing to rely upon and be vulnerable toward the police, whether this means specific officers or the institution of "police." On the face of it, such trust refers to both the ability of officers to intrude in people's lives to enforce the law and the power of officers to control crime and maintain order—to police behavior that might produce valued outcomes in which the individual has a significant stake and that are inherently "risky" (not least because such efforts might fail or the individual might find themselves on the wrong end of police *misbehavior*).

From this perspective, trust in criminal justice actors is a process (PytlikZillig and Kimbrough 2015:29) that resides not simply in people's attitudes or orientations toward the police or courts, nor solely in the actions they take in relation to these institutions,

but in the more complex interplay between the two. PytlakZillig and Kimbrough refer to Möllering (2013) to expand this point, arguing that

trust-as-process includes recognizing that “trusting” involves both mental and social processes (i.e. both psychological and behavioural aspects), occurs and changes over time, involves information processing and learning (e.g. about trustworthiness, risk and contexts of trust), and also can result in—for the trustor and the trustee—changed personal identities and institutional structures and practices. (2015:30)

It is this understanding of trust that informs our discussion of the ways in which trust in criminal justice institutions is generated, reproduced, and (perhaps) undermined, as well as our thinking about what it *means* to trust the police or courts. To organize our discussion, we draw on four theories of trust that attend not only to what trust is, but also (and more importantly) to how it is formed, reproduced or lost:

- the relational account associated with theorists such as Russell Hardin (2006);
- the value-based notion propounded by Eric Uslaner (2002);
- Anthony Gidden's (1991) concept of trust as a complexity-reducing mechanism; and,
- research in social psychology that stresses that trust emerges from value-bearing narratives (Earle and Cvetkovich 1995).

We choose these four accounts because they complement, as well as contrast with, one another in different ways—and because each has something to say about the ways in which trust in the police and courts might vary over space and time (see Bradford et al. 2017a for an empirical application of some of the ideas outlined below).

Institutions of Justice

We should say at the outset that we do not address trust *in the law* because, in our minds, it makes little sense to say that someone trusts the law. The law is an enforceable code of conduct that represents a set of legal duties. The law is not a trustee; it has no agency or independent volition. One does not rely on the behavior *of* the law, nor can one be vulnerable in relation *to* the law. While trust does not need to be entirely reciprocal, the trustee does need to be an intentional actor. One could break the law or be falsely accused, and feel vulnerable to potential actions from law enforcement and court officials, but that refers to trust in institutions that administer justice, not to trust in the law. The law is like a heavy rock—it can harm or crush a person, but it has to be moved by another in order to do so.

Before we consider the four perspectives on trust, we should also draw out some preliminary differences between the police and courts. First, while both are popular topics of TV and film drama, citizens generally have more personal knowledge of—and

interaction with—police officers compared to judges and court officials. Second, police have regulatory power over us in many walks of life, but court officials only have such power in a court situation. This means that people are more routinely exposed to police authority than to that of the courts. Third, both the police and courts engage in social regulation, the administration of justice, and the production of order, but citizens are more reliant on the police (a more salient and pervasive social control mechanism) and police are more reliant on citizens. The degree of interdependence between trustor and trustee will be stronger with respect to the police compared to interactions with court officials.

Throughout the following discussion, we assume (as indicated earlier) that people have a tendency to anthropomorphize in a way that conflates individual actor and institution—by this, we mean that while they may, in a given context, focus on individual actors, these always embody to some extent the institution. Conversely, people draw inferences about the trustworthiness of particular police officers and court officials, and will act in ways that represent a willingness to be vulnerable to these individuals, based on their conception of the wider institutions. The intentions and capabilities of individual actors will be important, not only in their own right, but also because they stand for the intentions and capabilities of the relevant institution (and vice versa)—although this does not mean that people are incapable of drawing a distinction among individual officers, particular organizations, and institutions as a whole.

FOUR PERSPECTIVES ON TRUST IN THE POLICE AND COURTS

Knowledge-Based, Relational Trust

Hardin makes three claims about trust that are particularly relevant for current purposes. First, he stresses that trust is based in knowledge of another's trustworthiness and that trust is cognitive since it depends on judgments about character of the potentially trusted other. "To say we trust you means we believe you have the right intentions toward us and that you are competent to do what we trust you to do" (Hardin 2006:17). The trustor does not *choose* to trust; on the contrary, relevant knowledge of the abilities and intentions of the trustee instead *comprise* trust. Trust emerges when the trustor has relevant knowledge about the trustee (or alternately it does not emerge if what the trustor knows about a potential trustee does not indicate capability and/or appropriate intentions), and an important aside is that trust is here both past- and future-oriented (or as Hardin puts it, trust is based in assessments and expectations). Knowledge of abilities and intentions refer to events and experiences that have already taken place, yet also comprise assumptions about events yet to transpire, and both factors must be present in people's minds for us to consider their knowledge constitutive of trust.

Second, Hardin places emphasis on the relational aspect of trust, which is formed and maintained because both parties have an interest in maintaining a reciprocal relationship with the other. The trustor has a need to trust the trustee – a reason for coming to a judgment about their abilities and intentions that is inevitably future-oriented. We need trust when we need to make judgments about the likely future behavior of another, but equally, the trustee must know something of the trustor to be able to anticipate their needs and priorities (to be able to have the right intentions in relation to their interests) and must also have an interest in maintaining their relationship with the trustor. Without such a need, they would have no reason to demonstrate competency and right intentions, and it is for this reason that Hardin speaks of trust as encapsulated interests—I trust you when “you *encapsulate* my interest in your own” (2006:8, emphasis in original).

This idea sits comfortably alongside many years of criminological research that has shown, first, the importance of trust in shaping the legitimacy that criminal justice institutions require for their continued existence (Hough et al. 2013; Jackson et al. 2012; Tyler and Huo 2002); and second, the extent to which criminal justice agencies expend time and effort attempting to convince those they govern that they are, indeed, trustworthy (Hohl et al. 2010; Mawby 2002; Salisbury 2004; Singer and Cooper 2008). Criminal justice agencies in democratic states rely on the trust of citizens to a significant degree; at the very least, their job is made that much harder when trust is low. Police and other criminal justice actors therefore have an active interest in encapsulating the interests of citizens within their own, and acting in ways that generate and reproduce trust among those they govern (which is not to claim, of course, that police and courts do not frequently behave in ways that undermine trust).

Third, if “we trust only those with whom we have a rich enough relationship to judge them trustworthy” (Hardin 2006:18), then trust is based in preexisting relationships that both parties imagine will continue into the future. If this were not the case, there would be no reason for the trustee to behave in a relationship-maintaining fashion—that is, to do what they were trusted to do, and/or the cognitive condition of trust would not arise because the trustor would not need to come to a judgment about ability and intentions. An important implication of Hardin’s notion of trust is, therefore, that personal experience matters a lot with regard to trust as well as future willingness to cooperate with the police. Direct contact with potential trust objects is an important moment in which information is gathered that can be the basis of subsequent trust judgments. This accords with a significant volume of research demonstrating a strong set of associations between personal contact with police, trust, and willingness to cooperate with officers in the future (Bradford et al. 2009; Bradford and Myhill 2015; Jackson et al. 2013; Skogan 2006; and see below).

Trust as Moral Value

A quite different view of trust emerges from the work of Eric Uslaner (2002). Starting from an explicit critique of the notion of “knowledge-based” or strategic trust, Uslaner

posit that trust is first and foremost a moral value, based not on personal experiences but on a particular view of life: “[T]rust is not about having faith in particular people or even groups of people. It is a general outlook on human nature and mostly does not depend upon personal experiences or upon the assumption that others are trustworthy” (2002:17). On this account, trust primarily emerges from a moral viewpoint that will be unevenly distributed across a given population and that suggests others are worthy recipients of trust, premised on a

belief that others share your fundamental moral values and therefore should be treated as you would wish to be treated by them. The values they share may vary from person to person. What matters is a sense of connection with others because you see them as members of your community whose interests must be taken seriously. (2002:18).

Uslaner develops this idea in a variety of ways pertinent to the current discussion (see also Kramer, this volume). On the one hand, he quotes Fukuyama: “Trust arises when a community shares a set of moral values in such a way as to create regular expectations of regular and honest behaviour” (1995:153). A measure of fundamental similarity between trustor and trustee is supposed, and there is also, as with Hardin, an emphasis on standardized and familiar contexts that allow regular expectations to be formed. On the other hand, Uslaner stresses that moralistic trust is based on a general expectation of the goodwill of others (2002:18). All *this* aspect of trust rests on is a sense of general shared humanity; it does not require, for example, a preexisting community and shared set of moral values. An important implication here is that personal experience of a potential trust object is less important (compared to Hardin’s account), since trust is based on judgments about intrinsic moral worthiness rather than performance or behavior.

Uslaner also draws a strong distinction between particularized and generalized trust. Particularized trustors draw the boundaries of the moral community tight; they include only family and immediate friends in their moral community—only these people are seen to be worthy of trust based on moral values. For particularized trustors, strategic trust is relatively more important, and they will in a general sense be less trusting since they believe the number of people it is *worth* trusting is small. Generalized trustors, by contrast, draw the boundaries of the moral community more widely. They include many more, and even all, people in their moral community; moralistic trust is therefore more important for them. Generalized trustors are inclined, indeed motivated, to trust a much wider range of individuals and corporate actors than particularized trustors. Finally, generalized trust is “thin,” based only loosely on social ties, and particularized trust is “thick,” based on strong social ties. Particularized trust is also ubiquitous, since almost everyone trusts someone, and, Uslaner seems to suggest, it is stronger since “[w]e place our highest levels of trust in people we interact with most closely and who are most like ourselves” (2002:30); in addition, “[w]e are predisposed to trust our own kind more than out-groups” (2002:31).

Uslaner thus develops a notion of trust that has much in common with that developed in the literature on procedural justice. Drawing on the seminal work of Tom Tyler and colleagues (e.g., Tyler 2006; Tyler and Blader 2000; Tyler and Huo 2002), this literature is primarily concerned with the importance of procedural fairness—a term that relates to notions of respect, dignity, voice, equity, and neutrality—to people when they are interacting with authority figures such as, precisely, police officers. A large corpus of empirical work has found that, in their dealings with legal authorities, people appear to place more emphasis on the fairness of the process than on the outcome obtained. When they feel fairly treated they are also more likely to trust, legitimize, and cooperate with the authority. The importance of fairness in people's relationships with legal authorities revolves around the fact that those authorities represent social groups most find important, which have been variously characterized as the nation, the state, or the community. When authorities treat people fairly, it communicates a sense of shared group membership (Bradford et al. 2014) and that the authority is a "prototypical" representative of the group (Sunshine and Tyler 2003). Because procedural justice strengthens the bonds between individual and authority and motivates a sense that they have a shared social identity, it encourages a sense of trust, particularly in relation to perceptions of the motives the authority (Tyler and Huo 2002). This is precisely because, in Uslaner's terms, it encourages a sense that authority figures are in an important sense "like us" (see Lenard and Miller, this volume).

Trust as Complexity Reduction Mechanism

The third notion of trust considered here comes from the work of Anthony Giddens. Concerned with the ways people react to, deal with, and at least some of the time benefit from the conditions of "high modernity," in *Modernity and Self-Identity* (1991) Giddens positions trust as a characteristic of the individual—or a facet of individual behavior—that enables people living under the otherwise overwhelming complexity of the late modern condition to "bracket out" this complexity and thus experience the world as understandable, coherent to, and manageable by human actors. Trust provides for a sense of "ontological security" and is an aspect of the individual's "practical consciousness" (Giddens 1991:36), which allows them to act despite the complexity of modern life.

This capacity is linked explicitly to the preeminence of expert systems in high modernity. These are forms of technical knowledge and practice that have "validity independent of the practitioners and clients that make use of them" (Giddens 1991:18), which channel and make useful the vastly increased store of human knowledge and potential in a process that relies on people's willingness to trust the system rather than the individual. On this account, one reason why modern health systems (to take an institution unrelated to the justice system) are so effective and empowering is because we trust health institutions—as systems of expert knowledge—individually of our knowledge of individual health practitioners. Without such trust—or when it is undermined for some reason—our propensity and ability to make use of the health system is

diminished because it has become ‘disembedded’ (Giddens 1991) from our immediate social contexts and knowledge of individual people. The health system does not and cannot rely on immediate social bonds between actors to function, and we cannot rely on our relationships with specific individuals to use it. In short, we trust “doctors” (as well as, frequently, “this doctor”—individual relationships of course continue to play a role), and this trust enables action. If we do *not* trust doctors, conversely, an avenue for action is closed off, or at least obstructed.

The resonance here with policing and the provision of security is strong. Acting “as if” we *know* justice institutions can provide at least a basic level of security—or, more concretely, that they are effective and well intentioned—enables action, for example by generating a sense of confidence that if a misfortune or threat arises, help and support can be invoked and summoned. Equally, trust provides reassurance that justice institutions will not employ their power to arrest and apprehend in unjust ways. Indeed, it is precisely because no one can concretely “know” these things, and because there is always a risk that, for example, police will not attend if summoned, or will misuse their power if they do, that the concept of trust (or mistrust) is such a useful way to understand the relationship between people and justice institutions.

Three further aspects of Giddens’s concept of trust are particularly pertinent here. First, he insists, trust cannot by definition be based on full knowledge—if we *knew* the police would come when called we would not need to trust them. Rather, trust “presumes a leap to commitment, a quality of ‘faith’ which is irreducible” (Giddens 1991:19). Smith (2007) has made precisely this point when discussing the formation of public trust in the police. Second, like Uslaner, Giddens conceives of a significant portion of individuals’ propensity to trust as stemming from their early socialization and therefore, if not innate, as a deeply held character trait. Drawing on the psychoanalysis of D. W. Winnicott, Giddens argues that “[t]he trust which the child, in normal circumstances, vests in its caretakers . . . can be seen as a sort of emotional inoculation against existential anxieties—a protection against future threats and dangers” (Giddens 1991:39), and that this trust carried forward into adult life. Again, we are left with the idea that trust enables action—but also that some people will be more predisposed to trust than others.

Third, however, unlike Uslaner, Giddens stresses the reflexive nature of trust (and of modernity in general). While some people may be predisposed to trust, they will assess the behavior of trustees and reconsider their opinions in the light of evidence. Giddens thus presents something of a “third way” (pun intended) between Hardin and Uslaner, in that he suggests trust stems from both personal characteristics (propensities to trust) and experience.

Trust in Value-Bearing Narratives

The idea that trust is both a complexity-reducing mechanism and intimately bound up with risk also emerges from the work of Earle and Cvetkovich (Earle and Cvetkovich 1995; 1999). Like Uslaner, they argue that trust is primarily a within-group phenomenon,

although, also like Uslaner, they distinguish between what they term “pluralistic trust,” premised in the shared past of particular groups, and “cosmopolitan trust,” which is created out the emergence of new combinations of people and groups (the latter, they argue, is well suited to the task of cognitively dealing with risk as it can emerge at precisely the point people embark on new, therefore uncertain, endeavors).

What concerns us here, however, is Earle and Cvetkovich’s emphasis on what they call “value bearing narratives” in the emergence and maintenance of trust. On this account, social trust is “based on value similarity: people tend to trust other people and institutions that ‘tell stories’ expressing currently salient values, stories that interpret the world in the same way they do” (1999:21). This notion of trust is relevant here because the police, courts, and other criminal justice institutions are intimately caught up in a whole set of stories people tell themselves about the nature and condition of their neighborhood, community, and nation. As Loader and Mulcahy (2003:39) argue, police can serve as a condensing symbol (Turner 1974) around which people can cohere a set of meanings and understandings that give structure to their social worlds. Almost inevitably, given the nature of these institutions, these stories will revolve around values and the conflict between values—issues of right and wrong, recognition and misrecognition, order and disorder. In addition, justice institutions are constantly forming and reforming a narrative about themselves, as a way of claiming relevance, in asserting their legitimacy (Bottoms and Tankebe 2012) and in their role as “legitimate namers” (Loader and Mulcahy 2003:46), empowered to make definitive statements in relation to particular individuals, groups, and circumstances. To the extent the narratives told by, about, and in relation to the police and courts correspond with people’s own values, then trust will emerge and be sustained. But if the narrative told by and about police clashes with people’s values, trust will be damaged or undermined.

The Nature and Sources of Trust in Justice Institutions

We have taken the time to discuss the four notions of trust outlined above, as we think all have relevance when thinking about trust in justice institutions. This relevance can be summed up in seven propositions, which comprise a multidimensional model of trust that draws on concepts of relational *and* moral or value-driven trust (cf., Hamm et al. 2017).

- (1) Trust in legal authorities is primarily cognitive. One’s willingness to be vulnerable to such authorities is founded in beliefs one has concerning their current and likely future behaviors. This “knowledge” may be explicit, tacit, or simply assumed, and may be garnered from many different sources.
- (2) Trust relates to beliefs about ability and intentions. Trust in the police and courts is premised on beliefs that they are effective in their tasks and well intentioned toward those they govern and serve.
- (3) Trust is based in part on direct and indirect experience of criminal justice actors, particularly in relation to their abilities and intentions. These are important

moments in which the beliefs that constitute trust are formed. A necessary corollary is that there is significant overlap between trust—or distrust—in particular police officers (for example) and the institution of police, albeit that these will not collapse into each other.

- (4) Yet, trust is also based on generalized motivations *to* trust. In particular, people will be motivated to trust criminal justice institutions when and to the extent that they believe those institutions share group membership with themselves and/or represent social groups to which they feel they belong.
- (5) Trust is also generated and reproduced by the place of institutions within specific value-bearing narratives. People will trust those institutions when they believe they represent, enact, and even embody values they share.
- (6) Trust in criminal justice institutions always, in the final analysis, involves a leap of faith. People cannot truly know—have justified true belief—that criminal justice actors and institutions are effective and well intentioned, but many are willing to indicate they believe these things to be true.
- (7) Both trustor and trustee have interests in maintaining trust-based relationships. For individual citizens this trust reduces complexity, opens up possibilities for action, and may be closely related to their sense of self and ontological security. For justice authorities, trust serves to garner cooperation from citizens, and it is intimately linked to the legitimacy required to maintain their continued existence.

This model of trust in legal institutions supposes that trust emerges from different sources, that it is a characteristic of various sets of social relationships, and that assessments and expectations of competency and intentions relate both to specific encounters with justice agents (e.g., people come to an opinion on the effectiveness and intentions of the police subsequent to contact with police officers) and crystallize thoughts, feelings, and emotions developed in other, often quite different ways (e.g., people are motivated to believe police are effective and well intentioned when they feel they share a social identity with police).

Returning to the notion that trust is a “willingness to be vulnerable,” and based on the account above, there are two ways of assessing what trust in justice authorities actually “is.” One is that beliefs and knowledge concerning abilities and intentions are psychologically separate from, and feed into, such readiness—that trust in legal authorities is, precisely, a process that is premised on assessments of competency and right intentions but also crystallized in a willingness to be vulnerable. The other possibility is that beliefs/knowledge concerning abilities and intentions are psychologically inseparable from vulnerability (indeed people may find it hard to imagine *not* being vulnerable to, or in some sense reliant on, justice authorities, making any sense of willed vulnerability subordinate to assessments of competency and intentions). Which of these conceptualizations is correct is largely an empirical matter, and it would be fascinating to investigate which is best supported by real-world data (see below).

The model also implies that the most relevant form of knowledge people have of criminal justice institutions is “tacit.” That is, the things we believe we know about

criminal justice institutions—which constitute our trust—seem to be based in “knowing more than we can tell,” to use Karl Polanyi’s phrase (1966:4). Many people will happily say the police or courts are effective *and believe this to be true* despite (a) the fact that they do not, and probably cannot, know this in a formal sense; and also (b) that they may find it hard to formulate into words why they believe this to be so. Tacit knowledge is based on a range of information concerning the appearance, meaning, and importance of a particular phenomenon (e.g. a trust object), and is thus also related to motivated reasoning, hunches and leaps of faith. There are two important qualifiers here. First, this is not to claim that some people do not have well-thought-through positions in relation to criminal justice institutions that would not be covered by the idea of tacit knowledge; and second, that this is plainly a two-way street. People may believe the police are ineffective and/or not well-intentioned, in which case they would distrust this institution. They may also feel they lack any knowledge whatsoever, and would thus take a neutral stance in relation to issues of trust. Yet, the latter case seems to be empirically unusual in that a large majority of people, when pressed for an example in the context of a survey interview, will come down on one side or the other, a fact that may relate to the relative importance of criminal justice institutions in people’s social, political, and personal lives.

A final point to be made in relation to the model of trust outlined above is that, at least when engaging in quantitative research, using several related attitude statements to construct attitudinal scales would appear preferable to asking a single “catch-all” question to assess trust in the police (see Bauer and Frietag, this volume). Single indicator measures of trust are appealing to policy makers for their simplicity and have, consequently, been used in, for example, many UK studies of attitudes to the police (e.g., Kautt 2011; Merry et al. 2012; Myhill and Bradford 2012). They are also useful in the context of cross-national comparisons, not least because they sidestep (or more accurately sweep under the carpet) issues of measurement equivalence. However, the multi-item/scale construction approach is likely to be more robust in most instances, both methodologically, since it allows more accurate measurement of the underlying construct, and theoretically. As we have discussed, there are different components of trust, and qualitative research has shown that people can have high trust in some elements or aspects of criminal justice agencies and low trust in others (Stone et al. 2005). In a general sense, people can be said to have trust (or not) in an institution. But it is also important to recognize that they can and do take quite nuanced approaches to thinking about the police, courts, or other actors (Stoutland 2001).

SOURCES OF TRUST

Thus far we have argued that trust in the police and courts is, while broadly cognitive, likely to be premised on a wide variety of attitudes, motivations, and experiences. We turn now to consideration of the empirical evidence. What seem to be the most

important factors shaping trust in justice authorities? What influences what people think they know in relation to the abilities and intentions of criminal justice institutions? We concentrate in particular on the police for the simple reason that this is where the bulk of the evidence lies.

There is indeed a voluminous literature on the factors shaping public trust in the police. This body of work originated primarily in the United States but is increasingly international in scope, and includes many studies conducted in the United Kingdom (e.g., Bradford et al. 2009; Brandl et al. 1994; Brown and Benedict 2002; Hinds and Murphy 2007; Merry et al. 2012; Myhill and Bradford 2012; Sindall and Sturgis 2013; Skogan 2012; Sun et al. 2013). Some highly consistent messages have emerged from research on public attitudes toward, and trust in, the police.

After a comprehensive review of the extant literature Brown and Benedict (2002) concluded that only three individual-level variables—age, ethnicity, and contact with officers—are consistently associated with attitudes toward the police, and although precise findings vary from study to study there has been little to contradict this position since then. All else equal, it seems that across many different contexts older people trust police somewhat more than younger people, people from some ethnic and other minority groups trust the police less than people from the majority group, and people who have had recent contact with the police evince, on average, lower levels of trust.

The issue of ethnicity is interesting in this context. Studies in the United States have almost universally found that trust in the police is lower among black and other minority groups than among the white majority (Brown and Benedict 2002; Skogan 2006), and similar findings have been reported in many other contexts: see for example Murphy and Cherney (2012) in Australia, and Zauberman and Lévy (2003) and Fassin (2013) in France. Yet, the negative association between minority status and lower trust is not universal, and there can moreover be significant variation between different minority groups. The best evidence of this latter phenomenon comes from the United Kingdom. Jackson et al. (2013) show, for example, that trust in the fairness and engagement of police in London (broadly speaking, then, perceptions concerning the intentions of the police) is lower among the black Caribbean, mixed black Caribbean and white, and “other mixed” ethnic groups than among the white British group; but levels of trust are *higher* among many other minority ethnic groups, most notably those of South Asian origin.

While it might be argued that these results, and other similar findings (e.g., Bradford 2011), suggest that the United Kingdom is merely an outlier in international terms, they caution against simply assuming that trust in the police is always lower among minority group members (Bradford et al. 2017b). One relevant factor, as suggested by Weitzer (2010; 2014) may be the “mode of incorporation” (2010:340) of different minority groups (see Bobo 1999). Put simply, minority groups are differentially stratified across different societies, and within the same society over time, and the extent to which they are alienated from social institutions—and perhaps particularly the police—will vary as a function of the particular histories of exclusion or repression (or inclusion and incorporation) they have experienced (Weitzer 2010). It is notable in the British case that the black

Caribbean group has both one of the longest histories of any minority group in the United Kingdom and the most obviously problematic structural and cultural position vis-à-vis the police. In the terms developed in this article, the black Caribbean community can point to many years of negative direct experiences of the police (Bowling and Philips 2002; Hall et al. 1978; Keith 1993) and, as a result, has arguably developed an oppositional culture toward the police that diminishes trust because it assigns police and community to different social categories (Kramer, this volume).

The relationship between ethnicity and trust in the police is therefore more complex and nuanced than is often assumed. By contrast, the evidence concerning the association between personal contact with officers and trust in the police is among the most reliably replicated findings in criminological research. The primary mechanism explaining this association appears to be the procedural fairness of police action. That is, when people feel the police with whom they have interacted have treated them with dignity and respect, have communicated with them openly, and have made decisions in an unbiased fashion, they are more likely to place trust in the police; conversely, when people feel they have been unfairly treated, they are less likely to trust the police (Bradford et al. 2009; Myhill and Bradford 2012; Van Damme et al. 2015). While questions of instrumental effectiveness are not entirely unimportant, they usually appear to play a secondary role in comparison to the core issue of fairness. Importantly, the effect of contact on trust appears to be asymmetrical (Skogan 2006). While unsatisfactory (unfair) contacts tend to have a large negative effect on trust, satisfactory (fair) contact has a significantly smaller positive effect. Expectancy disconfirmation is often given as a reason for this phenomenon—much research has been conducted in the United States, United Kingdom, and similar developed countries, and people in these contexts generally expect to be fairly treated by the police and are likely, therefore, to react particularly strongly to being unfairly treated.

Studies have also demonstrated that the experience of procedural fairness during interactions with police officers—and indeed judges and other court officials—is particularly strongly associated with trust in the intentions of these authorities, or what Tyler and colleagues call “motive-based trust” (e.g., Tyler and Huo 2002). When people are treated in a procedurally just manner by police, they are encouraged to form the view that these officers have the right motivations toward them and have their interests at heart—unfairness, of course, indicates the opposite.

In addition to the three individual-level variables, Brown and Benedict also identified a “contextual-level” variable consistently with public attitudes: type of neighborhood. This conclusion has, again, been reproduced by many pieces of research since their review (e.g., Jackson et al. 2013; MacDonald et al. 2007; Schuck et al. 2008). While the precise reason for this remains elusive, area-level variables such as disadvantage, social cohesion, collective efficacy, and disorder are consistently found to correlate with trust in the police. It has been suggested by Sampson 2004, Sampson and Bartusch 1998), and others (e.g., Gau and Brunson 2010) that negative attitudes to the police in deprived neighborhoods may be caused in part by “order-maintenance” styles of policing used to try to address the problems of crime and disorder that often typify such

areas; in essence, poor areas receive heavy and aggressive policing that alienates local residents and undermines trust in the police.

Another approach has been to think about what low-level disorder and its correlates, social cohesion and collective efficacy, *mean* for local residents (Bradford and Myhill 2015; Jackson et al. 2013; Jackson and Bradford 2009; Jackson and Sunshine 2007). On this account, police and police activity provide an explanatory tool for understanding how order and cohesion are maintained over time (Girling et al. 2000), and police are thus embedded in a particular kind of value-bearing narrative that revolves around both people's sense of the quality of order and cohesion they experience in their neighborhood, and the importance they place on maintaining this order and cohesion. Experiences that support this narrative, such as cohesive, well-ordered neighborhoods, increase trust because they work with and contribute to stories people tell themselves about police, which suggest they are effective and well intentioned (that they are "doing the right thing"). Experiences or impressions of disorder, or of community breakdown, by contrast diminish trust because they undermine the narrative of policing—they suggest that there is a *failure* to maintain order and cohesion, and the police are implicated in this perceived failure (Jackson et al. 2013; Jackson and Sunshine 2007). Naturally, it has been noted with some irony that, in this regard at least, police may gain or lose trust as a result of social processes over which they have very little control. The quality of order and cohesion in a local area is a function of a set of social processes far larger than the activities of the uniformed police (Bradford et al. 2014).

TRUST AND LEGITIMACY

In this final section we consider some of the similarities and differences between trust and legitimacy in the context of the justice system, and highlight why each might differentially motivate cooperation with legal authorities and compliance with the law.

Out of all public institutions, legal authorities have a unique position in society. They provide simultaneously a service that one can opt into or opt out of (such as when deciding on whether to report a crime) and a system of regulation to which one has to submit (or face the consequences), and this power to protect/serve and detain/coerce complicates the nature of the interdependence of trustee and trustor. Trust in legal authorities involves the consideration of both (1) the future behavior of specific individual actors whom one can come to rely upon for valued actions or outcomes; and (2) beliefs about the behavior of "role-holders" (e.g., police officers, judges) in relation to social regulation and the production of order. Trusting the police to be procedurally fair might translate, for instance, into the positive expectation that one would be treated with respect and dignity if one were to report a crime, and that one would not be treated with disrespect and a lack of dignity if one were to be approached by an officer to be questioned and possibly searched. Police need the trust of the citizen in the

former case but not, necessarily, in the latter (although it is certainly true that trust will ‘oil the wheels’ when invasive powers are used).

The behavior of police and courts also has implications for the generation and reproduction of trust. The coercive powers that underpin justice institutions make them significant representatives of the state, enabling them to send out messages of inclusion or exclusion to citizens in a way that other public services simply cannot. The behavior of police officers carries identity-relevant information that people use to help constitute and shape their sense of self (Blader and Tyler 2009; Tyler and Blader 2000). Broadly speaking, fairness indicates inclusion, status, and belonging, thus strengthening shared group identities (between police and citizen, and possibly also between citizen and citizen). Fairness also indicates that police are behaving in morally acceptable ways and thus are valid and appropriate group representatives; there is a reflexive aspect to this process, too. People judge police behavior against established norms of probity and fairness, and actively assess whether police can and should be considered representative of their group.

The power that legal authorities possess also brings legitimacy sharply into focus. While trust represents people’s positive expectations regarding police intentions and capabilities, legitimacy is the property or quality of possessing rightful power and the subsequent acceptance of—and willing deference to—authority in the eyes of citizens (Tyler 2006; Tyler and Jackson 2014). A subjective sense of duty to obey is embedded within the construct of legitimacy, because people who believe the police are entitled to their coercive authority feel, accordingly, that citizens should pay proper deference to that power. Duty to obey arises from a sense that the institution has the right to power and also an active acceptance of the authority that a legitimate justice institution imbues.

How, then, can we put “clear water” between the notion of trust and the notion of legitimacy? One way is to consider trust as evaluations and expectations regarding normatively appropriate behavior (Huq et al. 2017). Recall Hardin’s (2006:17) statement: “To say we trust you means we believe you have the right intentions toward us and that you are competent to do what we trust you to do.” If, in a given society, citizens largely trust the police to be effective and fair, then it can be claimed that in a general sense they believe police act in specific and appropriate ways. By contrast, legitimacy is the more overarching belief that an institution has the right to power (there is a ‘fit’ between how power is exercised and how power *should* be exercised in a given society) and is entitled to be obeyed (Bradford et al. 2015; Jackson et al. 2012, 2013; Tyler and Jackson 2014). The principled justification of power emerges when an institution is judged to wield its authority in normatively appropriate ways—that is, when it is trusted.

Another way to compare the two constructs is to consider how trust and legitimacy might variously motivate behavior. Thus far we have focused on the nature of trust in legal institutions and the factors implicated in its generation and reproduction. But the behavioral outcomes of trust (and legitimacy) are of equal if not greater relevance in criminological research, and it is important to delimit the motivational force of trust (and legitimacy). As PytlakZillig and Kimbrough (2015:19) argue, we need to

bracket off trust from actions/relationships that relate to the involuntary and the coerced: “[I]ntrinsic motivation comes from internal states and can still be affected by external forces, but does not feel like one ‘should’ or ‘must’ do something—as these latter terms describe more extrinsic motivational states (Deci et al. 1994). Thus, *willingness* implies an intrinsic motivational state and agency. It ceases to be if coercion is required.”

If we act in ways that are motivated by deterrence and threat of force, this is not trusting behavior that emerges instead out of a set of positive expectations about how officers will act (expectations that form an important part of the trusting relationship). For instance, people will be more willing to report a crime when they have some faith that officers will investigate, be professional, be fair, treat them respectfully, and so forth. This is faith with respect to “positive goods”: when one has positive expectations one sees, for example, the point of calling an emergency number to report a crime because the call will be answered and action will be taken. Trust is also the willingness to be vulnerable. When one has positive expectations, one might call the police in part because one assumes that officers will not be rude, disrespectful, biased, and so forth (and indeed that they will turn up in the first place). To trust is to assume that one will not receive bad treatment and bad outcomes in a particular situation; this “implies potentially attending to threats and adverse outcomes, and imagining the risks that would occur when making one’s self vulnerable” (Cao 2015:14).

Legitimacy, in contrast to trust, relates much more to the power and legal duties attached to citizenship. It brings back the notion of “should” as much as this concerns a positive sense of moral duty. When people believe that the police force as an institution is moral, appropriate, and proper—that is, when they believe that the officers who represent the institution act in normatively acceptable ways—they believe that they, too, should act in normatively appropriate ways. Consider a citizen who is deciding whether or not to report a crime to the police. The belief that officers act in normatively appropriate ways may activate the corresponding civic sense that one, too, should act in normatively appropriate ways—one of which may be to assist the police. It may be that trust is a predictor of people’s willingness to engage in cooperative behavior (like reporting a crime to the police), but that legitimacy is also a predictor. People may be willing to report a crime because they have faith that officers would treat them fairly and use the information they provide in an effective way (a trusting motivation), but also because they believe that they, too, should act in a normatively appropriate way (a motivation based on legitimacy).

TRUST IS IMPORTANT

To conclude this article we return briefly to a point raised at its outset. Trust (and legitimacy) is important in predicting public cooperation with legal authorities. This provides an important instrumental motivation for those authorities to generate and maintain

positive evaluations among those they govern. Both citizens and authorities have much at stake in the trust relationship between them. In liberal democracies—and elsewhere—the effective functioning of the criminal justice system relies on this relationship. There are thus important instrumental reasons for both parties to maintain such trust.

Yet, equally if not more important is the idea that citizens deserve to be governed by justice institutions they can trust. Feeling that the police and courts share their values, have the right intentions, and maintain at least a baseline level of efficacy are important factors shaping not only people's relationships with the police but also their ontological security and sense of belonging (Loader and Walker 2007). Trust in important state institutions such as the police and courts can help people orientate themselves within and navigate their ways through complex social environments. A lack of trust, on the other hand, might prompt a weaker sense of personal control and social embeddedness, as options for action are closed down and barriers are placed in the way of behaviors and relationships. It is for these reasons that the study of trust in justice has been so salient for so long.

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P A R T I X

TRUST
IN INTERNATIONAL
RELATIONS

CHAPTER 28

TRUST IN INTERNATIONAL ACTORS

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In the 2016 US presidential campaign, candidates from both parties presented the United States as surrounded by a “dog-eat-dog world,” full of other nations seeking to threaten or take advantage of it. Republican nominee Donald Trump characterized international relations as a series of negotiations in which other nations had repeatedly exploited the United States through the gullibility of its leaders. He promised that if he were elected president, “We will not be ripped off anymore” (Sanger and Haberman 2016). One of his main Republican rivals, US Senator Ted Cruz, invoked distrust in international institutions. “What President Obama wants to do,” he argued, “is . . . to use the United Nations to bind the United States and take away our sovereignty” (Keating 2015). The Democratic presidential nominee, former US Secretary of State Hillary Clinton, placed greater emphasis on cooperative diplomacy but echoed the theme of a hostile world, saying, “Our challenge is to be clear-eyed about the world as it is while never losing sight of the world as we want it to become” (Burleigh 2015).

The worldviews presented by the 2016 presidential contenders reflected familiar themes in historical understandings of international relations. They resonated with a long tradition—tracing back to Thucydides, Machiavelli, and Hobbes—of conceptualizing international relations as a “state of nature” in which actors seek to promote their own interests. A similar viewpoint underlies the 1796 farewell address of the first US president, George Washington, who argued that it “is folly in one nation to look for disinterested favors from another.” In the twentieth century and beyond, such a cynical understanding of world affairs has provided the foundation for realist theories of international relations (e.g., Morgenthau 1948; Waltz 1979).

The 2016 presidential candidates’ statements on international relations also paralleled, and perhaps reinforced, ways in which many US citizens understood world affairs. Specifically, they resonated with beliefs that a majority held about how much

their nation can trust other nations. In turn, these beliefs and other aspects of trust in international institutions—including trust in specific international governmental organizations and nations—may play important roles in shaping how citizens form judgments about an array of topics involving international relations, ranging from military interventions to foreign aid. Thus, developing an understanding of public trust in international actors may help to shed light on both the foundations and the implications of public opinion about world affairs. Our account of this subject focuses on the case of the United States but includes discussions of findings from other nations.

GENERALIZED TRUST IN OTHER NATIONS

Brewer and his colleagues identify generalized trust in other nations, or *international trust*, as a key component of public opinion about world affairs (Brewer 2004; Brewer et al. 2004; Brewer, Aday, and Gross 2005). They define this form of trust as follows:

[I]nternational trust [is] a generalized belief about whether most foreign countries behave in accordance with normative expectations regarding the conduct of nations. Citizens with high levels of international trust see the realm of world affairs as a friendly environment where trust and cooperation among nations are the norms; in contrast, citizens with low levels of international trust see the same realm as a hostile environment where all nations strive against one another for advantage and readily defect from cooperative efforts. Put another way, international trust is a standing decision to give other nations the benefit of the doubt, an assumption that most countries are of good will and benign intentions.

(Brewer et al. 2004, 96)

Brewer and his colleagues conceptualize this “standing decision” as a cognitive heuristic, or information shortcut, comparing it to both social trust (or interpersonal trust) and political trust (or trust in government). The former, a generalized belief that one can trust strangers (Uslaner 2002), provides individuals with a “standing decision to give most people—even those whom one does not know from direct experience—the benefit of the doubt” (Rahn and Transue 1998, 545). The latter, a generalized orientation toward government based on normative expectations of its operation, likewise offers individuals “a simple decision rule” for deciding how much benefit of the doubt to give government (Hetherington and Globetti 2002, 254).

Just as social and political trust play key roles in shaping citizens’ judgments about the social and political realms, international trust may provide them with a shortcut for making sense of the complex and often unfamiliar domain of world affairs. Many US citizens possess relatively little knowledge about this subject (e.g., Delli Carpini and Keeter 1996). At the same time, most are willing to offer evaluations of whether their nation can trust other nations. Thus, such trust can serve as an important foundation for public reasoning about international relations.

Measuring Generalized Trust in Other Nations

Previous studies have used various measures to assess generalized trust in other nations among the US public. Taken together, their findings point to low levels of such trust from the mid-1990s to 2002. One study (Brewer 2004), which used data from national cross-sectional surveys conducted by the Pew Research Center in 1994 and 1999, relied on a measure asking for a choice between two statements: “Other countries generally treat the United States about as fairly as we treat them” or “Other countries often take unfair advantage of the United States.” In 1994, fully 78% said that other nations often take unfair advantage of the United States (see Table 28.1). By 1999, this percentage had declined to 70%; nonetheless, a sizable majority still chose the more cynical option.

Table 28.1 Generalized Trust in Other Nations among the US Public, 1999–2015

	1994	1999	2001 W1	2002 W2	2002 W3	2002 CS	2015
Generally speaking, would you say that the US can trust other nations, or that the US can't be too careful in dealing with other nations??							
US can trust other nations	—	—	24%	25%	19%	23%	19%
US can't be too careful	—	—	71%	72%	77%	73%	68%
Depends (volunteered)	—	—	—	—	—	—	6%
Don't know/no answer	—	—	5%	3%	4%	4%	7%
Would you say that most of the time other nations try to be helpful to the US, or that they are just looking out for themselves?							

(continued)

Table 28.1 Continued

	1994	1999	2001 W1	2002 W2	2002 W3	2002 CS	2015
Other nations try to be helpful	—	—	30%	26%	22%	29%	26%
Just looking out for themselves	—	—	65%	68%	75%	66%	66%
Depends (volunteered)	—	—	—	—	—	—	6%
Don't know/no answer	—	—	6%	5%	3%	6%	2%
Do you think that other nations generally treat the US fairly, or that they often take unfair advantage of the US?							
Other nations generally treat the US fairly	19%	24%	—	—	—	—	36%
Other nations often take unfair advantage	78%	70%	—	—	—	—	53%
Depends (volunteered)	—	—	—	—	—	—	4%
Don't know/no answer	3%	6%	—	—	—	—	8%
N	3,800	3,973	1,235	758	417	646	901

Notes: Due to rounding, some percentages do not sum to 100.

Data sources are as follows: Pew Research Center (1994, 1999); George Washington University (2001 Wave 1, 2002 Wave 2, 2002 Wave 3, 2002 Cross-Sectional); University of Delaware Center for Political Communication (2015).

Two other studies (Brewer et al. 2004; Brewer, Aday, and Gross 2005), which used data from a three-wave national panel survey sponsored by George Washington University (GWU) in 2001–2002 and a separate GWU cross-sectional survey conducted in 2002, measured international trust through two survey items that paralleled

standard social trust items. The first asked, “Generally speaking, would you say that the United States can trust other nations, or that the United States cannot be too careful in dealing with other nations?” The second asked, “Would you say that most of the time other nations try to be helpful, or that they are just looking out for themselves?” In each survey, a large majority of respondents chose the more cynical option for each question (see Table 28.1). The percentage of panel respondents saying that the United States cannot be too careful in dealing with other nations ranged from 71% in the first wave (conducted in fall 2001) to 77% in the third wave (conducted in summer 2002), and the percentage saying that other nations are just looking out for themselves ranged from 65% in the first wave to 75% in the third. In the cross-sectional survey, 73% said that the United States can’t be too careful, and 66% said that other nations are just looking out for themselves. Responses to the two items were strongly correlated with one another in each survey.

A 2015 national telephone survey ($N = 901$) by the University of Delaware Center for Political Communication (UDCPC) included the Pew item and both GWU items. Substantial correlations emerged across the items (ranging from .37 to .49; Cronbach’s $\alpha = .68$), suggesting that they captured one underlying construct. A majority of respondents chose the more cynical option for each question (see Table 28.1): 68% said that the United States cannot be too careful, 66% said that other nations are just looking out for themselves, and 53% said that other countries often take unfair advantage. The percentages of trusting responses for the first and second items changed relatively little from 2001–2002 to 2015, whereas the percentage saying that other nations generally treat the United States fairly increased markedly from 1999 to 2015. Still, the absence of trust in other nations is the most important and striking finding from these surveys.

Explanations for Trusting or Distrusting Other Nations

Citizens may possess a variety of reasons for giving or not giving other nations the benefit of the doubt. Data from a 2004 telephone survey of a representative sample of North Carolina residents ($N = 543$), conducted by the Elon University Poll, provide a closer look at how they explain their decisions about trusting other nations in their own words. Respondents were asked the “trust other nations” question discussed in the preceding section. The 498 respondents who answered it were then asked to explain their answers through an open-ended question. Virtually all provided explanations (though a few said “nothing specific” or the like). A content analysis identified how often respondents invoked eight themes (see Table 28.2). Respondents differed along predictable lines in what themes they invoked, depending on whether they offered a trusting or distrusting response to the closed-ended item that preceded the open-ended prompt.

One theme was that other nations behave in trustworthy ways, have trustworthy leaders, or are composed of trustworthy people. “Most nations are run by people with good goals,” said one respondent. “We can trust them to run their own government,”

**Table 28.2 Explanations for Trusting or Not Trusting Other Nations
(2004 Elon Poll)**

	First Coder	Second Coder	Cohen's Kappa
Other nations are trustworthy	.03	.03	.78
The US needs to trust other nations	.04	.04	.74
Trust in the power and the leadership of the US	.01	.01	.71
The US is undeserving of trust	.06	.07	.83
Other nations behave in untrustworthy ways	.10	.09	.87
The US must be distrustful	.12	.12	.77
Other nations have their own interests or agendas	.02	.02	.76
The US should trust other nations conditionally	.08	.10	.75

Notes: N = 498. Table entries are proportions of all respondents who mentioned an explanation. Cohen's kappas capture chance-corrected agreement between two coders. Proportions in bold/italics indicate that the proportion of trusting respondents mentioning an explanation significantly differed from the proportion of distrusting respondents mentioning it ($p < .01$ for all).

observed another. A second theme revolved around the need to trust and work with other nations. For example, respondents said that “we are in big trouble if we can’t trust other nations to be our friend[s],” and “I reckon you have to trust them to a point.” A third (relatively rare) theme cast trust in other nations as the byproduct of the United States’ power and leadership. “Other countries respect the U.S.,” said one respondent. Another said that “countries know they can’t mess with us.”

A number of respondents framed trust in other nations in terms of untrustworthy behavior on the part of the United States. “We can’t trust them because we are meddling in other countries and that’s not our business,” one respondent observed. Likewise, respondents said that “we haven’t been so trustworthy” and “they probably shouldn’t trust us.” More respondents, however, cited untrustworthy behavior on the part of other nations: they “take our money and don’t help us,” “back out,” do not “stand with us,” “have turned against us,” are “out to get us,” “would like to see us fall,” “envy us,” “hate” us, and “use us.” Such comments parallel the rhetoric of the 2016 presidential candidates who portrayed the world as full of countries trying to take advantage of the United States. Another common theme centered on the necessity of distrusting other nations. Some respondents called for vigilance, saying, “don’t turn your back” or “always keep our guard up.” Others highlighted uncertainty, saying, “you don’t know who you can trust anymore” or “in life, you can’t trust other people.” Some feared the United States was overly trusting. “We have trusted them too many times,” said one respondent. The themes that America needs to be distrustful and that other nations behave in untrustworthy ways were the two most frequently offered explanations.

A handful of respondents invoked national interests. One commented that “people usually just have their own interests at heart,” and another said that “every nation is out for its own interests and trust just gets in the way.” Last, but not least, respondents made numerous references to contingent trust, exemplified by the comment that “we shouldn’t trust too much—it depends on the country and the time and other international issues.” Another respondent advocated “trying to trust other nations as long as they don’t hurt us first.”

Taken as a whole, the explanations these respondents provided for trusting—or, more often, not trusting—other nations reinforce Brewer et al.’s (2004) interpretation of the concept. A focus on the necessity of vigilance and untrustworthy behavior on the part of other nations is a hallmark of approaching world affairs according to a “dog-eat-dog world” outlook. Even some of those who gave trusting responses seemed to harbor reservations, as evidenced by the fact that they were particularly likely to highlight the conditional nature of trust and the power of the United States to create incentives for other nations to act in ways conducive to its interests.

Aspects of Trust in Other Nations

Thus far, our account has focused on trust in other nations in its most generalized form. Yet citizens may think about trusting other nations’ citizens differently than they think about trusting other nations’ leaders, just as people think about trusting their fellow citizens and their own government in different ways (see, e.g., Brehm and Rahn 1997; Uslaner 2002). Indeed, critics of other nations often note that their criticisms are aimed at those nations’ governments rather than their publics. Thus, one might expect members of the public to express greater generalized trust in the citizens of other nations than in their leaders. Members of the public could also distinguish between trusting democratic nations and nondemocratic nations. A belief in representative democracy is one of the core principles of US political culture (McClosky and Zaller 1984). If US citizens see representative democracies as more likely to share not only US values but also US interests, then one might expect them to place greater trust in nations with elected governments than in nations with nonelected governments.

Results from the 2004 Elon survey suggest that respondents drew distinctions between trusting citizens and leaders of other nations, as well as between trusting democratic and nondemocratic nations. Along with three items measuring generalized trust in other nations (each of which revealed high levels of cynicism, consistent with other surveys), this survey included four items measuring specific forms of trust in international actors (see Table 28.3). As expected, respondents placed more trust in “the citizens of other nations” than in “the leaders of other nations.” However, the difference was not dramatic: though respondents were more likely to place “a good deal” of trust in citizens (14%) than in leaders (9%), the combined percentage who trusted “somewhat” or “a good deal” was the same for the two questions (68%). Meanwhile, trust in “nations where citizens elect their leaders” was substantially greater than

Table 28.3 Measures of Trust in Other Nations (2004 Elon Poll)

Generally speaking, would you say that the US can trust other nations, or that the US can't be too careful in dealing with other nations?	
The US can trust other nations	25%
The US can't be too careful	70%
Don't know/no answer	6%
Would you say that most of the time other nations try to be helpful to the US, or that they are just looking out for themselves?	
Other nations try to be helpful	19%
Just looking out for themselves	71%
Don't know/no answer	11%
Do you think that other nations generally treat the US fairly, or that they often take unfair advantage of the US?	
Other nations generally treat the US fairly	25%
Other nations often take unfair advantage of the US	65%
Don't know/no answer	10%
Generally speaking, how much would you say that the US can trust: . . . the leaders of other nations?	
A good deal	9%
Somewhat	59%
Not much	24%
Not at all	7%
Don't know/no answer	2%
. . . the citizens of other nations?	
A good deal	14%
Somewhat	54%
Not much	19%
Not at all	9%
Don't know/no answer	4%
. . . nations where citizens elect their leaders?	
A good deal	22%
Somewhat	59%
Not much	11%
Not at all	4%
Don't know/no answer	4%

Table 28.3 Continued

... nations where citizens do not elect their leaders?	
A good deal	3%
Somewhat	27%
Not much	34%
Not at all	33%
Don't know/no answer	4%

Note: N = 543.

trust in “nations where citizens do not elect their leaders.” Fully 81% of respondents trusted representative democracies “somewhat” or a “good deal,” whereas only 30% trusted nondemocracies “somewhat” or a “good deal.” Despite these differences, all four aspects of trust—trust in leaders, citizens, democracies, and nondemocracies—were closely related to one another, as well as to more generalized trust in other nations.

FOUNDATIONS OF TRUST IN OTHER NATIONS

Previous research (Brewer 2004; Brewer et al. 2004, 2005) points to demographics, other (even more fundamental) forms of trust, and political orientations as important influences on international trust. An analysis of data from the 2015 UDCPC survey provides new evidence for some of these relationships while also pointing to the potential for media use to shape such trust. The analysis (see Table 28.4) captured how demographic factors, social trust, party identification, political ideology, and self-reported consumption of various forms of media predicted an index for international trust (averaged across the three items, with cynical responses coded as 0, trusting responses as 1, and “depends” as .5).

Demographics

Age may be especially important among demographic influences on trust in other nations. Drawing on evidence that differences in socialization experiences across generations shape social and political trust (Markus 1979; Putnam 2000; Uslaner 2002), Brewer and his colleagues argue that US citizens who came of age during World War II and the height of the Cold War should view other nations more cynically than those

Table 28.4 Predicting Trust in Other Nations (2015 University of Delaware CPC Survey)

	B	S.E.
Age (years/100)	-.37**	.09
Education (0 = minimum; 7 = maximum)	.02*	.01
Income (0 = minimum; 8 = maximum)	.00	.01
Sex (0 = male; 1 = female)	.04	.03
Self-identification as African American (0 = no; 1 = yes)	.04	.04
Self-identification as Hispanic (0 = no; 1 = yes)	.00	.04
Self-identification as Asian/Pacific Islander (0 = no; 1 = yes)	.10	.07
"Trustworthy" describes other people (0 = not well at all; 3 = very well)	.04*	.02
Party identification (0 = strong Democrat; 6 = strong Republican)	.00	.01
Political ideology (0 = very liberal; 4 = very conservative)	-.07**	.01
Overall TV viewing (0 = 0 hours; 6 = 6 or more hours)	.02*	.01
Watches broadcast network evening news (0 = never; 3 = regularly)	-.01	.01
Watches Fox News Channel (0 = never; 3 = regularly)	-.04**	.01
Watches CNN (0 = never; 3 = regularly)	-.02	.01
Watches MSNBC (0 = never; 3 = regularly)	-.01	.01
Reads a daily newspaper (0 = never; 3 = regularly)	.02+	.01
Gets news online (0 = never; 3 = regularly)	.02+	.01
Watches satirical television programs (0 = never; 3 = regularly)	.03+	.02
Constant	.33	.08
Adjusted R ²	.23	
N	613	

Notes: N = 614. Table entries are Ordinary Least Squares regression coefficients.

+ p < .10; * p < .05; ** p < .01.

who came of age during the “détente” phase of the Cold War and the post–Cold War era. In keeping with this, they found that age was negatively related to international trust in the 1994 and 1999 Pew surveys (Brewer 2004), as well as in the 2001–2002 GWU panel survey (Brewer et al. 2004). The 2015 UDCPC results revealed a similar relationship (see Table 28.4).

The experiences and knowledge that accompany formal education may also shape international trust. Looking at the 1994 and 1999 Pew data, Brewer (2004) found that

education was positively related to such trust in each survey. Furthermore, he found that education moderated the effect of time on trust in other nations, so that the increase in trust from 1994 to 1999 was greatest among the most educated. One potential explanation is that better-educated respondents were more responsive to the changing international environment of the 1990s than their less-educated peers. Analyses of data from 2001–2002 revealed no significant relationships between education and international trust (Brewer et al. 2004, 2005). However, education predicted greater levels of such trust in 2015 (see Table 28.4).

Other demographic factors—including income, sex, and race/ethnicity—appear to play relatively little role in explaining international trust. Neither previous studies (Brewer 2004; Brewer et al. 2004) nor the analysis of the 2015 data (see Table 28.4) point to any other relationships between demographic characteristics and such trust, with one exception. Looking at the 1994 and 1999 Pew surveys, which included relatively large samples, Brewer (2004) found that Asian Americans were more likely than other respondents to trust other nations. Brewer et al.'s (2004) analysis of the 2001–2002 GWU panel data did not include this variable. In the analysis of the 2015 data, self-identification as Asian/Pacific Islander was positively, though not significantly, related to international trust.

Social Trust

A large body of research shows that people use their beliefs about human nature as information shortcuts for making decisions across a wide range of contexts (e.g., Rahn and Transue 1998; Uslaner 2002). Of particular relevance here, studies have found that social trust can influence public opinion about world affairs. For example, Brewer and Steenbergen (2002; see also Brewer et al. 2004) found that social trust predicted US citizens' support for internationalism or isolationism, their support for different "faces" of internationalism such as cooperative internationalism and militant internationalism, and their opinions about defense spending and the military. Likewise, Binning (2007) found that trust in people (along with trust in Americans) helped to explain US citizens' support for competitive foreign policies and torture of suspected terrorists. Looking across nations, Kaltenthaler and Miller (2013) found that social trust predicted support for free trade among five of six publics examined. Given all of this, one might expect members of the public to use social trust as a heuristic for inferring whether their nation can trust other nations.

The evidence suggests that US citizens do so. Results from the 2001–2002 GWU panel survey show that respondents who expressed higher levels of trust in other people also tended to express higher levels of trust in other nations (Brewer et al. 2004). Furthermore, evidence from the same survey showed that declining social trust during the period under study (the aftermath of the terrorist attacks of September 11, 2001) led to declining international trust (Brewer et al. 2005). The analysis of the 2015

data indicated that the positive relationship between social trust and international trust among members of the US public has persisted (see Table 28.4).

Political Trust

Like generalized beliefs about human nature, generalized beliefs about government provide citizens with heuristics for making judgments across a wide range of topics (Hetherington 2005; Hetherington and Globetti 2002). Popkin and Dimock (2000) concluded that politically trusting US citizens were more likely than politically cynical ones to favor internationalism over isolationism, presumably because of their greater confidence in their own government to act effectively on the world stage. Similarly, Brewer and his colleagues (Brewer 2004; Brewer et al. 2004) found that generalized beliefs about government helped to explain both broad foreign policy orientations and opinions about specific foreign interventions. Accordingly, it seems logical that political trust would be linked to international trust.

The evidence supports this expectation. Analyzing data from the 1994 and 1999 Pew surveys, Brewer (2004) found that respondents with higher levels of faith in government also reported higher levels of trust in other nations. Results from the 2001–2002 GWU panel survey reveal the same relationship, in addition to demonstrating that eroding political trust during the post-9/11 period led to eroding international trust (Brewer et al. 2004, 2005). The 2015 UDCPC survey did not include a measure of political trust; thus, it would be useful to reexamine this relationship using more recent data.

Party Identification and Political Ideology

As reflected in the 2016 presidential candidates' statements on foreign policy, partisan and ideological leaders in the United States often send signals to citizens about how to perceive the nature of world affairs. Although leaders from both sides of the major cleavages in US politics have promoted cynical perspectives regarding world affairs, Republican and conservative leaders have tended to emphasize distrust of other nations more than have Democratic and liberal leaders (Brewer 2004; Rathbun 2012). Given that citizens tend to follow cues from leaders from their side of the political spectrum (Zaller 1992), one would expect international trust among the US public to exhibit similar partisan and ideological divides.

In keeping with this logic, research from previous decades concluded that Republican identifiers among the public tended to express lower levels of trust in other nations than did Democratic partisans. Analyzing the 1994 and 1999 Pew data, Brewer (2004) found that the partisan gap on international trust was greatest among the most educated citizens—consistent with a “polarization effect” (see Zaller 1992) in which greater exposure to messages from political leaders magnified the impact of partisanship. In

addition, he found that the partisan gap increased from 1994 to 1999, possibly reflecting a shift over time in party leaders' signals on foreign policy. Results from the 2001–2002 GWU data showed that the partisan gap on international trust persisted through the beginning of the next decade (Brewer et al. 2004) and that such trust declined more steeply among Republicans than among Democrats in the year following the 9/11 terrorist attacks (Brewer et al. 2005). Previous studies have paid less attention to whether political ideology is related to trust in other nations, and the one study that directly addressed this question found no clear relationship (Brewer et al. 2004). In a departure from earlier findings, the analysis of the 2015 data demonstrated no relationship between partisanship and international trust while showing a strong relationship between political ideology and such trust (see Table 28.4). Specifically, conservatives were more cynical about other nations than were liberals. That said, party and ideology were strongly correlated throughout this period.

Media Use

Forms of media ranging from entertainment television programs to news outlets frequently include messages about the nature of international relations and, thus, may shape international trust. With regard to entertainment media, cultivation theory posits that heavy viewers of television should be particularly likely to base their perceptions of social reality on the dominant messages in television portrayals (Gerbner et al. 1980). For example, some scholars have argued that high levels of exposure to television depictions of a violent, dangerous world could lead to lower levels of social trust through a "mean world syndrome" (Gerbner et al. 1980; Putnam 2000; but see Uslaner 1998). Alternatively, exposure to television content dominated by happy endings and camaraderie may lead to greater levels of social trust (Moy and Scheufele 2000). By a similar logic, consumption of entertainment television could cultivate generalized beliefs about other nations. The analysis of the 2015 data revealed a positive relationship between overall television viewing and international trust, suggesting that exposure to dominant television narratives fosters such trust (see Table 28.4). Research by Walter et al. (2016) suggests one possible explanation: namely, that the foreign countries most likely to appear in US entertainment programming tend to share US democratic and cultural values.

A sizable body of research suggests that exposure to different types of news outlets can shape public opinion about foreign nations and foreign policy (e.g., Wanta, Golan, and Lee 2004). However, such effects may depend on the medium and even the specific outlet. For example, one might expect the impact of Fox News Channel use to differ from the impact of CNN or MSNBC use, given that these cable television news channels cover world affairs in different ways (e.g., Aday 2010). Here, one might expect watching Fox News to foster distrust in other nations, given that its coverage tends to reflect Republican and conservative perspectives (Jamieson and Cappella 2008) and that Republican and conservative discourses tend to emphasize cynical understandings

of world affairs. Consistent with this, results from the 2015 data reveal that Fox News viewers were more likely than nonviewers to distrust other nations. Meanwhile, other forms of television news consumption—use of broadcast network evening news, CNN, and MSNBC—were not significantly related to international trust. Both newspaper use and online news use were positively, if marginally, related to such trust.

“Soft news” sources, from daytime talk programs to late night comedy programs, could also influence citizens’ decisions about whether to give other nations the benefit of the doubt. These sources, which occupy a middle ground between traditional “hard news” sources and pure entertainment media, sometimes include information about world affairs alongside more entertainment-driven content; as a result, exposure to them can shape public opinion about international relations (Baum 2002). Among such media, satirical television programs stand out for their high levels of foreign policy content (Brewer and Marquardt 2007) as well as their effects on public opinion (Baumgartner and Morris 2006). In the 2015 data, an index of exposure to two such programs—*The Late Show with Stephen Colbert* and *Last Week Tonight with John Oliver*—was positively, though marginally, related to international trust, suggesting that viewing these programs may play a modest role in promoting it. That potential role, in turn, could reflect relatively liberal and internationalist content on the part of the programs.

CONSEQUENCES OF TRUST IN OTHER NATIONS FOR PUBLIC OPINION

According to “mood theory,” which once dominated the literature, public opinion about world affairs is neither well informed nor grounded in abstract political thought. Consequently, the “will of the people” has little meaning in international relations and provides a poor basis for foreign policy decision-making (Almond 1950; Kennan 1984; Lippmann 1955). This perspective provided a foundation for pessimistic assessments of public opinion in realist accounts of foreign policy (see Drezner 2008; Holsti 1992; Knopf 1998). However, subsequent research challenged mood theory, arguing that public opinion about world affairs can be reasonable, prudent, or even rational (Holsti 1992; Jentleson 1992; Nincic 1992; Page and Shapiro 1992) and that it shapes presidential support (Hurwitz, Peffley, and Raymond 1989), voting behavior (Aldrich, Sullivan, and Borgida 1989), and foreign policy decision-making (Page and Shapiro 1992; Powlick 1991) in meaningful ways. According to this revisionist literature, citizens can form reasonable assessments of world affairs even if they are not well informed about the subject.

One way that they do so, as mentioned previously, is by using information shortcuts to organize their views. Faced with an “extraordinarily confusing world” and “limited resources to pay information costs,” citizens structure their views about world affairs

“according to their more general and abstract beliefs” (Hurwitz and Peffley 1987, 114; see also Peffley and Hurwitz 1992). Within such top-down belief systems, citizens can derive their views about international relations from generalized forms of trust that offer standing decisions about whom to give the benefit of the doubt. These forms of trust include not only social and political trust but also international trust. As a result, citizens who place faith in other nations may differ from their more cynical peers on an array of foreign policy views.

Support for Internationalism versus Isolationism

United States citizens’ general orientations toward internationalism (i.e., the principle that the United States should take an active role in solving international problems) versus isolationism (i.e., the principle that the United States should not concern itself with other nations’ problems) shape their opinions about many aspects of world affairs. For example, preferences between these two approaches influence opinions about defense spending, trade policy, humanitarian and economic aid to foreign countries, and military interventions (Bartels 1994; Herrmann, Tetlock, and Visser 1999; Hurwitz and Peffley 1987). In turn, generalized trust in other nations may influence support for internationalism versus isolationism. As Brewer et al. (2004, 97) argue, “Americans high in [such] trust may infer that other nations will generally aid, cooperate with, or at least not interfere with United States efforts to solve problems in other parts of the world. Thus, they may be more likely to favor such involvement than those low in [such] trust, who should tend to reach a different conclusion—namely, that other nations will typically oppose, exploit, or free ride on United States’ efforts to solve problems.” Using data from the first two waves of their 2001–2002 panel survey, Brewer and his colleagues (2004) found that international trust strongly influenced foreign policy principles, so that respondents who trusted other nations in the first wave were more likely than their cynical peers to support internationalism in the second wave. Meanwhile, first-wave preferences for internationalism over isolationism contributed only marginally to second-wave international trust, consistent with the notion that the latter is the more general and abstract belief.

Support for Cooperative and Militant Internationalism

Beyond general preferences between internationalism and isolationism, researchers have identified two key “faces of internationalism” in public opinion: cooperative internationalism and militant internationalism (Wittkopf 1990). The former revolves around support for cooperative forms of intervention in world affairs, such as humanitarian aid, whereas the latter revolves around support for military action as a foreign policy tool. Brewer et al. (2004, 97) argue that international trust should foster support for cooperative internationalism given that citizens with higher levels of such trust

should be more likely to infer that international cooperation will be productive rather than wasteful or subject to exploitation. The authors suggest that the implications of international trust for militant internationalism are ambiguous: citizens with higher levels of cynicism about other nations may be particularly likely to perceive foreign threats that warrant defensive action, but they may also be warier of intervention.

Evidence from the 2001–2002 panel survey supports the expectation regarding cooperative internationalism. Brewer et al. (2004) found international trust fostered support for humanitarian aid to foreign countries. The same analysis did not reveal any relationship between such trust and support for using military force to solve international problems. However, international trust may influence choices between the two faces of internationalism. Looking at data from the 1994 and 1999 Pew surveys, Brewer (2004) found that respondents who trusted other nations were particularly likely to choose diplomacy rather than military force as the best way to ensure peace. As discussed in a following section, the impact of international trust on support for military action may also depend on the logic behind the intervention.

Perceptions of Specific Nations

In addition to shaping broad foreign policy orientations, trust in other nations may shape more specific opinions. Most obviously, perhaps, it may influence perceptions of particular foreign nations. Consistent with this, Brewer et al.'s (2004) analysis of data from the 2002 cross-sectional GWU survey found that international trust predicted perceptions of how friendly and threatening a wide range of nations were. The 25 nations examined included long-standing allies (e.g., Canada, Great Britain, and Japan) as well as past or present adversaries (e.g., Russia, Iran, and Iraq); furthermore, they included nations in the Americas, Europe, the Middle East, sub-Saharan Africa, and Asia. For an overwhelming majority of these nations, respondents with higher levels of international trust were more likely to perceive it as friendly and less likely to perceive it as threatening.

Perceptions of Specific International Governmental Organizations

By the same logic, international trust may shape views of international governmental organizations such as the United Nations (UN), the North Atlantic Treaty Organization (NATO), and the European Union (EU). Citizens who generally trust other nations could transfer this belief to institutions that connect them, reasoning that an organization composed of trustworthy members will be trustworthy itself, whereas citizens who distrust other nations may draw the opposite conclusion. Thus, one might expect perceptions of specific international governmental organizations to be more favorable among those with high levels of international trust than among those low in such trust.

Results from the first two waves of the 2001–2002 GWU panel survey bear out this prediction. International trust was positively related to overall confidence in both the UN and NATO among the US public (Brewer et al. 2004). Furthermore, such trust was associated with specific perceptions that the United States could count on the UN and on its NATO allies to help prevent terrorism. Extending this pattern, Dekker and van der Noll (2013) found that Chinese citizens with relatively high levels of trust in other nations held particularly favorable views of the EU.

Support for Specific Foreign Interventions

Building on the notion that international trust carries ambiguous implications for whether to support militant internationalism, Brewer (2004) argues that the impact of the former should depend on the “principal policy objective” (Jentleson 1992) of the latter. On the one hand, trust in other nations should foster support for interventions with humanitarian or nation-building goals: such trust should lead to greater faith that other nations will not take advantage of the help offered. On the other hand, the absence of international trust might foster support for interventions motivated by security concerns: the more cynical one is about other nations, the more it may seem necessary to exercise restraint of potential aggression by other nations.

Results from multiple surveys support the expectation that trust in other nations is associated with higher support for humanitarian interventions but lower support for interventions motivated by security goals. In the 1994 Pew data, international trust was negatively related to support for using force to prevent North Korea from obtaining nuclear weapons—a case of a security-motivated intervention. In the 1999 Pew data, the same form of trust was positively related to support for the use of US troops as peacekeepers in Bosnia and Kosovo—cases of humanitarian intervention. The case of the war in Iraq—justified by its architects largely in security terms—fits the pattern as well. In data from the 2002 cross-sectional GWU survey, conducted before the 2003 US invasion, international trust fostered opposition to the use of force in Iraq (Brewer et al. 2004). Similarly, an analysis of postinvasion data from the 2004 Elon poll found that respondents with higher levels of international trust expressed stronger opposition to the use of force in Iraq (controlling for party identification and demographics).

Consequences across Other Times and Topics

Although research has demonstrated that generalized trust in other nations can carry a wide range of consequences for public opinion about world affairs, all of this evidence is more than a decade old at the time of writing. The results of the 2015 UDCPC generally suggest that the levels and foundations of international trust are much the same, but we have no recent data on effects. Thus, one important task for future studies would be to reexamine these relationships using more recent data to test whether they have

changed over time. New research could explore potential effects of international trust on citizens' opinions about other foreign policy topics as well, including trade agreements, climate treaties, immigration policies, and emerging security issues. Yet another important task would be to expand research on the consequences of trust in other nations outside the US context.

TRUST IN INTERNATIONAL GOVERNMENTAL ORGANIZATIONS

Many studies have examined the levels, causes, and consequences of trust in national governmental organizations (e.g., Hetherington 2005; Mishler and Rose 2001; Newton 1999). By comparison, relatively few have done the same for trust in international governmental organizations such as the UN, NATO, the EU, the International Monetary Fund (IMF), the World Bank, or the World Trade Organization (WTO). Most of the studies in the latter category have taken a cross-national approach. However, a small body of research has focused on trust in international governmental organizations among the US public.

Trust in International Governmental Organizations among the US Public

Surveys from past decades suggest that most US citizens neither strongly trust nor strongly distrust the UN. A 1995 Market Strategies and Greenberg Research poll found that 47% of respondents trusted it "just about always" or "most of the time," whereas 44% trusted it "only some of the time" and 8% trusted it "almost never" (Americans Talk Issues Foundation 1995). Similarly, a 2003 University of Maryland Program on International Policy Attitudes poll found that 16% trusted the UN "a lot" and another 48% trusted it "some," whereas 32% placed "not much" trust or "no trust at all" in it. Surveys measuring confidence (a distinct but presumably related construct) in the UN reinforce the conclusion that most US citizens give this organization some, but not all, benefit of the doubt. For example, 42% of first-wave respondents in the 2001–2002 GWU panel survey said they had "a great deal" or "quite a lot" of confidence in the UN, 38% had "some," and 16% had "none." In the second wave of the survey, the percentages were 37%, 42%, and 19%, respectively.

The 2001–2002 panel survey also reveals insights into the foundations of confidence in the UN. As previously discussed, international trust was associated with such confidence. Additionally, respondents who reported higher levels of political trust expressed greater confidence in the UN. Thus, US citizens appear to use both forms of trust as heuristics for evaluating international organizations. Furthermore, Republicans were less likely than Democrats to express confidence in the UN. This partisan divide may

have reflected a greater tendency on the part of Republican political leaders, relative to Democratic leaders, to signal distrust in international organizations. Republican leaders have continued to send similar messages in more recent times, as exemplified by US Senator Ted Cruz's portrayal of the UN as a threat to US sovereignty. Accordingly, one might expect persistent partisan "confidence gaps" in US public opinion about international organizations. Rathbun (2012) presents additional evidence for, and explanation of, partisan gaps in support for international organizations. He argues that the greater level of "generalized trust" among Democrats helps explain their party's greater support for multilateral foreign policy and international organizations such as the UN.

Although these findings provide starting points for exploring trust in international governmental organizations among the US public, substantial gaps remain in our understanding of the subject. In addition to providing new looks at the levels and antecedents of trust in the UN, future research could examine trust in other international organizations such as NATO, the EU, the IMF, the World Bank, and the WTO. Given the relative dearth of attention these organizations typically receive in US public discourse, many members of the public may be unfamiliar with them; even so, controversies surrounding them have occasionally emerged in US politics (e.g., the 1999 protests against the WTO and the 2000 protests against the IMF and World Bank). Future studies could also explore the consequences of trust in international governmental organizations among the US public. For example, trust in the UN may have helped shape public opinion during the 2003 debate about potential US military action in Iraq. National surveys conducted in the months preceding the US invasion consistently found that support for military action was much greater when questions posited UN approval of such action than when they posited the absence of UN approval (e.g., Barrett 2003). Thus, citizens who trusted the UN may have taken its approval as a signal about whether military action would be legitimate and effective.

Trust in International Governmental Organizations across Publics

Looking beyond the US context, a growing body of literature has examined what shapes trust or confidence in international organizations from a cross-national perspective. For example, Torgler (2008) used 1995–1997 World Values Survey (WVS) data to explore the determinants of confidence in the UN across 38 nations. The author found that higher levels of political and social trust fostered greater confidence. In addition, perceptions of corruption, identification with the world, age, and education shaped confidence in the UN. Such confidence was generally higher among citizens of developing and transitioning nations than among citizens of developed nations. Diven and Constantelos (2011) reexamined the same topic using 2005–2008 WVS data from 56 nations, finding that higher levels of political trust, national pride, political interest, self-identification as a world citizen, and education were positively associated with confidence in the UN.

Other studies have focused on trust in international organizations across European publics. Fischer and Hahn (2008) used 1999–2004 Eurobarometer data from 12 Eurozone nations to show that a variety of national-level economic factors predicted trust in the European Central Bank. Hessami (2011; see also Hudson 2006) analyzed 2001 Eurobarometer data from 15 EU nations to demonstrate that a range of individual-level factors (including education, ideology, political interest, and media exposure) and macro-level factors (including extent of globalization) explained trust in the IMF, World Bank, and WTO. Similarly, Arnold, Sapir, and Zapryanova (2012) used 2005–2010 Eurobarometer data from 27 EU nations to show that both individual-level factors (including education, ideology, trust in domestic political institutions, perceived benefits from EU membership, satisfaction with life and with democracy, and political interest) and national-level factors (corruption levels, low expenses on public welfare, and high decision-making power in the EU) were linked to trust in EU institutions. Using Eurobarometer data from 27 nations in the period following the “great recession,” Armingeon and Ceka (2014) showed that trust in national governments was the clearest predictor of trust in the EU, with evaluations of the national economic situation also playing a role.

To date, researchers have paid less attention to the antecedents of trust in international organizations across other regions. However, Johnson (2011) used 2003–2007 Asia Barometer data from 23 Asian nations to examine what explained trust in the UN, IMF, and World Bank. The analysis revealed that a variety of individual-level factors played a role in doing so. Of particular note, respondents who trusted their own government and those with greater global exposure were particularly likely to trust each international organization. The author also argues that “guilt by association” shaped trust in all three organizations, given that negativity toward three powerful nations—Russia, Japan, and, most of all, the United States—was associated with greater distrust in each organization.

The existing literature says relatively little about potential consequences of trust in international governmental organizations from a cross-national perspective. One notable exception is a study by Paxton and Knack (2011), which used 2002 Gallup data from 17 donor nations to demonstrate that trust in the UN and World Bank fostered support for foreign aid. Indeed, the authors found that the role of trust in international organizations was greater than that of domestic political trust. Building on this result, future cross-national studies could explore whether trust in international organizations can produce other effects.

TRUST IN SPECIFIC NATIONS AND NATIONALITIES

Just as research has examined public trust in specific international governmental organizations, so, too, has it examined public trust in specific foreign nations or in their

citizens. Some studies along these lines have focused on the US public, while others have looked at such trust from a cross-national perspective.

Trust in Specific Nations among the US Public

Multiple Pew Research Center (2012, 2015) surveys have assessed trust in specific nations among the US public. A 2012 survey found that majorities trusted Britain (78%), Japan (62%), France (59%), and Israel (56%) a “great deal” or “fair amount.” For India, the figure was 50%. Meanwhile, majorities said they trusted Russia (60%), China (68%), Saudi Arabia (68%), and Pakistan (83%) “not too much” or “not at all.” A 2015 survey showed continued trust in Japan (68%) and distrust of China (66%), while also revealing high trust in Australia (78%) and a split on trusting (49%) or distrusting (47%) South Korea.

As these results demonstrate, public trust ranges widely across specific nations. Reflecting the sort of contingent trust discussed above, such variation presumably depends on the nature of the United States’ relationship with the nation in question as well as perceptions of how its values and interests correspond with those of the United States. Trust in specific nations also varies over time in response to events in predictable ways (e.g., Walsh 1944). At the same time, findings that international trust shapes other types of perceptions regarding foreign nations (Brewer et al. 2004) suggest that this form of trust should broadly influence trust in specific nations. Political beliefs such as ideology and partisanship can also shape how much Americans trust specific nations (e.g., Gries and Crowson 2010). Furthermore, media framing can influence how much citizens trust specific nations—for example, by emphasizing competing interests, common interests, or mutually beneficial exchange (Brewer 2006).

Trust in Specific Nations across Publics

Looking beyond the US context, researchers have conducted cross-national analyses of trust in people from other nations. For example, Inglehart (1991) used 1980 Eurobarometer survey data to explore trust in 17 specific nationalities among the publics of 10 European Community nations. Such trust varied depending on both the nationality being evaluated and the nationality of the respondent in ways that partly reflected levels of national economic development. More recently, Delhey (2007) analyzed Eurobarometer data from 1976 to 1997 to show that both rater-nation factors (such as level of development) and target-nation factors (such as level of modernization and population size) explained trust in specific nationalities as did cultural similarities. Similarly, Gerritsen and Lubbers (2010) drew on 2004 European Election Study data, in which members of 20 publics rated 27 nationalities to show that national-level cultural factors (e.g., religious and linguistic similarity), political factors, and economic factors shaped trust in other nationalities as did individual-level factors such as education.

Studies also suggest that trust in people from specific nations can carry a range of consequences. Examining 1994 Eurobarometer data, Genna (2009) found that trust in EU nationalities—particularly in Germans—was positively related to support for European integration within an eight-nation sample. Analyzing a different data source, the 2004 European Election Study, Delhey (2012) also showed that trust in European nationalities was associated with support for European unification, though the impact of such trust varied across the 20 publics examined. Additionally, Guiso, Sapienza, and Zingales (2009) used Eurobarometer data from 1970 to 1995 to show that relative trust among European publics shaped trade and investment across nations. This effect appeared to be particularly strong in the absence of information, consistent with the idea that trust serves as a heuristic.

BROADER IMPLICATIONS OF TRUST IN INTERNATIONAL ACTORS

In addition to illuminating the nature and underlying structure of public attitudes about world affairs, research on trust in international actors may help to advance other aspects of our practical and theoretical understanding regarding how mass publics and international relations interact with one another. Here, we consider how such research may carry broader implications for public diplomacy and for the role of “folk realism” in international relations.

Trust in Other Nations and Public Diplomacy

Through public diplomacy, nations attempt to achieve foreign policy goals by communicating with, and thereby influencing, publics in other nations. Given the crucial role of credibility in communication, public trust in other nations may help shape the prospects for efforts at doing so. Audience members for such efforts should tend to accept information from foreign governments when they trust the source but reject it when they distrust the source. For example, Goldsmith and Horiuchi (2009) found that visits of leaders to foreign countries can yield more favorable attitudes from their publics under a “credibility scenario,” where trust dominates, but may produce backlash effects under a “noncredibility scenario” characterized by high distrust. If foreign publics share the US public’s high levels of distrust in other nations, public diplomacy practitioners face a difficult context; at the same time, this absence of trust may signal the importance of public diplomacy efforts.

A nuanced understanding of trust in various international actors may be useful in developing successful approaches for public diplomacy. Mogensen (2015, 17) highlights the value of distinguishing between different aspects of trust in other nations: “For

public diplomacy practitioners, it is strategically important to know if their activities are aimed at increasing trust in their national authorities . . . or they are aimed at increasing trust between the general populations of two or more countries.” Building on evidence that trust in other nations’ citizens tends to be greater than trust in other nations’ leaders, the author suggests that the former may provide a stronger foundation for successful communication.

Trust in Other Nations and Folk Realism

Although liberal theories of international relations have historically placed more emphasis on public opinion and, thus, on public diplomacy (Goldsmith and Horiuchi 2009), trust in international actors may carry implications for realist theories as well. Drezner (2008) observes that the latter have typically assumed that public opinion about world affairs is not only incoherent and capricious but also hostile to realism’s assumption that nations should pursue their own interests in an “eat or be eaten” international environment. As mentioned previously, a revisionist literature has challenged the first premise, that of an irrational public. Drezner challenges the second premise, that of an antirealist public. He argues that many US citizens are “folk realists”—that is, they hold beliefs reflecting key tenets of realist theories. Of particular relevance for the purposes at hand, he cites findings of widespread generalized distrust in other nations (Brewer 2004; Brewer et al. 2004) as evidence that, “Like realists, an overwhelming majority of Americans view the world through a Hobbesian prism” (Drezner 2008, 56). According to the author, the prevalence of such beliefs challenges the view among realist scholars that realist US elites have pursued foreign policies based on national interests in the face of a more idealist US public. The language that respondents in the 2004 Elon survey used when providing reasons for trusting or not trusting other nations provides further evidence for this argument.

Building on the concept of folk realism, Kertzer and McGraw (2012) developed a measure of it as a belief system among ordinary citizens. The authors then demonstrated that distrust of other nations was one of the strongest determinants of support for folk realism—more so than either political or social trust. Furthermore, they showed that folk realism itself shaped citizens’ responses to foreign conflicts, particularly unfamiliar ones. Their results support the argument that folk realism is a meaningful belief system among the public and that international trust is a key foundation for this belief system.

CONCLUSION

Many Americans approach foreign affairs with considerable distrust of other nations. Majorities believe that the United States cannot be too careful in dealing with other nations, that other nations are looking out for themselves, and that other

countries often take unfair advantage. These views function as an important heuristic in thinking about world affairs. Thus, international trust is a source of support for foreign policy decisions in a representative democracy. Foreign policy issues are rarely salient for the average citizen (Pew Research Center 2016); however, in times of crisis, when leaders call on the public to support a foreign intervention or action by an international organization, international trust takes on added normative import. This makes understanding it at such moments essential for scholars and policymakers.

Unfortunately, most of the research on the relationships among trust in other nations, trust in international governmental organizations, and foreign policy opinions is now more than a decade old. New studies examining these relationships are needed. Such studies should seek to examine the effects of international trust on public opinion regarding recent foreign conflicts as well as issues such as trade and immigration. Continued low levels of international trust among the public may translate into less support for multinational institutions and cooperative approaches to foreign policy but greater support for military intervention in response to security threats. Realist scholars and policymakers may take comfort that citizens do not adopt more idealist perspectives, but policy elites interested in multinational or liberal integrationist foreign policy may see disadvantages flowing from the difficulties in building support due to low levels of trust. International trust may also influence opinion on domestic political decisions that implicate foreign affairs. For example, Donald Trump's nativist and xenophobic appeals in his 2016 presidential campaign—from his rhetoric on immigration, trade, and terrorism to his critiques of international organizations such as NATO and the UN—could have primed international trust; these sentiments, in turn, could have shaped 2016 presidential vote choice.

Given all of this, it would be worthwhile for future research to explore what mechanisms, if any, could foster or erode international trust. The roots of international trust in even more fundamental predispositions, such as social and political trust, suggest that it may be difficult to dramatically alter its level among the public, at least in the short term. However, findings that signals from party leaders and media messages can shape international trust point to potential routes for influencing it. Furthermore, generational patterns raise the prospect of an increase over time in this form of trust, with the studies described here consistently showing that younger people are more trusting of other nations than their older counterparts.

We see particular value in the use of general international trust measures by those seeking to understand opinion on international affairs from a cross-national perspective. The nature and consequences of trust in other nations likely vary from country to country. Examining these measures across countries can provide additional insights into the roles that specific domestic and international political contexts play in influencing standing decisions to trust other nations. Moreover, the concept has significant potential to increase understanding of public support on key issues in international relations today. To take one recent example, distrust of other nations would seem to provide fertile ground for the arguments from supporters of Brexit (the withdrawal

of the United Kingdom from the EU). Knowing more about generalized trust in other nations across Europe may help shed light on the sources of public opinion about European integration and European institutions, an important problem in the face of increasing Euroskepticism (see, e.g., Stokes 2016).

One could argue that it is rational to take a generally cynical approach to the question of whether other nations can be trusted. It may be logical to believe that other nations' interests conflict with those of one's own nation, particularly when most information about world affairs reinforces the idea that other nations seek to promote their own interests. From the perspective of democratic theory, the ability for citizens to arrive at coherent views on foreign policy is normatively desirable and consistent with the revisionist perspective on public opinion regarding international relations. However, low levels of international trust might also have a less normatively appealing side in an increasingly globalized world. Reasoning from cynicism about other nations may lead citizens to arrive at different policy perspectives than they would if they had more information. For example, those low in international trust may be receptive to potentially rising nativist rhetoric and isolationist sentiment. At the same time, such rhetoric may reinforce distrust in international actors. To the degree that some level of international trust is required to maintain the success of crucial multilateral projects in the face of increasing globalization (see also Rathbun's chapter in this volume), low levels of such trust may carry worrisome implications. If so, then a broad and deep understanding of the structure and dynamics of international trust is all the more important for scholars and policymakers.

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CHAPTER 29

TRUST IN INTERNATIONAL RELATIONS

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THERE has been a surge of interest in the role that trust plays in international relations. However, trust (or, perhaps better said, distrust or fear) has actually played a role, often implicit, in international relations theory since its very inception. This article shows that it is trust that best differentiates alternative international relations paradigms from one another. In other words, different conceptions of trust and different views on how trust is possible in international relations form the central cleavage in much theorizing in our discipline.

In the sections that follow, I first explain Uslaner's (2002) typology of trust and tie it into international relations theory, claiming that differences among Waltz (1979), Keohane (1984), and Wendt (1999) emerge from implicit reliance on different types of trust. Contrary to Hoffman's claim that trust is not a major element in the logic of international relations paradigms, I argue that it is central (2006, 4). The *explicit* study of trust in international relations is relatively new (Hoffman 2002; Larson 1997) and has been dominated by a particular, rationalist variety of trust (Kydd 2005) with some notable exceptions (Larson 1997; Mercer 2005). However, trust has been the implicit foundation of debates about the character of state interaction since discussions about the nature of the interstate system began. I focus predominantly on these three theorists as their work has been central for creating paradigms that have greatly impacted the study of world politics. They might not have been the first to work in their paradigms, and others in those traditions might have subsequently refined them. There are variations within paradigms as well. But all must come to terms with these three theorists.

The second goal of this article is to show that trust, and trust of a particular kind, is necessary for explaining two central features of international relations: multilateral cooperation and diplomacy. Rationalist theorists of international cooperation typically argue that international organizations encourage cooperation by producing strategic trust, that is, the belief that others have a self-interested incentive to abide by their cooperative agreements. They make states less concerned about opportunism by

encouraging, for instance, longer time horizons that create incentives for members not to defect on agreements. International institutions provide solutions to problems of strategic distrust by producing strategic trust.

Rationalist arguments have a certain intuitive appeal, but they beg the question of how states are able to come together to build institutions to solve problems of distrust without some reservoir of trust in the first place. Under rationalist logic, distrust is greater in the states of the European Union than in other states in the world. I suggest the opposite—that trust, not distrust, leads to cooperation and the construction of international organizations. Trust comes first and is reflected in the design of these institutions. It is likely not strategic trust, but a kind of moralistic trust, that functions in this manner.

Trust is also necessary for theorizing about diplomacy. Diplomacy's influence is very difficult to establish empirically. What might look like the effect of diplomacy could be the function of a close proximity among parties in the underlying distribution of interests or the simple triumph of those who have the greatest bargaining leverage. If the underlying structure of interests and the distribution of power determine outcomes, then diplomacy is ultimately epiphenomenal to the outcome.

Diplomacy has an independent effect on international relations when leaders negotiate in a particular way; this is what negotiation scholars call “value creating,” in which states are able to package win-win bargains. This requires the open sharing of information about underlying interests, which in turn requires trust.

THE VARIETIES OF TRUST AND INTERNATIONAL RELATIONS THEORY

An uncontroversial and encompassing definition of trust is the belief that a person will not be harmed when his or her fate is placed in the hands of others. Trust entails a combination of uncertainty and vulnerability (Hardin 2006, 29; Hoffman 2006, 17; Larson 1997, 19). The truster never knows for certain what the trustee will do; the trustee might have a desire to violate that trust. If the intentions of the other are known for sure, trust is not involved, but this is rarely the case in social settings. Trust leaves the truster exposed and vulnerable to potential opportunism.

Nevertheless, trust is often essential to cooperation and reaching outcomes that leave all sides better off. In the context of cooperation, trust is the belief that others will reciprocate. Kydd (2005) has put it in game-theoretic terms: Trust is the belief that another has assurance game rather than prisoner's dilemma game preferences—that he or she prefers mutual cooperation to exploiting and suckering others (2005, 6–7). It is crucial in situations of “mixed-motives” or “collaboration games,” in which there is an incentive to cooperate but also to defect if others cooperate (Stein 1982).¹ If two actors, player A and player B, are placed in the same strategic situation with the same utility function,

but player A is more optimistic about the intentions of others, player A will be more willing to cooperate.

This definition of trust is agnostic about the basis on which trust is conferred and the extent to which trust extends. Trust or distrust might be generally applied to all our interactions or it might be situation-specific. Trust or distrust might be based on information about the interests of others or on an assessment of another's honesty and integrity. There are a number of varieties of trust, and we can see all of them in international relations theory. Indeed we need to draw them out in order to get at the core differences between major theorists.

Strategic Trust

Arguably the most prominent notion of trust in political science and international relations is what Uslaner (2002) calls "strategic trust." In this understanding of the concept, actors trust on the basis of beliefs about others' interests, cooperating when they believe that others' interests "encapsulate" their own (Hardin 2006). Trust is a belief that potential partners have a self-interest in cooperation, generally an incentive in building or sustaining a long-term, mutually beneficial relationship. Whether to trust, argues Hardin, is a "matter of prudential assessment, not moral choice" (2006, 44). Actors make such judgments on the basis of information. Hardin writes that the two central elements of the rationalist account of trust are incentives of the trusted to honor the trust and knowledge to justify the truster's trust (Hardin 2006, 44). There is of course also strategic distrust, a belief that specific others are trustworthy based on information, albeit incomplete, about their interests.

This is a highly structural account of trust. Strategic trust develops in situations in which actors have an incentive to honor their agreements. It has nothing to do with the attributes of the individuals who are cooperating. The implication of strategic trust is that even if there is an ongoing relationship of mutual self-interest in one area, those involved draw no general lesson about the moral character of the other into other domains. The relationship might produce incentives for potential partners to honor their commitments in other fields but primarily through the mechanism of a linkage with previously existing areas of cooperation. There is "no moral force" in strategic trust (Uslaner 2002, 22). As Uslaner writes, the etymology of strategic trust is "A trusts B to do X" (2002, 21).

International relations scholars have recently begun utilizing this conception of trust explicitly (Kydd 2005). However, it has a much longer pedigree. This is the kind of trust utilized, often only implicitly, in rationalist work in international relations. It provided the foundation of what was known as "neoliberal institutionalism," an approach pioneered by Robert Keohane (1984) and others but that has now reached beyond studies of international cooperation into all elements of state interaction. States are unsure as to whether others will maintain their end of the bargain and uncertain as to whether others will keep their word. Cheating, which in collaboration games yields a

“sucker” payoff, is a key concern. Incomplete information stymies potentially rewarding collaboration.

In keeping with this conception, rationalist work on trust focuses almost exclusively on changing the structure of the situation to generate more cooperation, such as by iterating the game or by reducing the number of players in the game to prevent free riding. By institutionalizing cooperation, international organizations can facilitate this process. Through the provision of information, trust of particular others becomes possible. As shadows of the future are lengthened, linkages are created, and reputations are put at a premium, the level of trust between egoists increases as their interests come to encapsulate one another. All of these mechanisms focus almost exclusively on creating incentives for trustworthy behavior through adjustments to the strategic environment.

Moralistic Trust: Generalized and Particularized

Trust, however, can also be based on beliefs about the honesty and integrity of potential partners. This is the other basis of trust—what is called *moralistic* trust. This is a “social conception of trust” in which trusters believe that intentions and behavior reflect traits of the trustee rather than the situation. Hoffman calls it “fiduciary trust” (2002, 20–22). It is based on “an implicit theory of personality,” a belief that others have consistent personalities and traits that do not vary by situation (Mercer 2005, 95; Sztompka 1999, 75). When we trust, we are making judgments about the character and integrity of partners. When moralistic trust is present, the truster does not need to restrict that trust of another to transactions or cooperation of a particular kind, because while interests vary across situations, character does not. Moral attributions allow us to draw broader conclusions about the trustworthiness of others without the need to constantly collect information in every new situation or insist on specific reciprocity. It provides a deeper and more durable foundation for cooperation.

Moralistic trust varies in scope. It might apply to a specific other or most others. If moralistic trust extends more broadly so as to constitute a belief that not all, but most others can be trusted, we can speak of *generalized* trust. The etymology of generalized trust is “A trusts” or “A is trusting” (Uslaner 2002, 4). Generalized trust rests on a general belief in the honesty and benevolent character of others. When Rotter defines trust as the “generalized expectancy held by an individual that the word, promise, oral or written statement of another individual or group can be relied on,” he is talking about generalized trust (Rotter 1980, 1).

Generalized trust must by definition be moralistic as we cannot collect information about the interests of all prospective interaction partners. As Sztompka writes, “Trustfulness may incline people to grant trust, and suspiciousness to withhold trust, quite independently of any estimate of trustworthiness. The origins of trustfulness or suspiciousness are not epistemological. They have nothing to do with knowledge about the partners of future engagements” (1999, 70). Mercer writes that it involves “certainty beyond observable evidence” (2005, 95). Hardin, somewhat pejoratively, calls it a

“non-cognitive” approach (2001, 5). Better stated, it is “ noncalculative ” in the utilitarian sense. It is most certainly cognitive in that it is based on a set of beliefs about others.

The presence and therefore the relevance of generalized trust might not be immediately obvious or prevalent in international relations, but its absence is at the heart of Waltz’s version of structural realism. The opposite of generalized trust is fear, the presumption that most others cannot be trusted. Fear has a long association with classical realism, but structural realism is generally understood as relocating realism’s grounds for pessimism about cooperation in international politics from the “first image,” what classical realists regarded as human nature, to the systemic level. However, Waltz needs fear and sneaks it through the back door. As a number of analysts have noted, all major security dilemma theorists, going back to Butterfield and Herz, rely on fear to propel their arguments (Booth and Wheeler 2008).

In *Theory of International Politics*, Waltz (1979) maintains that the possibility of opportunism, given uncertainty about intentions combined with the lack of any external protector, is enough to induce recurrent patterns of balancing power, the security dilemma, and war. Anarchy and uncertainty preclude the creation of trust and international cooperation. States engage in self-help, manifested in the accumulation of power against potential adversaries, real or presumed, through military buildups and alliance formation. Waltz maintains that “the condition of insecurity—at least, the uncertainty of each about the other’s future intentions and actions—works against their cooperation” (1979, 105).

Yet anarchy and uncertainty do not in themselves generate what Glaser (1994) calls the “competition bias” in Waltz’s neorealism. Only if actors react to uncertainty in a particular way, by assuming the worst, do the dynamics that Waltz predicts ensue (Booth and Wheeler 2008, 22–23). There is a presumption that states believe others have malign aims or must be treated as if they do. Brooks (1997) calls this a “possibilistic” logic. In Waltz’s realism, states distrust not specifically, but generally; that is, they have a general inclination not to trust. This working assumption is insensitive, perhaps impervious, to revision through accumulation of information and precludes objective, case-by-case assessments of others’ trustworthiness. The presence of fear is evident in the work of those neorealists who argue that states respond to the problem of uncertain intentions, that is, whether others should be trusted, not by thoroughly and carefully parsing the evidence case-by-case in search of information about their objectives but by balancing power (Grieco 1988, 500). According to many neorealists, states do *not* speculate about another state’s intentions because a state can never have enough certainty to fully let down its guard and intentions can change (Glaser 1994; Kydd 2005, 15). The implicit mechanism of fear and the consequent focus on power over information explain why many structural realist scholars have dedicated little attention to issues of signaling and screening, as noted by Glaser (1994) and Booth and Wheeler (2008, 27). Power, not past action, is how states gauge intentions and judge credibility (Press 2005).

It was the implicit replacement of fear with strategic distrust that led Keohane (1984) in particular to such different conclusions regarding the prospects for international cooperation compared to the conclusions of Waltz. By removing the presumption of a

general fear of others' intentions that is not responsive to information (and generates the concern for "relative gains"), states are able to collaborate and might reach mutually beneficial outcomes even in an anarchic environment. Nevertheless, it would be incorrect to label neoliberal institutionalists as optimistic or idealistic about the character of international relations; rather, they are agnostic. They believe in the contingent possibilities for international relations in particular situations when states have common interests. Trust is specific to particular situations, and it is based on information. Neoliberal institutionalists envision states proceeding skeptically, careful to avoid being burned but not to such a degree that they miss opportunities for potentially rewarding cooperation. In keeping with their strategic conception of trust, they maintain that whether to trust or fear others is a function of the situation, not a general predisposition on the part of states.

Generalized trust (or fear) is a belief held about the overall trustworthiness of others as a whole. This belief is a quality of the truster, not of the relationship or even the characteristic of the specific target of distrust or trust (Sztompka 1999, 97). In contrast, particularized trust characterizes a relationship in which an individual or a group believes that a specific other or group is inherently trustworthy in a moralistic sense. The etymology of what Uslaner calls *particularized trust* is "A trusts B" (2002, 28). What we could call *particularized fear* would be the opposite. Unlike generalized trust, particularized trust is relational in nature rather than dispositional, even though both are moralistic varieties of trust. Particularized trust is dyadic, perhaps created and certainly sustained by opposing identities. We trust others like us and fear those who are different from us. Nevertheless, these two types of trust are likely related. Relationships characterized by particularized fear (trust), for instance, are more likely to develop among individuals with a more fearful (trusting) disposition.

Particularized trust is essential for Alexander Wendt's version of constructivism (Wendt 1999). Wendt's constructivism does not see conflict as an inevitable or general feature of international relations, but it does maintain that a "culture" of anarchy marked by fear might arise. States are not doomed to repeat forever the cycles of conflict and acrimony as they are in realist theory. They can embark on a more cooperative path and change the dynamics of their interaction. Trust is the mechanism. It is what Wendt calls the "fundamental problem of collective identity formation" (1999, 358). While the core variable in constructivism is generally thought to be identity, trust is logically prior to the formation of a common identity. An individual cannot feel part of a community composed of others if she believes they might mean her harm. She must believe that her needs will be respected.

Trust for Wendt is created through interaction. Acts of concession or generosity can create a reinforcing spiral of cooperation. Trust building might begin through a rationalist process of signaling and conveying information, but the process is more transformative, allowing for a redefinition of self and other from adversary to partner to friend. However, for this process to take hold, states must overcome their fear of "being engulfed . . . by those with whom they would identify" (Wendt 1999, 357). One way to provide this assurance is through some sort of institutional constraint, as would

be the case in both structural realism and rationalism. But Wendt argues this is not sufficient. States must “believe that others have no desire to engulf them, nor would do so out of self-interested opportunism . . . [T]hen it will be easier to trust that in identifying with them, their own needs will be respected, even in the absence of external constraints” (1999, 359; emphasis added). If states trust other states in an environment in which there is no institutional sanction, even if the latter might have a self-interest in defection, trust rests on a judgment about the other’s integrity and honesty rather than the situational incentives of the time. Trust is not a function of the situational exigencies of the moment but rather is predicated on a belief that others have a particular character and that they are inherently trustworthy. The kind of trust operating in this instance must be based on a belief that others feel morally compelled to reciprocate cooperation—that is, moralistic trust.

Of course, Wendt’s constructivism does not deterministically assume that this process will occur, and it is equally comfortable describing a fearful dynamic overtaking state interactions. It does, however, stand somewhat alone in offering an account for the potential development of deeper cooperation based on moralistic trust. Wendt’s use of this moral variety of trust leads it to the conclusion that the possibilities for cooperation in international relations are far more profound than those foreseen by rationalism with its focus on strategic trust.

TRUST AND MULTILATERAL COOPERATION

As mentioned above, the rationalist turn in international relations sought to explain how states, even when self-interested and interacting in an environment of anarchy, might nevertheless cooperate. All rationalist work on international cooperation is based implicitly or explicitly on creating strategic trust, altering the structure of the situation to facilitate cooperation otherwise inhibited by uncertain intentions. The mechanisms of lengthening the “shadow of the future,” generating concern for reputation, and establishing linkages between issues are all examples of creating encapsulated interest and strategic trust (Axelrod 1984). There is less uncertainty about others’ cooperative intentions if they bear larger costs for defection. International institutions facilitate all of these processes as well as provide information about state behavior directly (Abbott and Snidal 1998; Keohane 1984; Oye 1985). They are created in the absence of strategic trust in order to provide strategic trust.

Because it relies on strategic trust, the rationalist literature on cooperation specifies a particular cause and effect relationship between international organizations and trust. Distrust drives the creation of international organizations, which are the producers of strategic trust and cooperation. International organizations come before trust. In keeping with this often implicit logic, scholars in the “rational design” school have sought to demonstrate that the greater the problems of distrust, the more authoritative and hierarchical are the institutions fashioned (Koremenos et al. 2001). For instance, rationalists

would point to the independence of the supranational European Central Bank (ECB) as a hierarchical solution to a trust problem. Concerned that common currency members would pursue inflationary monetary policies, countries such as Germany insisted that the ECB have total autonomy from political leaders. It is governed only by central bank governors, themselves independent.

Rationalist accounts of international cooperation and institutional design have great limitations. In particular, they have difficulties explaining diffuse reciprocity in which exchange occurs over a longer period of time. Actors trust strategically as long as another's cooperative behavior indicates to them that they have a vested interest in maintaining a cooperative relationship. If there is no ongoing exchange, there is no such relationship on which to base strategic trust. Strategic trust requires more specific reciprocity in which exchange takes place over a shorter time frame.

This makes it hard for rationalists to account for "qualitative" multilateralism in security institutions, in Ruggie's words "an institutional form which coordinates relations among three or more states on the basis of 'generalized' principles of conduct—that is, principles which specify appropriate conduct for a class of actions, without regard to the particularistic interests of the parties or the strategic exigencies that may exist in any specific occurrence" (1992, 51). In the security arena, qualitative multilateralism involves two features—security guarantees and a commitment to peaceful conflict resolution. Both are efforts to reap the self-interested gains of cooperation by combining resources for the collective good. At least theoretically, international security organizations should be most effective at reaching outcomes that benefit their membership when they ask states to make legally binding commitments that limit their future discretion in particular cases. Security guarantees have a better deterrent effect and more success after conflict erupts if they are automatic and binding in nature, unequivocally precommitting a state in advance to the defense of others, generally regardless of the foe. Conflict resolution is most likely to nip potential problem spots in the bud if it is authoritative. That is, parties to a dispute commit in advance to always submit their disputes to arbitration or mediation, have no say in the ultimate decision, and abide by penalties for noncompliance or nonsubmission of disputes. Both security guarantees and conflict resolution pledges can be thought of as reciprocal exchanges. One state agrees to come to the aid of others and to allow others to mediate its disputes in exchange for others doing the same.

However, state leaders will commit to qualitative multilateralism only if they believe that states will not abandon their obligations by either refusing to abide by procedures for dispute resolution or not coming to the aid of others in case of attack. In other words, states expect reciprocity. They cannot base this expectation on strategic trust. As Ruggie (1992) notes, qualitative multilateralism requires diffuse rather than specific reciprocity. States in a multilateral security arrangement cannot engage in a continuous exchange of actual benefits, only a trade of promises to generally protect the other against attack. This is because these institutions are created to deal with future scenarios unknown to the leaders at the time of their agreement, which occur infrequently and almost never simultaneously. As a consequence, encapsulated interest will

not emerge and strategic trust cannot sustain cooperation. This differentiates security cooperation from political economic cooperation such as trade. A security arrangement might function on the basis of an identity of preferences, such as a mutual interest in fighting a common enemy. But if this is the case, exchange and reciprocity are not involved and trust is not an issue.

Because it places a state's fate in the hands of others to some degree, qualitative multilateralism also comes with other potential threats of opportunism in addition to abandonment. First, if security guarantees are automatic in nature, states can become ensnared in conflicts that do not serve their interests, triggered by the outbreak of hostilities on the part of any member. Security commitments might lead to moral hazard, leading states to take overly provocative acts with the expectation that others will bail them out if conflict breaks out. This is the problem of "entrainment." Second, strong security commitments might also encourage free riding on the defense contributions of others. Third, conflict resolution procedures allow states to exploit others by interfering in disputes in which they are not directly involved (Lake 1999). In short, qualitative multilateralism demands a lot of trust, and rationalism cannot provide it. After all, rationalism predicts cooperation and institutional creation to emerge from a lack of trust.

Therefore an adequate understanding of multilateral cooperation in security affairs requires that we draw in deeper forms of trust, in particular generalized trust. As a form of "social capital," generalized trust promotes cooperation even in highly uncertain situations deemed inhospitable to collaboration by rationalism (Sztompka 1999, 62). Those who are more trusting expect less opportunism. Cooperation is less worrisome when others are generally expected to reciprocate and live by their commitments. A belief that others are generally trustworthy provides the confidence needed to cooperate even when exchange occurs over a long period of time. Generalized trust facilitates the diffuse reciprocity often necessary for cooperation. Where generalized trust is lacking, actors will insist on more specific reciprocity, since they are less certain that others will honor their agreements. Therefore, in the relationship between specific reciprocity and strategic trust on the one hand and diffuse reciprocity and generalized trust on the other, cause and effect are reversed. Whereas strategic trust follows from specific reciprocity, diffuse reciprocity over time follows from generalized trust. In international relations, generalized trust should promote qualitative multilateralism.

Generalized trust also facilitates cooperation with those about whom one has little information when strategic trust does not exist. According to Yamagishi and Yamagishi, trust is a "springboard" in uncertain situations to leap into the "outside world," "emancipating" individuals from the secure confines of stable relationships and allowing them to seek other cooperative partners with whom there might be greater gains 1994, 141). In international relations terms, generalized trust should promote broader organizations with more members or "quantitative" multilateralism (Ruggie 1992).

Both the creation and design of the League of Nations and the North Atlantic Treaty Organization show the importance of generalized trust. It was precisely those in the United States most worried about opportunism who were most resistant to these

organizations possessing any independent authority, either by pooling or delegating sovereignty. In other words, those exhibiting the most distrust were the least willing to design institutional features to solve those problems, precisely because the solutions would place the United States at the mercy of another's decision, that is, a trusting decision (Rathbun 2012).

Those who lack generalized trust fall back either on strategic trust or on particularized trust. Studies show that less trusting individuals rely more on committed relationships instead of seeking out potentially more beneficial relationships with others they do not know (Orbell and Dawes 1993; Uslaner 2002, 24–28). After World Wars I and II, those most concerned in the United States about opportunism were also the most resistant to an organization with a large membership, preferring a concert-based form of informal great power cooperation rather than a truly global institution with a large membership (Rathbun 2012).

Generalized trust allows multilateral cooperation in situations about which rationalists would be pessimistic and without the price that rationalists would expect. Watering down a security guarantee or conflict resolution obligations, allowing for withdrawal, or creating a veto all undermine the credibility of the organization—the benefits of mobilizing collectively that are the institutional form's *raison d'être*. Reducing the number of members means that less collective power is brought to bear and fewer potential conflicts fall under the institution's ambit. Hierarchy is also very expensive. Generalized trust, where it exists, provides a less costly alternative.

TRUST AND DIPLOMACY

Trust is also at the heart of diplomacy, or at least those diplomatic efforts that have an effect on international relations independent of underlying structural factors. If diplomacy's successes or failures are merely a function of the structural environment, then diplomacy *per se* is essentially unworthy of study. Work that attributes states' ability to get what they want to the distribution of power, the underlying distribution of preferences, or the institutional environments that facilitate credible communication does not take diplomacy *per se* seriously. What statesmen do is ultimately unimportant in these accounts. It is what they have behind them. If we think of diplomacy as how the actions of the diplomat and the process of communicating and negotiating interests affects the successful resolution of conflict, then diplomacy is the exercise of agency (Rathbun 2014). It is an active process, not a passive response to structural forces but rather the effort to shape, direct, and even overcome them.

Diplomacy has an independent effect when diplomats engage in what is called "value-creating" negotiation. Both the formal and the psychological literatures generally distinguish between types of negotiation. "Value-claiming," sometimes called "distributive" or "contending" negotiation, is marked by "noncooperative" behavior—making significant demands of the other side and refusing or only grudgingly making

concessions. Value-claiming is marked by the heavy use of “positional commitments,” in which parties insist on specific settlements tilted highly in their favor and threaten to walk away unless their demands are met. The aim is to pressure the other side into making concessions, coercing others into deals closer to one’s ideal point. Concessions from others are derided as inadequate, yet quickly pocketed without reciprocation. Holdouts and delays can be utilized to extract as much as possible from the other side. One never reveals private information about his or her “reservation point,” the lowest possible outcome he or she would be ready to accept. Indeed, value-claiming revolves around trying to make the other believe that point is as high as possible. All sources of leverage are used. One might hold hostage an issue of value to the other (but not necessarily to himself), refusing to concede on it so as to extract concessions on more important issues (Odell 2000). Value-claiming negotiation should be familiar to students of international relations, as it is the basis of models of coercive bargaining as pioneered by Schelling and elaborated more recently in “bargaining theories of war” (Schelling 1966).

“Value-creating,” on the other hand, aims at a win-win outcome in which each side secures his most important goals. Also called “cooperative,” “integrative,” or “problem-solving” negotiation, value-creation proceeds through reciprocity rather than coercion. Value-creation is only possible if states honestly and openly reveal their preference structure rather than withhold information. Information exchange is crucial as only then is the potential for a win-win deal revealed. If states do not have asymmetrical preferences, those engaged in value-creating will act creatively, trying to draw in other issues through side payments that make for a mutually beneficial package deal. One concedes on issues of lesser importance, rather than holding them hostage, in exchange for concessions by the other side on those issues that one values more. Integrative negotiation avoids the use of threats and the brinksmanship of value-claiming negotiation.

Given uncertainty, negotiators always face an incentive to engage in value-claiming, even in situations with potential integrative potential. The very existence of joint gains is not revealed unless states engage in value-creating negotiation. The distribution of interests is not something that states necessarily know as they consider negotiating with one another. Finding an outcome that creates value requires players to reveal private information about which issues are most important to them and how far they can actually compromise without crossing their red lines. As Olekalns and Smith explain, “The decision to offer accurate information to the other party is a critical one. Without information about underlying interests, negotiators are unable to identify mutually beneficial outcomes” (2009, 347–348). Experimental research shows that value creation is necessary to facilitate the striking of integrative deals in which both sides obtain what they value most (Schei and Rognes 2003; Weingart et al. 2007). A favorable distribution of interests is not sufficient for generating a win-win outcome.

Yet parties to a negotiation, even in the presence of potential joint gains, still have an incentive to maintain a value-claiming negotiating strategy and conceal their underlying preferences. And even if they decided against this course, they would nevertheless fear that others would exploit such forthrightness. Revealing one’s preferences might not be

believed. In other words, value-creating negotiation can be impeded by a kind of prisoner's dilemma logic. Olekalns and Smith write: "Despite these benefits, there is a strong temptation to withhold or misrepresent information as a way of increasing bargaining power and individual outcomes. Moreover, the decision to offer accurate information is high risk because it makes negotiators vulnerable to exploitation by the other party" (2009, 347–348). This dynamic might impede states from recognizing the existence of an underlying distribution of preferences that allows for value-creation in the first place.

The solution, of course, is trust. Risse summarizes, "The successful joint search for better overall solutions requires creativity, effective communication, and mutual trust, whereas success in the distributive battle depends on strategic, and even opportunistic, communication and withholding of available information—and a good deal of distrust against potential misinformation" (Risse 2000, 21). Experiments consistently find that trust facilitates the development of a collaborative, problem-solving atmosphere where parties can reveal their interests and believe in others' representations of their own interests (De Dreu and Boles 1998; Pruitt and Lewis 1975). Research shows that dyads in which trust is lacking consistently leave gains on the table when compared to those who do trust because they do not share information or reciprocate concessions. These dyads are less able to reach integrative outcomes in which both sides obtain what they value most, even when such a possibility exists given preference structures (Schei and Rognes 2003; Weingart et al. 2007).

This lack of trust can make even coming to the table difficult (Ramsay 2011). If decision makers believe that others have malign intentions, they will refuse to even negotiate, as any private information shared might be used against them in the event that talks break down (Larson 1997).

THE DETERMINANTS OF TRUST

The review in the preceding section on the importance of trust for multilateral cooperation and diplomacy raises the question of where trust, particularly generalized trust, comes from. There are many answers to this question—for example, socialization, culture, and education. My research, however, has shown the importance of individual-level differences. Some are simply more trusting than others, particularly those who are known in social psychology as "prosocials."

Differences in dispositions to trust are at the heart of different "social orientations" (McClintock 1972; Messick and McClintock 1968). To explain variation in cooperation levels, researchers have documented the existence of different types of players. Most important for the purposes of this article are *competitors* and *cooperators*. Competitors and cooperators have different views of the world that lead them to transform the objective decision matrices given by researchers into "effective" decision matrices (Kelley and Stahelski 1970; McClintock and Liebrand 1988). They frame the same environment differently.

Competitors see a dangerous environment populated by other competitors. As a consequence, they convert repeated games with an assurance incentive matrix into an effective prisoner's dilemma, constantly defecting even against a strategy of 100% cooperation. In repeated prisoner's dilemmas, expecting defection, competitors consistently defect against all strategies, including tit-for-tat, leaving potential gains on the table (Kuhlman and Marshello 1975; Kuhlman and Wimberley 1976; McClintock and Liebrand 1988).

In contrast, more trusting cooperators transform a repeated prisoner's dilemma game into an assurance game on the basis of their more optimistic assumptions about the behavior of others. This change in framing leads cooperators to begin games with cooperation, rather than waiting for a cooperative gesture, as they expect their moves will be reciprocated. However, cooperators are not altruistic. Studies consistently show that those with a cooperative and trusting social orientation will stop cooperating if faced with a partner who consistently defects (Kelley and Stahelski 1970; Kuhlman and Marshello 1975; Kuhlman and Wimberley 1976; McClintock and Liebrand 1988; Rotter 1980). Cooperators' preferences are predicated on reciprocity.

Social psychological studies on cooperation lead us away from a focus on the structure of the game toward the traits of individuals. Kuhlman and Marshello conclude on the basis of their famous experiment: "The most important point to be made in the present paper is that the effective structure of a Prisoner's Dilemma game . . . varies from one person to the next, and a good deal of this variation may be understood in terms of the motivational orientations being considered here" (1975, 930). McClintock and Liebrand (1988) find that the game structure itself had no significant independent effect on the likelihood of the total population of subjects to cooperate or defect. For instance, the overall level of cooperation of participants in an assurance game was not statistically significantly higher than that in a prisoner's dilemma, even though the game structure would predict that cooperation would be easier. Only the effect of social orientation was statistically significant.

The literature on social orientation and cooperation yields clear implications that allow us to construct a *social psychological theory* of international cooperation. Generalized trusters with a cooperative social orientation should be more inclined toward multilateralism than nontrusters with a competitive social orientation. First, generalized trust lowers concerns about opportunism, making cooperators more likely to cooperate than to pursue security alone. Second, cooperators define situations in assurance terms and should be more inclined to initiate cooperation without fear of free riding. Competitors, on the other hand, are less likely to cooperate for fear of defection and more likely to insist on a prior demonstration of good faith before considering cooperation. Third, generalized trusters should also be more willing to make more of a commitment to "qualitative" multilateralism.

In previous work, I demonstrate that Democrats, assuming the trustworthiness of their partners, framed the strategic situation after World War II less in terms of a prisoner's dilemma and more in terms of an assurance game, as they believed that cooperation would be reciprocated. Less concerned about entrapment, Democrats

were willing to make stronger and more binding security commitments under both the United Nations (UN) and the North Atlantic Treaty Organization (NATO) (Rathbun 2012). The Roosevelt administration preferred a UN without a great power veto. The Truman administration was willing to provide a guarantee of European security before the Europeans could effectively contribute to the alliance because it expected future reciprocity.

Republicans, in contrast, largely framed the same structural situation as a prisoner's dilemma game in which other countries would take advantage of American cooperation. They therefore preferred unilateralism in which the United States would retain full discretion over its foreign policy. The right did not want to make security commitments in advance and insisted on a veto in the UN. More conservative members of the Republican Party preferred a unilateral declaration of American intent to the North Atlantic alliance, but even moderate Republicans wanted the Europeans to first demonstrate their commitment to continental defense before the conclusion of any pact so as to prevent free riding and to weaken the security guarantee so as to lessen the possibility of entrapment. In short, Republicans had "trust issues" in a way that Democrats did not. Indeed, NATO and the UN might never have come into being had Republicans been in power after World War II.

Prosocial orientations are also critical for value-creating negotiation in diplomacy. Social motivation is the most powerful predictor of individual-level differences in negotiation analysis to date. Prosocial motivation is marked by a concern not only for one's own outcome but for that of others as well. Prosocials want to maximize joint benefits. They are also concerned with guaranteeing an equal distributions of gains (De Cremer and Van Lange 2001). In contrast, proselves have only egoistic interests. It has consistently been found that individuals have dispositional tendencies to prefer different distributions of benefits for themselves and others that substantially influence actual behavior in experimental settings (De Dreu and Carnevale 2003).

These values help decision makers resolve the dilemma they face between value-creating and value-claiming behavior. Prosocials generally prefer value-creating negotiation; proselves prefer value-claiming negotiation (Olekalsn, Smith, and Kibby 1996; Pruitt and Lewis 1975). Proselves offer less and demand more. In experiments, proselves make less conciliatory first offers and lower overall concessions than prosocials. Proselves engage in more "positional commitments" in which they draw a line they claim they will not cross. Proselves also make more threats and give more warnings.

Committed to equal outcomes, prosocials often forgo gains so that others might also share in the spoils (Kuhlman and Marshello 1975; Kuhlman and Wimberley 1976; McClintock and Liebrand 1988). In "take-some-and-give-some" games, when experimental participants move after an initial offer has been made, there is a dominant egoistic strategy of retaining all chips for oneself. However, prosocials give significantly more than proselves. In situations in which the decision about allocation must be made simultaneously, before knowing what the other does, prosocials give as much as they expect others to give, whereas proselves donate less. As the experiment is a one-shot game, there is no strategic reason to be generous. Prosocials express a greater interest in

the welfare of others in post-experiment surveys and less interest in maximizing their own utility. Concern for one's own outcomes and lack of concern for others' outcomes are associated statistically with both lower levels of concessions and higher levels of demands in negotiation setting.

Rationalist bargaining theories expect those with a bargaining leverage that comes with an "exit option," such as being more satisfied with the status quo, to exploit it. However, experimental research indicates that prosocials do not take generally take advantage of such opportunities; only proselves do. In a game with integrative potential, giving a one-sided exit option in the form of a payoff leads proselves to engage in more coercive bargaining with more threats, leading to higher individual outcomes. Giving prosocials such power did not lead to a change in behavior (De Dreu, Giebels and Van de Vliert 1998). Proselves are more opportunistic and exploitative negotiators. They meet weakness with higher demands, and they have been found to exploit asymmetric information about another's type, whereas prosocials do not (Schei and Rognes 2003).

Whether value-creating or value-claiming prevails among negotiators is a function of the combination and interaction of diplomatic styles. The most consistent finding in the social motivation literature on negotiation is that prosocial dyads are better able than proselves to reach joint outcomes that benefit both partners (Schei and Rognes 2003; Weingart et al. 2007). However, value-claiming negotiation is likely to prevail in any dyad that contains a coercive bargainer. Coercive bargaining induces a lowest-common-denominator effect on interactions with those with other diplomatic styles. Research shows that prosocials' commitment to value-creating negotiation is contingent on reciprocity. Prosocials' commitment to equality places limits on their other-regarding behavior (De Cremer and Van Lange 2001). Reaching equal outcomes requires that others contribute to the group as well. In mixed-motive cooperation games, prosocials do not consistently choose the outcome that maximizes joint gains if the other is not cooperating (Kuhlman and Marshello 1975; Kuhlman and Wimberley 1976). Consistent with their emphasis on joint gains, prosocials demonstrate a greater degree of "compensatory" trust, willing to put up with a few defections in order to elicit cooperation (Kramer 2004). However, in a phenomenon known as "behavioral assimilation," they defect against defection, indicating again that their interest in joint gains hinges on a commitment to reciprocity and equality (Kelley and Stahelski 1970; Kuhlman and Marshello 1975; Kuhlman and Wimberley 1976; McClintock and Liebrand 1988). Prosocials begin with a *general* preference for value-creation, but this might change their behavior vis-à-vis *specific* partners. Dialogue takes two; it is not a monologue.

Reciprocity is a morally laden principle of behavior for prosocials. They attribute behavior by others to moral characteristics, holding prosocials to be more moral than defectors. Prosocials believe that honesty will have a greater effect on the level of cooperation of others than proselves do (Liebrand et al. 1986; Van Lange and Kuhlman 1994). Similar findings are found in negotiation studies. Prosocials believe distributive strategies to be morally inappropriate (De Dreu and Boles 1998).

FUTURE QUESTIONS

Much is still unknown about how and when trust operates in international politics. Here I identify some particularly puzzling and stubborn questions that I have encountered in my own research.

What is the relationship of identity and trust? Identity and trust create chicken-and-egg problems. Is it the case that we trust those with whom we identify? Or do we identify with those we trust? Or is it both?

What is the role of emotion in nonstrategic variants of trust? Strategic trust is based on information about the interests of others. However, generalized trust seems to be premised on beliefs beyond evidence—indeed, beliefs about those who we do not know at all. Where do some beliefs come from? Mercer (2005) argues that these are emotional beliefs, which seems likely. Where then does this emotional impulse to trust come from if some have it and some do not, or if sometimes everyone has it and sometimes everyone does not?

Can strategic trust become moralistic trust? Surely some of our interactions with others, particularly those we do not know, have a strategic element. We base our decisions on what we know about others specifically. It also seems likely that at some point those relationships transform. Based on a series of repetitive interactions, we feel that we know whether the other is intrinsically trustworthy or not. At what point does this occur, however? Is this a phenomenon at the international level? Are there particular behaviors or indicators that are crucial for making this qualitative shift? Or is it simply a series of small steps that accumulate?

What happens when trust is broken? Every relationship, and especially those in international relations, have their ups and downs. How serious do transgressions have to be to break a relationship of particularized trust or a general worldview of generalized trust? How do states escape cycles of acrimony? How is it that strong relationships deteriorate?

How does individual-level trust translate to societal-level trust? The level-of-analysis problem is particularly acute when it comes to trust in international relations. Is it possible to say that a country trusts another country or only that a leader of a particular country trusts another leader? If a leader comes to trust another leader, how could that relationship to be more broadly institutionalized in a government or in a society?

NOTE

1. Other factors, such as scarcity, also inhibit cooperation but through a different mechanism. Conflict in scarce situations might reflect a lack of resources rather than uncertainty about intentions.

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