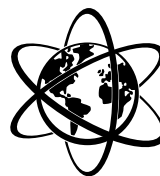


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## Trust and governance practices among local leaders

*Michiel S. de Vries*

### **Abstract**

This article investigates patterns of generalized trust among local political and administrative leaders. It explains the differences therein and studies the impact of such trust on the inclination to involve people in policy-making processes. The research is based on a survey among approximately 16,000 local administrators and politicians in 665 communities in 18 countries. The findings are analyzed using a multi-level model. It is found that generalized trust among local policy-makers, as a form of low-level risk, can be explained by the judgment about past experiences with public participation, the judgment of the abilities of the constituency and the scope of problems in the community. Regarding the impact of trust on the propensity to involve people in the policy-making process, significant differences are found between old, new and newest democracies. In the old democracies there is hardly a relation between the tendency to seek the support of citizens on the one hand and generalized trust on the other hand. The severity of social problems has in these countries a positive effect on involving citizens. In the new and especially the newest democracies, the relation between trust and support-seeking behavior is significantly stronger. When problems become less urgent in those countries and the local policy-maker does show generalized trust, (s)he is significantly more inclined than his/her colleagues to seek the support of the people. This implies that there might exist a paradox, namely that in order to enhance practices of good governance, claiming these are more effective, one already needs a society in which policy-making is relatively effective and that has adequate problem-solving capacity.

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## Introduction

The classic works by Putnam and Fukuyama assume that generalized trust results in social capital and an increased likelihood that citizens will be actively engaged in the policy process. To paraphrase Putnam, sometimes policy-makers, like citizens, bowl alone, sometimes in teams, and increasingly they are required to bowl with strangers in order to make decent policies. Trust could explain this variance, because a higher level of trust would increase the probability of working together (cf. Fukuyama, 1995; Putnam, 1995). The question this article addresses is whether this theory also implies that generalized trust among local leaders enhances their propensity to involve people in policy-making processes, and whether this relation is valid everywhere.

Already in 1968, Parsons noted that trust poses an integrative function in the establishment of social order (Parsons, 1968). Mitzal (1996) suggests that trust increases the effectiveness of the system. Williamson pointed at the efficiency-side of trust in reducing transaction-costs (Williamson, 1993). With regard to participation the primary function of trust is that it encourages sociability, participation with others and enriches networks (Sztompka, 1999: 105). Offe states that trust makes for a vibrant community in several ways. Trust promotes cooperation. It leads people to take active roles in their community, to behave morally and to compromise (Offe, 1999: 122). If this is accepted, the question arises if it is true that when policy-makers themselves trust people, will this enhance public participation in the policy process and will this be the case in all countries?

The approach taken in this article is the following. First, an overview will be given of the theoretical aspects related to the concept of trust and its relation to the propensity to enter into interactions. In this part we will describe the factors associated with trust and concentrate on the most often mentioned factors inducing trust, by scholars addressing the subject. This will result in a number of expectations, hypotheses, which will be investigated empirically in the latter part of this article. That latter part distinguishes between trust as a dependent variable and trust as an independent variable. In between we will present our data, which consist of a unique dataset based on a standardized survey among more than 16,000 local officials and politicians in 665 municipalities in 18 countries in old, newer and the newest democracies in the Northern Hemisphere. From this extensive dataset we derive the indicators on generalized trust, the abilities of the trusted as judged by the trustee, their experience with public participation, the problems they face and their propensity to put good governance into practice. The article will conclude with reflections and conclusions combining the outcomes of the empirical and the theoretical parts.

## Theoretical notions about trust and its associations

### *The concept of trust*

Some scholars see trust as a pre-contractual element (Gambetta, 1988; Williamson, 1975; Seligman, 1997; Bromily and Cummings, 1995), others see it as confidence (Offe, 1999), and Hardin sees trust in terms of encapsulated interests (Barber, 1983; Hardin, 2002). He argues that trust is a three-part relation: A trusts B to do X. This

specific conception of trust relates it to the knowledge of A that B will take A's interest into account when doing X. Hardin's criticism of existing empirical research is that often no knowledge exists regarding A or B or X. According to him, the conclusions derived might therefore well be meaningless (Hardin, 2002). Below we specify A as the local policy-makers, B as the constituency in the municipality and X as participation in policy processes.

Many scholars agree that trust has to be defined in terms of risk. Sztompka for instance defines trust as the bet about future contingent actions of others (Sztompka, 1999: 25). For Seligman (1997: 69) trust is predicated on risk. It is a way of negotiating risk. In his words, 'Risk as an aspect of social relations has emerged as a constitutive aspect of life in modern society, and trust as a solution to this form of risk has similarly been a defining component of this life-world' (Seligman, 1997: 170). Others added that risk can take many forms. One can risk a penny, but also one's life.

Lewicki and Bunker (1996) developed a three-stage model for the development of trust relations. The first stage is calculus-based trust, based on the trust that people do what they say they will do. Even complete strangers can be trusted in this way. It refers to what Offe calls 'social trust', or the presumption of general benign or at least non-hostile intentions (1996: 44). The second stage is knowledge based and depends on predictability and knowledge about the actions and intentions of others. In this conception trust is built on consistent behavior and experiences — 'walking the talk', being honest, not playing games, delivering quality services, taking risks, positively dealing with conflicts and transparency (Pröhl, 1998: 16). The third phase is identification-based trust and is based on what Hardin would call encapsulated interests: 'I trust you because I think it is in your interest to attend to my interest in the relevant matter' (1998: 4) and 'What matters for trust is not merely my expectation that you will act in certain ways, but also my belief that you have the relevant motivations to act in those ways, that you deliberately take my interests into account because they are mine' (Hardin, 2002: 11). This high-level trust is also found in other scholarly work. McGregor, for instance, describes trust as: 'I know that you will not deliberately or accidentally, consciously or unconsciously, take unfair advantage of me. I can put my situation at the moment, my status and self-esteem in this group, our relationship, my job, my career, even my life, in your hands with complete confidence' (in Pröhl, 1998: 43).

A similar, four-stage distinction is made by Sztompka. He actually distinguished levels of risk when explaining the concept of trust. First-degree risk is that others behave badly towards us. The second-degree risk refers to the inability of others to act in my interests and them being untrustworthy. The third-degree risk concerns trustees who are aware of the trust placed in them and lack the moral obligation to meet it. Fourth-degree risk applies to situations in which discretion is given to others to affect one's interests and the risk is that those others will abuse the power of the discretion (Sztompka, 1999: 32).

First-stage trust is indicated by the level of trust measured in the well-known, although disputed, standard survey question about generalized trust: '*Generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people?*' It is as Offe tells us, and as seen from a low-level conception of trust, 'a measure of confidence in strangers, just as an indicator of

generalized trust ought to do' (Offe, 1999: 126). According to Hardin — who restricts trust to high-level trust — the survey question is, by definition, problematic. In his words, it is 'the one question that is clearly about trust [but] seems to refer only to a two-part relation because it does not specify the matters on which one might trust most people . . . it does not give respondents much leeway' (Hardin, 2002: 201).

### *Trust as an intermediate variable*

The question of which factors explain the degree of trust depends mainly on the discipline of the scholar and the definition of trust used by him. Trust can be seen as a personality trait, dependent on the systemic structure thereof (Luhman, 1979: 5), or based on more or less fortunate experiences (Hardin, 1993: 24). Trust can also be conceived as a social phenomenon, reflecting the social order in society (Parsons, 1968), the level of anomie, i.e. alienation (Durkheim, 1964), the familiarity of the environment (Sztompka, 1999: 124), or traditions (Giddens, 1994: 81).

It would be too pretentious to even try to go into all the factors mentioned in the literature concerned with the topic. Instead we will concentrate on the three factors mentioned most often. These are, first, the (outcomes of) *past interactions* between the trustee and the trusted and expectations based thereon (see among others, Rotter, 1980; Axelrod, 1984; Mayer et al., 1995; Offe, 1999; Hardin, 2002); second, *the abilities*, or trustworthiness, of the trusted as judged by the truster (see e.g. Cook and Wall, 1980; Butler, 1991; Cummings and Bromily, 1996; Smith and Barclay, 1997; Hardin, 2002); and third, the degree to which the potential truster can *afford to trust*, i.e. the wealth, the circumstances, the problems (s)he faces (Seligman, 1997; Sztompka, 1999).

That A trusts B (concerning X) is primarily based on the *experiences* of A. If B did not deceive A in the past, this can result in the inductively derived expectation that B will not abuse the trust placed in him in the future and is therefore trustworthy. This record of past deeds, the knowledge thereof on the part of A, by memory, credentials, experiences or based on accounts of third parties or other cues, might result in the trust of B. Furthermore, if there are enough Bs and such positive experiences with them, a generalized trust might appear (Sztompka, 1999: 100). We are usually ready to trust those whose trustworthiness has been tested before in relation to ourselves (Sztompka, 1999: 96). This theory suggests that policy-makers, for instance, will base their judgment about the trustworthiness of citizens on their experience with their constituents. If it is their experience that widespread participation of citizens in policy-making processes often results in undesirable conflict, they are not expected to trust those citizens and their propensity to invite citizens to participate in the policy-making process will be small. This relation is supposed to exist for low-level trust and high-level trust. Concerning low-level trust, Offe speaks of experiential trust and with regard to high-level trust, Hardin expects that the capacity to trust and comprehend the value of being trustworthy might develop through experience or learning (Hardin, 2002: 134). The experiences do not have to be systematically negative to result in distrust. As is often noted, it is much easier to lose a good reputation than to earn or to deserve one. Therefore, it is not to be concluded that a propensity to trust emerges automatically when there are positive experiences. It is more probable that if nega-

tive experiences exist, the propensity to trust will diminish rapidly. This results in the first proposition concerning policy-makers at the local level:

Proposition 1: When there are negative experiences, i.e. expectations among local policy-makers about public participation, the probability increases that generalized trust among the local policy-makers is absent.

Secondly, the trust of A in B (concerning X) is a function of the reputation of B in terms of abilities. This concerns his abilities to fulfill the trust. That is, to be honest, to be predictable, and to show integrity. It is the capacity to do what one is trusted to do (Hardin, 2002: 28). If I cannot expect someone to fulfill my trust I will not trust him. When he is judged not to know what is in his best interests, let alone my interests, it will be very hard for me to trust him to do something positive. This also applies to the reputation of citizens in the eyes of the policy-maker. If the constituency is seen as lacking abilities, or is looked down upon by the policy-maker, it is unlikely that those citizens will be trusted to participate in policy-making processes. This results in proposition 2.

Proposition 2: When local policy-makers have little confidence in the rationality of citizens, the probability increases that generalized trust is absent.

Third, the trust of A in B (concerning X) is a function of the circumstances in which A and B are situated. As Claus Offe writes, the more affluent a person is, the more easily he can trust and benefit from the trust of others, and vice versa (Offe, 1999: 54). Sztompka talks about the stability of the social order (1999: 122) as a structural condition for the emergence of trust. Inglehart concludes, on the basis of empirical research, that people in richer societies are indeed more trusting than those in poorer societies (in Warren, 1999: 92). In this conception, trust is a risk one can or cannot afford. For policy-makers this would imply that if they are faced with serious social or organizational problems, they are less likely to show generalized trust than when they are situated in a relatively affluent, stable community. This results in the third proposition.

Proposition 3: When the number of social problems local policy-makers are faced with increases, the probability also increases that generalized trust among them is absent.

The first three hypotheses are concerned with the factors that are likely to have an impact on the probability that local policy-makers show generalized trust. Most scholars acknowledge in their theories the contribution of these three factors to the emergence of trust. Although these propositions are theoretically correct, little empirical research has been done to corroborate these relations. Therefore, we do not know which one of the explaining factors is the most important and whether the relations are the same within different national contexts.<sup>1</sup> The same goes in case trust is seen as an independent factor, i.e. for the impact of trust. One might assume that the way in which local policy-makers tend to shape policy-making processes varies when the level of generalized trust varies. One might expect them to be positive about citizens' participation in the policy-making process when they show generalized trust. Offe sees 'trust [as] the cognitive premise with which individual or collec-

tive/corporate actors enter into interaction with other actors' (Offe, 1999: 45). Trust can partly be observed and measured in negative behavioral terms. Distrusting persons do not engage in certain types of activity (Offe, 1999: 46). But one should add, trust can also be measured in positive terms, i.e. as the preparedness to enter into relations where monitoring etc is not feasible or prohibitly costly (Offe, 1999: 47). As Hardin writes: 'if I generally distrust people, I will discover little about their actual trustworthiness because I will choose not to interact with them' (Hardin, 2002: 131). Trust is a necessary precondition for cooperation (Arrow, 1974; Axelrod, 1984). In the work of Putnam, trust is necessary for people to work together and to participate in civil society.

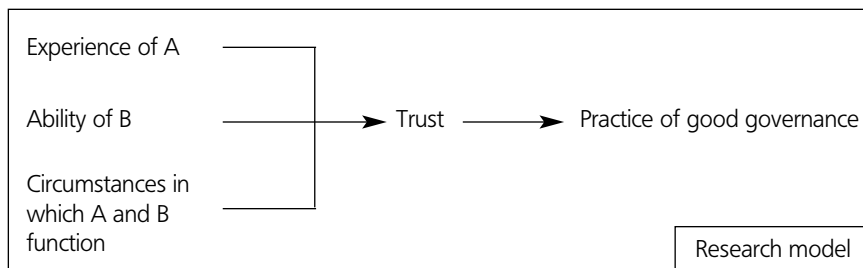
Proposition 4: Generalized trust is positively related to what nowadays is seen as good governance, that is, the honesty and openness of local policy-makers, their propensity to interact with the public and with societal groups in general, and the absence of technocratic attitudes.

The writings of Fukuyama back this proposition because, to quote him: 'if people can be counted on to keep commitments, honor norms of reciprocity, and avoid opportunistic behavior, then groups will form more readily, and those that do form will be able to achieve common purposes more efficiently' (Putnam, 1995; Fukuyama, 1999: 49). Fukuyama and Putnam both see trust as constitutive for and a significant measure of social capital, that is the ability of people to work together. Whether they want to bowl alone, in teams or with strangers, is assumed to be related to the degree to which they tend to trust people. The proposition implies that there exists a distinct impact of trust on the design of policy processes. This results in an even stronger proposition in proposition 5, which states that the relations as given in the hypotheses are not spurious when controlled for the factors inducing trust.

Proposition 5: Proposition 4 remains valid when controlling for the factors determinative for trust. In other words, there exists a distinctive and non-spurious relation between trust and the way in which local policy-makers want to shape the policy-making process.

The five hypotheses result in the research model given in Figure 1.

**Figure 1**



## **The democracy and local governance research project**

Before testing the hypotheses and presenting the outcomes of our research into generalized trust, it is necessary to give a concise account of the empirical data used. The data used are derived from the international research project called 'Democracy and Local Governance' in which the author participates (Jacob et al., 1993, 1999; Eldersveld et al., 1995; Szücz, 1999; De Vries, 2000a, b, 2002). This international comparative project started after the events of the late 1980s in Eastern Europe. In all the countries involved, more than 20 communities comprising between 25,000 and 250,000 inhabitants were selected at random. Within each of these communities about 15 political leaders and 15 leading officials were interviewed, resulting in a database of over 16,000 respondents in 665 communities. The interviews were carried out in 1989–91, repeated in 1995–96 and 1999–2001. For Western European countries often only data from the period 1995–96 are available. In this article we use data from former East European countries such as Lithuania, Latvia, Estonia, Russia, Belarus, the Czech and Slovak Republic, Hungary and Poland and West-European countries such as Sweden, Spain, Germany, Iceland and the Netherlands. From these countries we have either survey data from 1995–96 or from both the beginning of the 1990s and 1999. These unique data allow one to analyze cross-sectional differences on the individual, community and national level in the middle of the 1990s.<sup>2</sup>

The politicians among the respondents are the senior politicians, i.e. the mayor, the aldermen and the leading representatives, often local party leaders, in the local council. The top administrators comprise the town clerk, the members of the management team and the heads of departments. At the local level, these people prepare, develop, decide about and take care of the implementation of policies and programs that directly affect the life of the people in the community. They decide about subsidies and grants, local taxes, public and social improvements, safety, culture and recreation, housing, education and health policies. They are educated people, often having a university or polytechnic education and belong to, what some call, the local elite (Eldersveld et al., 1995). Although their autonomy may differ from country to country, depending on the degree of decentralization, all are influential in the daily life of many people.

The interviews/questionnaires were standardized in order to make valid comparisons possible. In the research in the Democracy and Local Governance project the most influential local politicians and public administrators in the selected municipalities were asked their opinion on 40 statements. These are questions regarding central–local relations, economic equality, central–local relations, values and norms, economic growth and in this paper central variables on the relation between government and the market and their trust in people in general. The question about trust in people was put in the standard manner: 'Generally speaking, would you say that most people can be trusted or that you cannot be too careful dealing with people?'

Respondents were given two possible answers:

'Most people can be trusted', or  
'You cannot be too careful'.

The distribution of trust as measured in this way in the countries under investigation is given in Table 1. The table shows large differences between local officials in different European countries.<sup>3</sup> Most trusting are local officials in the high-income countries and old democracies in Western Europe, like Sweden and the Netherlands. Comparing the trust in these countries with similar figures from the USA in 1995, the high trust figures in the old democracies in Europe are striking. Fukuyama reports trust levels among the population in the USA in 1995 of 20 percent. This research points at a trust level among local politicians and administrators of up to 91 percent in Sweden, 81 percent in the Netherlands and still around 50 percent in other old democracies. These high figures can partly be explained by the background and position of our respondents. They are often educated people, around the age of 50 and have a specific position in society. This is congruent with the findings of King, who found associations between such personal characteristics and trust (in Nye et al., 1997).

In the cross-sectional perspective, however, factors at the macro level are likely to explain the variance, because a clear divide along politico-geographical borders and between low- and high-income countries is visible. Particularly trusting are local

**Table 1** Country statistics on trust and its determinative variables

Country	Most people can be trusted	Widespread participation brings undesirable conflict	Few people know what is in their best interest	Scope of problems in community
Kazakhstan	28*	56	73	91
Turkey	29	49	29	80
Russia	32	59	68	89
Belarus	35	55	62	84
Ukraine	38	N/A	42	81
Latvia <sup>a</sup>	43	64	84	67
Estonia <sup>a</sup>	45	61	76	72
Lithuania <sup>a</sup>	46	43	72	89
Poland <sup>a</sup>	48	70	64	88
Austria <sup>b</sup>	49	68	70	55
Switzerland <sup>b</sup>	51	59	72	78
Slovenia	53	53	72	68
Germany <sup>b</sup>	54	53	65	76
Iceland <sup>b</sup>	56	54	62	52
Japan <sup>b</sup>	59	56	64	62
Hungary <sup>a</sup>	61	71	73	81
Netherlands <sup>b</sup>	86	38	56	55
Sweden <sup>b</sup>	91	21	13	68
Total	51	52	59	77

\* Given are percentages agreeing with a statement. 28 percent of all local policy-makers in Kazakhstan agree with the statement that generally speaking most people can be trusted.

<sup>a</sup> New democracies.

<sup>b</sup> Old democracies.



**Table 2** Explanation of generalized trust at individual level**Reference model: old democracies, high expectations, good judged abilities**

Dependent variable is generalized trust		
	Logit ( $\beta$ )	(error)
Intercept	2.58	(0.16)
<i>Slopes</i>		
Widespread participation brings undesirable conflict	-0.77	(0.07)
Few people know what is in their best interest	-1.16	(0.07)
Problems in community	-0.98	(0.22)

**Deviation of intercepts and slopes from the reference model**

<i>In new democracies</i>		
	Logit ( $\beta$ )	(error)
Intercept	-1.70	(0.10)
<i>Slopes</i>		
Widespread participation brings undesirable conflict	0.50	(0.10)
Few people know what is in their best interest	1.09	(0.11)
<i>In newest democracies</i>		
Intercept	-2.01	(0.11)
<i>Slopes</i>		
Widespread participation brings undesirable conflict	0.29	(0.12)
Few people know what is in their best interest	0.89	(0.12)

- Given are the logistic regression coefficients and within brackets the error terms.
- A penalized quasi-likelihood estimation was used with a relaxed assumption on the binomial distribution of the dependent variable (Goldstein, 1995).
- All effects are significant with  $\alpha < 0.01$ .

officials in the formerly communist, nowadays still low-income, countries like Ukraine, Belarus, Russia and Kazakhstan and in a country like Turkey.

In the old democracies the average proportion of local elites showing general trust is 73 percent. In the new democracies, in 2002 accepted as members of the European Union, this proportion is much lower, namely 47 percent, and in the newest democracies, the poor East European countries, only 33 percent of the members of the local elite show generalized trust. Furthermore, the level of generalized trust did not increase during the first decade after the fall of the Berlin wall in the new and newest democracies.

The respondents were also given a number of statements to which they could answer in a four-fold way, namely: completely disagree, disagree, agree, or completely agree. One of those statements refers to the experiences the respondent has in dealing with his/her constituents. It reads as follows: '*Widespread participation often results in undesirable conflict.*' It refers to the experience of the trustee and the expectations of the trustee about the probable effects of bringing people into the policy-making process. When respondents agree with this statement, they are saying

that from their experience they can have little confidence in the effects of incorporating people into the policy process, and expect it to be risky. The frequency distribution of this variable over countries in Table 2 shows less pronounced differences, although again it is seen that in Sweden and the Netherlands the lowest percentage of the local elite have such negative expectations about public participation.

A third statement presented to the respondents refers to the degree to which the local elite takes the citizens seriously and refers directly to interests. It reads as follows: *'Only few people really know what is in their best interest.'* When respondents (completely) agree with this statement, this is taken as an indicator for the absence of the ability of people to be trustworthy in the eyes of the local elite. In the third column of Table 2 the frequency distribution of this variable is given. It is shown that a clear East–West division is visible, with the local elite in the old democracies in Western Europe having more confidence in the trustworthiness of their citizens than those in the former communist countries in Europe.

Fourthly, we asked the respondents about 13 policy areas including unemployment, economic development, public safety, education, infrastructure, culture and recreation, immigration, poverty, social housing, social welfare, pollution. It was asked whether these issues presented a (serious) problem or not in the community. The mean scope of problems is given by the percentage of policy areas perceived as (serious) problems. Although one can dispute the validity of subjective problem definition, in this case one might expect that those people responsible for developing policies for their communities have good insight into the seriousness of problems existing in their community. That this indeed seems to be the case is seen in the frequency distribution in the last column of Table 2. A relatively high scope of problems is seen among the least affluent countries, like Kazakhstan, Turkey, Russia, Belarus, Ukraine, Poland, Lithuania and Hungary and low scores in the more affluent countries like Austria, Iceland, Japan, Sweden and the Netherlands.

## A note on methods

In the subsequent sections these data will be analyzed by using a multi-level analysis. This is a complex analyzing technique and the choice for this technique needs explanation. The nature of the data, multiple respondents within one community, and multiple communities within a country, not only allows a multi-level analysis but also requires it (Kreft and De Leeuw, 1998; Heck and Thomas, 2000; Leyland and Goldstein, 2001). The sample of individual policy-makers is nested within municipalities which are nested within countries. This implies that intra-class correlation is likely, because of shared experiences, a shared environment and/or a shared culture. Local policy-makers in the same municipality and country are likely to be more similar, or to a certain extent duplications of one another. This reduces the error variances, and the assumption of independent observations in the traditional linear models is violated (Kreft and De Leeuw, 1998: 9). In order to accommodate the distortions a multi-level modeling program is needed, in which the nesting of the micro and macro level can be specified and the estimation of the (significance) of the effects of the independent variables on the dependent variable can be estimated with more accuracy.

In our case, it might well be that effects at the individual level vary over different communities and countries. For instance, in old democracies, extensive social problems at the community level might influence the relation between judged characteristics of the trusted and the probability of generalized trust of an individual member of the local elite. Although this results in sentences which are difficult to read and to understand, one could imagine that in a community facing serious problems, or in a country which is affluent, the local elite reacts differently than the local elite in similar local circumstances, but in a less affluent country. This is also suggested by Table 1, given before. It showed that generalized trust is more common among the local elite in old democracies than in the new and newest democracies. This data structure might disturb the analysis. The intercept in the regression analysis is likely to be different for these groups of countries, but also the slopes indicating the relative strength of the exogenous variables might vary between countries.

In order to analyze whether this is indeed the case, we conducted a multi-level logistic regression analysis using the program *MLWIN* (Goldstein et al., 2000) which was developed to distinguish such effects. For more technical information about multi-level modeling the reader is referred to the standard literature (see e.g. Goldstein, 1995).

## Analysis

### *National-level generalized trust*

When analyzing the impact of the three variables on trust at the aggregated, national level with a classic linear regression model, we can explain 58 percent of the variance in generalized trust between the countries.<sup>4</sup> At the national level two of the three exogenous variables have a significant and relevant causal effect on trust. These are the average scope of problems as perceived by all members of the local elite in the country, and the experience with public participation (widespread participation brings undesirable conflict). The  $\beta$  for the problem-scope on trust is equal to  $-.58$  ( $\epsilon = .02$ ,  $t = 4.18$   $p < .000$ ) and for the expectations on the effects of public participation  $\beta$  is  $-.36$  ( $\epsilon = .19$ ,  $t = 2.63$ ,  $p = .015$ ). Although the third variable – few people know what is in their best interest – has in itself a significant effect on generalized trust, this becomes insignificant when the scope of problems is entered into the model. The regression analysis with standardized  $\beta$ s reads as follows:

$$\text{Trust}_{\text{national level}} = -0.58 * \text{Scope of problems} - 0.36 * \text{Experience with participation} \\ (\epsilon = 0.2) \qquad (\epsilon = 0.19)$$

One can dispute these outcomes, because the analysis is done at a high aggregated level, namely the national level. This could have influenced the outcomes. It is known as the ecological fallacy to make inferences at the community or individual level based on this analysis. This problem is addressed by repeating the analysis at the community level and individual level (in the latter case with a logistic regression analysis because the dependent variable in that case is a dummy).

### *Community-level generalized trust*

At the community level ( $N = 732$ ) a classic linear regression analysis, given the nesting of the communities within countries, is not possible and a multi-level approach is required. This reveals similar causal effects as seen at the national level, all being significant at 99 percent. The judged abilities — few people know what is in their best interest — again do not have a significant effect on the trust among policy-makers.<sup>5</sup> The average perceived scope of community problems is still the strongest predictor of generalized trust at the community level ( $\beta = -.40$ ,  $e = 0.01$ ,  $\text{sign.} = .000$ ). Negative experience with public participation — widespread participation brings undesirable conflict — is also a strong predictor ( $\beta = -.12$ ,  $e = .04$ ,  $\text{sign.} = .000$ ). The general perception among the local elite within the municipality about people in the community knowing what is in their best interest does not have a significant effect on aggregated trust. The regression analysis at the community level reads as follows:

$$\text{Trust}_{\text{community.country}} = -0.40 * \text{Scope of problems} - 0.12 * \text{Negative experience}^6$$

$$(\epsilon = 0.08) \qquad \qquad \qquad (\epsilon = 0.04)$$

From this analysis one might infer that the probability of generalized trust among the local elite in a community is first of all a function of the scope of societal problems they are faced with. When they are in serious trouble, generalized trust is likely to be absent. At this level of aggregation, the judged expectations and abilities of the constituency is significant, but not even half as relevant as the problems the local elite is in.

### *Individual-level generalized trust*

At the individual level, we have to consider a double nested structure within communities and countries. This analysis shows outcomes that are quite different from those found at the aggregate levels. The relative importance of the exogenous variables completely differs from the previous analyses. Individual local elites weigh off their generalized trust against their distrust ( $N = 12,338$ ) by making the following argument: 'Because I live in a community which is in turmoil, since there are many social problems in my municipality, because it is my experience that few people really know what is in their best interest, and because widespread participation often brings undesirable conflicts, I think one cannot be too careful in dealing with people.' Or the other way around: 'Because we live in a stable community, in which social problems are minor, because it is my experience that most people know what is in their best interests and because my experiences with public participation are positive, I think most people can be trusted.' The outcomes of the analysis are presented in Table 2.

The outcomes suggest that the probability of finding a trusting local policy-maker in old democracies, when the scope of problems in the community is low, the local policy-maker has no negative experiences with public participation, and (s)he is positive about the abilities of the constituency, is approximately 93 percent.<sup>7</sup> This decreases to 42 percent in case of low expectations, negative judgment of abilities and large scope of problems in the community in these countries, implying a difference of 51 percent.<sup>8</sup>

The impact of these factors is significantly lower in the new democracies than in the old democracies. The *a priori* probability of trust in the former countries is 71 percent in case of the same positive conditions. But this decreases only to 39 percent in case of the same negative expectations, judged abilities and problems in the community, which is a difference of only 32 percent. In the new democracies generalized trust is less well explained by the three factors.

In the newest democracies the *a priori* trust is much lower under the same positive conditions and the slopes are also smaller than in old democracies, although larger than those in the new democracies. In the most negative circumstances the probability of finding a trusting local official is only 24 percent, while the probability thereof under relatively positive circumstances (positive expectations, positive judgment of abilities and low scope of problems) is 64 percent, giving a difference of 40 percent which is approximately in the middle compared to the impact those factors have in old and new democracies. One has to take into account, however, that such favorable conditions occur much more often in the latter countries than in the poor East European newest democracies. Important is that the impact of judged abilities of people on trust approximates non-significance in the newest democracies.

The impact of expectations of public participation, judged abilities and problems in the community on generalized trust is as expected in the three types of countries, although their explaining power is largest in the old democracies. In those affluent countries *a priori* trust is highest, and any disturbance in the constituting factors (expectations, ability and problems) has a large impact on generalized trust. This impact is least in the new democracies.

As to the effect of judged abilities of the trusted on generalized trust, its influence in the new and newest democracies is also significantly lower. Judged abilities of the constituency seem to be especially important for generalized trust of the local elite in the old democracies. When a member of the local elite in such a country judges people to be unable to know what is in their own best interest, the probability that (s)he will show generalized trust toward people declines much more rapidly than in Middle and East European countries.

Although we do not have conclusive evidence explaining the different effects of negative experiences on generalized trust in different groups of countries, in this case the events of 1989 seem to provide an obvious factor. The effects of public demonstrations in those Middle European countries, overthrowing the Soviet-dominated system and the similar public protest in East-European countries, like Russia, Belarus and Kazakhstan where the situation did not improve that much after the fall of the Berlin Wall, might well have something to do with the explanation. That these changes did affect the situation in the Middle European countries in a positive way might explain why negative experiences with public participation in these Middle European countries does not influence the level of generalized trust among that local elite. They experienced a tremendous societal change partly due to such public involvement. Many people see the recent system change as a consequence of the previous public involvement and this might well mitigate the effect of experiences on generalized trust.

The sign of the slopes does not change over the groups of countries. This means that in all countries, negative expectations about public participation and the judged

inability of the public have a negative effect on generalized trust, which is congruent with the first three propositions.

The empirical outcomes corroborate the first three propositions. The outcomes of the analysis result, however, in a more refined model than the propositions suggest. The effects of the independent variables, such as negative expectations and the judgment of the abilities of the trusted, vary between countries. Under some circumstances the effects approximate zero. The only factor whose effect is constant is the scope of social problems in the community. It has a strong and significant effect on generalized trust that does not seem to vary among nation-states.

### **Trust as an intermediate variable**

Below it is investigated whether trust affects the way local policy-makers tend to design policy-making processes. Does a higher level of trust result in a higher propensity to practice the principles of good governance? Good governance means the involvement of the public and other societal groups, avoiding technocracy, being honest, and not only being materialistic in outlook, but also having an eye for post-materialistic values like participation and freedom of speech (see e.g. Heere, 2004; Kjaer, 2004; Tiihonen, 2004; Bovaird et al., 2002). Whether such associations exist is seen in Table 3, giving the associations at the individual level.

This table shows that trust is indeed related to the way in which policy-makers tend to shape policy-making processes, and also that the associations are relatively low. The more local policy-makers trust people, the more they are inclined to seek the support of the public in policy processes. In that case, they are also more likely to aim at less technocratic policy-making, are willing to adapt proposals even when a majority of the public disagrees, they are less willing to conceal facts, and are less materialistic. Such trust or absence thereof is on the individual level also significantly related to the way in which local policy-makers tend to develop their policies, in terms of democracy, technocracy, honesty and materialism. Distrusting local elites stress materialist values, emphasizing the importance of maintaining order and fighting inflation, and do bother much less about democracy and freedom of speech ( $R^2 = -.17$ ). Although the vast majority of associations is significant at 95 percent, some of these relations diminish when controlled for the different groups of nations and the scope of problems in the community.

For one of these relations, that is, the impact of trust on seeking the support of the public in general, a multi-level analysis is conducted, with generalized trust and the scope of social problems in the community as exogenous variables and the response to the question whether local policy-makers tend to go to the public if they need support for their policies, as the endogenous variable. The final model, only containing significant factors and interaction-effects, is given in tabular form in Table 4.

The outcomes show that the probability of seeking the support of the public is low everywhere, even among those old democracies, even when generalized trust is fairly common. This a priori propensity to seek public support does not vary significantly among types of nations as such. The intercepts are not significantly different among the three distinguished groups of nation-states. However, the impact of trust and social problems on this propensity to involve people in the policy-making process

**Table 3** Associations between trust and indicators about the propensity to shape the policy-making process

	Trust by individual members of local elite	Controlled for problem-scope and democracy
Support seeking		
Number of groups one seeks support from	.21	.15
Seeking support from colleagues	.10	.05
Seeking support of societal groups	.22	.16
Seeking the support of the public in general	.08	.06
Agreeing with technocracy statements:		
Only fully informed should vote	-.25	-.12
Decision making should be left in the hands of experts	-.27	-.17
Decisions should be postponed in case of public resistance	-.23	-.16
Not disclose facts in order to avoid misunderstanding	-.22	-.16
Materialism		
Maintain order is prime goal	-.18	-.16
Fighting rising prices is prime goal	-.17	-.06

Given are binary correlations.

**Table 4** Explanation of seeking support from the public in the policy-making process at the individual level, nested within communities and countries

**Reference model: old democracies, high expectations, good judged abilities**

	Logit ( $\beta$ )	(error)
Intercept	-1.23	(0.14)
Slope of generalized trust	-0.02 (n.s.)	(0.07)
Slope of problems in community	0.98	(0.21)

**Deviation of intercepts and slopes from the reference model**

	logit ( $\beta$ )	(error)
<i>In new democracies</i>		
Slope of generalized trust	0.21	(0.10)
Slope of problems in community	-0.87	(0.11)
<i>In newest democracies</i>		
Slope of generalized trust	0.51	(0.12)
Slope of problems in community	-1.36	(0.12)

- For the method and specifics see below Table 2.
- The dependent variable is support seeking from the public in general.
- Based on analysis with MLWin 2.1.a.

does vary significantly over the three distinguished groups of nation-states. In the old democracies trust hardly has any influence on the probability of engaging citizens in the policy-making process. Its influence is not even significantly different from zero. In the new and especially the newest democracies generalized trust has a much larger and statistically significant impact on the probability of seeking the support of the constituency. The influence of social problems in the community is large and positive in old democracies, and, surprisingly, has the opposite sign compared to the influence thereof in the newest democracies. In the old democracies its influence is positive. The more problems with which a local policy-maker in old democracies is confronted, the larger the probability that (s)he will seek the support of the public. The probability of this propensity is in this case 43 percent. In the new democracies trust explains most of the variance in the propensity among policy-makers to seek the support of the public. The impact of social problems is less and the probability of finding a member of the local policy-makers who seeks public support varies between 22 percent and 28 percent. This implies that we cannot really explain that much of the propensity to involve the public in the policy-making process in these countries. In the newest democracies, trust as well as the existence of a large number of problems both have a significant effect on the probability of seeking the support of the public, albeit that this impact takes place at a much lower level. When problems are large and trust is absent, the probability of finding a member of the local elite seeking public support in the newest democracies is only 7 percent. This increases to approximately 32 percent when there is generalized trust and the social problems are minor.

The investigation into the impact of social problems on support-seeking behavior of local elites shows interesting differences between the three groups of nations. A positive slope is found in the old western democracies, implying that they are somewhat more inclined to seek public support in case of many urgent problems. The relation is absent in the new democracies and opposite in the newest democracies. This implies that in the latter countries, the propensity of local policy-makers to seek the support of the public diminishes when they are confronted with a larger number of serious problems.

The outcomes do not support the last proposition given at the end of section 2. In old democracies the impact of trust on practices of good governance is minimal and not statistically significant. The relation only holds in those countries where generalized trust is less common, that is the Middle and East European countries.

## Reflections and conclusions

This article investigated five propositions about generalized trust, conceived as a form of low-level risk taking, between local political and administrative leaders and their constituency. The propositions are the following: (1) When there are negative experiences, i.e. expectations among local policy-makers about public participation, the probability increases that generalized trust among them is absent; (2) When local policy-makers have little confidence in the rationality of citizens, the probability increases that generalized trust is absent; (3) When local policy-makers are faced with a large number of social problems, the probability increases that generalized trust



among them is absent; (4) Generalized trust is positively related with what nowadays is seen as good governance, that is, the honesty and openness of local policy-makers, their propensity to interact with the public and with societal groups in general, and the absence of technocratic attitudes; and (5) Proposition 4 remains valid when controlling for the factors determinative for trust.

On the basis of a large-scale international survey, the first four propositions are corroborated, albeit that the impact of the independent variables on generalized trust varies among countries. To find generalized trust among members of the local elite is much more probable in the rich countries with a firm democratic tradition than in the less wealthy Middle European countries which have only recently acquired a democratic tradition, and the difference is even larger when we compare these levels of trust with those in the poor East European countries, of which it is doubtful whether they already have become democracies (Kazakhstan, Belarus, Russia). In the latter countries, generalized trust is a rare phenomenon. This is congruent with the sociological view that generalized trust is predominantly a reflection of the social order in society. The fifth proposition is not corroborated by this research. Especially in the affluent, old West European countries, generalized trust does not have an impact on the propensity among local policy-makers to seek the support of the public in the policy-making process. The expected impact is only seen in the new and newest democracies.

Looking at the association between trust and a number of indicators about the propensity of the local elite to design policy-making processes more openly, honestly and less technocratically, we also found significant relations congruent with the expectations. Generalized trust among members of the local elite does enhance their propensity to involve citizens in the policy-making process, to be more honest, and to be less in favor of technocratic policy-making. These effects are, however, diminishing when controlling for the kind of democracy and for the scope of societal problems.

Generalized trust and the scope of problems with which local policy-makers are faced have a remarkably different effect on the propensity to seek the support of the citizens in different circumstances. In the old democracies there is hardly a relation between the tendency to seek the support of citizens on the one hand and generalized trust on the other hand. The severity of social problems has in these countries a positive effect on involving citizens. In the new and especially the newest democracies, the relation between trust and support-seeking behavior is significantly stronger. When problems become less urgent in those countries and the local policy-maker does show generalized trust, (s)he is significantly more inclined than his/her colleagues to seek the support of the people.

The first part of the outcomes, regarding the explanation of generalized trust, may not sound too surprising, since it is congruent with the theories about generalized trust. The second part of the analysis, in which the impact of trust is investigated, resulted, however, in interesting outcomes, and poses a problem for the claims of theories on good governance.

Theories on good governance claim that it is necessary to involve the public in the policy-making process and to shape policy-making in a more open, honest and democratic way in order to enhance the effectiveness of public policies as a universal

claim. The second part of the analysis presented above suggests that the impact of generalized trust and the urgency of social problems as perceived by individual members of the local elite, on practices of good governance, is especially large in those countries where generalized trust in general is lacking and the scope of problems is large.

Reflecting on the outcomes of this investigation, one might object to the conclusions because of the quality of the data. All the problems normally encountered in survey data are also seen here and all objections to such research are also possible for this analysis. One could, for instance, ask whether trust means the same thing for local policy-makers in different countries, whether the data are biased because questions about technocracy and public participation induce respondents to give socially desirable answers. And one can even ask whether such social desirability bias might be varying over countries. Such questions are valid and relevant, and imply that the conclusions could be biased also. The answer can only be that we do not know and assume that the data are valid, in the sense that they measure what they intend to measure.

If one does object, no conclusions are possible. However, if one accepts the way the data were gathered and accepts their validity, the conclusion has to be that the claim about the relation between trust and public involvement contains a paradox. In order to involve the public in the policy-making process, the policy-maker has to trust the constituency. This is, however, strongly dependent on the problems (s)he is facing. When the societal problems are severe, members of the local elite, except in old democracies, are not likely to show generalized trust and are neither inclined to involve people in policy-making processes. The paradox is, especially regarding the newest democracies, that in order to enhance the propensity among local policy-makers to develop effective policies by practices of good governance, the existence of effective policies in terms of problem-solving capacity is a prerequisite. One needs already effective policies in order to be able to create good governance practices that are supposedly more effective. One needs a certain degree of social order in society to establish practices that are expected to enhance the social order in society.

## Notes

- 1 To test whether these relations hold is not just done to test whether the theories can be corroborated, but also to validate the indicators. When the relations hold when testing them using our data, this not only tells us something about the correctness of the hypotheses, it is also positive for the face-validity of our data. When the hypotheses are not corroborated, the justified response could be that the data, the gathering and the analysis thereof are of a dubious nature. Therefore we need this part of the analysis to argue in the subsequent part of this research that findings that are less obvious, or even counter-intuitive, are not due to problems with our data.
- 2 The data and more information about the project can also be found on the web [www.ssc.upenn.edu/dlg/](http://www.ssc.upenn.edu/dlg/)
- 3 The question was unfortunately not available for the USA.
- 4 Correlations between the variables at national level  $N = 28$  (distinguished between years of observation)

	Trust	Negative experience	Absence abilities	Scope problems
Negative experience with participation	-.53	1.00		
Absence of abilities of citizens	-.47	0.53	1.00	
Scope of communal problems	-.69	0.28	0.26	1.00

**5** Correlations between the variables at community level  $N = 665$

	Trust	Negative experience	Absence abilities	Scope problems
Negative experience with participation	-.25	1.00		
Absence of abilities of citizens	-.23	0.38	1.00	
Scope of communal problems	-.39	0.10	0.02	1.00

**6** That this indeed makes a crucial difference with classic linear regression is seen in the difference with the following equation, which does not take the nested structure into account:

$$\text{Trust}_{\text{community}} = -0.33 * \text{Scope of problems} - 0.18 * \text{Negative experience} - 0.15 * \text{Inability trusted}$$

**7** This is the Alogit of 2.58.

**8** This is the Alogit of 2.58–0.77–1.16–0.98.

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