

**Ripples of trust:**  
**Reconciling rational and relational**  
**accounts of the source of trust**

**Jennifer Ann Job**

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## Declaration

This thesis is the product of my own work. All sources used have been acknowledged within the text and in the references.

.....  
Jennifer Ann Job

January 2007

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## **Abstract**

Despite significant interest in trust over the last decade, the literature has yet to explain adequately the sources of trust, and especially, the sources of trust in government. The aim of this thesis is to understand whether trust in government is sourced at the level of political institutions, or whether experiences in other institutional domains such as the family (a primary institution) and the local community (an intermediate institution) play a part. Other researchers have not empirically explored the development of trust from all three institutional levels in the same study. In this thesis sources of trust are examined at three institutional levels using a rational and relational process model to compare rational choice and socio-psychological/cultural theoretical perspectives.

An argument is presented and supported to demonstrate that by conceptualising trust in government and its organisations as an attitude which is learned through our socialisation experiences, factors from rational choice and socio-psychological perspectives can be used to provide a greater understanding of how trust develops at different institutional levels. The plausibility of causal pathways from these different theoretical perspectives is tested in the Australian context. Particular attention is given to Putnam's social capital theory, and to testing the assertion that trust is sourced at the intermediate institutional level through involvement in clubs and associations.

A major finding is that civic engagement and associational membership, that is, socialisation at the intermediate institutional level, has little or no role as a source of any kind of trust. The study demonstrates that trust in others learned through socialisation in the primary institution of the family ripples out as the source of both social and political

trust. As well, it shows that rational factors play a role equal to socio-psychological factors in the development of attitudes of trust towards both strangers and government. Socio-psychological factors develop our trust and help us to generalise it, while rational factors dampen but do not destroy our trust. Several factors which were common across different institutional contexts, such as satisfaction with life, perceived dishonesty in others, and feeling powerless, suggest that we combine rational and relational factors in deciding whether to give our trust. While we learn to trust in the primary institution of the family, our experiences during life teach us to be realistic in our expectations of others and give us greater assurance about who to trust and when.

The empirical test shows that trust in different institutional contexts is based on different factors, yet trust in one institutional context is related to trust in other institutional contexts. Those favouring a rational choice explanation have focused more on government, and those favouring a relational explanation of trust have focussed more on society. However, these results provide support for the idea that both theoretical perspectives play an equal part in the development of trust at all institutional levels. It seems we can go no further in understanding the sources of trust by testing these two theoretical perspectives. Future work on trust should be towards the integration of these perspectives.

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## **Chapter 1 – The muddied waters of trust**

*All intellectual journeys have a particular beginning.*

Bo Rothstein (2005:1)

### **Introduction**

My intellectual journey to find the sources of trust began in 1997 in the Australian Taxation Office. I was examining how the tax office might reduce the cash economy practices of small businesses. At that time, the integrity and legitimacy of many taxation administrations, including the Australian Taxation Office, was under fire for being heavy-handed, rule bound and overly reliant on punishment (Job and Honaker 2003). We wanted to try something more subtle than the usual prolonged audits and prosecutions which seemed to build resentment on both sides. The idea of a more responsive style of regulation seemed worth exploring because it increased cooperation between regulator and regulatee and improved compliance in a range of regulatory environments (see for example, Braithwaite 2002; Braithwaite and Grabosky 1985; Braithwaite 1995; Braithwaite et al. 1994; Gunningham and Grabosky 1998).

A major factor in successful regulation is a relationship of trust between the community and government (Ayres and Braithwaite 1992). Trust has been described as “indispensable in social relationships” (Lewis and Weigert 1985:968), “fundamental to the stability of democratic societies and to the orderly conduct of social and economic affairs” (Cook 2001:xxvii), and important for social order, social cooperation and social cohesion (Lewicki, McAllister and Bies 1998; Misztal 1996; 2001). However, because of constant change, less predictable routines, and increasingly temporary social ties, it has

been said that these days we are less connected to, and less trusting of, each other (Markus 2003; Misztal 1996; 2001; Putnam 1993; 2000a). If we are less connected and less trusting, how can we encourage people to cooperate and comply with the law and with each other generally?

I started exploring how a tax office could build a relationship of trust with the community. Putnam's (1993) social capital theory was gaining prominence at that time, advocating civic engagement and voluntary association as the means to building trust and effective government. Yet the idea of a tax office telling the community to join their local bird watching and choral societies with the aim of increasing compliance seemed a risky approach. I could not imagine the government minister responsible for taxation administration being easily convinced that this was the way to go. Nevertheless, my tax work started me thinking about where trust comes from and what government and its organisations could do to build and maintain trust.

## **The problem of trust**

Interest in trust has surged in the past two decades on the back of three issues. There are three problems with trust which make it an important issue for authorities with regulatory responsibilities: a decline in trust; the consequences of this decline; and theoretical debate about how we should understand trust. At the heart of the differences of opinion and at times confusion about where trust develops, is insufficient understanding at which institutional level trust is developed. More specifically, if we are to rebuild trust, which institutional level should be our starting point – the family, the local community, or the government?

There is a large empirical literature showing declines in trust since the 1960s in western countries including the United States, Canada, Finland, Sweden, Austria, Germany, Great Britain, Australia and New Zealand (for example, Bean 1999; Cook and Gronke 2002; Dalton 1999; Fattore, Turnbull and Wilson 2003; Hetherington 2001; Levi and Stoker 2000; Misztal 1996; Papadakis 1999; PEW Research Center for The People & The Press 1997; Putnam 2000a; Uslaner 1999; 2002; Warhurst 2004; Warren 1999a; Worthington 2001; Wuthnow 1998; 1999). These declines are in trust in government (political parties and political incumbents), trust in authorities, trust in government institutions, and trust in others generally.

While there is a lack of longitudinal data on trust in Australia, it appears that a decline in trust in government translates to a decline in trust in politicians and public servants rather than in the political system (Bean 1999; Norris 2004; Papadakis 1999). For example, in the United States, lack of trust in federal government and politicians appeared to be driven by particular events and scandals, with the major concern being poor performance, and, to some extent, excessive control and power (PEW Research Center for The People & The Press 1997:5-10). Also, survey respondents expressed concern about the “honesty and ethics of government leaders” and “moral decline” generally (PEW Research Center for The People & The Press 1997:5-6).

A loss of trust has consequences for cooperation between people but also for cooperation or compliance with government regulation and for the effectiveness of government generally. Loss of trust can result in people questioning the legitimacy of governance with a consequent increase in social disorder. For example, there is a direct connection between crime trends in the United States and distrust of political institutions (LaFree 1998). If people do not trust political institutions they do less to support the social control

of others (LaFree 1998:80). Once there is disorder, there is further loss of trust in others and even greater difficulty in encouraging cooperation and community participation to solve community problems, particularly in low income neighbourhoods (Skogan 1990). A breakdown in trust between regulator and regulatee has resulted in the growth of the ritualistic audit, which is time consuming, expensive and unproductive for both parties (Power 1997). In the extreme, the consequences of a lack of trust in government can be turmoil in a society. For instance, there are many societies like Bougainville where a desire for independence and a loss of trust in government triggered a crisis which resulted in social conflict and the deaths of thousands of citizens over nearly a decade of fighting (Kemelfield 1992; Semoso 2001).

There is ample evidence in the literature of the importance of trust. Generalised or social trust builds social capital (Putnam 1993; 1995a; 2000a; Uslaner 2002), and is important in fostering dispositions that support democracy, such as “tolerance for pluralism and criticism” (Uslaner 1999:9). Social trust, it has been claimed, creates effective government and makes democracy work (Putnam 1993) and builds economic prosperity (Fukuyama 1995). Trust is important in encouraging compliance and nurturing a win-win relationship between the community and government (Ayres and Braithwaite 1992). Trust is a major factor in compliance with law and government regulation as demonstrated in a range of regulatory environments, for example, nursing home regulation (Braithwaite 1995; Braithwaite et al. 1994), taxation compliance (Braithwaite 2003), environmental regulation (Gunningham and Grabosky 1998), occupational health and safety standards (Braithwaite and Grabosky 1985), and in policing and the court system (Tyler 1984; 1997; 1998; 2001; 2004).

A loss of trust and its consequences for social order raises a third problem. If trust is valuable, and if it has been lost, the question arises, how should it be rebuilt? This means understanding the processes through which trust develops and is destroyed. This brings us to the extensive theoretical debate on what is meant by trust. The dominant view is that the basis of trust is a rational choice, and is strategic, calculative, predictive, self-interested and based on knowledge and evaluation of performance (for example, Hardin 1998; 2002; Levi 1998). Alternatively, trust is seen from a socio-psychological/cultural basis as relational, cultural, emotional and based on socialisation experiences through which we develop beliefs, values, norms and attitudes towards others (for example, Sztompka 1999; Uslaner 2002). This debate is exacerbated by methodological difference. Researchers tend to work with either micro or macro level phenomena and with either micro or macro level data (Levi and Stoker 2000). “One consequence of this has been the development of micro- and macro-level literatures with few points of contact” (Levi and Stoker 2000:500).

These theoretical perspectives on trust explain different aspects of reality: we use both in our relationships with others. Unfortunately, many theorists engage with trust in too restrictive a way, applying only one perspective to one type of social relationship. For example, the relational form of trust is generally used to explain our interactions with people we know personally, and extends to strangers as long as they share the same social status as ourselves (Putnam 1993). Some see a relationship between trust in strangers and trust in government (Brehm and Rahn 1997; Hall 1999; Lipset and Schneider 1983), and others have extended the relational argument to government institutions to explain that trust builds effective government performance which builds trust in government (Putnam 1993). Conversely, the rational perspective is usually applied to abstract systems, such as government and its institutions, as well as to strangers. This theoretical perspective posits



that government performance, both at aggregate and individual levels, determines people's trust in government (Bouckaert and Van de Walle 2003; Hetherington 1998; Lipset and Schneider 1983; Rothstein and Stolle 2002). People's evaluation of government performance in providing public goods, and their personal experience with particular government agencies, influences their trust in government and in government agencies and departments (Bouckaert and Van de Walle 2003; Van de Walle 2002). However, I will conclude that trust cannot be seen through a single lens because it is multi-dimensional and works in combination in our relationships with other people and with abstract systems.

A more robust view of trust has been developed by Braithwaite (1998) in her work on trust norms. She argues that people use both a rational choice view and a relational or 'communal' view in their relationship with government, shifting back and forth between the two. Similarly, Coleman (1988; 2000) and Putnam (1993; 2000a) have used social capital theory to integrate these perspectives to expand our understanding of the sources of trust. Coleman argues from a rational choice perspective, while Putnam focuses on a socialisation perspective.

With reference to political trust, Levi and Stoker (2000) call for work that bridges the micro-macro divide. They note only two pieces of work which model causal relationships, but are limited through use of cross-sectional survey data: Brehm and Rahn's (1997) work on the relationships between civic engagement and political trust, and Hetherington's (1998) analysis of presidential evaluations and political trust. Levi and Stoker (2000) call for improved concepts and measurements to enable integration of micro and macro levels.

Recently some theorists have expressed concerns that the relational or socialisation perspective has been under-theorised. This thesis will focus on the relational perspective but will not ignore the insights the rational perspective gives us of the dangers of trusting too much or trusting without good reason. I will present an argument that suggests the integration of these two perspectives, rather than the current domination of one perspective over another, bearing in mind that one perspective might be more prominent than the other in particular circumstances. I will argue that trust generally, and trust in government and its institutions specifically, cannot be explained solely from a rational choice perspective based on evaluation of performance, but, rather, trust is a combination of rational and relational perspectives with its source in our socialisation experiences. I will show that these perspectives work in tandem to help us know when to reserve our trust and pull back from a relationship and when we can freely give our trust to others. In doing this analysis I will provide insight into the sources of trust at different institutional levels.

## **Thesis aim and scope**

While there has been an enormous amount of research on trust since the early 1990s (Hardy, Phillips and Lawrence 1998; Levi and Stoker 2000), much remains to be done in clarifying trust conceptually and methodologically. One prominent account is Putnam's (1993) social capital theory which claims that social and political trust are developed in intermediate or meso-level institutions. However, there are other institutions which can be considered. The main aim of this thesis is to explain which institutional level provides the more powerful explanatory account of why we trust government and why such trust erodes. I will explore trust at the micro level in the family (where people bond), at the meso level in community organisations (where people bridge), and at the macro level

through the actions of government and its organisations (where people link), the different factors that influence how trust develops and erodes, and the inter-connections between these different institutional levels. Specifically, the issue of causality will be tentatively explored – tentative because of the limitations imposed by cross-sectional data.

The proposition driving the analyses is that our socialisation experiences allow trust to generalise from those we know, to strangers and to abstract systems such as government and its organisations. That is, we first learn to bond, then bridge, and then link with others. At the same time, we may evaluate the performance of others or use learned decision aids to help us decide whether we should freely hand over our trust or hold back some or all of it. Bad experiences or early socialisation that taught us to mistrust may make us more wary about giving trust to anyone other than those we bond with.

It is not my aim to consider the decline of trust that others have documented in western democracies, or to track it over time. Nor is the aim to determine what might be an acceptable level of distrust. Rather, the aim of this thesis is to understand the sources and generalisation of trust from different institutional starting places in Australia as we move into the 21<sup>st</sup> century. I use a cross-sectional survey conducted in 2000 of Australians in the states of New South Wales (NSW) and Victoria to examine sources of trust. Theories are tested on the data that may have relevance beyond the Australian context. I did not use secondary data from the large global surveys commonly analysed to explain trust, such as the World Values Survey, for a number of reasons. First, Uslaner (2002) has completed an analysis of the foundations of trust using aggregate data from a wide number of sources and has advanced understanding of trust to a point where new data sources are required. Second, most of these large surveys exclude Australia, or the time series is limited for Australia. Third, the trust questions in the available surveys are of a limited

nature, which does not allow analysis of opposing theoretical perspectives, and few surveys ask questions about both social and political trust (Newton 1999).

First, the thesis will provide empirical evidence for the possibility of integrating rational and relational theoretical perspectives to suggest a ‘hybrid’ theoretical perspective on trust with contributions being accommodated from both sides of the debate about the sources of trust. Second, it analyses the possibility of an integrated perspective on the sources of trust from the individual or micro level, rather than from an aggregate or macro perspective, as Putnam did in his social capital work. Third, it distinguishes three distinct types of trust – trust at the micro or familiar level, trust at the meso or community level and trust at the macro or organisational level. In particular, distinctions are made between the different roles of government organisations, which is not usually done. Fourth, the study analyses the sources of trust in Australia, adding to a literature that has predominantly focussed on the United States, partly on Italy and Europe, and more recently on the ex-communist countries of the USSR and Poland from a distrust perspective. Fifth, the study provides a highly differentiated set of measures of the sources of trust by including civic engagement, world views and personal satisfaction with life, social demographics, and different dimensions of appraisal of government performance which may provide insight into what builds and what blocks the spread of trust. Finally, it uses structural equation modelling to determine the role each theoretical perspective plays in building trust. This is a statistical technique which has not been widely used in the examination of trust. Its main advantage over regression, and the major reason for its use in this study, is that structural equation modelling allows for statistical testing of multiple dependent variables and of competing hypothetical causal pathways that rise out of different theoretical accounts of trust.

## **Overview of the study**

To achieve the aim stated above, Chapter 2 will evaluate the theoretical literature on trust. Two theoretical perspectives on the sources of trust are detailed. First, a rational perspective is more context sensitive and therefore it has to find ways of explaining how people make decisions about when to trust, when to be wary, and when to withdraw from engagement altogether. To do this the rational perspective allows for cognitive devices for trusting such as heuristics, and differentiates between trust and confidence for different levels of institutional engagement. Alternatively, a relational perspective, which is based on socialisation, allows for the generalisation of trust from close intimates to abstract systems. In essence, a relational approach supposes an overarching heuristic of the trustworthiness of others, unless there is evidence to the contrary.

In reviewing the existing evidence for the integration of the rational choice and socialisation theoretical perspectives, Chapter 3 will examine social capital theory which has been a recent and influential attempt to merge these theoretical perspectives. Of particular interest is Robert Putnam's notion of social capital. He claims that voluntary association and civic engagement build generalised trust which makes for effective government, which in turn allows people to trust others. Putnam's claim that social trust is built in intermediate institutions suggests that different types of trust might be developed in different institutional starting places. The primary institution of the family and political institutions will also be examined as places where trust might be built, and the latter as a place where mistrust might also arise. Following this review of the literature, Chapter 3 develops the ideas in the literature into hypotheses about how trust is developed and generalised. A conceptual model is then presented with seven key constructs which have been claimed to influence the building or withdrawal of trust. This conceptual model will

be tested in later chapters. The chapter continues by discussing why a survey was chosen as the most appropriate method for testing the hypotheses and the conceptual model. It will be noted that Putnam's (1993) study of Italy and the aggregated measures he used cannot be compared to the measures used in this study. Putnam examined social capital, civic engagement and associational membership from a macro or regional basis using aggregated national surveys to determine civic engagement and associational membership. In contrast, this study was undertaken from a micro or individual perspective using pen and paper surveys to find out what individuals did and how they thought about trust and the trustworthiness of others.

Having developed a testable model, Chapter 4 describes the research method. First, the sample, response rates and tests for representativeness are discussed. Second, a detailed description of all the research measures is provided.

Chapters 5, 6, 7 and 8 set out the results. The first of the analyses is detailed in Chapter 5. Regression is used to compare Putnam's social capital thesis with a basic socialisation model that trust is built in the family. Also, a model is constructed to test whether social trust generalises to trust in government organisations. Evidence is presented for the first claim, that civic engagement is not the source of social trust. Rather, the findings lend support to the thesis that trust begins in the family, extends to strangers, and then ripples from strangers to abstract systems of government. While these tests show some interesting results, they also reveal that there are factors other than civic engagement and family socialisation which build trust.

Chapter 6 widens the idea of a ripple of trust to include other factors which might be sources of trust in strangers, as well as trust in government and its organisations. Added to

the regression model are independent variables to test the effect of world views and personal satisfaction with life, and social demographics on the building of trust. The results of the tests in this chapter again lend support to the generalisation of trust argument that trust ripples from primary groups to government. They also show that our satisfaction with life and feelings of obligation towards others, including government, are prominent, independent sources of trust.

While the socialisation theories show good results, it is found we cannot ignore rational choice factors. In Chapter 7 factors representing evaluation of government performance are added to the regression equation to analyse both what builds but what might destroy trust in government and its organisations, such as perceptions of corruption and incompetence. The results support the importance of rational factors as sources of trust, and particularly highlight that positive evaluation of government spending builds trust in government. The results also show that perceptions of corruption reduce trust in government but do not destroy it as others have claimed. This supports the argument that if we have learned to trust others generally, our trusting orientation towards others remains, but that we use information about others to reconsider how much trust we might give. In Australia, it appears that people's trust in the abstract systems of government remains strong, but trust in political incumbents is reduced by their bad behaviour. Again, these findings at the abstract level suggest a story which is similar at the familiar or micro level. If the basis of our trust is strong, it will remain in place, but we will distinguish those who perform badly from those who meet our expectations and we will withdraw our trust from the few who disappoint us.

Regression modelling has limitations, particularly when explaining relationships among independent and dependent variables and when the study involves more than one

dependent variable. As well, regression modelling cannot help in exploring whether relational factors are a stronger determinant of trust than rational factors, and cannot pit one causal direction against another. This challenge is taken up in Chapter 8, where the opposing theories on the sources of trust are tested. Structural equation modelling is deployed. While causality cannot be established with the cross-sectional data in this thesis, structural equation modelling allows for comparison of opposing theoretical perspectives through the use of equivalent models. There is little difference in the results of these models, suggesting that a hybrid theory of trust may provide a more convincing explanation of the sources of trust than the uni-dimensional and uni-directional models most theorists favour.

Finally, Chapter 9 discusses the strengths and weaknesses of the study, future directions for progressing this work on the sources of trust, and the main findings. In Australia at least, Putnam's thesis of civic engagement and associational membership does not provide an explanation of generalised trust. Whether the problem is the theory or the method is not clear, although the results Putnam finds at the macro level should hold at the micro level (Rothstein 2005). There are some common empirical findings, however, on who trusts the most and who trusts the least.

The most interesting finding from the thesis was that trust in one institutional context is related to trust in another. The findings in this study suggest that trust is a relational and collective orientation, and that people understand that they have a relationship with different groups of people, including those in government. The findings also suggest that while relational trust is the basis of a ripple of trust across different institutional levels, rational or strategic trust also plays a role in social interaction, particularly as the



relationship becomes more impersonal. These findings support the idea that future work on the source of trust should test an integration of theories.

Putnam recommends that people should get involved in their community to build trust. However, the findings of this thesis suggest civic engagement is not the way to improve trust relationships within the community and between community and government. The data show that trust in the institutions of government has a base in the trust that develops in our homes and workplaces. It could be said that these results merely reflect that some people are happy positive people who always see the world in a trusting way. However, evidence that this may not be so is found here. Different factors emerge as predictors of trust at different institutional levels. Being satisfied with life is not the attribute that links trust in primary institutions with trust in intermediate institutions with trust in political institutions. Being satisfied with life is linked to trust in one's personal circle and trust in government institutions which provide services at the local community level. Being satisfied with life is not linked to trust in strangers or to trust in political institutions which are remote, such as federal government. It is interesting that perceptions of corruption reduce trust but do not necessarily destroy it. Trust in government can be built again, providing primary institutions can nurture it. This is because the balance between family and trust differ for different persons. People may have weak trust in their family but strong trust in government until government lets them down badly. As a result, for these people trust is destroyed. Other people may have a strong family and strong trust in government. They may be badly let down by government because of corruption but trust remains.

## Chapter 2 – The sources of trust

*Every kind of peaceful cooperation among men is primarily based on mutual trust and only secondarily on institutions such as courts of justice and police.*

Albert Einstein (1879 – 1955)

### Introduction

Some classical social theorists have suggested that rational self-interest would replace the shared sentiments, obligations and trust in others typical of ‘traditional’ society (Toennies 1965). The popular press along with an influential body of scholarship has embraced this world view. Its appeal is understandable. Modern day business interactions are usually conducted more with organisations we know little of, rather than with persons whom we know. There is less face-to-face interaction, we do not know our neighbours as well as we once did, and there is more ‘impersonal’ interaction via electronic means and with abstract systems. It could be thought that these days we have less confidence in social norms, values and voluntary cooperation and rely more on formal legal rules, contracts, and sanctions enforced by regulatory authorities to ensure that we can trust others to do the right thing. Yet it seems rather odd to think ongoing cooperation can be built solely on the basis of threat.

There is no denying that the law is important in maintaining social order and cooperation. However, if we base our trust in others on reliance on the law, we may be talking about control, or distrust, rather than trust. This rational view of trust assumes people’s actions are only self-interested, strategic, calculative and for the short-term. It is a narrow view of

trust because the law, contracts, monitoring, and our ability to access and digest masses of complex information is imperfect.

Much of the way we live our lives is not formally legislated. Instead, we learn the basis of our attitudes towards others from agents of socialisation – our parents and families, those in our close personal circle, and the strangers and abstract systems (including the media) we interact with in our daily lives. We learn whether we can trust others or not, and we learn how trusting or how wary we should be in particular situations. What is missing from the formal legal view is the idea of trust as the basis of our social relationships, not only with those we know personally, but also with strangers and organisations.

In reviewing the literature I found that trust is generally approached from two different starting places: a socio-psychological perspective and a rational choice perspective. To illustrate, the trust we have in our dealings with abstract systems such as business and government organisations is often considered to be based on self-interest. Alternatively, others maintain that in our interactions with other people in a face-to-face situation our trust is based on a social bond we have with other people. The use of different theoretical perspectives on trust in different circumstances has created a divide in the way we think about trust, as well as an argument about how far trust generalises from its starting place. For example, some argue that trust starts in the family and generalises to society and stops there. Others argue that trust depends on the performance of political actors (individuals and organisations) and generalises to society but no further. Some argue that there is no such thing as political trust and prefer to use terms such as ‘confidence’ to describe the way we think about political actors, for example, Hardin (1998; 1999) and Luhmann (2000). These arguments have led to confusion, blurriness and ongoing debate about the sources of trust. I argue that a preference to explain different types of trust through a

single perspective or lens produces a narrow understanding of the sources of trust. Neither theoretical perspective alone is sufficient to explain how trust is developed, maintained or reduced. Rather, trust is a multi-dimensional concept in all situations. As the quote from Einstein at the beginning of this chapter illustrates, trust is first and foremost a social bond with others, but with a role for both formal and informal rules in achieving cooperation and social order. What is needed is an integrated or hybrid approach to the explanation of trust.

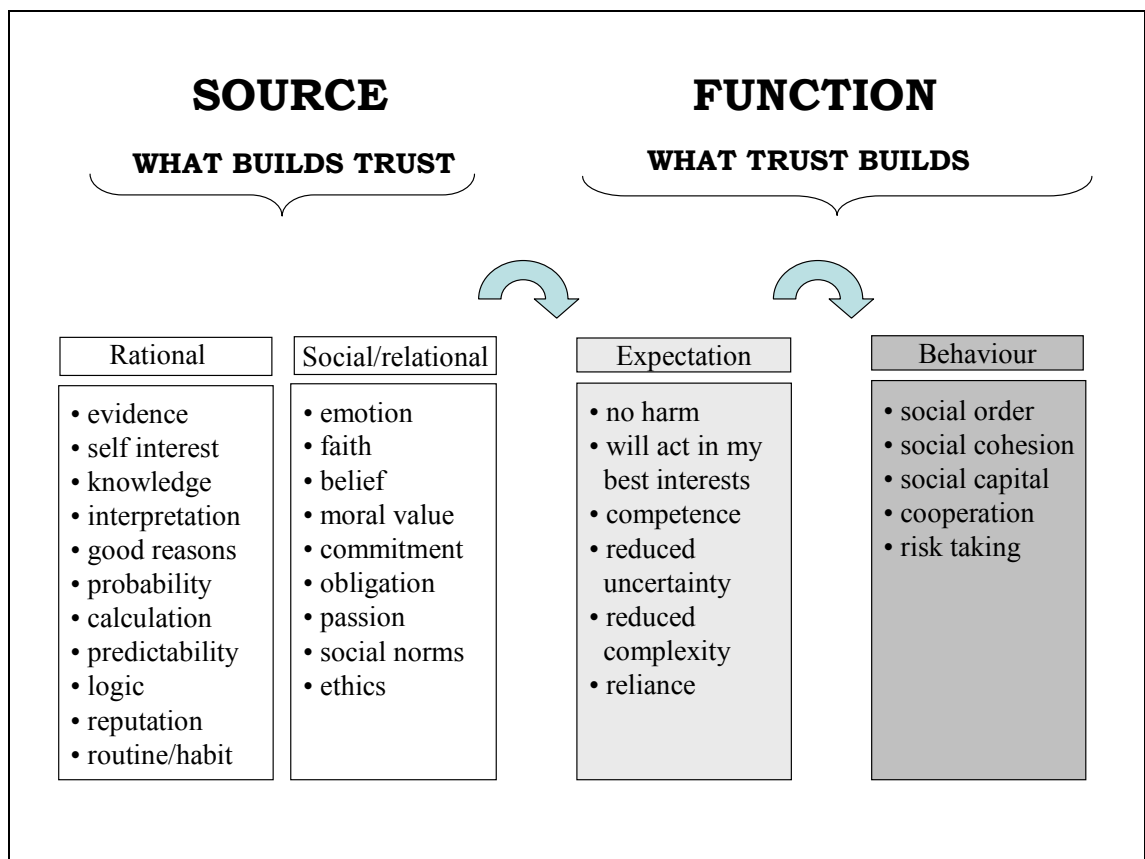
This chapter will examine this theoretical debate through a review of the literature on the foundations or sources of trust and mistrust. I begin by exploring the enormous trust literature and differentiating two main foci in the literature to clarify the foundations or sources of trust rather than the functions of trust. I briefly outline philosophical arguments about human nature and show that two sociologies of action have resulted in two different starting places which can be seen as opposing theoretical perspectives on trust. I continue by showing how a rational choice perspective, then a socio-psychological or relational perspective, is applied to the notion of trust. I examine the implications of each theoretical perspective, including the rational choice perspective's use of heuristics to cope with complexity compared with the generalisation of trust from the relational perspective. The ongoing theoretical debate has culminated in calls for an integrated theory of trust to help understand its sources.

## **Making sense of the trust literature**

### ***Exploring the sources of trust***

Much of what has been written on trust falls under the idea of what trust builds, that is, its function (Lewicki, McAllister and Bies 1998; Mollering 2001). Trust creates an

expectation that others will do us no harm and have our best interests at heart, and leads to action or behaviour of some kind (see Figure 2.1 below). Less has been written about how trust is built (Mollering 2001; Nooteboom 2003). Rothstein and Stolle (2002:3) have highlighted that “the *sources* of generalized trust often remain unexplored”, and there is lack of clarity about causal direction (original emphasis).



**Figure 2.1: Two major themes in the trust literature**

Figure 2.1 above outlines the two foci in the trust literature on the sources and the functions of trust. It also highlights a rational side and a social/relational side to the foundation or sources of trust. The main focus in the literature about the sources of trust tends to be on the rational aspect, particularly where trust in government is concerned, with the view that government structure and evaluation of government performance builds, or destroys, generalised trust in strangers (for example, Fukuyama 1995; Levi

1998; Rothstein 2005; Rothstein and Stolle 2002). An alternative, less popular, and much criticised view is that trust has an emotional basis which we learn from our relationships with others, beginning with those in our intimate circle and generalising to strangers and then to abstract systems such as government and its institutions (for example, Paxton 1999; Putnam 1993; Sztompka 1999). The criticism is that trust with an emotional basis cannot generalise beyond those we know personally or where there is a power difference<sup>1</sup> (Putnam 1993).

Trust is a concept which has achieved attention across many social science disciplines (Lewicki and Bunker 1996). Different disciplinary assumptions make understanding trust a challenge. For example, economics sees trust as calculative or institutional (Williamson 2003); psychology focuses on personal attributes and cognition (Tyler 1997; 2001); and sociology examines relationships, based on values and morals, between people or institutions (Lane and Bachmann 1998; Rousseau et al. 1998:393; Uslaner 2002). Political science spans all of them (Scholz 1998; Scholz and Lubell 1998). The varied interest has resulted in an enormous multi-disciplinary literature on trust, no agreed definition of trust (Hosmer 1995; Kramer 1999; Rousseau et al. 1998), and lack of clarity on its forms, its sources, and its effects.

Several gaps and deficiencies in the literature on trust have been noted. Theoretical frameworks which provide conceptual clarification have been “relatively neglected” (Luhmann 2000:94). A possible reason is that “trust is difficult to force into conventional categories of theorizing” (Lane and Bachmann 1998:310), and problems have multiplied because “there is a relative neglect of systematic empirical study” (Nooteboom 2003:1)

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<sup>1</sup> Part of this debate is normatively based, that is, trust should not generalise to those with power without ‘rational’ analysis. This thesis focuses on how human behaviour can be explained, not on trust behaviour as it should be.

which would offer conceptual clarification or at least refutation of some of the ideas that have been proposed. Then there is the added issue of empirical complexity. There is contradictory evidence on the mechanisms for the building of trust, the mechanisms for the decline of trust, and in which direction trust generalises. Do state actions encourage or reduce social trust, or does a trusting community generalise trust to the state? There is both confusion and disagreement in our conceptual and methodological understanding of the sources of trust and its generalisation.

### ***A philosophical basis to different perspectives on trust***

Our understanding of the sources of trust begins with philosophical argument around three views about human nature. First, the empiricist view holds that we begin life knowing nothing and that our life experiences teach us what we know (Warburton 1998). A second view of innatism is that we are born with some knowledge or innate principles given by God (Warburton 1998). A third view is rationalism, with advocates such as Hobbes believing that we gain our “knowledge of the world by the power of reason alone” (Warburton 1998:15). These views of human nature are reflected in the broad conceptions of trust seen in the literature: that trust is based on socialisation and learned through our experiences with others; or that trust is innate; or that trust is based on reason and rational choosing.

Trust as an innate tendency, which we have before we learn to be rational (Baier 1986; Lagerspetz 1998), will not be considered in this thesis other than to note that, with the renewed interest in evolutionary theory or neo-Darwinism, some see trust as a trait or a genetic predisposition. For example, Gintis (2003) argues for the evolutionary emergence of strong reciprocity, or social cooperation, Scharlemann et al (2003) consider the ability

to detect intention to cooperate, and Bateson (2000) maintains that evolution contributes to some forms of cooperation and that, if we understand the conditions of cooperative behaviour, we can explain the origins of trust. The answer might be found in recent work in the emerging field of neuroeconomics which has shown that the hormone oxytocin facilitates social trust, social bonding and cooperation (Kosfeld et al. 2005; Zak 2003; 2005; Zak et al. 2005; Zak, Kurzban and Matzner 2004; 2005). As more research is completed in this area, trust as an innate quality of humans may assume greater importance.

For the purposes of this thesis, the focus will be on the remaining two aspects of human nature: empiricism and rationalism. These philosophical arguments for the basis of trust are reflected in the summary of the trust literature in Figure 2.1 which highlights the way in which social theorists have focussed on trust from a relational or emotional basis (empiricism) and trust from a rational basis (rationalism). These two perspectives have influenced the sociological explanation of action.

### ***Two sociologies of action***

Human nature, described above as empiricism and rationalism, is reflected in sociological theory. Sztompka (1999) notes ‘two sociologies’, one focussing on social structures and systems, and the other on individuals and their actions. The study of trust is lodged in individuals and their actions but with clear implications for the functioning of social structures and systems. Within this branch of scholarship, there is a “hard”, instrumental explanation, and a “soft”, humanistic explanation (Sztompka 1999:2). The emphasis in action theory has been on the ‘hard’, utilitarian aspect of action from the perspective of



rational choice, exchange and game theories, where action is seen as rational, utility maximising, calculating and self-interested (Sztompka 1999:2).

Recently, interest has shifted from action as rational to action as incorporating the emotional, cultural and normative aspects of life (Sztompka 1999:2). This ‘softer’ perspective allows for socio-psychological theory, highlighting “motivations, reasons, intentions, [and] attitudes”, as used by Thomas and Znaniecki (1958), as well as culturalist theory with its focus on “rules, values, norms, [and] symbols”, as used by George H. Mead (1934) and Parsons (1952) (Sztompka 1999:2).

## **Opposing perspectives about the sources of trust**

The two sociologies of action are reflected in the way trust has been studied. Boudon (2003:6) describes two social science camps: one which treats rational choice theory as “gospel”, and the other which does not believe the gospel. There has been ongoing debate about the advantages and disadvantages of understanding trust with an emphasis on social bonds and identification, or with a focus on interests (Levi and Stoker 2000). In this section, I will describe these two theoretical perspectives and the implications of each perspective for the sources of trust. First, I will consider the rational choice view of the world and its application to trust, then continue by describing the more recent use of the socio-psychological or relational perspective on trust.

### ***The rational choice perspective***

Rational choice theory’s explanatory objective is to account for a macro or system level outcome (Abell 2000; Coleman 2000). This theory has been called “the most successful

theoretical framework” in those social sciences, such as sociology, which explain macro phenomena (Abell 2000:223). Rational choice theory is claimed to bridge the gap between individual actions and macro outcomes and vice versa (Abell 2000:241). It assumes that only individuals take actions; the actions taken are the best that can be achieved given the individual’s circumstances and preferences across presented opportunities; and an individual’s actions are only concerned with their own welfare (Abell 1992; 2000). It emphasises thought and reason, and the belief that the outcome from an interaction is likely to be positive (Tyler and Degoey 1996).

The view that trust is mostly rational is a common one (Hardin 2002) and has been the dominant explanation of trust (Kramer 1999). Rational trust assumes that to trust presupposes consideration and interpretation of information, evidence or knowledge about the other to predict what the other will do and whether an interaction will be in the trustor’s interests as well as those of the trustee (Coleman 1988; 2000; Dasgupta 2000; Gambetta 2000; Hardin 2002; Luhmann 2000). However, different aspects are highlighted in definitions of trust: calculation; self-interest; predictability; reliance on routine; and risk. I will explain each of these aspects briefly.

Rationally-based trust is commonly called calculative or strategic trust. For instance, Lane (1998:5) describes calculative trust in the following way:

Trusting involves expectations about another, based on calculations which weigh the cost and benefits of certain courses of action to either the trustor or the trustee. It is based on a view of man as a rational actor, and rationality is understood in utilitarian terms where the individual chooses the course of action likely to gain her the maximum utility.

However, Williamson (2003:214) maintains that “calculative trust is a contradiction in terms”. He argues that if the basis of trust rests on expectations of positive outcomes then it is not trust but a version of economic exchange. Similarly, Lagerspetz (1998) asks that if we have to spend time weighing up the evidence then are we really talking about trust at all?

Consideration of one’s gain or self-interest is a major feature in a rational explanation of the source of trust. This added dimension of self-interest is prominent in Hardin’s (2002:6) view that trust is “essentially rational expectations about the self-interested behavior of the trusted”. Hardin extends the idea of self-interest to include “encapsulated interest”, meaning that I will act in my own interest as well as expecting that the other will also act in my interest. Hardin reasons that we do not have the knowledge of others to enable us to decide whether we can trust people in general, other than to assume that the other will act in a way that does not reduce my trust because it is in their interest to do so (Hardin 2002; Rothstein 2005).

To say that I trust you with respect to some matter means that I have reason to expect *you to act in my interest* with respect to that matter because you have good reasons to do so, *reasons that are grounded in my interest*. In other words, to say that I trust you means I have reason to expect you to act, for your own reasons, *as my agent* with respect to the relevant matter. Your interest encapsulates my interest (Hardin 1999:26 - original emphasis).

Rothstein (2005:61) maintains that Hardin’s suggestions would make trust rare and eventually destroy it because the most rational strategy would be to “feign” trust and exploit the other, which the other realises because they would do the same. The problem with this way of thinking about trust is that people will feel used and may withdraw their cooperation (Rothstein 2005). Hardin’s reasoning is not empirically supported, with

several studies showing that trust is not based on rational calculation of one's own interests alone (Rothstein 2005:62-63).

Nevertheless, prediction about the behaviour we can expect from others is commonly found in definitions of trust. This has been called "trust as predictability" (Hardy, Phillips and Lawrence 1998:66), "predictive trust" (Hollis 1998:10-13), or "rational predictive trust" (Tuomela 2003:3). The assumption is that the other is rational and can be relied upon to do what is 'normal' (Hollis 1998).

To think of trust only in this way results in misunderstanding because it "overextends" trust, and does not consider aspects such as the difference between competency and intentions of commitment and cooperation (Nooteboom 2002:9). To trust on the basis of prediction has been criticised as not really being trust, or not "genuine trust" (Tuomela 2003:4). The approach of trust as predictable expectation proposed by Luhmann does not consider the sources or grounds of trust (Hardy, Phillips and Lawrence 1998; Lane 1998:12; Nooteboom 2002:9). Thinking of trust as predictability disregards the issue of power and conflicting interests (Hardy, Phillips and Lawrence 1998:65). Power can be used to obtain the cooperation of the other and ensure predictability. The power holder may meet their interests but it does not mean that our interests will be met. It would be odd to say we trust the tyrant because it is predictable that he will torture us if we are captured. Similarly, in the asymmetric power relationship between citizen and government (Putnam 1993), government looks as if it is functioning 'normally', it is predictable, yet is it trustworthy?

Many highlight two necessary conditions for trust to arise: (a) interdependence or reliance on the other (Lane and Bachmann 1998; Nooteboom 2003; Rousseau et al. 1998); and

(b) risk containment/minimisation (for example, Baier 1986; Coleman 1988; 2000; Hardin 2002; Lewis and Weigert 1985; Luhmann 1979; 2000; Rousseau et al. 1998; Tuomela 2003). In deciding whether to trust, the calculation and assessment of knowledge and the risk can be simplified, or not even consciously considered, by reliance on routine or reputation (Barber 1983; Dasgupta 2000; Good 2000; Luhmann 1979; Nooteboom 2003). Misztal (1996) has called this operating on ‘automatic pilot’, which creates a feeling of security for some people. Expectations of “continuity” become “firm guidelines by which to conduct our everyday lives” (Luhmann 1979:25). Confusing trust with reliance or dependability has been likened to mechanising trust (Solomon and Flores 2001:56). Trust as confidence in the other’s reliability is problematic because reliability may be just a façade (Hardy, Phillips and Lawrence 1998:67) promoted by ritualistic processes that convey sameness. This is particularly the case with professionals and within and between organisations.

### **Heuristics**

In reality, rational assessment and calculation of each and every situation is practically impossible for lack of time, lack of resources, and the sheer complexity of our world (Kramer 1999; Lewis and Weigert 1985; Luhmann 1979). Rational assessment is less likely than the use of heuristics. Heuristics are defined as “... decision aids or cognitive short-cuts used to minimize cognitive effort for routine decision situations ...” (Scholz and Pinney 1995:491). Heuristics enable us to deal with both the volume of our interactions and the lack of information we have about each situation (Luhmann 1979; Scholz 1998).

Trust in everyday life, however, is less likely to reflect conscious, rational assessment and more likely to reflect heuristics developed to deal with the myriad trusting relationships encountered when dealing with other people in situations where encapsulated interests are less clear. Particularly in modern societies, people would have difficulty surviving without “trusting” a large number of relative strangers they encounter in various institutional settings. To cope with frequent decisions in these low-information settings, they develop “trust heuristics” that allow them to assess subconsciously the likelihood that the trustee will undertake expected actions if trusted ... (Scholz 1998:137).

Various types of heuristics have been distinguished: the availability heuristic assesses an event based on the recent memories it calls to mind which are emotionally laden; the representativeness heuristic assesses an event on the basis of similarity to a stereotype; and an anchoring or adjustment heuristic is based on comparison with some basic standard (Nooteboom 2003:18). This idea of an anchoring heuristic is at the heart of Valerie Braithwaite’s conception of not only rational trust but relational trust. Braithwaite (1998) has defined rational trust and relational trust in terms of different kinds of trust norms that are shared by the community. Trust norms are based on values which affect our expectations of others and which comprise different behaviours: exchange trust norms which emphasise competence, knowledge and predictability; and communal trust norms emphasising communication, respect and responsiveness. These trust norms act as a basis for predicting the trustworthiness of others, including institutions (Braithwaite 1998). Both trust norms are an important and necessary part of a society. Institutions can reflect both at the same time, and individuals use both norms in deciding whether to trust or not (Braithwaite 1998).

The central contribution of the trust heuristic literature is that it provides a frame for understanding how we store “summary trust attitudes” which make it easier for us to deal with situations where we have little information and to generalise from one context to

another, for instance from the workplace to the government (Scholz 1998:157). The relevance of heuristics is that they affect one's expectations about the other.

## **Expectation**

Expectation is an important aspect of trust, but it is not a source of trust. This is reflected in Figure 2.1 which depicts expectation as something that trust builds. Yet those who have used expectation to define trust have left some important legacies for recognising the interdependency of rational and relational understandings of trust. Barber (1988:96) defines trust as:

social learned and social 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.

This definition combines both theoretical perspectives: we learn what to initially expect of others; we use our experience to confirm those expectations; and we generalise our trust to both people and objects. This definition suggests the origin of two different types of trust. Social learned expectations begin from infancy, with learning continuing through life and influenced by those reference groups close to us. This is relational trust. Social confirmed expectations highlight the rational aspect of trust – we use the information we gain from our experiences to think about and confirm, or otherwise, what our initial expectations were.

The other insight offered by this definition of trust as expectation is its overt suggestion that trust comprises expectations of all actors, including organisations. This broader application of trust has been acknowledged by others who have contextualised and

constrained expectation by including “situational parameters” such as the consequences of an action, reliance on information, risk, or intentions of the other (Lewicki and Bunker 1996:116). This suggests that different types of trust may be required in different situations.

Many theorists have played with the idea of expectations to highlight different types of trust. Both Hollis (1998) and Tuomela (2003) distinguish between predictive and normative trust. With predictive trust, one expects ‘that’ the other will do something, whereas one has an expectation ‘of’ the other to act with good will where normative trust is concerned. Again, two theoretical perspectives are acknowledged, one which is more rational, the other more relational. The problem with this work is that trust is more than an expectation. Rather it engenders expectation as demonstrated by Offe (1999:47): “[t]rust is the *belief* concerning the action that is to be expected from others”, and the effect of that action on our well-being.

### **Limitations of a rational perspective on trust**

Rational choice theory provides a useful explanation of many social phenomena (Boudon 2003; Coleman 2000; Hollis 1998). However, it is unable to explain long-term social interaction, it loses the social context to explain conformity to norms, it applies only in context-specific situations, it overemphasises intentionality, utility maximisation, and assumes that “cooperation and conventions are identical” (Bohman 1992:222). These theoretical weaknesses extend to the application of rational choice theory to trust. We will find that people trust on the basis of their interests being met, but not solely so. People trust because they have shared values which they use to guide their behaviour. They have their own wants and needs and seek to fulfil them, but rational choice theory falls short in



its ability to explain why people often ignore their own needs, even sacrifice their own lives, and give to other individuals or to groups of individuals. This theoretical perspective cannot explain why people will work together to achieve the needs of the collective, meaning they as an individual will gain also but not to the same extent as they would have if they had maximised their own needs. This behaviour has been recognised by early philosophers and prominent social theorists such as Weber (1947), de Tocqueville (1953) and Putnam (1993). While rational choice theory explains some parts of human behaviour, it must be complemented by other theories.

### ***The socio-psychological perspective***

Dissatisfaction with rational choice theory revived a socio-psychological/cultural perspective for examining action (Kramer 1999; Sztompka 1999). This perspective emphasises emotions, tradition, culture, values, social bonds and norms which we learn through socialisation, which we internalise, and to which we conform. Values, rather than interests, justify action. From this perspective, trust is thought of as integration, as an orientation towards society, or an attitude towards others based on moral obligation (Coser 1977; Misztal 1996; Sztompka 1999; Uslaner 2002).

Socialisation theories argue that a trusting disposition is learned very early in life (Cooley 1956; Erikson 1950; Giddens 1991; Mishler and Rose 2001; Parsons 1952; 1955; Uslaner 2002) from those we bond with, starting with our primary caregivers. In early childhood, people “are educated to follow their society’s moral rules by simple habituation – in family life, from their friends and neighbors, or in school” (Fukuyama 1995:35).

Trust learned through habituation relies on our relationships with those in our close personal circle. Some consider relational trust to be given and not subject to change in the short to medium term (Putnam 1993; Wrong 1961). This type of trust is value based and assumes common beliefs and values are shared with others in the community; that is, there is a social connection or social bond. Relational trust emphasises social norms, such as reciprocity, obligation, cooperation and fairness, and social embeddedness, routines and habit (Chiles and McMackin 1996; Nooteboom 2002; 2003). Nooteboom (2002; 2003) classifies these as “altruistic” sources of trust or “intentional reliability”. Relational trust has a strong background in the work of Durkheim and Parsons on common goals, values and social norms which are internalised and to which people conform and with which people comply (Wrong 1961).

What is important in the relational theoretical perspective is the idea of a connection with others on the basis of values shared by the group. Personal values may vary, but:

... [w]hat matters is a sense of connection with others because you see them as members of your community whose interests must be taken seriously ... Trust arises when a community shares a set of moral values in such a way as to create expectations of regular and honest behavior. To some extent, the particular character of those values is less important than the fact that they are shared ... (Fukuyama 1995:153).

Relationally based trust is also called moralistic trust. This is based on belief or faith in the goodness of others, it has ethical roots and can be thought of as a basic value, or general orientation to the world. For example, Uslaner (2002:18) states that “moralistic trust is the belief that others share your fundamental moral values and therefore should be treated as you would wish to be treated by them”. Those highlighting ethics when

defining trust emphasise the common good and the interests of society as a whole rather than individual benefit:

Trust is the expectation by one person, group, or firm of ethically justifiable behavior – that is, morally correct decisions and actions based upon ethical principles of analysis (Hosmer 1995:399).

The ethical connection with others was a feature of Weber's work which highlighted that the ethical systems of religion encouraged trustworthy behaviour beyond the family to the wider community:

One's duty in a calling is what is most characteristic of the social ethic of capitalist culture and is, in a sense, the fundamental basis of it. It is an obligation which the individual is supposed to feel and does feel towards the content of his professional activity, no matter in what it consists (Weber 1958:54 in Portes and Sensenbrenner 1998:129).

Weber highlighted that rather than an actor's actions being self-interested they are oriented to the expectations of the collective (Portes and Sensenbrenner 1998:130). This idea fits with Alexis de Tocqueville's (1953:123) principle of "self-interest rightly understood" which describes a civil society where calculative self-interest is delayed to engage with others for the greater good.

The idea of trust based on ethics emphasises the social bond between people in general (Uslaner 2002). The idea of the social bond implies attachment, commitment and closeness to others. This might be how we feel about those we know or those we think are like us, and we might trust them on that basis. However, there is a question to be asked about people who represent an organisation or people who are on a different social standing or a different culture and not our equal. Do we still feel a bond with them? Do

we feel we know them? Do we trust them in the same way when we do not have personal knowledge of them and cannot be sure if we share the same values?

### **Trust ripples beyond those we know**

There remains debate and lack of clarity about whom we can trust, or what we can have trust in (Nooteboom 2002). Many reduce trust relations to direct contact between individuals who are on an equal social footing, excluding hierarchical relationships and explaining relations between individuals and abstract social systems as confidence (for example, see Hardin 1998; 1999; 2001; Luhmann 2000; Putnam 1993; 2000a). Those who advocate the rational choice perspective in the development of trust question the mechanism for the generalisation of trust beyond the individual and one's close circle (Levi 1996). Like many, Lewicki and Tomlinson (2003) maintain that the source of trust in strangers and in abstract systems such as government comes from a rational choice perspective. People assess the performance of others, including abstract systems like government, and decide whether they can trust them. The doubts about how our decision to trust people or systems we know can generalise to all others are in the assumption of rational choice theory that action has an interest component. As Hardin (1998:16; 2002:153) explains:

It is now a commonplace understanding that interest is not readily generalized from individual to group or national levels. It should not surprise us to find that trust, which is commonly at issue just because interests are at stake, is not readily generalizable, either.

Explanations like Hardin's have merit. But only if one defines trust as interest-based and if one has a rational choice perspective on trust.

Those with a socio-psychological/cultural perspective on trust maintain that trust extends far more broadly than to those individuals we know personally (for example, Barber 1983; Nooteboom 2002; 2003; Paxton 1999; Sztompka 1999). This perspective allows a more easy transition to understanding how trust is generalised. If there is a social bond between people, it is one of the implications of the socio-psychological perspective that trust generalises beyond the individual to others generally, including those we do not know. According to Paxton (1999:41), “trust can occur on at least three levels of the social structure: in the isolated dyad, between individuals in the presence of third parties, and between an individual and a collection of individuals, such as an organization or an institution”. Similarly, Sztompka (1999:41) considers that the ‘targets’ of trust comprise more than just individuals in a face-to-face interaction and includes organisations and systems because it is people who ‘stand behind’ social objects and systems.

Sztompka (1999:46) describes various types of trust – “personal, categorical, positional, group, institutional, commercial, systemic” – which move gradually from trust in those we know well to trust in abstract social objects. Behind all these types of trust “looms the primordial form of trust – in people, and their actions” (Sztompka 1999:46). This is an entirely different view of the basis of trust than the interest one Hardin describes above which is based on rational choice. Furthermore, traditional psychological literature going back more than fifty years supports the idea of a deep psychological core behind trust (Braithwaite 1982; Braithwaite and Scott 1991; Scott 1960; 1965).

Trust in people as individuals we know can be classified as interpersonal trust and has been called ‘thick’ trust (Nooteboom 2003:9; Tuomela 2003). This form of trust encompasses those people we know personally and includes family and close intimates

(Sztompka 1999; Uslaner 2002). Similar is particularistic trust, also called in-group trust or trust in our own kind, but this form of trust may be problematic in that it may be exclusionary and is not generalised (Levi 1996; Putnam 1993; Uslaner 2002).

Another form of trust in people is social or generalised trust which is also called ‘thin’ trust (Nooteboom 2003:9). Social trust is extended or generalised to those we do not know personally, such as strangers in specific groups or strangers generally, as in the broader community. This includes trust in social roles and social groups generally.

A third form is trust in organisations, institutions and systems, which is also called trust in abstract systems or trust in institutions. Again this is generalised trust. This form of trust includes government, government and private enterprise organisations, the officers or staff of these organisations, politicians, the prime minister or a senior manager, and institutions like the taxation or health system. Usually the people who work in a particular organisation are unknown, as is the structure and rules that operate within these systems. Some theorists with a socio-psychological perspective on the sources of trust extend the generalisation of trust to include government, its organisations and systems (for example, Barber 1983; Paxton 1999; Sztompka 1999). When referring to government, its organisations and systems, it has been called political trust (Hausknecht 1992; Hetherington 1998; 2001; Jennings 1998; Mishler and Rose 2001; Newton 1999). These distinctions between generalised or macro sources of trust stemming from the “‘institutional environment’ of laws, norms, values, standards and agencies” and particularistic or micro sources of trust based on “specific relations” follow on from the work of Parsons and Durkheim (Nooteboom 2003:9-10).

There are two prominent explanations for the generalisation of trust. The first, with a long history in sociology, is that trust is innate and a part of personality (Sztompka 1999:97). The second sociological explanation that trust is learned is supported by a large body of evidence (Sztompka 1999:97). Our behaviour or responses, and our ability to generalise responses to different situations, is learned by our experiences growing up (Bandura and Walters 1963; Bandura 1977). This view supports the theses of Erikson (1950), Cooley (1956), Parsons (1952; 1955) and Giddens (1991) that trust is learned from our early experiences, starting in infancy. We learn by modelling our behaviour; that is, we learn by example through paying attention to what others do, remembering through imagery and verbal symbols, practising what we have learned, and the motivation to do so (Bandura 1977; Mead 1934). Thus, we learn to trust strangers and government organisations if we observe those we know displaying trust towards them.

In similarity with heuristics, the ability to generalise trust is learned for efficiency purposes (Bandura and Walters 1963; Bandura 1977). Without generalisation we would be involved in “an interminable series of trial-and-error processes” (Bandura and Walters 1963:8). The extent of generalisation depends on the similarity of the different situations (Bandura and Walters 1963:8). Sztompka (1999:98) suggests that different types of trust come to the fore during different stages of growing up: first, the care and help of parents and the family bring forth fiduciary trust; second, contact with peer groups and one’s neighbourhood introduce the notions of fairness and loyalty and the development of axiological trust; and finally, instrumental expectations of ability and efficiency become more important in early adulthood and the workplace, producing rational trust. At each stage we may learn to trust or to distrust, depending on the experiences we have (Sztompka 1999).

### **Implications of a socio-psychological perspective**

As with the rational choice perspective, the socio-psychological perspective is not without its critics. An over-emphasis on social factors, such as the internalisation of norms, values and roles as the drivers of human behaviour, led to the claim that humans have been oversocialised (Granovetter 1985; Wrong 1961). There is scepticism by many sociologists about the existence in advanced modern societies of solidarity on the basis of value consensus, with some narrowing the application of norms as the basis of trust (Chiles and McMackin 1996; Lane 1998).

Context has also been raised as an important factor, with questions being asked about how trust based on common values arises in business situations. Some have argued that to understand trust as a multi-dimensional concept which works across different levels (micro and macro), two forms of trust must be distinguished: personal and impersonal (Lewis and Weigert 1985; Nooteboom 2003). Others have gone as far as differentiating between people and inanimate objects when using the term trust (Hardin 1998; 1999; Luhmann 2000). These debates raise questions about whether the sources of trust in people and in inanimate objects are different or whether there is some commonality.

### **Accommodating different views with new terms**

While it is accepted that we trust other people, there is dispute about the idea of trust in abstract systems. Many theorists, including those with a rational choice perspective, exclude the possibility of trust in abstract systems or government organisations, arguing that we cannot have enough information to determine trust and that we are talking about confidence (for discussion on this see Giddens 1990; Hardin 1998; 1999; Luhmann 1979;



2000; Nooteboom 2002; Paxton 1999; Seligman 1997; Sztompka 1999). In the case of political actors, Hardin maintains confidence is based on prior experience, reputation and regularity, whereas trust relies on assessment of encapsulated interest (Hardin 1998; Levi and Stoker 2000). Hardin's view of trust on the basis of expectation that the other will act as my agent is hardly appropriate in the case of citizen and government – it would be seen as bribery or a conflict of interest (Rothstein 2005:131). Rothstein (2005:132) thinks that Hardin was “confused” because there is empirical evidence which shows that rather than acting in people's best interests, trust in government and its organisations is based more on whether they act in accordance with ethical principles.

Others who prefer a socio-psychological/cultural perspective as the basis of trust disagree with the need to differentiate between trust and confidence, maintaining that organisations are run by people on the basis of values and ethical principles, and observers decide whether or not these leaders and organisations' representatives can be trusted on the basis that they themselves subscribe to these same values and ethical principles.

In applying the term confidence or trust, Dasgupta (2000:52) suggests that what is being argued about is not the person or the object, but their abilities compared with their intentions:

Luhmann ... suggests reserving the term 'confidence' for 'trust' in the ability of social institution (c. g. the market) to *function* as is expected of it. Likewise, it seems to me, we show 'confidence' in our doctor's *ability* to cure us of our ailments, in our teacher's *ability* to inspire us, in our civil servants' *ability* to take the correct decisions, and so on. Thus confidence stems from ability, and trust from a person's underlying disposition or motivation (original emphasis).

This clarification places us back into the theoretical debate about the basis of trust. The evaluation of someone's ability to meet our needs suggests a rational basis whereas an underlying disposition suggests a socio-psychological basis to trust. This also raises the possibility that both perspectives combine to form a fuller picture of how trust is built, rather than the view that these perspectives apply to different situations.

To remove the distinction between people and objects, and to show that trust applies to both, others maintain that the difference between dealing with an inanimate object and a person is "the presence of mutual consciousness" (Solomon and Flores 2001:74).

Institutions tend to be represented by organisations, which have procedures for decision making, and its responsibilities "are ultimately derived from the responsibilities of individual human beings" (Solomon and Flores 2001:75). The basis of trust in organisations appears to be the intentions behind what the organisation stands for, their goodwill towards the community (Offe 1999), and their "sense of commitment and responsibility" rather than how much profit they make (Solomon and Flores 2001:74).

(Although this may depend on whether the giver of trust is a customer or a shareholder.)

Institutions can be seen as "human entities" in the sense that "they are wholly constituted, run, and moved by individual and collective human actions and decisions" (Solomon and Flores 2001:73).

[T]rusting a corporation ... is more like trusting a person than relying on nature or a mechanism, whatever the complications of identifying the relevant responsible agencies. It involves human relationships, not merely prediction and control (Solomon and Flores 2001:75).

Access points to the abstract systems remind people that it is "flesh-and-blood people" who are the operators and representatives of the abstract system (Giddens 1990:85).

In an argument similar to Solomon and Flores, Offe (1999:70) maintains that people's trust in organisations rests on the "quality of institutions". While institutions or organisations are "sets of rules, they embody norms and values which can be relied upon to justify the rules" (Offe 1999:70). That is, organisations have a "spirit, an ethos, an implicit moral theory" which is their preferred way of interacting with the community – in other words, a "moral plausibility", which those working in the organisations share with the community (Offe 1999:70). Institutions with this "trust-inducing capacity" build "bridges of trust" that allow the community to see the organisation as trustworthy and to comply with rules (Offe 1999:70). They do this by providing reasons why citizens should comply with their rules which citizens must see as valid, and by having values which they are seen to stand for and live up to (Offe 1999).

These arguments are valuable in breaking down what can be considered an artificial or unnecessary divide in what trust applies to. The debate about whether trust applies to inanimate objects is of particular value because it introduces the idea that there are two parts to trust – one part based on a rational choice perspective and another part with a socio-psychological basis. The idea of two parts to trust is seen in Hetherington's (1998) expansion of the accepted understanding of evaluation of performance as the source of trust in the institution of government and its organisations. This broader definition of political trust expands on rational calculation of benefit to include aspects not usually included in a rational choice explanation such as values, morals and social norms. Both sources of trust are needed to generate political trust, an idea suggested by Braithwaite's (1998) trust norms. These additional features of the source of political trust may introduce further confusion as far as causal direction is concerned. However, it also suggests the

possibility that the values and morals which are the basis of trust sourced in primary institutions may generalise beyond strangers to political institutions.

## **The multi-dimensionality of trust**

While both the rational choice and socio-psychological perspectives have value, there are shortcomings in rigidly holding one or the other view (Coleman 1988). Behaviour based solely on calculative or strategic trust would be seen as cold-blooded, whereas trust based solely on belief or faith in others could be seen as blind or naïve (Solomon and Flores 2001). There are limits to the trusting attitudes we have towards others, which enable us to decide if we will enter into a particular interaction or not. The reality is that we need both aspects of trust.

Luhmann (2000) maintains that trust cannot be understood if it is studied in a way that sees the forms and foundations as exclusive, or the basis of the concept as exclusive to a particular discipline or methodology. In Luhmann's view, a sociological conception of trust must bridge the different forms and foundations. Generally, political scientists and psychologists have not drawn on the contributions of Simmel, Parsons or Luhmann, and not fully "recognized the social nature of trust" (Lewis and Weigert 1985:975). As Hollis (1998:13) highlights:

[t]rusting people to act in their self-interest is one thing and trusting them to live up to their obligations another. The former does not capture the bond of society, since the bond relies on trusting people not to exploit trust.

There are some who have made the connection. Granovetter (1985) acknowledged Parsons' work in trying to deal with an under-socialised conception of man in economics

with its narrow focus on interests, and Wrong's consequent warning of the problem of over-socialisation in sociology with its focus on values, norms and morals. Granovetter (1973; 1985) argued that economic behaviour was embedded in social networks.

Similarly, Swedburg (2003) maintained that, up until the mid-1970s, sociological discussion did not fully understand the role the economy played in Weber's sociology, and argued that this recognition has contributed to attempts within sociology to think more broadly about social action, to expand the idea of rationality and to include it in concepts such as social capital. Bourdieu recognised that Weber had introduced economic models into his sociology (Swedberg 2003:288). However, Elster argued that while Weber recognised rational action, he did not include the idea of "strategic action", that is, that an individual's action depends on what others do (Swedberg 2003:289). The rational aspect of the sources of trust, as outlined in Figure 2.1, focuses on instrumental rationalism. The instrumental conception of trust, with its basis in Weber's goal-rational view of action (Campbell 1981:176-177; Turner, Beeghley and Powers 1995:197-198), and expanded by theorists such as Elster, highlights knowledge, logic, calculation, and strategy.

Some have recognised the multi-dimensionality of trust in defining it and in distinguishing different types of trust (see Braithwaite 1998; Dunn 2000; Hetherington 1998; Lewis and Weigert 1985). For example, Dunn (2000:76) explains that trust helps people to "cop[e] with uncertainty over time" and it gives them the "confident expectation of benign intentions in another free agent". The necessity of both perspectives has been highlighted, for example:

[l]aw, contract, and economic rationality provide a necessary but not sufficient basis for both the stability and prosperity of postindustrial societies; they must as well be leavened with reciprocity, moral obligation, duty towards community, and trust, which are based in habit rather than rational calculation (Fukuyama 1995:11).

Sztompka's (1999) sociological examination of trust recognises Barber's (1983) significant contribution by distinguishing three types of expectation as the basis of trust. Expectations of others comprise: instrumental qualities such as "regularity, ... reasonableness, ...[and] efficiency"; moral qualities including moral responsibility, kindness, truthfulness, fairness and justice; and, fiduciary qualities of "disinterestedness", ... "representative action", ... [and] "benevolence", which differentiate the three types of trust described earlier: instrumental; axiological; and fiduciary (Sztompka 1999:52-54).

An individual has different expectations of different people or objects, depending on their role, and while one type of expectation might be dominant in regard to a specific object, none are exclusive (Sztompka 1999). People have multiple roles, and multiple expectations of others, and may trust the same person or object at different levels in different contexts (Sztompka 1999). To illustrate, Sztompka (1999:55) describes the dominance of instrumental factors for trust in government: "47.9 percent of the respondents indicated efficiency, and 44.2 percent – competence. Honesty and moral integrity received only 38.5 percent ...". These results indicate that both instrumental and moral qualities combine to form people's expectations of government. This point was made by Braithwaite (1998) in her analysis of exchange and communal trust norms. Sztompka's arguments and examples add to a growing body of similar evidence from Barber (1983), Jennings (1998), Tyler (1984; 1998; 2001; 2004) and Wuthnow (1998; 1999). These studies are useful in describing and demonstrating the multi-dimensionality of trust.

## **Chapter summary**

In this chapter I have discussed two groups of theory which describe the origin of trust. First is theory based on rationality which relies on our assessment of information and judgements about whether our interests will be met by engaging with the other. The rational form of trust rests on self-interest and an assessment based on evidence, that is, once there is proof that the other is trustworthy. Most definitions of trust suggest that people have expectations of the intentions of the other. That is, based on the information they possess, what they already know about and what they think are the intentions of the other, people calculate and predict what the outcome of their interaction will be. This type of definition highlights the rational aspect of the development of trust – our calculation and consideration of the benefit to ourselves and/or to others of an interaction. Rational theories highlight that political trust is a ‘rational response’ to government performance. Trusting government to perform effectively allows us to trust strangers. It might also be inferred that there is little of the social aspect in these definitions. Theorists talk of ‘psychological states’, ‘intentions’, ‘belief in others’, ‘expectations of others’, but always on the basis of evidence of some sort.

Alternatively, social or relational theories advocate that trust is conditioned by our values, beliefs about other people, and our learning experiences. The basis of the relational form of trust is the bond we have with others, based on values, social norms, duty, morals, and ethics, which allows us to trust in the first instance, even before we have evidence.

While some maintain trust has a socio-psychological/cultural basis, others prefer a rational explanation because they believe trust is based on calculation and evaluation of

information. A small number of theorists suggest that both perspectives have a part to play in trust. Both the rational and relational theoretical perspectives suffer from weaknesses which do not adequately explain a notion like trust. Few definitions suggest or make clear that perhaps the basic aspect of trust is the social part. If we have learned to trust and generalise it, we have positive expectations of others generally, even if we possess no evidence about them. There is no calculation, but a social bond which is an attitude we have about the good intentions of others. Based on past experience, we might add information to calculate and confirm our expectations of this other, but our basic attitude towards others generally is one of trust.

A rational choice perspective has the more difficult task of explaining how people make a decision about whether to trust or not. To do this people develop devices or mechanisms for trusting, such as heuristics, which relieve them of the need to have full knowledge and of making complex calculations to come to a decision. These heuristics alert us to danger so that we know when to be wary and when we should withdraw trust so that we do not naively walk into danger or get duped by another. On the other hand, relational theories of trust do not need such devices – people learn attitudes of trust towards others generally, or alternatively, they learn attitudes of distrust.

It is interesting that dissatisfaction with the weaknesses inherent in each perspective has perpetuated dramatic swings between the two theoretical perspectives. There remain few examples in the trust literature of theorists who consider the value of combining these perspectives. One example is Elster, previously a strong advocate of rational choice theory, who recognised the need to complement rational choice theory with social norms (Hollis 1998).



Elster came to see that rational choice theory has more fundamental limitations than he originally believed. He now acknowledges that rational choice theory needs to be complemented with an analysis of social norms; and that norms provide sources of motivation that are “irreducible to rationality” (Hollis 1998).

Even though there is recognition that trust is multi-dimensional as highlighted above, it remains the case that the different theoretical perspectives are applied to different objects. The claims about how trust is developed and maintained are contradictory and unsatisfactory in providing clarity about the sources of trust. There are several issues which emerge from the literature. The first is the debate within the literature about the sources of trust. Some theorists maintain trust is generated from our socialisation experiences, while others insist trust is based on knowledge and calculation of personal benefit in interaction. Despite an enormous literature on trust, Misztal (1996) concluded that there is “the lack of an integrative theory of trust”. As neither theoretical perspective is sufficient on its own to explain the development of trust, Bachmann (1998:303) suggests that trust is a “hybrid phenomenon between calculation and predictability ... [and] ... goodwill...”.

The conclusion from the literature discussed so far is that there are two theoretical perspectives which are used to explain trust but they are not perhaps as incompatible as some theorists imply. What has been highlighted in the examination of these different theoretical perspectives is their application to the objects of trust but also to different institutional contexts. Some apply one theoretical perspective to individuals and families, others consider society, while others examine government and its organisations. They explain the development of trust in objects in these different institutional contexts by giving preference to one theoretical perspective over another. There is one theory which attempts to combine these theoretical perspectives. The next chapter will examine social

capital theory which has been a recent and highly influential attempt to merge these two opposing theoretical perspectives in the context of intermediate institutions.

## Chapter 3 – Combining theoretical perspectives on the sources of trust in different institutional contexts

*You can use all the quantitative data you can get, but you still have to distrust it and use your own intelligence and judgment.*

Alvin Toffler

### Introduction

The previous discussion about the explanatory worth of two theoretical perspectives in the development of trust emphasised debate between the assumption that the development of trust is driven by self-interest and that the source of trust is the social bond and positive beliefs about others. While researchers of both persuasion are looking to provide space for the insights offered by the other, social capital theorists have attempted to merge these two perspectives. Theoretical processes compete in explaining different forms or types of trust: trust in family and those we know personally; trust in strangers; and trust in organisations and systems, including government. This suggests different institutional starting places, using different theoretical processes, to explain the development of trust.

I will begin by examining Putnam's view of social capital which sources trust at the meso level, that is, in intermediate institutions. Then, I consider two other institutional levels where trust might be sourced: the micro level or primary institutions such as the family (Erikson 1950:8; Uslaner 2002), and the macro level or political institutions (Rothstein 2005; Rothstein and Stolle 2002). As well as examining starting places for the building of trust, I will consider the erosion of trust. Unexplained by a rational choice perspective, and highlighted by several theorists as destructive of trust, is corrupt government (Banfield 1958; Putnam 1993; Rothstein 2005; Rothstein and Stolle 2002). It seems that

regardless of the theoretical perspective used, corruption in government destroys trust at both the macro and meso institutional levels. Then, I will provide a definition of trust applicable to this study. This will be followed by a series of hypotheses. Finally, I explain my choice of method to gather and analyse data to test the hypotheses.

### **A multi-dimensional explanation of trust: the social capital thesis**

Trust has gained a large part of its attention in the social sciences because it is a key aspect of social capital theory (Newton 1999). Social capital theory has attempted to respond to the theoretical problems described in the previous chapter. Some sociologists have recognised theoretical flaws in sociological theory which over-emphasise rules and norms and the impact of the environment and social learning on behaviour (Coleman 1988; Granovetter 1985; Wrong 1961). The idea that the social context alone determines action has been criticised as having no ‘engine’ or ‘mechanism’ for action to occur (Coleman 1988; Levi 1996; Wrong 1961). Nevertheless, the idea of connection with others is prominent in the social capital theory explanation of the development of trust (Coleman 1988; Fukuyama 1995; Putnam 1993). Equally, the idea that actors are motivated to maximise utility has been criticised for its lack of acknowledgement of social context (Abell 2000; Coleman 1988; Granovetter 1985).

These criticisms have been taken up by social capital theorists who have attempted to improve on sociological theories and concepts underpinning social capital theory by including ideas from other disciplines to make social capital theory more accessible across disciplines and to non-academic audiences (Wall, Ferrazzi and Schryer 1998).

There are different approaches to it which need to be acknowledged for purposes of

measurement and interpretation but many social capital theorists agree that social capital comprises social networks and that it serves a useful purpose (Wall, Ferrazzi and Schryer 1998). Many Northern American sociologists agree that social capital is:

the mutual relations, interactions, and networks that emerge among human groups, as well as the level of trust (seen as the outcome of obligations and norms which adhere to the social structure) found within a particular group or community. In contrast, European sociologists tend to use the same term when examining how the mobilization of connections associated with social networks reinforces the social hierarchy and differential power (Wall, Ferrazzi and Schryer 1998:304).

My focus is on the north American view of social capital: briefly on Coleman who used social capital to combine the opposing rational and relational theoretical perspectives, with rational action as his starting place; and, specifically on Putnam's ideas, which have a socio-psychological/cultural focus.

In the 1980s, Coleman (1988:S96) attempted to reconcile the “fatal flaw” of sociology's socialisation theory and economics' rational choice theory by supporting the socialisation argument with economic principles. Coleman (1988:S96) argued for combining parts of both of these intellectual streams, accepting rational action and explaining individual action, as well as accounting for the development of social organisation. The conceptual tool Coleman put forward to do this was social capital. Social capital is unlike other forms of capital in that it is not part of people themselves or the implements of production, but exists “in the structure of relations between actors and among actors” (Coleman 1988:S98). Coleman (2000:305) takes a rational view of social capital, maintaining that:

The function identified by the concept “social capital” is the value of those aspects of social structure to actors, as resources that can be used by the actors to realize their interests ... [with the advantage of] ... both accounting for different

outcomes at the level of individual actors and making the micro-to-macro transition without elaborating the social-structural details through which this occurs.

The concept was picked up in the early 1990s by Robert Putnam in his study of Italian regional government. Putnam has become the most prominent social capital theorist, raising the alarm about declining trust and advising governments on how to rebuild trust. Putnam (1993; 1995b; 2000a) advocates the building of social relationships through civic engagement and associational membership. Activity of this kind is asserted to not only build social trust and cooperation, but also encourage effective government. Effective government then builds political trust, which in turn builds social trust. Putnam's conception of social capital sees trust as a source of performance rather than a product of it.

There are differences and similarities in Putnam's and Coleman's ideas about social capital. They both see social capital as an undervalued "public good and community resource", and "both advocate manipulating the social structure to generate social capital and bring about social change" (Wall, Ferrazzi and Schryer 1998:311-312). Coleman wants to increase "individual human capital", while Putnam's aim is "establishing democratic institutions" (Wall, Ferrazzi and Schryer 1998:313).

Coleman (2000:300) defines social capital on the basis of Loury's usage: "the set of resources that inhere in family relations and in community social organization and that are useful for the cognitive or social development of a child or young person", and describes trust and norms as "forms of social capital". Putnam (1995b:67) defines social capital as "features of social organization, such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit". Coleman highlights the micro

institution of the family, while Putnam's (1993:87) focus on civic engagement and active participation in public affairs, causes and issues is at the meso institutional level.

Coleman's use of social capital is from the rational choice perspective. However, Putnam's conception of social capital sits within the recent move towards a humanistic or relational view of action using socio-psychological and cultural explanations such as "rules, values, [and] norms" (Sztompka 1999:2).

It is interesting that Coleman and Putnam both use social capital theory, yet their starting places are at different institutional levels, and their theoretical perspectives are different. If there are different starting places for the formation of trust, what implications does this have for explaining the development of trust? This adds to the complexities discussed in the previous chapter in understanding the sources of trust.

### **Different institutional levels as sources of trust**

This part of the chapter will consider three possible starting places as the source of trust: families; community associations; and government and its organisations. That is, trust might be sourced in primary, intermediate, or political institutions. First, is a review of Putnam's (1993; 1995a; 1995b; 2000a; 2001) social capital argument that social trust and effective government develop in the meso level through engagement in intermediate institutions. His theory and results have been challenged by other social theorists who have examined the source of trust from other institutional levels. These perspectives are subsequently reviewed in the chapter. Uslaner (2002) argues that social trust is sourced in the primary institution of the family and has moral foundations. Rothstein (2001; 2005) and Rothstein and Stolle (2002) also find weaknesses in Putnam's social capital argument and evidence, and examine an institution-centred approach to explain that the trust

embedded in political institutions through people's evaluation of government effectiveness and fairness is the source of social trust.

### ***Intermediate institutions***

Social relationships allow people to work together to produce positive outcomes for individuals and for communities. Putnam emphasised the work of the 19<sup>th</sup> century French thinker Alexis de Tocqueville (1953), an advocate of the socio-cultural perspective, who used the term “self-interest properly understood” to describe civic virtue, individual interest in public issues, and working to achieve collective needs (Farr 2004; Maloney, Smith and Stoker 2000; Putnam 1993; Sztompka 1999). Putnam translated civic virtue into associational membership and civic engagement, particularly volunteering activities, to show how social relationships built trust which can be generalised to the broader community.

As mentioned previously, Putnam's (1993:167) definition of social capital highlights “features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions”. Putnam (1993:171) argues that “social trust in complex modern settings can arise from two related sources – norms of reciprocity and networks of civic engagement”. He advocates that reaching out to others unlike us in different networks, through civic engagement and associational membership, builds trust in strangers, greater cooperation and we ‘get ahead’ (Putnam 1993; 2000a; 2004; Stone 2003). While Putnam (1993:169-171) describes trust as a “moral resource”, he also maintains that “[t]rust entails a prediction about the behavior of an independent actor”, thus signalling the multi-dimensionality of trust from a theoretical perspective. Putnam (2000a:137) maintains that civic engagement allows the generalisation of trust to



strangers, but excludes the generalisation of social trust to government and its organisations, explaining that social and political trust are “theoretically ... distinct”. In what Rothstein (2005:53) describes as “rare” in the social sciences, Putnam combines historical-cultural explanations with rational choice explanations to show that social trust is created through relational means, but that political trust is rationally created – the result of evaluation of government performance in providing public goods.

Social capital was used by Putnam as the framework for understanding social coordination and cooperation, and the performance of democratic institutions in a study of regional government in Italy, and later to measure levels of social capital in the United States. In Putnam’s view, people’s engagement in their community not only builds trust in strangers and social cooperation, it encourages effective government which builds political trust (Rothstein and Stolle 2002). Measurement of membership in horizontally ordered groups was achieved through an aggregate measure of the density of associational life. Putnam used a local and national census of all Italian associations to measure “the number of amateur soccer clubs, choral societies, hiking clubs, bird-watching groups, literary circles, hunters’ associations, Lions Clubs, and the like in each community and region of Italy” (Putnam 1993:91). Putnam (2000a) has repeated his social capital research in the United States and concluded that social capital, social trust and civic engagement are in decline – people are “bowling alone”.

### **Criticisms of Putnam’s social capital**

There has been heavy criticism of social capital theory with Denning (1999) and Fine (2001) lamenting that the social capital argument has taken over and become a “runaway train”, influencing political agendas, and immune from critique. Putnam’s social capital

work has been criticised for methodological weaknesses, such as the limited types of organisation considered, the data used, the leaps he makes from his data, particularly concerning cause and effect, as well as for conceptual weaknesses, including that his arguments are narrow and linear, and that he provides no mechanism for the production or generalisation of trust or effective government performance.

A number of these issues (both theoretical and methodological) are relevant to this thesis. Conceptually, it is difficult to understand how social trust can “arise” from either civic engagement or responsive reciprocity. It seems more likely that these actions will reinforce the trust in those people an individual engages with rather than build trust in strangers. Putnam’s findings challenge the long held claims of socialisation theory that trust develops in the family. It might be expected that it is a person who is already trusting who will civically engage (Stolle 2001) or join in acts of responsive reciprocity. This alternative view raises methodological issues about what comes first – trust or action? Putnam (1993) claims that social trust arises through engagement with those who are on a similar social level. He maintains that we cannot have trust in those who occupy public positions which place them on a different social plane. This leaves the question about whether trust can be formed in those who are on a different social level. Putnam (2000a) suggests that trust in government or in those in positions of power has a different theoretical basis, presumably meaning that trust in these objects or people develops through a rational process. It is one thing to talk about opposing theoretical perspectives as in the last chapter, but another to imagine that individuals reserve one process for learning to trust people they know and strangers on an equal social footing, and then use another process for abstract systems and strangers in positions of power or with a different social status. None of these issues are new but they are of interest in this study about how

trust is developed and particularly trust in government because they demonstrate the complexity and lack of clarity in the literature.

There are major concerns about the types of organisation Putnam uses in his studies and the conclusions he makes about engagement in these organisations. Putnam is criticised for being selective in the organisations and types of civic engagement he includes in his analyses. Focussing on ‘traditional’ forms of civic engagement and ignoring newer styles of organisations is said to enable Putnam to get the results he does and pushes the agenda of the political Right (Cohen 1998; Denning 1999; Florida 2002; Foley and Edwards 1996). Rather than lack of engagement, Skocpol (2003) argues that the decline in civic engagement in the United States is the result of the politicisation and professional management of associations since the 1960s which leaves little opportunity for the average person to be involved in public affairs. Skocpol’s view about declining social capital is not that America (and other Western societies) has lost small membership associations such as bowling leagues but organisations with very large memberships such as the fraternal lodges. The ability to build social capital and trust across society through active participation in organisations with large numbers of members spread across an entire country has been lost in the movement from membership to the management of professional associations.

Putnam is criticised also for failing to “accommodate diverse goals and values”. The lack of social cohesion, cooperation and civic engagement he highlights in Italy and later in America could just as easily become worse rather than improve as different groups meet their needs in their own ways (Wall, Ferrazzi and Schryer 1998). For example, people want weak ties not strong ties with neighbours, “diversity, low entry barriers and the

ability to be themselves” precisely because of the mobility many of us now have in our lives (Florida 2002:269).

Rothstein (2005) highlights empirical problems with Putnam’s theory that civic engagement builds social trust. While Putnam’s findings are “robust” at the aggregate level, there is no correlation at the individual level (Rothstein 2005). Correlations at the aggregate level “prove nothing” – such a finding must also hold at the individual level (Rothstein 2005). Attempts have been made to do this using both longitudinal and comparative data, but Putnam’s findings have not been confirmed (Rothstein 2005:103). Goldberg (1996) maintains that Putnam did not test the relevant direction of causation. He repeated Putnam’s Italian study and found more complexity and far less stability over time than Putnam did. Replication of Putnam’s data sources “found very little evidence of a decline in volunteering”, and comparison of Putnam’s results with other major surveys found opposite results (Florida 2002). Florida (2002:271) maintains that Putnam confuses cause and effect and ignores factors such as lack of opportunity to engage. Contradictions and overstatements have been identified in Putnam’s work about the stability of the differences between north and south Italy and the disappearance of trust and civiness in the United States in just two decades (Jackman and Miller 1998:57; Sabetti 1996:21).

Other criticisms of Putnam’s thesis are conceptual. His arguments are accused of being “simplistic, ... reductionist, ... narrow-minded ... [and] ... too linear”, highlighting socio-cultural solutions to social order while ignoring state structures (Cohen 1998:3), as well as introducing tautology (Cohen 1998; Wall, Ferrazzi and Schryer 1998). There is lack of agreement that civic engagement builds trust (Claibourn and Martin 2000; Stolle 2001; Wuthnow 1999), and some have questioned the mechanism for producing generalised trust (Cohen 1998; Levi 1996). Rather than being able to produce trust, associational

membership and participation may encourage particularism and exclusion and distrust of others (Cohen 1998; Uslaner 2002). Jackman and Miller (1998:58) query that group membership is used interchangeably with trust: “Conspicuously absent from these treatments is a clear theoretical explanation of why trust ... might facilitate group membership”. Levi (1996:46) argues that a more precise definition is needed to determine the connection between membership and trust:

Putnam never offers a precise definition of trust ... [treating] ... a whole range of relationships and expectations under the one title of trust.

According to Stolle (2001), there is no empirical connection between membership of associations and generalised attitudes of trust or reciprocity. Instead, it is trusting people who self-select into associations (Rothstein and Stolle 2002; Stolle 2001; Uslaner 2002), the inclination of those who join is to generally trust most people (Wuthnow 1999), and the benefit of associational membership is to the group itself and not to the wider community (Stolle 2001). Given these results, Stolle (2001:235) suggested further research should include parental socialisation, and explore social interaction in the workplace.

While Putnam’s social capital work has been highly influential, it has received much criticism, primarily because of his claim that people’s involvement in intermediate institutions, such as voluntary and community associations, builds social trust. However, Putnam’s success has been in generating extensive discussion, further research (Rothstein 2005), and a reconceptualisation of social capital.

### **Reconceptualisation of social capital**

Criticisms of social capital resulted in a reconceptualised theory in the late 1990s to distinguish bonding, bridging and linking social capital (Narayan 1999; Stone 2003; Szreter and Woolcock 2004; Woolcock 1998; 2001; Woolcock and Narayan 2000). These different types of social capital have their theoretical underpinnings in classical sociology: bonding or solidarity from Marx and Engels; reciprocity in exchange from Simmel; values and commitment to others before self-interest from Durkheim and Parsons; and trust in ensuring compliance with rules from Weber (Wall, Ferrazzi and Schryer 1998; Woolcock 1998:160-161).

This shift in thinking about social capital theory differentiated the types of social relationships people have: relationships with those close to them who share a similar social identity; with those unlike them but with equal social status; and with those unlike them where there are social status and power differences (Szreter and Woolcock 2004). It is regarded by some social capital theorists as an important refinement as it provides a way of looking across the theoretical divides of the micro and macro to examine how individuals, groups within communities and society generally, and organisations of authority and power, such as those within government, can work together to build cooperation, trust, and achieve common goals (Szreter and Woolcock 2004; Woolcock 1998). It also provides credence to the idea that those different types of social relationships provide different starting places for the development of trust and its generalisation. Others have argued that trust starts in different institutions: that the source of trust is in primary institutions; or that the source of trust is in political institutions. These arguments will be examined in the next part of the chapter.

## ***Primary institutions***

The argument that trust begins in the primary institution of the family is not new, but perhaps forgotten because of disillusionment with particular theoretical perspectives, narrow disciplinary views of the world and our keenness to better explain old concepts such as trust. The work of Erikson (1950) is prominent in making the claim that trust is learned in infancy from our primary caregivers. It is from our parents that we learn to give trust or place faith in others and their intentions in general. Erikson's work suggests trust is activated in our earliest days; learned during infancy from our parents. Erikson (1950) described eight stages of life. It is the first stage of infancy which is important for the development of trust through the way the parents treat their child. If the parents' care of the child is consistent and loving, the child learns that the world is safe and reliable, that it can trust itself and trust other people and their motives (Erikson 1950). On the other hand, if the parents do not meet the needs of their infant, or mistreat it, the child learns to mistrust others. The objective is for parents to teach their infant that they can generally trust others, and if things do not always go as expected, they will generally work out satisfactorily in the end. If our parents and those in our close personal circle act in a way that shows they trust others in general, and act consistently and reliably towards their child, the child will believe it is a moral obligation to trust others, and will conclude that people in general can be trusted.

There is a fine balance between learning to trust and mistrust, that is, between being naïve and gullible, and being overly suspicious and withdrawn. Basic trust, or a moral orientation or disposition towards others, is the basis of our relationships with others, and the basis of generalised trust, that is, trust in those we do not personally know and about whom we have little or no information.

However, once we learn to trust, do we trust everyone all the time? Sometimes we do, and some people do, but not all. Basic trust begins “without thought or reflection and provides a general orientation to the world” (Solomon and Flores 2001:60). This is the psychological core of trust described by Erikson (1950). Simple trust “remains unthinking and unreflective”, there is an absence of suspicion, and the benign intentions of the other are taken for granted (Solomon and Flores 2001:60). With blind trust, the person has been presented with evidence, but rejects it. “Blind trust is denial” (Solomon and Flores 2001:64). Finally, authentic trust is “open to evidence and the possibilities of betrayal” (Solomon and Flores 2001:65). For trust to be ‘authentic’, the person must be able to cope with disappointment and retain a trusting disposition. Authentic trust allows for the combination of socio-psychological and rational processes in the building of trust.

Eric Uslaner (2002) has expanded on the idea that the trust we learn in infancy needs to be supported by something that allows us to cope with disappointments and breaches of the trust we give to others. In his view, “[t]rust must be learned, not earned” (Uslaner 2002:77). Trust or faith in others is a combination of values learned early in life and ideas adopted later in life (Uslaner 2002:77). To trust people in general equates with optimism, but it is the attitudes we learn early in life towards those in our group, as well as towards strangers, that is the basis of both ‘particularised’ trust and generalised trust (Uslaner 2002). In Uslaner’s view, the basis for generalised trust is early socialisation, more than objective life experiences, although he acknowledges that life experiences do play a part: “Your values may not reflect where you live, but *where you grew up*” (Uslaner 2002:90).

Uslaner (2002) does not agree with the view that generalised trust is built through civic engagement, arguing that civic engagement does no more than reinforce particularised



trust; that is, trust in those we already know. Similarly, Newton (1999:172) maintains that “[s]chool, family, work, and neighbourhood are likely to have a far greater significance in the origins of trust, reciprocity, and co-operation than the limited and sporadic involvement of most people in voluntary organizations”.

Like Putnam, Uslaner (2002:7) does not agree that there is a “general syndrome of trust”. That is, neither agree that trust in people and trust in government have the same source. Uslaner (2002) argues that there are different types of trust: moralistic trust which is enduring, allows us to place faith in strangers and depends on common bonds and optimism; and strategic trust which depends on our personal experiences, and is the basis of our trust in government. “Trust is more the cause than the effect of good government, perhaps because trusting people are more likely to endorse strong standards of moral behavior ...” (Uslaner 2002:8-9). Others suggest otherwise. The idea that the causal direction may run from primary to political institutions has been suggested by Brehm and Rahn’s (1997:1016) observation that general life satisfaction has a major effect on trust in government. There is a “prominent effect of life satisfaction upon confidence: Americans transfer their unhappiness about their own lives onto confidence about federal institutions ...” (Brehm and Rahn 1997:1016). If we follow this line of thought through, it could be expected, then, that people also transfer their happiness and their satisfaction with their life on to trust in government and its organisations.

In contrast, Uslaner (2002:151) did not find a strong relationship between generalised trust and trust in government. He notes, in particular, that rather than being a long term value as generalised trust is, trust in government has a shorter term effect as it is based on evaluation of government performance. Trust in government is contingent, therefore, it is strategic (Levi 1998; Uslaner 2002). Generalised trust is based on deeply held values

about others, while trust in government depends on evaluation of how well we think political incumbents and political institutions are performing (Uslaner 2002:157). Uslaner (2002:159) concludes that trust in government and trust in people we know is based on our experiences, but that trust in strangers cannot rest on this basis: “So it shouldn’t be surprising that these worlds of trust are quite different, if complementary”. This is a sound conclusion. However, as many have argued, most people do not have personal experience with government and its organisations. If one takes an attitudinal approach to institutions, part of our trust in them is based on values and morals learned from our primary institutions – the same basis which explains the generalisation of trust to strangers.

Uslaner’s main concern is the difference between generalised trusters and particularised trusters. The way a person trusts depends on “how people see the world, not on what their experiences have been” (Uslaner 2002:79). Generalised trusters see the world as full of opportunity and that others are not out to take advantage of them. Thus, others can be given the benefit of the doubt (Uslaner 2002:80). They trust strangers. Those people who generalise trust have an optimistic outlook on life, that is, they believe the future will be better than the present, that they have control over making a better world, they have a sense of personal well-being and happiness, and live in a community where most others feel the same (Uslaner 2002:79-86). In contrast, particularistic trusters trust only those in their own families and intimate circle and have a pessimistic view of the world. They look to the past, believe change is outside their control, they emphasise material success and may blame other groups for what they have not got, and believe others are only out for themselves (Uslaner 2002:82-83).

This suggests that people use different mental frames to think about trust which fall broadly into self-knowledge, personal experience, and a leap of faith (Wuthnow 1999).

Those who emphasised being able to trust themselves did not gain this kind of trust through engagement in civic associations but said it was an attitude or trait they had learned as a child (Wuthnow 1999). Trust depended on personal circumstances (better education, ethnic background, above-average income, home ownership, self esteem) (Wuthnow 1999:213). Those less likely to generalise trust depended on two mental frames: reliable performance; and knowing someone well (Wuthnow 1999). Trust is conditional because people “implicitly or explicitly assume that it is reasonable or possible to trust *if certain conditions are met*” (Wuthnow 1999). As well as individual-to-individual trust, Wuthnow (1999) examined people’s perceptions of trust in those in public office. He found that the range of mental frameworks used included performance, competence, officials’ personal characteristics, the extent to which officials share the values of the interviewee, and the values and interests of their constituents. These mental frames can be summarised as the rational and relational processes discussed in the previous chapter. Wuthnow (1999:227) emphasised that “there needs to be more widespread recognition of the nonrational bases of trust and, indeed, of the competing ways in which rationality itself is culturally constructed”. It seems that trust is strongly influenced by one’s resources and opportunities, implying that it is easy for those doing well to generalise trust to strangers, but not so easy for those less well off. This conclusion is being reflected in new work about the effect of equality (economic equality and equality of opportunity) on trust which shows that countries with high social inequality have low social trust and low social capital (Rothstein and Uslaner 2005).

One of the main problems with the idea of socialisation as the source of trust is measuring it. As Uslaner (2002:93) states, there are so few measures of parental influence, or surveys that measure parental influence, that it is difficult to say that trust is learned in early childhood. Nevertheless, in his analysis of several different surveys, he found more

support for the socialisation argument than the personal life experience argument. Uslaner (2002:95) found that optimism was the strongest factor in explaining generalised trust, meaning a positive world view is the foundation of trust. He (2002:97) argues that optimism develops from satisfaction with one's life.

The previous two sections have highlighted different starting places for the development of trust on the basis of socio-psychological processes: intermediate and primary institutions. However, there are challenges to both these starting places as the source of trust.

Rothstein's (2005:52) view is that as there is no "credible evidence" that civic engagement is the source of generalised trust; the basis of social trust has a political rather than a sociological nature. Even though he does not agree with Putnam that trust is created by civic engagement, Rothstein (2005:53) acknowledges Putnam's "boldness of approach" in empirically connecting the opposing rational and relational theoretical perspectives. Rothstein (2005:58) also challenges Uslaner's view that trust is a moral norm developed from socialisation and based on values, maintaining that "social trust is based on acquired information, through either direct, personal experience or other means". He also disputes the opposing rational choice argument of Hardin that trust is "the outcome of rational utility-based expectations" (Rothstein 2005:58).

That leaves one other institution as a possible source of trust, political institutions (Rothstein and Stolle 2002), which is addressed in the next section.

### ***Political institutions***

The macro, or top-down, approach to trust sees institutions as sources of trust (Bachmann 1998; Luhmann 1979). In this case, people rely on “formal, socially produced and legitimated structures which guarantee trust” (Lane and Bachmann 1998:15). This type of trust is in the institution or the organisation itself, such as the state, the government, or the taxation department.

Rothstein and Stolle (2002) advocate a macro or an institutional approach as the source of social trust; an approach they believe has been relatively neglected in social capital research. They distinguish two institutional arguments in relation to social capital: an attitudinal approach with the relationship between social and political trust (for example, Putnam 1993), and an institutional-structural approach where government is the source of social capital/social trust (for example, Levi 1998). They argue that institutional structures are important, but overlooked, as a source of generalised trust, and that the causal mechanism is from political institutions to social trust (Rothstein and Stolle 2002).

The issue of causality is an interesting one which will be explored in this thesis. There have been many problems noted in the literature in establishing causal direction. Putnam’s thesis on the development of trust at the meso level has been criticised for not establishing causal direction. Likewise with political trust, various scholars have recommended the need to distinguish between different objects of trust (such as particular institutions, politicians, the system), and there is a consensus in the literature on the need to do this (Levi and Stoker 2000:497). For example, Rothstein and Stolle (2002) note unclear causal mechanisms in both theoretical approaches, institutions not specified but contracted under broad labels, and unsuccessful empirical testing of theories. In their view, the finding of

weak causal relationships between generalised and political trust results from a failure to specify different kinds of institutions, and particularly those government institutions which implement policy (Rothstein and Stolle 2002:12). As those government organisations which occupy a representational role, such as the federal government, are more short lived and represent political orientation, Rothstein and Stolle (2002) question why these institutions should be sources of social trust. Organisations which act in someone's interest or as their agent are less likely to influence trust in others than those organisations which act on principles of fairness and impartiality (Rothstein and Stolle 2002:13). In Rothstein and Stolle's (2002:7) view, the source of social trust is influenced most by government institutions and policies. Rothstein (2005:104) suggests that "the causal connection may not go from the sociological level (individuals-networks) to the political (the state and its institutions), but rather the reverse".

People consider how well they are represented by government, and Putnam included the idea of the importance of the outputs of government, that is, how efficient government is in implementing its policies and thereby meeting citizens' needs (Rothstein 2005:47). There is no consensus about distinguishing between different dimensions of appraisal (judgements of integrity and judgements of competence), although Levi and Stoker (2000) regard it as "crucial" to do so. The rational choice argument about how trust in government develops is that if government is efficient and meets people's personal and collective expectations, people will trust government and trust others generally (Bouckaert and Van de Walle 2003; Chanley, Rudolph and Rahn 2000; Citrin and Green 1986; Coleman 2000; Dasgupta 2000; Feldman 1983; Gamm and Putnam 1999; Hetherington 1998; Keele 2004; Mishler and Rose 2001; Norris 2004). It is argued that citizens assess government performance based on its provision of public goods such as economic growth, employment, health care, education and a healthy environment

(Bouckaert and Van de Walle 2003). The information people use to make these assessments usually is not based on personal knowledge, but comes from “second-hand sources, especially the mass media” (Newton 1999:179). These macro and micro measures of trust include citizens’ evaluation of government performance on an aggregate basis as well as their evaluation of performance as it affects them personally. Trust developed in this way highlights a rational choice or instrumental perspective to trust in government – trust is based on evidence of ability to perform as expected.

However, there is another dimension to the rational choice process in the development of political trust. Citizen evaluation of the behaviour of politicians and the effectiveness of government performance has been identified as responsible for the building of political trust or distrust (Hetherington 1998). Individuals consider the “ability and efficiency” of government and the expected utility to them of public goods produced by government and its organisations. Effective performance builds trust in government, as well as trust in strangers because citizens know government is capable of ensuring safety and fairness. Hetherington (2001:3) defines political trust as:

... people’s assessment of how the federal government is doing compared with how well they think it should be doing (Miller 1974). ... trust is the degree to which people expect that government will provide outputs consistent with their desires. This suggests that trust has at least two important components: perceptions of performance (Coleman 1990), and perceptions of its ethics. People want their government to keep them prosperous and safe, and they want it to do so in an above-board manner.

While they are evaluating expected utility, people are also considering the quality of government performance. Quality includes the ‘correctness’ of decision making on the part of government officials. Hetherington’s broader definition of political trust highlights that the actions of those in government (politicians and public servants) are factors which

need to be considered when examining trust in government. This suggests that government and its organisations can be considered as objects of trust and not just as institutions which we are confident will meet our needs. This has been recognised by others. For example, Jennings (1998) notes that there are different criteria by which people assess different levels of government. Tyler (1984; 1997; 1998; 2001; 2004) emphasises the effects of distributive and procedural justice by government institutions in building or decreasing trust, as does Murphy (2003) on the handling of tax scheme investors by the Australian Taxation Office. Jennings, Tyler and Murphy differentiate between integrity and competence, emphasising that both perspectives play a part in people's assessment of, and trust in, government and its organisations. Empirical work like that of Jennings, Tyler and Murphy challenges those who see trust one dimensionally, either emotionally based or interest based (for example, Hardin 2001). As described in Figure 2.1, research suggests that people are partly self-interested and partly moral, and rather than seeing them as separate or opposing, it seems these factors work in combination to form citizens' expectations of how others, including government, should act.

Levi (1998:83) highlights that little attention has been paid in the social capital literature to the role the state plays in influencing generalised trust. Others agree that trust is not just about expectations that interests will be met but “involves interactions and relationships” (Solomon and Flores 2001:56). If an institution can hurt us, that is, hurt our identity, we say we have a social relationship with that abstract entity (Goffman 1969). The issue is whether one agrees or not that we can have a relationship with humanly created and administered organisations and abstract systems. “... [I]t is not actually the institution or government that is being trusted or is acting in a trustworthy manner. Rather, when citizens and clients say they trust an institution, they are declaring a belief that, on



average, its agents will prove to be trustworthy” (Levi 1998:80). Both Cohen and Offe have recognised the need for bringing the socio-psychological basis of trust into the notion of trust in institutions. Cohen (1998:6) highlights Durkheim’s concept of professional ethics as critical to the idea that generalised trust can describe an attitude to the law or government:

[i]nstitutions (legal and other) can provide functional equivalents for interpersonal trust in impersonal settings involving interactions with strangers, because they establish action-orienting norms of the expectation that these will be honoured. If one knows one can expect impartiality from a judge, care and concern from a doctor, protection from police, objectivity and veracity from a journalist, concern for the common good from legislators, and so on, then one can develop confidence (instead of cynicism) that shared institutionalised norms and cultural values will orient the action of powerful others.

Trust sourced from the socio-psychological perspective develops our attitudes of trust towards others and our expectation that they will trust us and treat us accordingly. These attitudes towards others extend to political institutions.

### **Political institutions as a source of mistrust**

Little consideration has been given to corruption in political institutions and the effect on trust (Rothstein 2005). However, there are strong views about the need to distinguish between alienation and attachment towards political actors which may help understand changing attitudes towards government (Levi and Stoker 2000). The effect of corrupt government in southern Italy was examined from a socio-psychological/cultural perspective by both Putnam (1993) and Banfield (1958). People’s perception of corruption in government resulted in low trust and reduced association outside the immediate family. Using an instrumental structural approach, Rothstein and Stolle (2002)

and Rothstein (2005) have shown that corrupt government practice reduces trust in government and in others generally.

One of the criticisms of Putnam's work is that he takes an overly optimistic view of the effects of social capital. While his focus is predominantly on the positive aspects of civic engagement and the beneficial effect it has on communities and their government, he acknowledges that the civic community and trust in government is negatively affected by dishonesty, or corruption, in politics (Putnam 1993). Without generalised trust, and the capacity to lobby government and act together for the common good, there is space for corruption in government to grow (Warren 1999b). The negative effects of corruption (except for those benefiting from policies promoting inequality) are on equality and engagement: people feel powerless; exploited; less willing to engage in their communities; less trusting of those they do not know; less willing to abide by the law; less satisfied with their lives; and government is less effective (Putnam 1993:99-115).

Corruption is generally viewed as affecting citizens' evaluation of the performance of government, an aspect of the rational choice perspective on the source of trust. However, rational choice theory has difficulty explaining the behaviour of those working within an organisation which does not live up to their own rules and values, and which is not meeting the expectations of the community as a whole, but instead is perceived as serving the interests of only a few. Boudon (2003) regards corruption as one of the 'paradoxes' which cannot be explained by rational choice theory. Corruption in western democracies is "invisible" and has no personal consequences for most people, yet most people consider it "unacceptable" (Boudon 2003:8). Boudon (2003) concludes that rational choice theory is unable to explain "opinion phenomena, which are a major social force". The theory's

failure is that rationality is seen only as instrumental and not cognitive in both descriptive and prescriptive problems (Boudon 2003:10).

These criticisms of the rational choice perspective suggest that the rational choice view is unable to explain corruption because it does not impact on individual interests. This makes it an interesting concept to examine in regard to its effect on the building of trust, even in a country like Australia where corruption is relatively low. Australia consistently ranks with low corruption in the Transparency International Corruption Perceptions Index<sup>2</sup>. In both 2004 and 2005, Australia ranked 9<sup>th</sup> in the world with a score of 8.8 (10 = highly clean), a slight move up from its ranking of 11<sup>th</sup> in 2001 and 2002. Compared with similar countries, Australia scores below New Zealand (9.6), about the same as the United Kingdom (8.6) and Canada (8.4), and better than the United States, which had a score of 7.6 in 2005.

Corruption is a difficult concept to define (Jain 2001). However, “[t]here is consensus that corruption refers to acts in which the power of public office is used for personal gain in a manner that contravenes the rules of the game” (Jain 2001:73). Corruption may not necessarily involve payment of money, but may also include favouritism such as the setting of public policy or the passing of legislation so that the official and/or a certain sector of the community will benefit (Jain 2001; Rose-Ackerman 2001).

Rather than being confined to a specific event, the impact of corruption has wide reaching effects (Jain 2001:72). One of the effects of corruption is that it “violates the trust placed in a public official” (Rose-Ackerman 2001:527). To reduce corruption, citizens must be provided with information on government activity, either directly or through a free media,

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<sup>2</sup> The Corruption Perceptions Indices for the last five years are available at <http://www.transparency.org>

have safe avenues available to make complaints, and government officials must see it in their interest to respond to complaints (Rose-Ackerman 2001). Inability to access information about government action, and/or to complain or influence government decision making may also destroy trust (Rose-Ackerman 2001). Referring to the purpose of rules and laws, Rose-Ackermann (2001:544) points out that if “people feel that their own views are being ignored, they may distrust government”. Trust between government and individuals is based less on “empathy” and more on “mutual respect” (Rose-Ackerman 2001:545). Similarly, Offe (1999) makes the point that organisations must be ‘seen’ to stand up for and live up to rules based on a set of values which they share with the community.

One of the difficulties in theorising a trust relationship between the state and the community is the power differential. “All states ... control the distribution of valuable benefits and the imposition of onerous costs” (Rose-Ackerman 2001:547). Putnam (1993:109) highlighted that in “uncivic” surroundings, people “feel exploited, alienated [and] powerless”, with the consequence that people are more inclined to free-ride, there is less social trust, and there is political corruption. Powerlessness and lack of political efficacy on the part of citizens can be closely linked with corruption or lack of honesty in politics.

This point was demonstrated in Banfield’s (1958) study in the 1950s of the southern Italian village of Montegrano, done twenty years before Putnam began his Italian study. For the same reason that Putnam maintains trust is built and communities function well socially and economically, Banfield showed that a community remained poor and backward. Banfield found that particularistic trust excludes those outside our in-group or own kind. In the village he studied there was no association beyond the immediate family.

According to Banfield (1958:83), the rule was to “[m]aximize the material, short-run advantage of the nuclear family; assume that all others will do likewise”. People who follow this rule are ‘amoral familists’, meaning that “one who follows the rule is without morality only in relation to persons outside the family – in relation to family members, he applies standards of right and wrong; one who has no family is of course an ‘amoral individualist’” (Banfield 1958:83).

The people of Montegrano did not engage in their communities because they perceived that those in their community who held positions of power were corrupt. According to Banfield’s respondents, those in politics “seek their own welfare and well-being” (Banfield 1958:84). It was commonly believed that office holders took bribes and gave favours and preference to those who gave ‘gifts’ (Banfield 1958:92). People had no respect for those in public office for this reason. People assumed that politicians were corrupt (Banfield 1958:99). Not only were public office holders described as lacking enthusiasm (“A zealous official is as rare as a white fly”), professionals such as teachers, pharmacists and doctors were described in the same way (Banfield 1958:89). Similarly, employers often cheated their employees by paying lower wages, or not paying them at all. Nobody seemed to feel under any obligation to go out of their way for others. The result was a society where law was not considered because there was no reason to think that anybody would enforce the law (Banfield 1958:90).

Banfield’s work suggests that social trust develops in the primary institution of the family but that poor government performance can destroy generalised trust and force people back into trusting only those in their family. Both Putnam and Banfield argued that economic development and successful self-government is limited in areas where people are not involved in their community and where there is no economic or political association. Both

considered the effects of corruption in government and the resultant lack of trust not only in government but in other people in the community. People pulled back into their families and trusted no other. These results support the idea that the building of trust is multi-dimensional. The finding that the family is the basis of trust supports the socialisation thesis. As well, people evaluate the performance and the behaviour of others including those in government, which supports the rational choice thesis. If their evaluation is positive they give trust, but if it is negative they withhold trust. This has implications for civic engagement, among other things.

Some argue that a corrupt government forces the community to work together to provide what government does not, or that the relationship between those engaged in corrupt practices is one of trust (Rothstein and Stolle 2002). Rothstein and Stolle (2002) put aside these arguments as these relationships are particularised rather than generalised. Instead, they argue that when a government is corrupt, trust is low: “If citizens can trust the institutional effectiveness and fairness of the judicial system and the police, then one’s generalized trust in others can be facilitated” (Rothstein and Stolle 2002:16). Their point is that when there is a perception that public officials are corrupt, people will generally trust other people less, and will not trust public officials or government institutions to be effective and fair (Rothstein and Stolle 2002). This was exactly what Banfield found in Montegrano, and what Putnam found in southern Italy.

### ***Conflicting causal directions***

Putnam’s (1993; 2000a) social capital theory explains that social trust is developed in intermediate institutions. In contrast, Uslaner (2002) claims that social trust has its source in the primary institution of the family, and Rothstein and Stolle (2002), and Rothstein

(2005) maintain that political institutions are the source of social trust. This is a discussion about the causal mechanisms of trust which brings with it the debate about theoretical perspective. The arguments that social trust is sourced at primary and intermediate levels rest on socio-psychological/cultural or relational perspectives, while the political institutional view assumes rational perspectives.

The relational perspective suggests that trust develops in the family and ripples through the social structure to include concrete persons and abstract systems. It represents what Sztompka (1999:5-7) has described as “the we-ness” of a community, or the “...‘us’ to which ‘I’ feel I belong”. We learn to generalise trust by observing those close to us in their interactions with others. Modelling the behaviour of those close to us (Bandura and Walters 1963; Bandura 1977), and learning to take the role of the other (Mead 1934), teaches us to generalise trust to those unknown. Once learned, we generally maintain that trusting disposition, or faith and good will towards strangers, throughout our life. However, poor life quality and experiences cause trust to remain particularised and not generalised.

A rational process in the development of trust suggests that political trust, or trust in government, can be developed through evaluation of government performance and calculation of personal benefit of that performance, and that this generalises to social trust. However, corruption in politics destroys or reduces political trust and social trust and, again, trust becomes particularised.

Both theories claim to be the foundation of trust in strangers but the causes are different. It is in the community which is full of strangers that the two opposing theoretical perspectives meet – relational theories require intimacy for trust development, while

rational theories rely on knowledge, calculation and evaluation of performance for trust to develop. Thus, these opposing processes will be applied in different institutional contexts to examine the development of trust and the issue of causal direction.

## **Defining trust**

It is acknowledged in the literature that trust is a difficult concept to define and little consensus surrounds its definition. This is hardly a surprise given the previous discussion which has highlighted so many different ideas about the development of trust and the institutions where trust may be sourced.

The working definition of trust adopted in this thesis is that trust is an attitude that signals to the self or other that an individual is placing his or her well-being in the hands of another individual, group or organisation. For example, young children place their well-being in the hands of their parents, children in the hands of their teacher, adults in the hands of their employer, citizens in the hands of government. From the perspective of rationally based trust, we should only be trusting of parents, teachers, employers and government when we have good reason to trust them – when they have demonstrated their trustworthiness. When they act against our interests, we deny them our trust. From the relational perspective, our trust is not so dependent on knowledge about the other. If trust relationships are established with significant others, they are extended on the assumption that others will not intentionally cause us harm. There is room for the arguments of the rationalist in this approach. Knowledge of the untrustworthiness of others brings exemptions to what is otherwise the generalising of trust.



Defining trust as an attitude acknowledges both the socio-psychological/cultural and the rational choice perspectives as demonstrated in Almond and Verba's (1963) idea of the civic culture:

[t]hey defined the concept as 'attitudes towards the political system and its various parts, and attitudes towards the role of the self in the system.' ... Such attitudes were seen as including knowledge, feelings, and evaluations (cognitive, affective, and evaluative orientations toward politics (Sztompka 1999:7).

In keeping with Thomas and Znaniecki's (1958) emphasis that subjective meanings are important to social action, the task here is to show that "subjective predispositions, or attitudes, molded by experience, determine the response of individuals to the objective factors that impinge upon them" (Coser 1977:513). As trust is conceived here as an attitude which people have toward other people, groups, or organisations, which is affected by the values held by that culture or cultural group, I begin with a socio-psychological/culturalist approach to the study of trust. As these learned attitudes affect the way we respond to external objective factors, such as the information and knowledge we use to make judgements about others and specific situations, I also include a rational choice approach in the study of the sources of trust.

The strength of Thomas and Znaniecki's perspective was in their combination of cultural values, specifically those that are found in social norms and rules of behaviour, and attitudes. Understanding the sources of a universal concept such as trust also depends on our understanding of rules and attitudes working together. In accordance with Thomas and Znaniecki's argument, it is not the social norms or rules of behaviour enacted by government and its organisations that is the basis of the building of trust in them (objective factors), but individuals' socialisation experiences (subjective factors) that form

their attitudes towards others. Positive experiences result in a trusting disposition towards others, including government and its organisations, whereas negative experiences result in lack of, or low, trust. This learning process is lifelong.

As in Thomas and Znaniecki's study of social change, this study moves from primary groups, such as the family, to larger institutional contexts of which these primary groups are a part (the local community, government organisations which provide services at the local level, to the more remote political organisations which operate at the national level). The focus is on the attitude of trust in an ever broader context as it ripples out from the intimacy of the family across the increasingly remote institutions of society.

## **Hypotheses**

Theories of socialisation suggest that our attitudes and values are learned in childhood and these become, for the purposes of this study, the basis of our predisposition to trust others or not. So the first question is whether the ability to trust those one does not know is learned in the family or by joining clubs and associations and being involved at community level with specific groups and in specific activities as Putnam concludes. The second question is whether generalised trust extends beyond interaction with people generally to interaction with political or government organisations which administer abstract systems. The third question considers the impact of government performance on the building and maintenance of trust in government. The rational choice perspective concludes that evaluation of performance creates trust in government which generalises to social trust or trust in strangers.

We learn to trust from those we know personally. We then generalise that trust to acquaintances and complete strangers, then to social roles and groups such as teachers, police officers, work colleagues and members of particular cultural, ethnic or religious groups, then to institutions and organisations and the systems they administer. We are able to generalise from people to abstract systems because we know these systems are constructed and managed by people. In examining these two theoretical processes in the development of trust, the main focus will be on testing the relational perspective which most do not consider relevant as a source of trust in government.

While predispositions are thought to be relatively stable, these theories also suggest that our ongoing experiences with others during our lifetime either confirm our basic attitudes and values or may cause us to re-evaluate them. This re-evaluation on the basis of our more recent experiences and knowledge is our rational side. A re-evaluation may cause us to reverse our previous opinion of a *particular* person, role, organisation or system, but not our attitude towards others generally. Without a basic attitude of trust towards those people and objects we do not know, in today's complex world we would hardly be able to act. In the absence of full knowledge we rely on or trust in the integrity of others, the organisations they manage, and the systems they operate.

The ideas taken from the literature can be translated into several hypotheses for testing. As there are opposing theories of trust, and different institutional levels from where trust might be sourced, the research will be undertaken in a series of steps. To begin, Putnam's thesis that social trust is developed through associational membership and civic engagement will be tested. The assumption of the socialisation theories of sociology and psychology (Cooley 1956; Erikson 1950; Parsons 1952; 1955; Uslaner 2002) will be accepted. That is, one's disposition to the world, or the collective, is learned initially in

the immediate family, and then through contact with close intimates such as friends and neighbours. Positive early socialisation experiences result in a positive or trusting orientation or disposition towards others generally. The major difference between the social capital thesis and the earlier theories of socialisation is in the age at which one learns to generalise trust (Hooghe and Stolle 2003). Socio-psychological/cultural theory assumes that through our socialisation experiences, which depend to some extent on social demographics, we learn values, norms, and obligations, and develop our levels of satisfaction with life (Sztompka 1999; Uslaner 2002).

These theories and their assumptions highlight several research questions which can be tested in this study. Does social or generalised trust develop from our positive relationships with family and close intimates? Underlying this question is the assumption that positive socialisation experiences with our family and those close to us teach us to trust. Alternatively, is social trust developed through the positive relationships we develop through civic engagement and associational membership? To what extent do our world views and personal satisfaction with life develop our trust in others? Are our socialisation experiences because of age, sex, education, and where we live important in developing our trust in others? From these research questions, four hypotheses are derived:

Hypothesis 1: Social trust will be high when we have positive relationships with family and close intimates;

Hypothesis 2: Social trust will be high when we have positive relationships through civic engagement and associational membership;

Hypothesis 3: Social and political trust will be high when we have positive world views and high satisfaction with life;

Hypothesis 4: Social and political trust will be high when we have positive life experiences (as reflected in social demographics).

The second step of the task is more complex. There has been little work done on the mechanisms for the generalisation of trust from the community level to government and its organisations (Hudson 2004; Misztal 1996). Misztal (1996:199-200) highlights that the relationship between these two types of trust is “not clearly specified in the literature”, although many assume “some interdependence”. Putnam (1993) argues that high social trust, or trust generalised to strangers, results in effective government because trusting people are more cooperative. However, he does not generalise social trust to trust in government, maintaining that theoretically they are not the same thing (Putnam 2000a). Most work on trust from the socio-psychological/cultural perspective stops at the community level on the basis that trust only applies in situations of equality with actual persons and does not apply to hierarchical relationships, or to relationships with abstract objects such as organisations, institutions or systems. This raises a question about whether trust does generalise to institutions less familiar to us, such as government and its organisations. It is assumed that trust in strangers can be generalised to political structures (Misztal 1996), thus suggesting the following hypothesis:

Hypothesis 5: Trust generalises from strangers to those institutions less familiar to us, such as government, its organisations, and systems.

Many maintain that there cannot be trust in government or its organisations because this involves a hierarchical relationship with an abstract entity. It is argued that trust only applies to people and not objects (Luhmann 2000). This highlights another aspect of this theoretical divide which involves the lack of agreement about the direction in which trust is generalised. Relational theories hold that our beliefs about others are conditioned by culture and our socialisation experiences, and have a long-term focus. Alternatively, institutional or rational theories maintain that our attitudes towards others are strategic and

based on evaluation of performance, including one's personal experience, and focus on the short-term.

This suggests the third step to this research which will test the rational argument that trust in government generalises to trust in strangers. This will help to answer what Uslaner (2002) calls “the big question”. Do we learn to trust government and its organisations based on our evaluations of their performance? Do we then generalise that experience to trusting strangers because we trust or have confidence that government and its organisations are competent and fair enough to ensure that all members of the community will obey the law? These questions suggest two further hypotheses:

Hypothesis 6: Trust in government and its organisations is based on our positive evaluation of their performance;

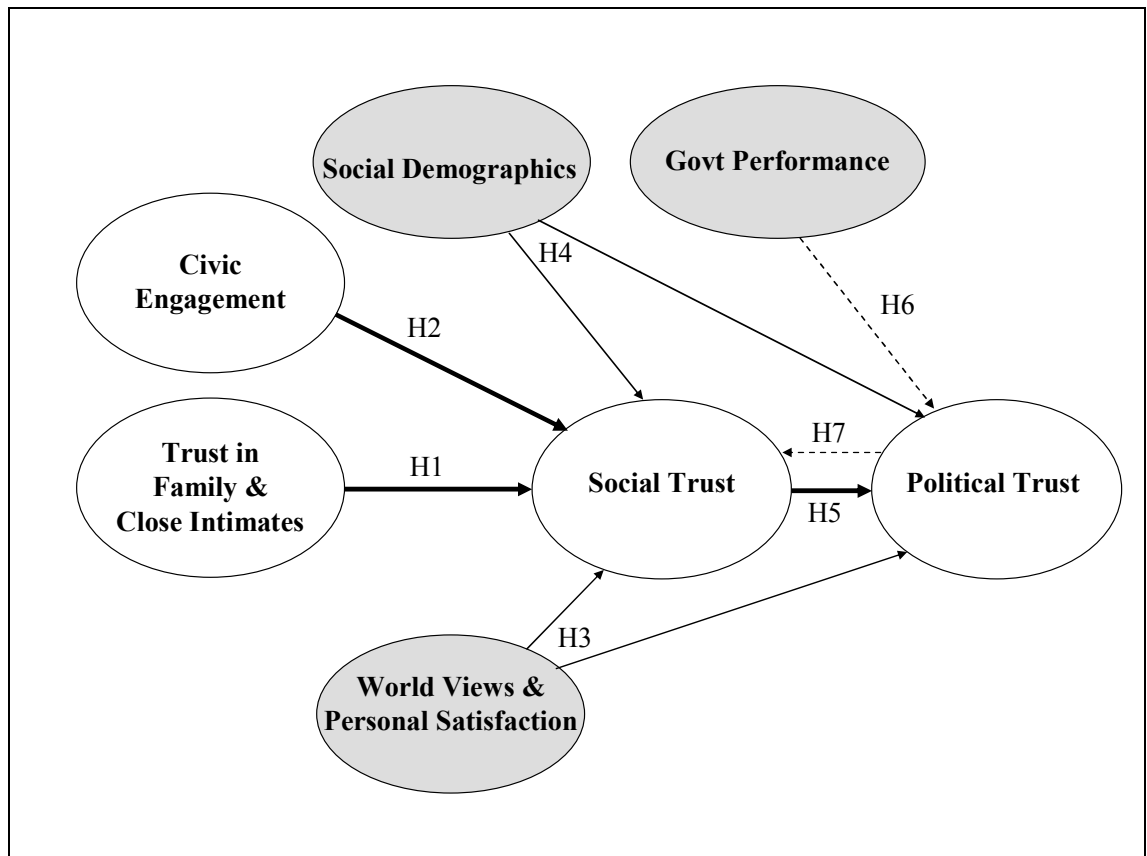
Hypothesis 7: We generalise our trust in government to trust in strangers because we trust that government and its organisations are effective in ensuring that all members of the community obey the law.

### ***An integrated model of trust***

The seven hypotheses to be tested in this study are summarised in the integrated conceptual model in Figure 3.1 below.

Based on the literature review, seven sets of variables have been identified for the conceptual framework of this study, shown in Figure 3.1 below: (1) civic engagement and associational membership; (2) trust in family and close intimates (familiar trust); (3) world views and personal satisfaction; (4) government performance; (5) social trust; (6) political trust; and (7) social demographics. This conceptual model summarises the

various hypotheses outlined above and represents the theoretical perspectives described in the literature. The unbroken lines represent the socio-psychological perspective. The hypothesis is that the source of trust is in the family and ripples out to others in the community, or intermediate institutions, and on to the political institutions of government and its organisations. The dotted lines represent the rational theoretical perspective.



**Figure 3.1: Integrated conceptual model showing hypotheses to be tested**

## **Research design and method**

The design of this study and the method used were influenced by the objectives, the conceptual underpinnings of trust as attitudes that people hold towards others generally and institutions, and the data available at the time the study commenced.

The primary objective is to examine which institutional level is most important in explaining the source of trust, and whether the two opposing theoretical perspectives can be combined to improve our understanding of the sources of trust. The focus of the study is on the way people's interactions with others build their attitudes of trust towards people generally and the institutions, organisations and abstract systems of government. The final objective is to determine whether attitudes of trust generalise from the individual to the community and then to government organisations.

### ***Data collection by survey***

Much of the work on social capital and trust has focussed on their decline and those factors which have changed over time at the aggregate level (Brehm and Rahn 1997). While this is important, Brehm and Rahn (1997) maintain that examination of the key sources of social capital (trust) are equally important, and can be done best at the individual level rather than the aggregate level. Aggregate measures of trust and social capital, such as those used by Putnam, are problematic because "communities do not join the PTA or enlist in farming organizations, parents and farmers do" (Brehm and Rahn 1997:1017). Rothstein's (2005) concerns that findings at the aggregate level must hold at the individual level, lend weight to the argument that individual level data should be used to test the sources of trust. If individual level data are used, the results will not be directly comparable with Putnam's (1993) study of Italy and the aggregated measures he used.

The examination of change over time highlights why most work on social or generalised trust has relied on analysis of large surveys which collect data at a particular point in time. However, most large surveys do not include Australia, although Australia has been included in the World Values Survey. While these large surveys include questions on



trust, they are limited and allow insufficient exploration of the sources of trust. For example, they generally ask only the standard single item question on social trust, there is insufficient disaggregation of the objects of trust at the different institutional levels, insufficient distinction between integrity and competence when measuring government performance, and many questions on political trust actually measure cynicism, disaffection or alienation rather than trust (Levi and Stoker 2000:477).

This study is concerned not so much with the temporal aspects of trust, but with theoretical comparison and causal direction. In order to test the hypotheses, a large number of respondents is required to allow statistical analyses of the opposing theories using structural equation modelling. The level of analysis is at the micro level, the unit of analysis is the individual, and the universe, or the extent of generalisation, is Australia. While a panel data set of over 600 cases would be ideal for the purpose, a cross-sectional study of a comparable number is sufficient for initial testing<sup>3</sup>. This method will provide some insight into directionality of theory, although causality cannot be established with cross-sectional data.

### ***Why choose a survey?***

There were several reasons for choosing a survey as the method of collecting the required data to explore the source of people's attitudes towards other people, groups and organisations. First and foremost, a survey was well suited to the large number of cases required for the statistical power to test the hypotheses. More fundamentally, a survey is widely accepted as a method that enables sophisticated measurement of attitudes. The most common way of measuring attitudes has been by self-report, using a survey of

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<sup>3</sup> The most commonly used design in survey research is cross-sectional (de Vaus, David A. 2002. *Surveys in Social Research*. London: Routledge.

attitude scales in which respondents choose a response from a number of fixed alternatives (McNemar 1946). Because an attitude cannot be seen, conducting research on attitudes usually requires asking respondents groups of questions which combine to form a scale which measures a particular attitude. This can be done verbally or in written format using a mail-out survey, the latter being the preferred method for this study.

The weakness of the method, particularly the one shot survey for inferring causality, cannot be dismissed lightly. Although social studies are rarely conducted, the ideal is recognised by researchers in the field. In the area of political trust, Levi and Stoker (2000) commend attempts to model causal relationships beyond one-way causality using cross-sectional survey data, for example, between political trust and civic engagement by Brehm and Rahn (1997) and between political trust and presidential evaluation by Hetherington (1998).

The second issue that warrants mention is the use of a survey over qualitative interviewing. There are advantages and disadvantages in whichever method one chooses. One of the advantages of survey research is that it is not context specific - the researcher is making the assumption that there is a basic social structure adhered to by all. Quantitative methods using statistical analysis can warn the researcher of misleading or unrepresentative impressions, allow broad and simultaneous comparison, and can show “subtle, but important patterns” (Putnam 1993:12). On the other hand, surveys such as the one used in this study have been criticised because they cannot take into account the meaning behind social action, that in part they ignore the context in which social action occurs, they are deterministic, empiricist, restricted, manipulative, and they lack imagination and creativity (de Vaus 1995).

In this case, some of these criticisms apply, and some do not. Of particular concern is the view that the meaning respondents attribute to a particular behaviour or attitude cannot be considered in survey research. However, meaning can be considered if the researcher is both thorough in analysing the data and applies a sensitive interpretation of the data, as well as using in-depth data collection methods (de Vaus 1995). In this study, survey respondents were invited to make further comments on the last page of the survey booklet. 14% (or 114) of respondents did, with many commenting on their attitudes towards the government, politicians, the law, the fairness of systems, policy/political issues, the divide between rich and poor, and government organisations. These comments have enriched the interpretation of the survey responses.

Using a quantitative survey as the method for this study provided several advantages. First, it was a necessity in this case to enable the planned sophisticated statistical testing of theoretical direction using structural equation modelling. Second, there are practical advantages in using a standardised questionnaire format, with fixed-alternative or closed questions which have some attraction for the doctoral candidate, particularly when large amounts of data are required as was the case for this study. These advantages include ease of administration (for both the researcher and the respondent), it is relatively fast and less costly to analyse, the responses are relevant to the topic being studied, and the alternative replies may help respondents to understand the question (Sellitz, Wrightsman and Cook 1976:312). The use of a survey booklet also allows the inexpensive collection of qualitative data by asking respondents to write comments in the back of the survey. Taking advantage of this collection method proved successful in this study, as highlighted in the preceding paragraph.

An obvious disadvantage with this type of questionnaire is that the respondent is ‘forced’ to answer in a set way or to give an opinion on something they may know little or nothing of (Black and Champion 1976; Sellitz, Wrightsman and Cook 1976:314). There were very few notations in the survey booklets which indicated that respondents had problems with the questionnaire, although two comments written in the back of the survey highlight the disadvantages of using fixed response questionnaires: “Only for a couple of questions there wasn’t really an appropriate answer to circle”; and “Many questions were difficult to answer”. Some respondents suggested other topics which they thought should have been included in the questionnaire, for example, “Should have asked opinions on the legal system, especially sentencing”. The written comments in the back of the survey booklets highlighted that many respondents wanted to tell a story to illustrate or expand on their response to questions in the survey, or give their interpretation of various topics raised in the survey, or express their opinion about something (see Sellitz, Wrightsman and Cook 1976:316 who highlight that these problems can be an issue with questionnaires). The ability to include a broad range of concepts and independent measures in the type of questionnaire used in this study may reflect a link between topics, such as trust in others with trust in government, which respondents may not be aware of. The topics in this study lend themselves to exploration in future research using open-ended questions in face-to-face interviews. Some respondents offered their willingness to be included in more in-depth research, for example, a self-employed 48 year old male builder wrote: “And if you would like to go further with these matters I would kindly point these out to you anytime anywhere”.

## **Chapter summary**

In this chapter, and in the previous chapter, I have highlighted and discussed the ideas which have emerged from the literature which are worth testing in determining the sources of social trust and trust in government. These ideas are theoretical debates about the process that best explains the development of trust, and debates about the institution in which trust begins; a problem of causal direction. The favouring of one theoretical perspective over another to explain specific types of trust provides an unsatisfactory answer to the development of trust. There has been little empirical work done to explain how different types of trust are developed. Lack of work on integrating competing theoretical perspectives seems a problem worth addressing because there is confusion and lack of clarity about how these two processes combine in the development of trust leaving one dissatisfied with current explanations.

This problem of process in the development of trust has translated into work which has attempted a multi-dimensional explanation of trust. Social capital theory has attempted to combine both theoretical perspectives to explain trust, but there remain different foci – Coleman prefers a rational process while Putnam uses a socio-psychological process. Putnam's social capital work identifies an institutional starting place for the development of trust – intermediate institutions. However, his work has been criticised for both conceptual and methodological problems, one being causal direction. Responses to these problems are seen in the work of Uslaner, Rothstein and Stolle, and Rothstein. They identify different starting places for the development of trust: the primary institution of the family; and political institutions. These starting places favour different processes to explain the development of trust. Uslaner uses a socio-psychological process to explain that trust develops in the family and generalises to strangers but extends no further.

Putnam starts in intermediate institutions using a socio-psychological process to explain how trust generalises to strangers, but not to political institutions; although high social trust or civiness makes government effective which builds social trust. The emphasis in these two explanations of the development of trust is on the socio-psychological process, leaving the development of political trust to be explained by a rational process. On the other hand, Rothstein and Stolle, and Rothstein explain the development of social trust from the starting place of political institutions using a rational process.

These explanations are convincing but the conceptual and methodological problems about the development of trust remain: there is no integrated theoretical explanation for the development of trust and there remains the issue of causal direction. Are people really able to so clearly isolate the different reasons for giving trust to someone or something? Could they perhaps use both processes in developing their trust in strangers and in government?

This thesis asserts that as well as being a calculation of self-interest, trust is also a commitment to the integrity of relationships. Trust is conceptualised in the broader sense, as a combination of both relational and rational trust. The perspective of the socio-psychological and cultural theories is used initially to explain the development of social trust, or trust in strangers, and trust in government. The origin of trust is assumed to be in the family with positive socialisation experiences allowing its generalisation from the primary institution to intermediate and then to political institutions. Along the way, we gather information and evaluate it to help us decide whether to give trust in that situation or to that person. Bad experiences teach us when to withhold trust, but our positive early experiences provide us with an orientation or predisposition towards others. If the foundation of trust is in the family and one's close personal circle, we learn to trust, or not

to trust others, from those we bond with. If we civically engage, we learn to trust and link from those we bridge with. Alternatively, the rational aspect of trust tells us that people consider information and the past performance of others, and they calculate the benefits to them of interacting with others. These ideas were put together in an integrated conceptual model. A set of seven hypotheses were identified. The hypotheses are to be tested within a cross-sectional survey context involving a random sample of individuals.

## Chapter 4 – Collecting the Data

*All our progress is an unfolding, like a vegetable bud. You have first an instinct, then an opinion, then a knowledge as the plant has root, bud, and fruit. Trust the instinct to the end, though you can render no reason.*

Ralph Waldo Emerson (1803 – 1882)

### Introduction

The previous chapter developed a conceptual model highlighting five key constructs which were found in the literature as influencing the development of trust in people generally, and in government and its institutions specifically. These constructs included: trust; civic engagement; world views and personal satisfaction; government performance; and social demographics. This conceptual model suggested seven hypotheses which could be tested by using a survey.

This chapter will describe the practical aspects of collecting the data and operationalising them to enable testing of the hypotheses. To begin, this chapter discusses the reasons behind the method used to administer the survey, how the sample for the survey was drawn, the response rate for the survey, and then gives descriptive results which demonstrate the representativeness of the sample. Then, I describe how the five constructs in the conceptual model are operationalised in the survey, and provide initial results demonstrating the distinction between the different dimensions of trust. Finally, descriptions are given of the other constructs of interest in this study: the different domains of civic engagement; the domains of world views and personal satisfaction; the domains of government performance; and descriptive statistics for social demographics.



## The survey participants

Data were collected from Australians who completed the Community Participation and Citizenship (CPC) Survey (Job 2000). The sample for this survey was drawn from the publicly available Australian electoral roll. Australia's compulsory voting system offers a convenient sampling frame for conducting surveys of the adult population. The *Commonwealth Electoral Act (1918)* specifies that elector rolls will be kept and that they will be available for public inspection. The rolls available to the public contain full name and address of electors and their electorate but no other information. Until February 2000, these rolls could be purchased by the public in microfiche form. The microfiche produced on 11 February 2000 was used as the sampling frame for this research.

In February 2000 there were about 12.5 million enrolled voters on Australian electoral rolls. A sample of 1,999 electors was drawn using probability proportional to size sampling within the states to be surveyed (NSW and Victoria): 1,000 people from NSW and 999 people from Victoria. To generate the random sample within each state the total enrolled electors were counted, allocated a unique number derived from their position on the microfiche and then sampled randomly. Each selected position was then found on the microfiche and the name and address was entered into the survey management database. In deciding the size of the sample to be drawn, contemporary response rates were considered. The sample was designed to yield a response over 600 which would allow for the intended multivariate analysis, including structural equation modelling.

The electoral roll contains all persons who are Australian citizens as well as persons without Australian citizenship but who were British subjects before 1984. The rolls exclude foreign citizens, prisoners serving terms greater than five years, persons

convicted of treason, persons of unsound mind, and Australians living permanently overseas. Most of those living in Australia who are not available to a sample drawn from the electoral roll are foreign citizens. Persons from English speaking countries such as the United Kingdom, the United States of America, Canada and New Zealand are slow in taking up Australian citizenship compared with those from non-English speaking countries (see Evans 1998 who raises these issues). Thus, the non-coverage effect of using the electoral roll tends to be limited to persons from English speaking backgrounds, predominantly from western democracies, as well as those who do not register their details on the electoral roll.

## **Research Procedure**

In this second part of the chapter, I will describe the research procedures used to conduct the survey. First, I will briefly outline how ethical matters relevant to the conduct of surveys were handled. I will then describe how the decision was made about how the survey was to be administered, how the survey was conducted, including its distribution, the response rate achieved, how the data were processed and coded, the tests which were done to test for representativeness, and item non-response levels.

Prior to administering the survey, an application was made to the Australian National University (ANU) Human Research Ethics Committee. The application outlined the purpose of the research, its design, the benefits of the research, the procedures used to ensure confidentiality, the cost to respondents in participating in the survey, and the procedure to obtain their consent to participate. The Committee was given a copy of the draft questionnaire. The Committee gave approval for the study to proceed.

## **Administering the survey**

There were a number of ways the survey could have been administered: on a face-to-face basis; by telephone; and by mail. Each method was considered and the most appropriate was chosen after piloting questionnaire material (see Appendix A for details on the pilot study).

Personal interviews on a face-to-face basis were ruled out as a preferred survey method because of the time and expense involved in gathering sufficient data in a large country like Australia. To test the conceptual model using structural equation modelling, more than 600 cases were required. Moreover, it was preferable to have the population dispersed across rural and urban geographical areas; a test of the hypotheses within major urban population centres was considered too limited to be of theoretical significance.

Telephone interviewing is often regarded as the best way to conduct a survey because it allows the researcher greater opportunity to control the quality of the process (de Vaus 2002; Lavrakas 1998). It is a relatively cost-efficient and fast method of gathering data from many people and typically achieves a high rate of response (de Vaus 2002; Lavrakas 1998). However, the recognised disadvantages of respondent fatigue with long or complex telephone interviews, lack of interviewer skill in establishing credibility, and day time non-response or bias (Lavrakas 1998) were evident in the pilot study conducted.

Nearly 50% of those telephoned on weekdays during business hours were not contactable.

The large number of complex questions about civic engagement was difficult to administer over the telephone as people kept forgetting the responses available to them.

Some people were so irritated by these questions that they refused to continue with the remainder of the survey. It seemed possible that the increased use of the telephone

method for market testing made potential respondents wary of or antagonistic towards the researcher. The response from one agitated potential respondent indicated that overuse of telephone surveys for market testing might encourage refusals: “This is the fourth time I’ve been asked to do one of these things. I’m sick of them! I won’t do it!” (see Appendix A).

The findings from the pilot were that there was likely to be a high non-response rate primarily because of difficulty contacting people and because such personal contact made people uneasy/irritated. As well, the complex content of the survey made it unsuitable for administration by telephone. Despite the apparent success that telephone interviewing has in gathering data, this method was not used for this study because of the pilot results.

The final option available was a mail survey. This method was considered to be “attractive” because it is “cheap, quick, and suitable for reaching widely dispersed populations” (Grebenik and Moser 1970:194). This option was tested in a second pilot study. This proved to be a valuable exercise with respondent comments highlighting that some questions could not be understood and that some questions were ambiguous. The pilot participants commented that the questionnaire took approximately thirty minutes to complete giving a good indication that this method would not be excessively burdensome for respondents. It was important to test this because adequacy of response rate can be a problem with this method (de Vaus 2002).

## **Conducting the survey**

The survey was administered by Datacol Research Pty Ltd on behalf of the Centre for Tax System Integrity at the ANU between August and December 2000 (Job 2000). The survey appears in Appendix B.

## **Distribution**

The survey process is modelled on the Dillman Total Design Method (Dillman 1978). This has been the model used for many major academic mail surveys conducted in Australia, for example, the International Social Science Survey 1985 to 2001 (Bean, Gow and McAllister 1998; Jones et al. 1993) and the Australian Election Study 1987, 1993, 1996, 1998 (Kelley and Evans 1998). The method provides for a survey booklet with clear question layout and for multiple mailings and follow-up of non-respondents over a period of time.

A pre-survey letter was sent to each prospective participant on 11 August 2000, one week before the survey was posted (see Appendix C). This letter described the project, stated that participation was voluntary, assured confidentiality, and invited respondents to contact the researcher by telephone, e-mail or mail if they wished. In the week after the pre-survey letter was sent, the names of nine people were withdrawn from the sample because of illness, absence overseas, or death.

The initial survey package was posted to each remaining person in the sample at their home address on 18 August 2000. It included a covering letter (see Appendix D), the 16-page self-completion questionnaire containing 58 questions with 183 variables (see

Appendix B) and a reply-paid envelope. The covering letter explained the purpose of the study, identified the ANU as the sponsoring organisation, guaranteed respondent confidentiality, and referred potential respondents to the researcher's office telephone number should they have any questions. Respondents were not given a return date for the questionnaire to prevent them from declaring that they had missed the cut-off and to prevent respondents not responding at all. Each questionnaire contained an identification number to allow selective follow-up of non-respondents. Respondents were not offered any incentives for completion.

Reminder cards were sent to participants who had not returned their survey. Ten days from the initial mail-out non-respondents were identified from the management database and were sent a reminder postcard encouraging them to respond as soon as possible.

Twelve days later, a second reminder postcard was sent to the remaining non-respondents. Throughout the survey administration period, respondents who had lost or misplaced their questionnaire and who telephoned the researcher for another were mailed one.

### **Response rates**

By the end of December 2000, a total of 837 useable responses had been received, or an unadjusted response rate of 42%. When adjusted for persons who had moved or who were deceased the response rate was 43%. Comparator surveys at the time were the Australian Election Study, 2001 (Bean, Gow and McAllister 2002), a national survey regularly conducted after each election, and the Families, Social Capital and Citizenship Survey, 2001 conducted by the Australian Institute of Family Studies (Hughes and Stone 2002). Their response rates were 55% and 33% respectively.

### **Data processing and coding**

Datacol Research staff examined the returned questionnaires for completeness. A small number of questionnaires that were less than half completed were rejected for data entry. Questionnaires more than half completed were sent for data entry.

There are a number of questions in the questionnaire where the respondent was asked for a written answer. To permit the use of these data in quantitative analyses, a coding process was undertaken which grouped like answers together and gave them a numeric category. To permit ease of comparison with published statistics, standard coding frames developed by the Australian Bureau of Statistics (ABS) were used where possible.

Examples of this are: occupation (Australian Standard Classification of Occupations 2<sup>nd</sup> edition); and country of birth (Standard Australian Classification of Countries).

The last page of the questionnaire contained space for respondents to write comments. No categorisation of these comments was included in the data set.

### **Sample representativeness**

The representativeness of the survey was determined by comparing the survey sample with Australian population data. The CPC Survey was compared with ABS figures from the 2001 Census of Population and Housing, which only includes persons aged 18 years and above. The ABS figures include some persons who are outside the scope of the survey, such as persons not registered to vote. The effect of this on the distributions of age, sex, education, occupation and so on is not considered to be of concern.

Significance testing of the difference between the sample and the Australian population was carried out using a goodness-of-fit chi-square test to determine if the survey was significantly different from the Australian population on key social demographic variables (Kirk 1978).

### **Sex**

The survey sample does not differ significantly from the distribution of males and females in the Australian population (see Table 4.1 below).

**Table 4.1: Distribution of males and females in the CPC Survey and the 2001 Census**

Sample group	Sample %	2001 Census %	Significantly different (1)	Difference
Total Male	49.2	48.7	No	0.5
Total Female	50.8	51.2	No	-0.4
Total	100.0	99.9		

Yes if Chi-square (df=1) > 3.841, p<0.05 formula =  $\chi^2 = \sum((O-E)/E)$

### **Age**

The sample tends to under-represent people 34 years and younger and over-represents those between 45-49 and 55-59 years old (see Table 4.2 below). Those in the 35-44 and 50-54 year age groups and those over 60 years of age are correctly represented. It is not unusual to have difficulty in getting 18-24 year old participation in any survey procedure, and they, as well as 30-34 year olds, are under-represented in the CPC Survey.

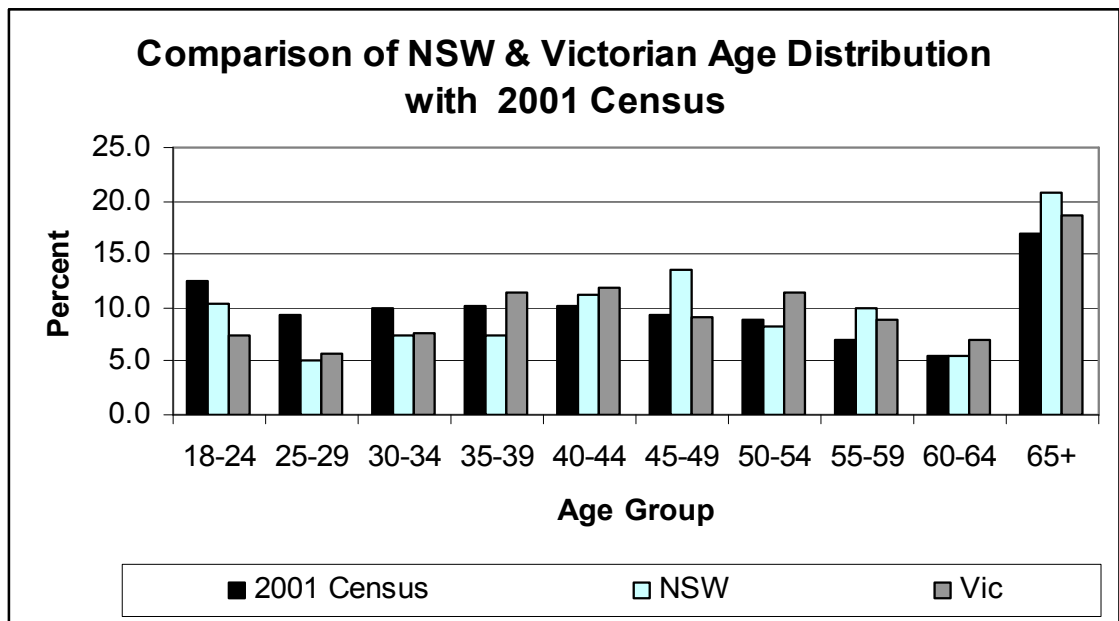


**Table 4.2: Distribution of age groups in the CPC Survey and the 2001 Census**

Sample group	Sample %	2001 Census %	Significantly different (1)	Difference
18-24	8.6	12.5	Yes	-3.9
25-29	5.5	9.4	Yes	-3.9
30-34	7.4	10.0	Yes	-2.6
35-39	9.4	10.2	No	-0.8
40-44	11.8	10.2	No	1.6
45-49	11.4	9.4	Yes	2.0
50-54	10.0	8.9	No	1.1
55-59	9.6	6.9	Yes	2.7
60-64	6.3	5.6	No	0.7
Over 65	19.2	17.0	No	2.2
Missing	0.7			
Total	100.0	100.0		

Yes if Chi-square (df=1) > 3.841,  $p < 0.05$  formula =  $\chi^2 = \sum((O-E)/E)$

Mearns and Braithwaite (2001) highlight that these trends are typical of survey procedures, with similar distributions found in other Australian studies. These figures are represented graphically below in Figure 4.1.



**Figure 4.1: Comparison of age distribution in the CPC Survey with the 2001 Census**

**Occupation**

Comparison of the Census data for Australia with the distribution of occupations in the sample shows that there is an over-representation of managers and administrators, and of professional occupations (see Table 4.3 below). The sample under-represents intermediate production and transport workers, as well as elementary clerical, sales and service workers. Tradespersons, advanced and intermediate clerical workers, sales and service workers, and labourers and related workers are all correctly represented. Mearns and Braithwaite (2001) maintain that similar results have been found in other mail surveys, and suggest that the mail survey method is favoured by those occupations in which writing is a major part.

**Table 4.3: Distribution of occupational category in the CPC Survey and the 2001 Census**

Sample group	Sample %	Census %	Significantly different (1)	Difference
Managers & administrators	14.4	9.7	Yes	4.7
Professionals & associate professionals	36.4	31.4	Yes	5.0
Tradespersons, advanced clerical & related workers	15.8	16.5	No	-0.7
Intermediate clerical, sales & services workers	15.5	17.0	No	-1.5
Intermediate production & transport workers	6.4	8.3	Yes	-1.9
Elementary clerical, sales & service workers	4.8	8.5	Yes	-3.7
Labourers and related workers	6.8	8.5	No	-1.7
Total	100.1	99.9		

Yes if Chi-square (df=1) > 3.841, p<0.05 formula =  $\chi^2 = \sum((O-E)/E)$

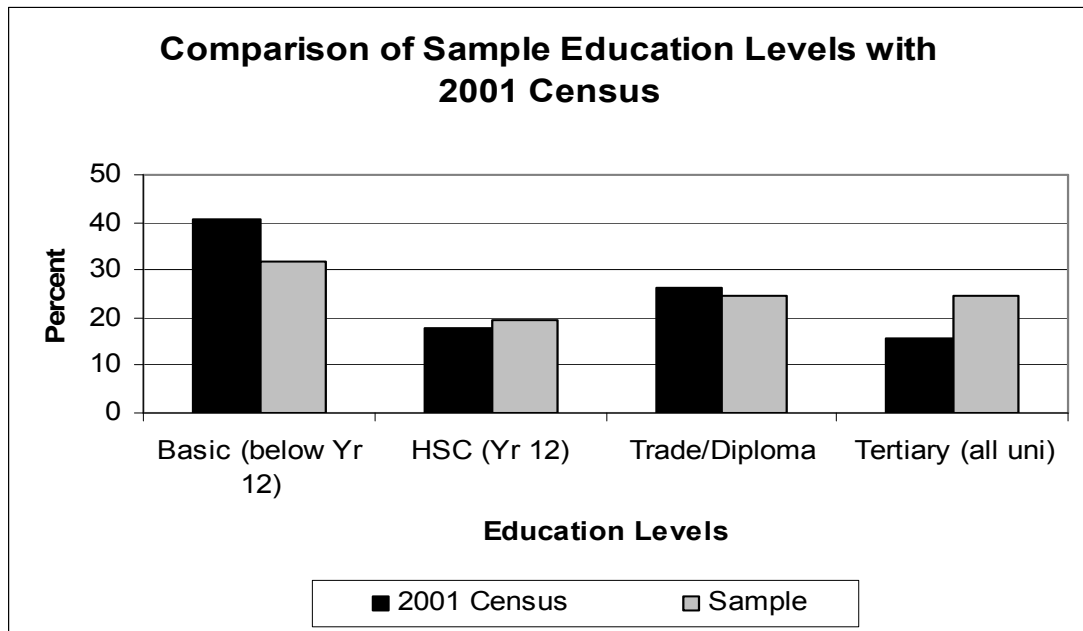
**Education**

Table 4.4 below shows there is a small over-representation of those who have completed post-secondary education (48.8% in the survey compared with 41.7% in the 2001 Census). This is due to under-representation of those who have not done or finished Year 12 – those who drop out of school before completing their secondary education – and an over-representation of those who went on to do tertiary studies. These results are consistent with the findings in similar surveys (Mearns and Braithwaite 2001).

**Table 4.4: Distribution of education level in the CPC Survey and the 2001 Census**

Sample group	Sample %	Census %	Significantly different (1)	Difference
No post-secondary education	51.1	58.3	Yes	-7.2
Post-secondary education	48.8	41.7	Yes	7.1
Total	99.9	100.0		
Basic (below Year 12)	31.6	40.6	Yes	-9.0
HSC (Year 12)	19.5	17.7	No	1.8
Trade/Diploma	24.4	26.1	No	-1.7
Tertiary (university)	24.4	15.6	Yes	8.8
Total	99.9	100.0		

Yes if Chi-square (df=1) > 3.841, p<0.05 formula =  $\chi^2 = \sum((O-E)/E)$



**Figure 4.2: Comparison of education levels in the CPC Survey with the 2001 Census**

The results for both education and occupation suggest there is a response bias in mail surveys towards those with a higher education and those in occupations involving writing (Mearns and Braithwaite 2001:10). The significance of this is that marginalised groups may not have their voice heard in this survey.

**Marital status**

**Table 4.5: Distribution of marital status in the CPC Survey and the 2001 Census**

Sample Group	Sample %	Census %	Significantly Different (1)	Difference
Never married	16.9	27.9	Yes	-11.0
Widowed	5.5	6.5	No	-1.0
Divorced/separated	81.8	11.4	Yes	-2.6
Married	68.8	54.2	Yes	15.6
Total	100.0	100.0		

Yes if Chi-square (df=1) > 3.841, p<0.05 formula =  $\chi^2 = \sum((O-E)/E)$

The never married and the divorced/separated are both under-represented in this survey, while those who are married are over-represented. Only those who are widowed are correctly represented. Those in stable relationships, or those who have been, seem more inclined to complete surveys. This might be because they feel more connected to others, or perhaps their lives are more settled and they have capacity and interest in engaging with community through a survey.

As the focus in this study is to test structural relationships, provided distributions on key variables are not truncated, structural relationships will be less sensitive to small departures in sample representativeness. The differences between the 2001 Census and the survey sample are small in all cases. Thus, the survey sample is considered to be sufficiently representative of the general population to test structural relationships.

### **Item non-response**

Item non-response or missing data in this survey was generally low. For example, the missing data on the age variable was 0.7% and the sex variable was 0.2%. Mearns and Braithwaite (2001) highlighted that in comparable surveys, such as the Australian Election Survey, 6.8% and 1.6% were missing on age and sex. Typically, percents missing on the attitudinal variables throughout the questionnaire were between 1% and 10%.

However, there were some variables with a large percent missing. For most of these there is a sensible explanation. A printing error with one question (page 14 question 2e) excluded the response scale which resulted in 41% of people skipping the question. This was not a question designed for use in the analysis for this study. There were a number of

questions designed specifically for those respondents who had children, those who were working, those who identified as non-supporters of a political party, or for those who had had specific contacts with a particular organisation or particular person. It is logical to assume that missing answers were those who do not do these things. There was a large missing percent for questions about what types of story people are most interested in when they read the newspapers, trust in people at your church or place of worship, and trust in people in the same clubs or activities as you. One explanation is that people who do not do these activities did not answer the question. A further response of ‘not applicable’ or ‘do not do this activity’ should have been included in the question to remove any doubts about reasons for non-response.

## **Research Measures**

This final part of the chapter details how the conceptual design was operationalised. This includes how the constructs of trust, civic engagement, world views and personal satisfaction, government performance, and social demographics were measured in the CPC Survey (Job 2000).

### ***Measuring Trust***

Most surveys measure trust in institutions in an aggregated way (for example, they ask for trust in government or trust in strangers), rather than trust in different levels of government or different government organisations, or trust in different types of unknown people. Rothstein and Stolle (2002) suggested this was a reason for results which show poor relationships between different types of trust and inadequate understanding about the development of trust at the political institutional level. In this study, different kinds of

institutions are disaggregated so that trust and its sources can be examined at the three institutional levels.

Social trust, or trust in strangers, is most often measured using a single item (see Inglehart 1999; Putnam 1993; Uslaner 2002):

Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?

There have been many criticisms of this question. Single item measures cannot control for measurement error in the analytical context as well as multi-item scales. This single item measure has ambiguous meaning: it may be measuring the trustworthiness of the respondent rather than how much they trust others; there may be possible respondent confusion about the meaning of the response options; and the question may be confusing to answer because of lack of context (Alesina and La Ferrara 2002; Hughes, Bellamy and Black 1999; Leigh 2004; Mishler and Rose 1998; Paxton 1999; Uslaner 2002). Even so, because of its long use in major surveys, such as the World Values Survey and the Eurobarometer survey, it continues to be used for comparative purposes (see Helliwell and Putnam 2004; Uslaner 2002). It was therefore included in the CPC Survey as a marker variable for connecting this study to others (for example, Braithwaite and Law 1985).

Others argue that trust is a multi-dimensional concept (Braithwaite 1998; Paxton 1999; Rothstein and Stolle 2002; Uslaner 2002). Nevertheless, few surveys measure trust multi-dimensionally (Newton 1999). Assuming a multi-dimensional framework, I reviewed the literature to collect measures of trust. They seemed to cohere around three themes: family;

strangers; and government. Uslaner (2002:52-53) predicted and found three distinct dimensions of trust: generalised trust (strangers); particularised trust (friends and family); and trust in government. In a study of trust in Philadelphia, the PEW Research Center for The People & The Press (1997) described two types of trust (people and institutions), although trust in people comprised a broad range of relationships, including immediate family as well as strangers (people you encounter downtown).

On the basis of these studies, I identified three dimensions empirically and used them for subsequent analyses: familiar trust; social trust; and political trust. Measures were used which left the meaning of trust open to the interpretation of the respondent. This type of measure is becoming more common in trust surveys, their value being that no assumptions are made about what respondents might include and not include (for example, the presence of evidence, positive feelings) in their judgements about trust (Levi and Stoker 2000). This section describes these dimensions and then proceeds to set out the psychometric analysis leading to their derivation.

### **Dimension 1: Familiar trust**

This dimension describes trust in relation to those one knows well and has a close relationship with, that is, friends and family. Four variables were chosen:

trust in people in your immediate family;

trust in people in your neighbourhood;

trust in your boss or supervisor; and

trust in the people you work with.



## **Dimension 2: Social trust**

This dimension was designed to measure trust in those one does not know well or does not know at all – people we would call strangers. Four variables were chosen:

- trust in people at your church or place of worship;
- trust in people in the same clubs or activities as you;
- trust in people who work in the stores where you shop; and
- trust in people you encounter down town.

The most commonly used single item social trust question, described above, was also included. The rating scale for this trust item ranged from 1 = “Most people can be trusted” to 7 = “You can’t be too careful”.

## **Dimension 3: Political trust**

The objective of a political trust dimension was to measure the trust people had in government institutions or organisations, that is, abstract systems and the strangers who administer them. However, it is hypothesised that this political dimension will not remain as one group but divide according to the expectations people have of different levels of government (Jennings 1998). Trust in state and local government is more relationally-based (‘linkage’ and ‘proximity’), whereas trust in a ‘distant’ federal or national government has more of an instrumental basis (Jennings 1998).

Nine variables were chosen to represent political trust:

- trust in the police stations in your area;
- trust in the fire station in your area;
- trust in the public schools in your area;
- trust in your local council;
- trust in the newspapers;
- trust in the television news channels in your city;
- trust in the hospitals in your city;
- trust in the tax office; and
- trust in the federal government.

The goal was to measure the extent to which people believed they could trust along these three different dimensions. A rating scale from 1 = “Trust them a lot” to 4 = “Not trust them at all” was used for each dimension to measure the degree one felt one could trust those familiar to us, strangers, and political organisations and institutions.

With these 18 measures in place, three questions needed to be answered:

- Is there evidence that the three trust dimensions are distinctively different from each other?;
- How do these three dimensions relate to the generalised trust measure?; and
- What differences exist in how much trust Australians place in these different dimensions?

### **Distinction between the trust dimensions**

To determine if the trust dimensions are different from each other, a principal components factor analysis (unforced) with a varimax rotation was performed. The results of the factor analysis are presented in Table 4.6 below.

The factor analysis did not divide the trust items into the three domains outlined above. Instead, the results showed four cleanly divided types of trust: (a) *social trust* – those in your town, your neighbourhood, shops, clubs, and church ( $M = 2.70$ ;  $SD = .57$ ;  $alpha = .81$ ); (b) *political trust* (in organisations *remote* from us)<sup>4</sup> – the federal government, the tax office, the local council, the newspapers and television news channels ( $M = 2.36$ ;  $SD = .56$ ;  $alpha = .78$ ); (c) *political trust* (in government organisations *providing services locally*) – police, hospitals, schools and fire stations ( $M = 3.22$ ;  $SD = .51$ ;  $alpha = .69$ ); and finally (d) *familiar trust* – your immediate family, your boss, and the people you work with ( $M = 3.24$ ;  $SD = .57$ ;  $alpha = .69$ ). 56% of the variance was accounted for.

These results make it clear that there are distinctive trust dimensions. They also suggest that there may be cultural differences in the trust people have in others. The results show four dimensions in Australia, contrasting with the three dimensions Uslaner (2002) found in the United States with very similar items.

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<sup>4</sup> These organisations are psychologically/socially remote in that they do not directly help people.

**Table 4.6: The trust measures – results of a principal components factor analysis and varimax rotation of trust variables**

	Factor 1	Factor 2	Factor 3	Factor 4
Trust Scale	Social	Political (remote)	Political (local)	Familiar
People encountered downtown	.852			
People in stores where you shop	.807			
People in same clubs or activities	.623			
People in neighbourhood	.609			
People in church	.422			
Newspapers		.839		
Television news channels		.780		
Federal government		.621		
Local council		.598		
Tax Office		.577		
Fire stations			.815	
Police stations			.733	
Hospitals			.549	
Public schools			.532	
Boss or supervisor				.757
Immediate family				.700
People you work with	.409			.700
Most people can be trusted	-	-	-	-
% variance	16%	15%	12%	12%
Total variance		56%		

The extra dimension occurred with the division of political trust into two distinct dimensions: organisations people know and hear about but with which they are less likely to have direct contact; and those organisations which provide necessary services to the community, are clearly visible in people's communities, and with which they may have regular direct contact. This result was anticipated by Jennings' (1998) findings that people have stronger links or are in closer relationships with state and local government than they are with federal government. This was confirmed to some extent although the difference with Jennings' findings is the division of government organisations which provide services at the local community level from federal and local government organisations which are more politically oriented.

While it was thought that Australians would consider their neighbours as friends or feel they knew them well, it is not a surprise that neighbours are thought of as strangers (see also Uslaner 2002). People no longer live in the same neighbourhood for most of their lives as was once the case. People move house more than they used to, often because of work demands, so we do not know our neighbours as well as earlier generations did. Also, people spend more time at work, and more people are now in the workforce.

There was only one double loading: co-workers loaded with both the social trust and the familiar trust dimensions. This is not surprising as we know some co-workers well and others not as well. As the loading with the social trust factor was substantially lower than with the familiar trust factor, the item was retained for only the familiar trust scale. The loading for trust in people at your church was low compared with the other loadings in the social trust dimension. Ambiguity may have been introduced by the context. Trust within a church setting may differ from trust outside these boundaries.

It is interesting to note that the commonly used generalised trust question did not factor with any of the other trust domains. It was expected that it would factor with the multi-item social trust scale. This result supports criticisms that lack of context with the general measure means that respondents are making their response through aggregating the familiar, the social and the political. The purpose of this thesis is to disaggregate and examine differences between the different domains of trust.

### **Relationship between the trust dimensions and the generalised trust measure**

Scale scores were calculated by averaging a respondent's scores on the items that loaded highly on each dimension in the principal component analysis. After summing responses to the scale items, totals were divided by the number of items in the scale to bring the final scores back to the original metric. Scale scores therefore ranged from 1-4 for each scale.

The relationship between the four trust dimensions found above and the commonly used single item measure of generalised trust is examined using Pearson's product-moment correlations. This will provide insight into which types of trust the generalised measure best captures, and also shed light on the interrelatedness of the trust dimensions. If these empirically derived trust measures are conceptually distinct, the intercorrelations should be lower than the internal consistency coefficients (Cronbach's alpha) for each scale. The correlation results are presented in Table 4.7 below.

**Table 4.7: Pearson product-moment correlation coefficients between trust dimensions and generalised trust measure with alpha reliability coefficients on the diagonal**

Trust measures	1.	2.	3.	4.	5.
1. Familiar trust	-.69				
2. Social trust (single item)	.351**	-(na)			
3. Social trust (multi-item)	.527**	.399**	-.81		
4. Political trust (local)	.333**	.269**	.494**	-.69	
5. Political trust (remote)	.254**	.242**	.405**	.470**	-.78

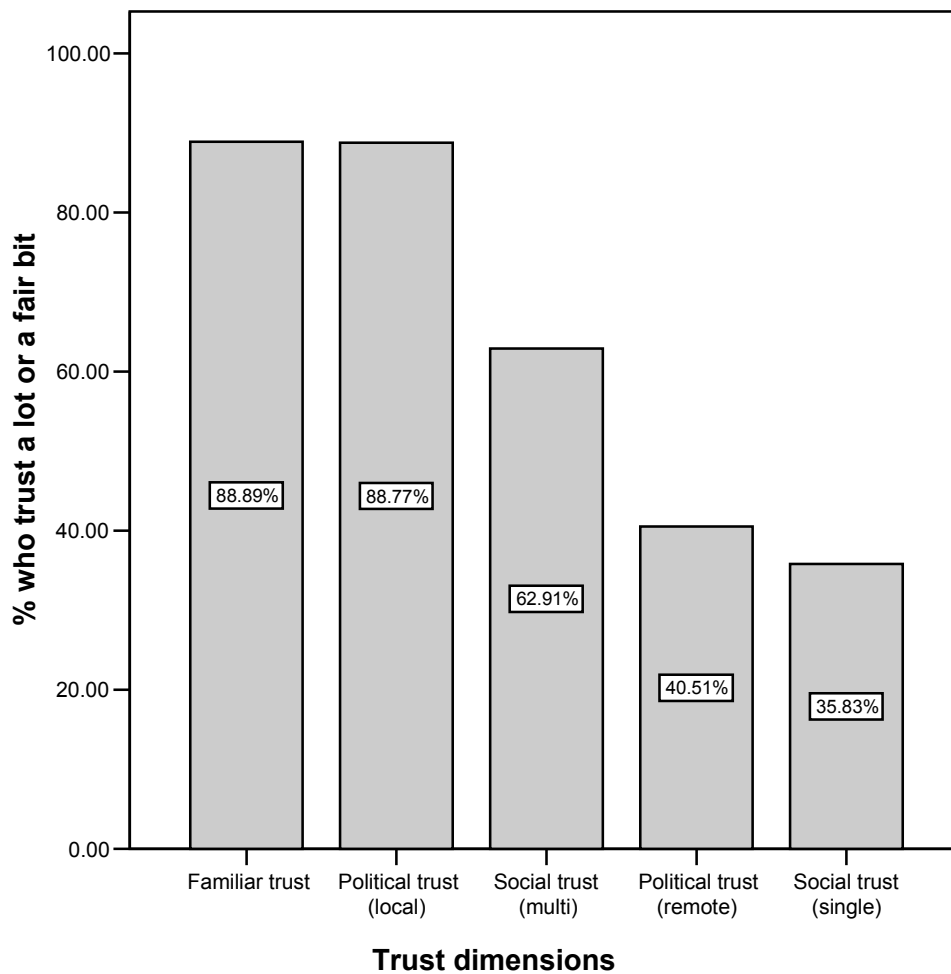
\*\* Correlation is significant at the 0.01 level (2-tailed)

These correlations confirm that the different types of trust are significantly and positively related. Of note is that the single item generalised trust measure has modest correlations with all four types of trust. Importantly, the inter-correlations between the scales are notably strong in some instances, but none exceed the alpha score in the diagonal of Table 4.7.

I will therefore proceed using five measures of trust: four related to context (family and friends, strangers, government organisations at local level, and remote government organisations), and one generalised trust measure commonly used in trust research.

### **Degree to which Australians trust in these different dimensions**

Means were used to examine what differences might exist in the degree to which Australians trust in these different dimensions. To do this, the scores for the trust dimensions were dichotomised at the midpoint (2.5) to differentiate between those scoring 3 (“trust them a fair bit”) and 4 (“trust them a lot”), assumed to have high trust, and those scoring 1 (“not trust them at all”) and 2 (“trust them only a little”), assumed to have low trust.



**Figure 4.3: Percentage of Australians trusting others on dimensions of familiar trust, political trust (local), social trust (multi), political trust (remote) and social trust (single)**

Each bar in Figure 4.3 above represents the percentage of people who obtained an average score of above 2.5 on the relevant trust dimension. The graph highlights that Australians have most trust in those with whom they are on familiar terms, that is, family and friends. There is no surprise here. However, what is surprising is they have nearly as much trust in government organisations which provide services at the local level as they do in their family and friends. Trust in local government institutions is higher than trust in remote political institutions such as the federal government or the tax office.



Also interesting is the marked difference between the commonly used single social trust question and the multi social trust dimension. The degree to which respondents trust ‘most people’ appears to be much less than they report for specified groups of ‘others’. Perhaps the lack of context in this single question makes people feel cautious and less trusting, or perhaps they think of the worst case scenario.

### ***Measuring civic engagement***

Civic engagement and associational membership have been measured in many different ways. Some use secondary sources of data to measure membership levels of different types of organisation (Hall 1999), or to consider the density of associations and organisations in a particular geographic area (Putnam 1993). Others collect individual units of data by asking people about their involvement in a range of organisations and activities (PEW Research Center for The People & The Press 1997; Putnam 2000b; Stone and Hughes 2002). Debate continues about how best to measure ‘social capital’, of which civic engagement and associational membership are major aspects. This survey design and ABS data suggesting organised involvement in group activities may be low (for example, the most recent ABS time use survey, Catalogue No. 4153.0 How Australians Use Their Time 1997) led to the decision to gather information about the frequency of people’s involvement in a wide range of activities and organisations.

Using the civic engagement activities highlighted by Putnam (1993; 2000a; 2000b) as a guide (recreational, cultural and leisure associations; newspaper readership; politics of issues and patronage; volunteering; union and political party membership; religious attendance), four domains of civic engagement were identified for measurement. Not all Putnam’s measures were applicable to Australia, for example, voting in general elections

and referenda. Voting in Australia is compulsory and, therefore, not a measure of interest in civic affairs.

### **Domain 1: Personal activity**

This domain was defined by people's involvement in nine kinds of leisure or personal improvement activities adapted from the PEW Trust and Civic Engagement in Metropolitan Philadelphia Survey (PEW Research Center for The People & The Press 1997):

- taking continuing or adult education classes;
- exercising or working out;
- attending a self-help group, such as those to help you lose weight, quit smoking, or make other personal improvements;
- attending clubs, or association activities;
- attending church or religious services;
- participating in a reading group, or other special interest group;
- participating in organised sporting activities;
- playing cards or board games with a usual group of friends; and
- using a computer to send or receive personal e-mail, or to get involved in on-line discussions or chat groups over the Internet.

### **Domain 2: Volunteering activity**

This domain focussed on measuring whether people actually spent time helping others without being paid to do so. Based on the PEW Trust and Civic Engagement in

Metropolitan Philadelphia Survey (PEW Research Center for The People & The Press 1997), nine measures were chosen to determine voluntary work:

- any church or religious group;
- any political organisation or candidates;
- any school or tutoring program;
- any environmental organisations;
- any child or youth development programs, such as day care centres, sporting groups;
- any arts or cultural organisation, like a theatre or music group, museum, or public TV station;
- any hospital, health or counselling organisation;
- any local government, neighbourhood, civic or community group such as your community association or neighbourhood watch; and
- any organisation to help the poor, elderly or homeless.

Participation in children's activities was included by asking if people had children, were they engaged on a regular basis with their children's recreational activity (for example, by transporting their children, watching their children) in:

- sports teams or sporting activities;
- music or dance lessons;
- art and craft activities; and
- other activities.

### **Domain 3: Political activity**

Seven activities, adapted from the PEW Trust and Civic Engagement in Metropolitan Philadelphia Survey (PEW Research Center for The People & The Press 1997), were chosen to measure people's political participation:

- attended a town council meeting, public hearing or public affairs discussion group;
- called or sent a letter to any elected official;
- joined or contributed money to an organisation in support of a particular cause;
- participated in union activities, professional or industry association activities;
- joined together with co-workers to solve a workplace problem;
- participated in professional or industry association activities; and
- contacted your local council members.

### **Measurement strategy for domains 1-3**

The 29 activities covering these three domains were measured by asking people how much time they had spent participating in each activity in the last six months: "How often in the last 6 months – 1 = never; 2 = sometimes; 3 = monthly; 4 = weekly; and 5 = daily". Participation in children's activities was measured using a 5-point scale: 1 = "more than once a week"; 2 = "once a week"; 3 = "now and again"; 4 = "not at all"; and 5 = "not applicable".

#### **Domain 4: Media engagement**

A fourth domain represented people's interest in the news with five questions adapted from the PEW Trust and Citizen Engagement in Metropolitan Philadelphia Survey (PEW Research Center for The People & The Press 1997):

Do you regularly watch the news on television?;

Did you watch the news or a news program on television yesterday?;

Do you read any daily newspaper or newspapers regularly?;

Did you get a chance to read a daily newspaper yesterday?; and

Do you ever listen to the news on the radio?

These items were measured using dichotomous categories of 1 = "yes" and 2 = "no".

The objective in measuring civic engagement in the ways described above was not to obtain indicators of social well-being or people's predisposition to particular types of activity. Thirty-four items were used to measure *actual* behaviour, that is, what people actually do as opposed to what they might like to do. This yielded a different result from those researchers who use civic engagement as a measure of social well-being or satisfaction with their social activities. Most importantly, it demanded a different measurement model for aggregating scores. A person who engages with one or two organisations is assumed to be more civically engaged than someone engaged in none. But a person who spends time daily with an organisation is not assumed to be more civically engaged than weekly or monthly.

The four domains were therefore not derived by factor analysis but grouped theoretically on the basis of Putnam's studies of social capital in Italy and the United States. Putnam's work was influenced by de Tocqueville's (1953) thesis that networks of associations and interest in civic affairs produces trust and cooperation within a community.

The frequencies for the individual civic engagement items (reported in Appendix E) show strongly skewed items, indicating that most people did not participate to a great extent in activities outside work or the home. There were two exceptions: engaging in exercise activities; and engagement with the news. 56% of respondents engaged regularly in exercise activities. 90% of respondents listened to the news on the radio, 88% regularly watched the news on television, and 67% regularly read a daily newspaper. For all other activities, less than 40% of respondents engaged on a regular basis, with regular engagement in volunteering activities being especially low (10.6% for volunteering for a church or religious group was the highest).

Aggregated indices of civic engagement were constructed by using a count of the number of activities participated in within each of the four domains. The aim was to assess diversity of participation (for example, how many different things do you do) rather than intensity of involvement in a particular activity (for example, how often do you work out at the gym) (see Braithwaite et al. 1992). So that indices based on regular participation could be compared with simple exposure to an activity, two types of indices were formed – diversity of regular participation, and diversity of exposure to participation.

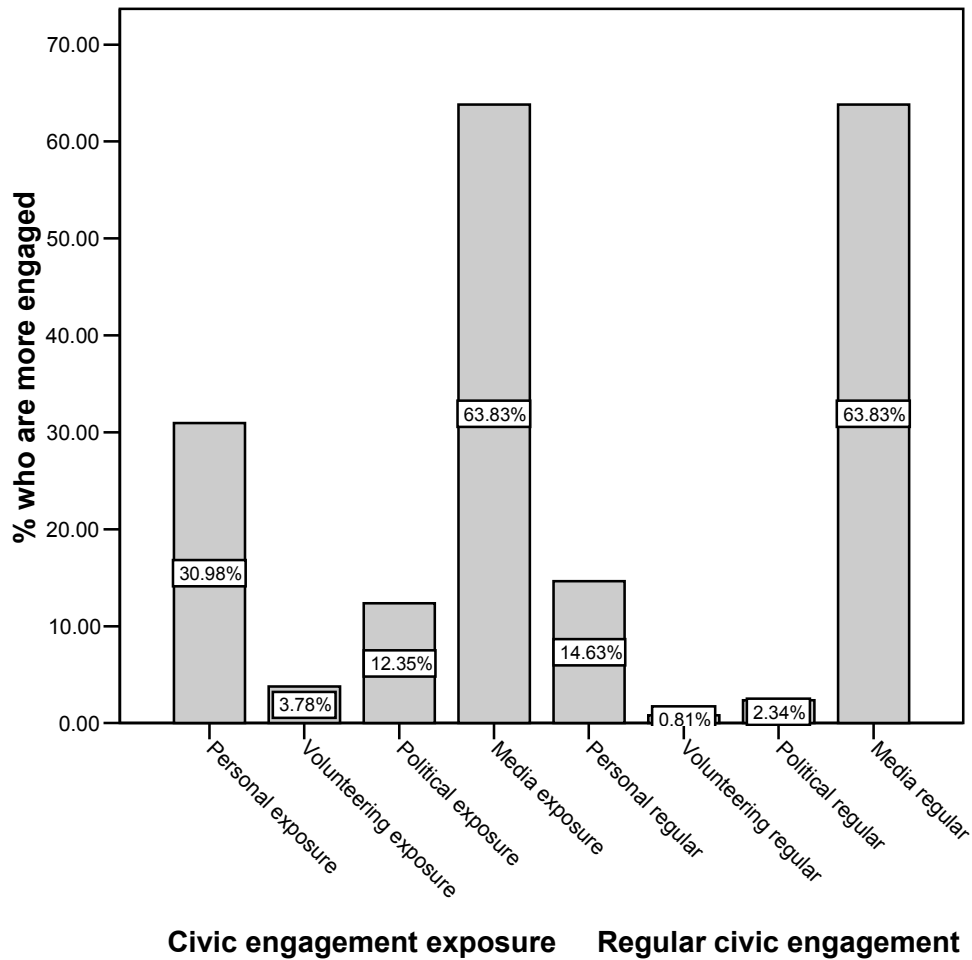
To form the indices the items were dichotomised. To be regularly civically engaged, the respondent had to participate in the activity "monthly, weekly or daily" versus "never and sometimes". Exposure to civic engagement was derived by combining the responses

“sometimes, monthly, weekly, daily”, as opposed to “never”. The indices were then formed by summing how many of the activities a respondent engaged in regularly compared with a count of activities a respondent was exposed to. These indices were calculated for each domain: personal; volunteering; political; and media interest.

### **The activities Australians engage in more often**

The graph below compares the indices of regularity with those of exposure to illustrate the degree to which people engage in the different domains of civic engagement described above. To do this, the scores for each of the civic engagement indices were dichotomised at the midpoint to differentiate between those who scored high and are assumed to be highly exposed to civic engagement or highly engaged on a regular basis, and those scoring low on exposure to or regular civic engagement, representing those who engage least often.

Figure 4.4 below highlights the major differences in people’s participation in different types of activity, representing the percentage of people who scored above the midpoint on the relevant civic engagement index. The graph highlights that engagement in volunteering and political participation is least common, while engagement in personal leisure activities and interest in the news are popular activities. Passive engagement with civic affairs seems to be what people favour rather than actually involving themselves in their communities. With the exception of media, regular activity is less common than activity exposure, as might be expected.



**Figure 4.4: Percentage of Australians civically engaging on domains of exposure to civic engagement and domains of regular civic engagement**

**Relationship between the civic engagement domains**

In order to examine the relationships between the civic engagement indices, Pearson’s correlation coefficients were calculated between the various indices. The results of the correlations between the civic engagement variables in Table 4.8 below show that the different types of civic engagement are significantly and positively related to each other.



**Table 4.8: Inter-correlations between the civic engagement indices**

Index	1.	2.	3.	4.
<b>Regular engagement</b>				
1. Personal activities	-	.308**	.278**	.039
2. Volunteering activities	-	-	.268**	.009
3. Political participation	-	-	-	.088*
4. Engagement with the media	-	-	-	-
	5.	6.	7.	8.
<b>Exposure to engagement</b>				
5. Personal activities	-	.452**	.389**	.061
6. Volunteering activities	-	-	.364**	.040
7. Political participation	-	-	-	.135**
8. Engagement with the media	-	-	-	-

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

These moderate relationships confirm that related, but not the same, concepts are being examined. The exception is engagement with the media which did not correlate with any civic engagement variables except political participation. Analysis will proceed using these eight indices of civic engagement. (In the next chapter, it will be shown empirically that the most promising civic engagement measures are regular engagement in personal and volunteering activities not political activities or engagement with the media, but to decide *a priori* limits opportunities for finding support for Putnam's social capital theory.)

### ***Measuring world views and personal satisfaction***

Four groups of items were used to measure people's world views and the satisfaction they felt with their own lives: satisfaction with life; values; commitment to Australian society; and obligation to government and the law.

### **Domain 1: Satisfaction with life**

Happiness and *satisfaction with life* have been associated with trust (PEW Research Center for The People & The Press 1997; Putnam 1993; Uslaner 2002). Satisfaction with one's life was measured in this study by combining two items: one item from the Pew survey (PEW Research Center for The People & The Press 1997) (a) "Overall, how would you rate your city or town as a place to live?", scored on a five-point scale from 1 = "excellent" to 5 = "poor"; and one item from Putnam's (1993) Italian study which is also used in the Eurobarometer Survey (b) "Generally speaking, how satisfied are you with the life you lead?". These items were scored on a five-point scale from 1 = "very satisfied" to 5 = "very dissatisfied". Both items were reverse scored so that a high number indicated high satisfaction. The scores were standardised to z-scores before being averaged to form a satisfaction index ( $M = .0013$ ;  $SD = .81$ ;  $alpha = .49$ ). While Cronbach's alpha for this scale is low, it is an acceptable level given that there are only two items in the scale (see Braithwaite and Law 1985).

### **Domain 2: Values**

Values have been found relevant to social trust (Inglehart 1999) and to trust in government (Braithwaite 1998). They were measured in this study using a modified version of the goal, mode and social values inventories (Braithwaite and Law 1985) which was used in the Community, Hopes, Fears, and Actions Survey (Braithwaite 2001). Measures of both harmony and security values were included to reflect differences in world view, and were scored on a seven-point scale from 1 = "reject" to 7 = "accept as of utmost importance". As these are established scales a factor analysis is not reported here.

The factor structure is substantially the same as that reported by Braithwaite, Reinhart, Mearns and Graham (2001).

Five items measured *security values* which highlight the aim of protecting one's interests from the domination of others ( $M = 5.56$ ;  $SD = .951$ ;  $alpha = .80$ ):

National greatness (being a united, strong, independent, and powerful nation);

Reward for individual effort (letting individuals prosper through gains made by initiative and hard work);

National security (protection of your nation from enemies);

The rule of law (living by laws that everyone must follow); and

National economic development (having greater economic progress and prosperity for the nation).

Ten items measured *harmony values* or the ideals of cooperation, peace and equality ( $M = 5.65$ ;  $SD = .827$ ;  $alpha = .86$ ):

A good life for others (improving the welfare of all people in need);

Rule by the people (involvement by all citizens in making decisions that affect their community);

International cooperation (having all nations working together to help each other);

Social progress and reform (readiness to change our way of life for the better);

A world at peace (being free from war and conflict);

A world of beauty (having the beauty of nature and the arts);

Human dignity (allowing each individual to be treated as someone of worth);

Equal opportunity for all (giving everyone an equal chance in life);

Freedom (being able to live as you choose whilst respecting the freedom of others);

Greater economic equality (lessening the gap between the rich and the poor); and

Preserving the natural environment (preventing the destruction of nature's beauty and resources).

### **Domain 3: Commitment to Australian society**

Social norms, moral obligation and duty to others have been recognised by several theorists as a source of trust (Granovetter 1985; Nooteboom 2003; Putnam 1993). For example, Putnam (1993:171-172) maintains that social trust is built in part by norms of reciprocity which are developed because they decrease costs to the individual, reduce opportunistic behaviour and facilitate collective action and cooperation. Those who identify with the goals of others in their community are more likely to trust others (Tyler 1990; 2001). Feeling an obligation to contribute to Australian society was measured through a scale representing a duty to help in meeting the goals of those in the wider community, *commitment to Australian society*. Six items were adapted from a study of ecotourism in Australia by Blamey and Braithwaite (1997), and asked for respondent's opinion about the obligations that people in general have to share in the costs of:

protecting the environment;  
providing health care;  
providing education;  
providing welfare benefits;  
providing for defence of the country; and  
building national highways.

The items were measured on a five-point scale from 1 = “strongly disagree” to 5 = “strongly agree” ( $M= 3.97$ ;  $SD = .685$ ;  $alpha = .86$ ).

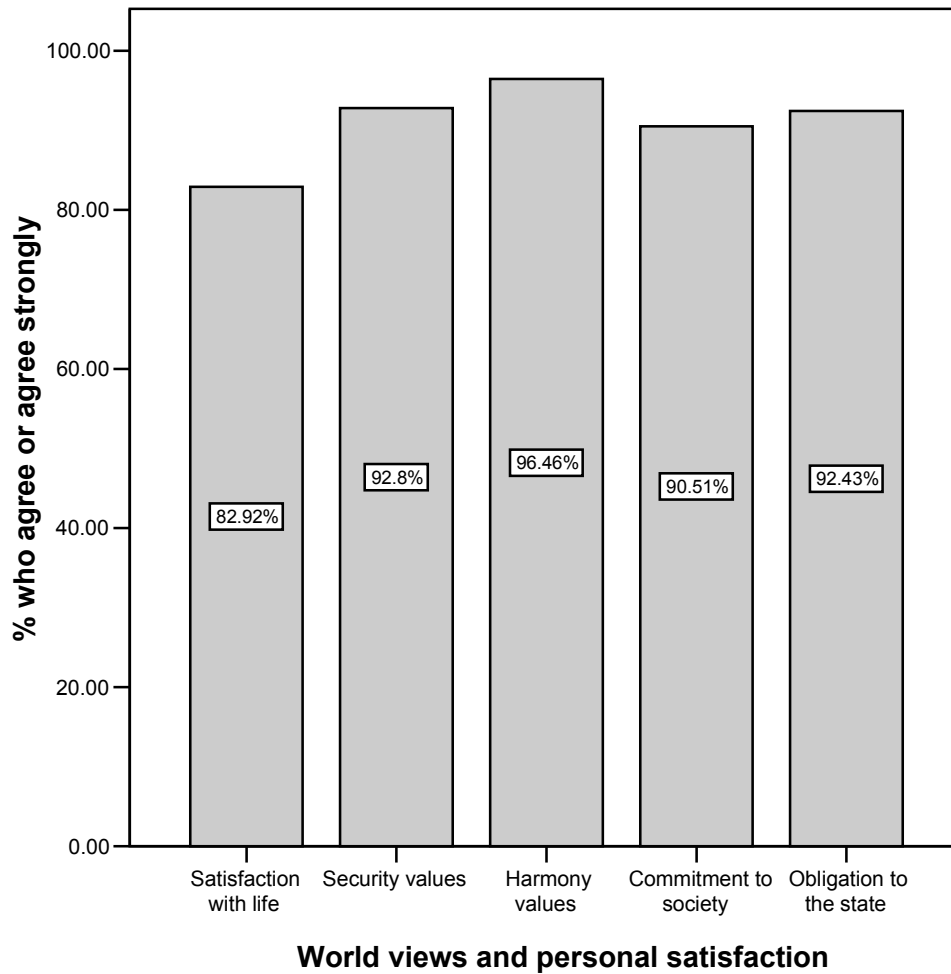
#### **Domain 4: Obligation to the state**

Social norms and obligation to others as a source of trust applies not only to people in our community but we learn to cooperate with, or transfer our trust, to those we do not know, including government (Fukuyama 1995; Levi 1998; Putnam 1993). Generalised reciprocity has been examined in the context of duty to pay one’s taxes and trust in government to deliver services for the taxes paid (Scholz and Lubell 1998). In this study, people’s sense of responsive or ethical reciprocity towards government and the law was measured using questions adapted from work by Levi and DeTray (1992) and Braithwaite (1992). The *obligation to the state* scale was measured with three questions: (a) “People should comply with the taxation system because it is the law”; (b) “If governments contribute to society’s well-being, it is only right that we comply with their legislation”; and (c) “It is our duty as citizens to comply with the taxation legislation”. There were five response categories from 1 = “strongly disagree” to 5 = “strongly agree” ( $M= 3.97$ ;  $SD = .557$ ;  $alpha = .70$ ).

The scales for satisfaction with life, values, commitment to Australian society, and obligation to the state were formed by summing responses to the items and dividing the total by the number of items in the scale to bring the scores back to their original item metric (1 to 7 for the values, and 1 to 5 for the other three constructs).

### **Australians' world views and satisfaction with their life**

As before, the scores for these domains were dichotomised at the midpoint to capture the percent of people who were positive in their satisfaction with life (that is, above 3), who endorsed security and harmony values as important, very important or of utmost importance (that is, greater than 4), who agreed or strongly agreed that all Australians should be committed to Australian society (that is, greater than 3), and who agreed or strongly agreed that people should have an obligation to the state (those who scored above 3). The graph below shows a fairly consistent pattern that most people are satisfied with their lives, they have strong harmony and security values, they have a strong commitment to Australian society, and they feel a strong obligation to the state.



**Figure 4.5: People’s satisfaction with life and world views**

### ***Measuring government performance***

Figure 4.5 shows a positive view of Australian society. One inference is that there is a shared collective identity of being Australian, and of contributing to Australian society. This does not mean that Australians cannot criticise their government’s performance. Institutional or rational theories of trust hold that trust in government is built through evaluation of performance (Bouckaert and Van de Walle 2003; Mishler and Rose 1998; 2001). In western democracies, rational theory focuses particularly on economic performance (Mishler and Rose 1998). However, people also consider the quality or integrity of government performance (Hetherington 2001; Jones and George 1998;

Mishler and Rose 1998; PEW Research Center for The People & The Press 1997; Putnam 1993; Tyler 1997). This is being measured in emerging democracies, such as the ex-communist countries, through people's perceptions of the ethical performance of government and government respect for individual freedom, as well as perceptions of economic performance (Mishler and Rose 1998). These are all measures of social perceptions which are subjective, evaluative and influenced by our values (Hudson 2004), and which have been associated with trust (Hetherington 2001; LaFree 1998; Putnam 1993). In this study both economic and ethical performance have been considered.

Three foci of government performance were included: government spending of public money; citizen perceptions of honesty or corruption in government; and social exclusion through people's feelings of powerlessness.

### **Domain 1: Efficiency in government spending**

As in other studies (Bouckaert and Van de Walle 2003; Dean, Keenan and Kenney 1980; Hetherington 2001), economic performance has been measured by assessing how well people think government spends the money they pay in taxes. Rather than using a single measure as is often done, other measures were added to ensure that *efficiency in government spending* was being fully tested. Four items were used: (a) "The government spends tax money wisely"; (b) "I would like to see lower taxes, even if it means fewer government services"; (c) "Most government services are of benefit to me"; and (d) "Government spending often ends up in the hands of people who deserve it least". Each item was measured on a five-point scale from 1 = "strongly disagree" to 5 = "strongly agree". Items (b) and (d) were reverse scored for the analysis ( $M = 2.721$ ;  $SD = .657$ ;  $\alpha = .50$ ).



## **Domain 2: Political corruption**

Ethical performance has been measured by perceptions of government corruption or honesty (Hetherington 2001; Jones and George 1998; Mishler and Rose 1998; PEW Research Center for The People & The Press 1997; Putnam 1993). Two items were adapted from Putnam's Italian study (1993) to make the *corruption* index: (a) "Generally speaking would you say that politics in your city or town is honest or corrupt"; and (b) "And how would you describe politics in Australia – honest or corrupt". Both items were measured on a 7-point scale from 1 = "honest" to 7 = "corrupt" ( $M = 3.95$ ;  $SD = 1.268$ ;  $alpha = .78$ ).

It is interesting to note the scores for the individual questions. The mean for corruption at the local level is 3.77 ( $SD = 1.393$ ), while the mean for corruption at the remote federal level is 4.15 ( $SD = 1.414$ ). People perceive more corruption or lack of honesty in politics at the federal level.

## **Domain 3: Citizen powerlessness**

Within a democracy, awareness of personal freedom can be passive or active. Freedom can be denied through oppression and preventing people from exercising their rights. Freedom can also be denied through not listening to or respecting the views of citizens. While personal freedom is not an issue in Australia as it is in the ex-communist countries, a measure of the extent to which people feel they have a say in how the country is governed has been included. While people in western democracies have freedom of movement and speech, and the right to elect their government, 'freedom' here refers more

to their perceptions of their ability to influence how the government and their community works. Increasingly, people in western democracies feel they do not have a say in how things are run (Skocpol 2003), and as a consequence feel alienated and powerless (LaFree 1998). Empowerment was highlighted as being important in shaping trust in the 1997 survey of trust and civic engagement in Philadelphia (PEW Research Center for The People & The Press 1997).

In this study *citizen powerlessness* was measured by adapting Putnam's (1993:110) Index of Powerlessness and Scholz and Lubell's (1998) political efficacy scale to make a six-item scale, scored on a five-point scale from 1 = "strongly disagree" to 5 = "strongly agree". Similar questions are used in the American National Election Study (see Uslander 2002).

Most people in positions of power try to exploit you;

The people who run the country are not really concerned with what happens to you;

What you think doesn't count very much;

I feel left out of what is happening around me;

The government is mainly run for the benefit of special interest groups; and

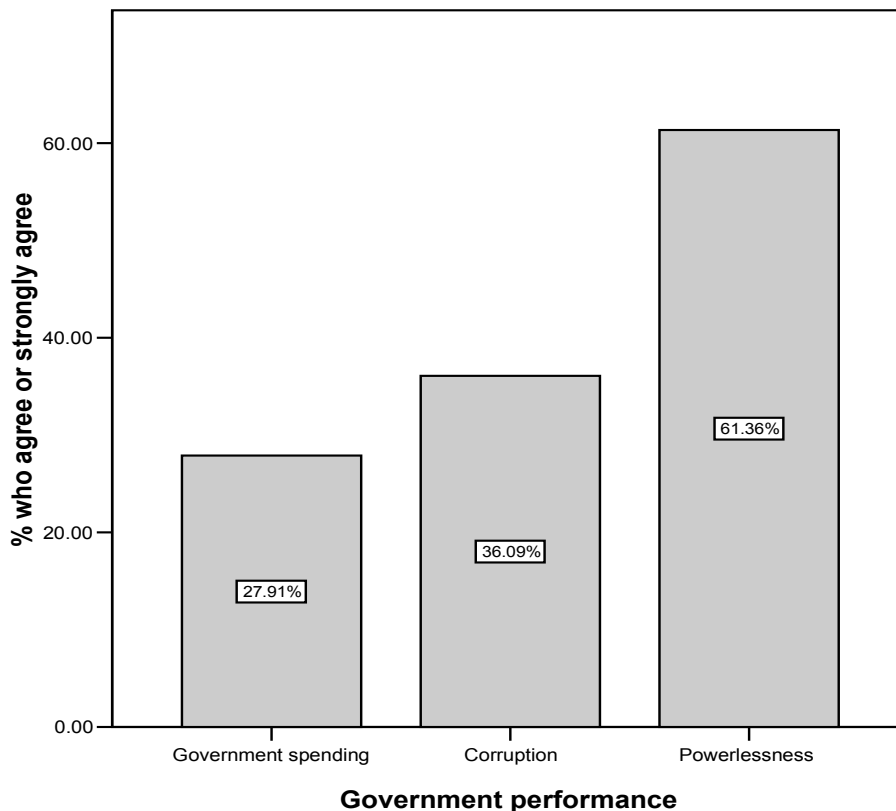
People like me don't have any say about what the federal government does.

The six items are highly correlated and factor together as one component, therefore, they were combined to form a single scale ( $M = 3.29$ ;  $SD = .782$ ;  $alpha = .84$ ).

As described previously, scales for these three domains were constructed by summing responses to the scale items and dividing by the number of items in the scale to bring the scores back to their original item metric (1 to 7 for corruption, and 1 to 5 for the two other domains).

### How Australians evaluate government performance

Figure 4.6 below illustrates the percentage of respondents who scored above the midpoint on the domains of government performance. These were the percent of people who were of the view that government spent money efficiently (those scoring above 3, meaning they agreed or strongly agreed); who perceived corruption in politics (those scoring above 4); and who agreed they felt powerless (that is, those above 3).



**Figure 4.6: Percent of Australians evaluating government performance on domains of government spending, corruption and powerlessness**

36% perceive there is corruption in politics in Australia and in the local councils in their town or city. 61% scored above the midpoint on feelings of powerlessness. This indicates that the majority of people do not feel they have a voice, or any control over what happens in their community, and/or that government does not care about them. Even more alarming were people's views on how efficiently they consider government to be in spending public money. The graph shows that 28% thought that government was spending money efficiently, meaning that 72% thought government was inefficient in the way it was spending public money.

### **Social demographics**

Social demographic measures were included first, to enable calculation of sample representativeness, and second, to test the proposition in the literature that sharing similar backgrounds generates trust (Thomas 1998). Micro-level cultural theory suggests different individual socialisation experiences can result in differences in trust (Jones and George 1998; Mishler and Rose 1998; 2001). Some studies, including the World Values Survey, have looked for differences on the basis of demographics such as gender, age, education, town size and income (Inglehart 1999; Mishler and Rose 2001; Putnam 1993; Uslaner 2002). Other studies have considered race as a factor influencing trust (Uslaner 2002). As a quarter of Australia's population was born overseas, ethnicity was included as a measure of different individual socialisation experience.

The questions used for these purposes were based on two well-established surveys – the Australian Election Survey and the International Social Science Survey – and included

age, sex, education, place of residence (urban or rural), ethnic background, marital status, and occupation.

*Age* was measured by asked people for their age in years ( $M = 48$ ;  $SD = 16.29$ ).

Respondents' *sex* was scored 0 = "female" and 1 = "male" (male = 49.2%; female = 50.8%). Marital status was measured on a five-point scale: 1 = "never married"; 2 = "now married"; 3 = "de facto relationship"; 4 = "widowed"; and 5 = "divorced or separated".

The scores were dichotomised to form the *marital status* variable, so that 1, 4 and 5 represented "not married now" and 2 and 3 represented "married now" ("not married now" = 31.2%; "married now" = 68.8%). *Ethnicity* was measured by asked people "Are you from a non-English speaking background", 1 = "yes" and 2 = "no" ("yes" = 22.9%; "no" = 77.1%).

People were asked for their highest education level, measured on a scale of: 1 = "No schooling"; 2 = "Primary schooling"; 3 = "Year 10"; 4 = "Year 12"; 5 = "Trade Certificate"; 6 = "Diploma course"; 7 = "University/tertiary degree"; and 8 = "Post graduate degree or diploma". This scale was collapsed to four levels of *education*: 1 and 2 = "basic" (31.6%); 3 and 4 = "to Year 12" (19.5%); 5 and 6 = "trade/diploma" (24.4%); and 7 and 8 = "tertiary" (24.4%). Respondents' *place of residence* was measured by asking them to describe whether they lived in: 1 = "a large rural area or small country town (up to 10,000 people)"; 2 = "a larger country town (up to 25,000 people)"; 3 = "a middle-sized city (up to 100,000)"; 4 = "a large city (up to 500,000)"; and 5 = "a metropolitan area (over 500,000)". The results were dichotomised so that 1, 2 and 3 represented "rural", and 4 and 5 represented "urban" ("rural" = 55.0%; "urban" = 45.0%).

People were asked what kind of work they did: (a) “job title”; (b) “main tasks that you do”; and (c) “kind of business or industry”. The responses were recoded into the Australian Standard Classification of Occupations (ASCO) codes used by the ABS which differentiate eight occupational types: managers and administrators; professionals; associate professionals; tradespersons and advanced clerical and service workers; intermediate clerical, sales and service workers; intermediate production and transport workers; elementary clerical, sales and service workers; and labourers and related workers. These eight occupation types were further collapsed into four groups of *occupation*: (1) managers and professionals = 38%; (2) associate professionals = 13%; (3) trade and clerical = 31%; and (4) labourers and transport workers = 18%.

Inter-correlations between all variables can be found at Appendix G.

## **Chapter summary**

Comparison of the survey population with the 2001 Australian national census showed some small differences, with under-representation of younger people (18-24 year olds) and over-representation of those occupations involving writing and the more highly educated. These differences are consistent with similar surveys. Overall, the survey population was sufficiently representative of the general Australian population to allow the planned statistical analyses to be conducted. Missing data in the survey were generally low.

Providing space at the back of the survey booklet and encouraging respondents to write comments proved successful in gathering qualitative data. 14% of respondents provided written comments, many of which were detailed and insightful about trust and

government performance. These comments will be used in forthcoming chapters to add explanatory value to the statistical results.

The five constructs (trust, civic engagement, world views and satisfaction, government performance and social demographics) used in this study were described and are summarised in Appendix F. Three dimensions of trust were selected *a priori* for testing: familiar trust, social trust and political trust. However, factor analysis identified four distinct dimensions by dividing political trust into organisations people know about but have little contact with (for example, the federal government and the tax office) and organisations which provide services in the local community (for example, schools, police, hospitals and fire stations). In general, results were similar to those in other countries but differences suggest that the way people think about trust is affected by culture. For example, among Australians, neighbours were considered to be strangers, while bosses and work colleagues formed part of the familiar trust dimension.

The results for the four dimensions of civic engagement (personal, volunteering, political, and media engagement) indicated that apart from engagement with exercise and the media, people did not participate regularly in activities outside their home. Yet, the results also showed that trust outside the home could be quite high. While it is too early to speculate, this may have implications for Putnam's thesis that the source of trust is through civic engagement.

Analysis of the measures of Australians' world views and satisfaction with their life (satisfaction with life, harmony and security values, commitment to Australian society, and obligation to the state) showed that most people are satisfied with their lives, they hold strong values, they are strongly committed to Australian society and feel a strong

obligation to government. This does not mean, however, that Australians do not evaluate and criticise the performance of government. Initial analyses of the measures of government performance (efficiency in government spending, political corruption and citizen powerlessness) indicated that more than one third of Australians perceive corruption in politics, over 60% feel powerless and 72% thought government was not spending public money efficiently.

These descriptive statistics summarise patterns in the survey responses and give basic information about the respondents and their attitudes towards trust, civic engagement, other Australians and government. While interesting, these descriptive results do not explain the relationships between these measures nor do they give any idea about how trust is sourced. In the next four chapters trust will be connected with these other dimensions of living and issues of governance. The following chapter will begin testing the conceptual links postulated among the trust and civic engagement variables. These analyses are organised around testing the socio-psychological/cultural theories of trust and Putnam's social capital theory.



## Chapter 5 – The splash site: Comparing social capital and early socialisation theories

*Since then those who liked one another so well as to joyn into Society, cannot but be supposed to have some Acquaintance and Friendship together, and some Trust one in another.*

John Locke, *Two Treatises on Government*, 1690

### Introduction

This chapter examines the development of social trust from a relational perspective. The claims of two socio-psychological/cultural theories will be compared: social trust develops through civic engagement and associational membership; and social trust develops as a result of our socialisation experiences in the family and our personal circle. Following this analysis, the chapter continues by testing whether social trust generalises to government and its organisations. Once there is some clarification about which of these socialisation theories best explains how social trust develops, and whether these theories extend to political trust, other aspects of socio-psychological/cultural theories will be tested in the next chapter. The rational perspective will be introduced and tested in the seventh chapter.

The analysis in this chapter will be undertaken in two steps. First, a correlational analysis will be conducted on the trust and civic engagement dimensions of the socio-psychological/cultural theoretical perspective to examine the relationships between these variables. This will be followed by regression analysis to test hypotheses about the role of association, in the form of civic engagement, and about the role of our experiences in our intimate circles in the development of trust.

## **The socialisation and civic engagement arguments in relation to social trust**

Over the preceding decade, Putnam has produced data which show that trust and social capital have declined rapidly, which he maintains has detrimental effects for the well-being of individuals, communities and governments. He has attracted the attention of governments with his vigorous campaign for people to get involved in their communities, arguing that this will rebuild social trust and increase government effectiveness. To be fair to Putnam the best test of his theory would be a field experiment where social activity was initiated and practised, and trust was followed up at a later point in time. This is not an easy method to implement, however. The present thesis contributes a more modest test by using data collected at one point in time, and asking if civic engagement and associational membership are related to social trust. First, the single item social trust measure used by Putnam and others will be related to civic engagement and associational membership. Second, a multi-item measure of social trust will be used to test the following hypothesis:

H5.1: Social trust will be high when we have positive relationships with others through civic engagement and associational membership.

Preceding Putnam's social capital thesis was the idea that one's orientation to the world and attitude towards others is developed in the company of one's primary caregivers and socialising agents (Cooley 1956; Erikson 1950; Parsons 1952; 1955). Within this framework, trust in others is an integral part of a person's identity and, according to social developmentalists like Erikson, develops in the early years of life. The best test of this hypothesis would involve collecting data on trust in childhood and using it to predict trust in adulthood. In the absence of such data, a more modest test of the socialisation thesis

was undertaken in this study. Therefore, the following hypothesis will be tested using both a single item measure and a multi-item scale:

H5.2: Social trust will be higher when feelings of trust in those in our family and close personal circle are high.

While bearing in mind the limitations posed by data collected at one point in time, the main purpose of the initial analyses is to determine which aspects of social learning provide the most plausible explanation of an individual's orientation or attitude of trust to the world.

### **Relationships between familiar trust, civic engagement and social trust**

The variables used to test these hypotheses are summarised in Table 5.1 below. Social trust is a single item measure and also it is represented as a multi-item scale. They will first be related to civic engagement as described in the previous chapter: involvement in one's community can be through participation in many different activities or through more involvement in just a few activities. This distinction is captured through the notion of occasional involvement in a given activity as distinct from regular involvement in a given activity. It was expected that regular exposure to the same group of people would be more likely to provide opportunity to build social trust than a fleeting exposure that would necessitate a more distant kind of social engagement. Empirically it was important to establish this, however. Table 5.1 summarises measures of these two types of involvement as they were described in Chapter 4. These hypotheses will be tested initially using Pearson product-moment correlation coefficients.

**Table 5.1: Concepts and measures to be tested in Chapter 5<sup>5</sup>**

Construct	Concept (Scale) Name	Score items
<i>Trust:</i>		
How much do you feel you can trust these people or organisations?	Familiar trust	1 = trust not at all
	Social trust (multi)	4 = trust a lot
	Political trust (local)	
	Political trust (remote)	
	Social trust (single)	1 = you can't be too careful 7 = most people can be trusted
<i>Civic Engagement:</i>		
How often have you done this in the last six months?	Personal regular	1 – 5 (count of how many activities done regularly, that is, monthly, weekly, daily)
	Volunteer regular	
	Political regular	
	Media regular	
	Personal exposure	1 – 5 (count of how many activities ever done, that is, sometimes, monthly, weekly, daily)
	Volunteer exposure	
	Political exposure	
	Media exposure	

The results of the correlational analysis linking social trust and civic engagement appear in Table 5.2 below.

<sup>5</sup> This table is an abbreviated version of a table detailing all the concepts and measures used in this study at Appendix F.

**Table 5.2: Correlation coefficients between social trust and civic engagement**

Civic engagement	Trust	
	Social (single item)	Social (multi-item)
<i>Exposure</i>		
Personal	.129**	.080*
Volunteer	.087*	.150**
Political	.159**	.067
Media	.053	.057
<i>Regular</i>		
Personal	.189**	.160**
Volunteer	.108**	.202**
Political	.130**	.100*
Media	.053	.057

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

The overall pattern of correlations between trust and regular civic engagement and trust and exposure to civic engagement was much the same, although generally, the regular civic engagement indices were the stronger. Personal activities, such as exercising, participating in organised sporting activities, and attending clubs had consistently positive relationships with social trust. Volunteering was also positively related to social trust.

These findings are supportive of Putnam's (1993) thesis.

Political engagement had weaker though significant positive links with social trust, particularly when measured as a single item and engagement is fleeting. There was no relationship between engagement with the media and either type of social trust, suggesting that what we hear or read about other people in the news has no impact on our attitudes of trust towards others generally. Within Putnam's framework it is encouraging

that those who volunteer, play sport and attend clubs have more social trust but it is disappointing that the links between engagement with the democracy and social trust are so weak.

The second hypothesis is that there will be high social trust when we have high feelings of trust in those in our close personal circle.

**Table 5.3: Correlation coefficients between familiar and social trust with regular civic engagement**

Variables	1	2	3	4	5	6	7
1. Familiar trust	-						
2. Social trust (single)	.35**	-					
3. Social trust (multi)	.53**	.40**	-				
4. Regular personal activity	.17**	.19**	.16**	-			
5. Regular volunteering	.14**	.11**	.20**	.31**	-		
6. Regular political activity	.11*	.13**	.10**	.28**	.27**	-	
7. Regular media activity	-.02	.05	.06	.04	.01	.09*	-

\*\*Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Note: Regular civic engagement and exposure to civic engagement produced similar results, with regular engagement producing slightly stronger coefficients.

In Table 5.3 above, it can be seen that the correlation between familiar trust and social trust measured either as a scale or a single item is strong. Trust developed in the family and in one's personal circle is more strongly connected to social trust than were the civic engagement variables. The correlation for the multi-item social trust variable was much stronger than for the single item trust variable. These results support Hypothesis 5.2, and are consistent with the argument that socialisation in the early years of life has a stronger influence on the development of social trust than civic engagement and associational membership.

Of interest in Table 5.3, however, are the positive correlations that emerge between familiar trust and regular civic engagement, of the same order as was observed between social trust and civic engagement. The fact that the two predictors – civic engagement and familiar trust – are related raises the question of whether social trust in strangers is directly associated with familiar trust or with civic engagement, or does one work through the other? It does not seem plausible that civic engagement would increase familiar trust, but it does seem plausible that familiar trust might increase civic engagement. These questions will be addressed later in the chapter.

### **The socialisation and civic engagement arguments in relation to political trust**

The second objective in this chapter is to investigate the proposition that social trust generalises to political trust. As discussed in the second chapter, some maintain that socio-psychological/cultural theories of trust do not generalise beyond strangers. The focus of this chapter is on assessing the plausibility of the alternative: if one trusts those one is close to, this attitudinal orientation should extend beyond to others one does not know, and also to abstract systems such as government and its organisations.

In keeping with the results of the factor analysis of the trust items presented in Chapter 4, political trust is differentiated in two ways: trust in local service institutions; and trust in remote political institutions (see Table 5.1 for summary description). Both aspects of political trust will be examined. The following hypotheses were developed to test how civic engagement, familiar trust, and social trust relate to political trust at the local level:

H5.3: Regular civic engagement and associational membership is positively correlated with trust in government organisations which provide services at the local community level;

H5.4: Trust in one's family and close personal circle is positively correlated with trust in government organisations which provide services at the local community level;

H5.5: Trust in strangers is positively correlated with trust in government organisations which provide services at the local community level.

A similar set of hypotheses was developed to test how trust in institutions at the remote political level is developed. An additional hypothesis was included to test the effect of trust in government institutions at the local level on developing trust in remote political institutions:

H5.6: Regular civic engagement and associational membership is positively correlated with trust in government organisations at the remote political level;

H5.7: Trust in one's family and close personal circle is positively correlated with trust in government organisations at the remote political level;

H5.8: Trust in strangers is positively correlated with trust in government organisations at the remote political level;

H5.9: Trust in government organisations at the local community level is positively correlated with trust in government organisations at the remote political level.

### ***Relationships with political trust***

Table 5.4 below presents the correlations between familiar trust, social trust and regular civic engagement with trust in local political institutions and trust in remote political institutions.



**Table 5.4: Correlation coefficients between familiar trust, social trust, regular civic engagement with political trust (local) and political trust (remote)**

	Political trust (local)	Political trust (remote)
<i>Civic Engagement</i>		
Regular personal activity	.04	.07*
Regular volunteering	.07	.09*
Regular political activity	.02	-.00
Regular media activity	.10**	.10**
<i>Trust</i>		
Familiar trust	.33**	.25**
Social trust (single)	.27**	.24**
Social trust (multi)	.49**	.41**
Political trust (local)	-	.47**

\*\*Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

The personal, volunteering and political activity variables had no relationship with political trust at the local service level. There were very weak significant positive relationships for engagement in personal activities and volunteering activities with political trust in remote organisations. There was no relationship between engaging in political activity and trust in remote political organisations. Engagement with news in the media had weak but positively significant relationships with both types of political trust, indicating that what we see, hear or read in the news has some influence over our trust in the abstract systems of government and its organisations. These results leave Hypotheses 5.3 and 5.6 weakly, but unimpressively, supported.

In contrast, familiar trust was strongly positively correlated with trust in both local and remote political institutions. So, too, was social trust, with particularly strong coefficients emerging with the multi-item scale. Hypotheses 5.4 and 5.5, and 5.7 and 5.8 were well supported by the data.

Finally, there was a strong significant result for the relationship between political trust at the local service level and political trust at the remote level, supporting Hypothesis 5.9.

The findings from the correlational analysis support the thesis that the trust that develops locally is linked with trust in government. While the results presented so far are encouraging, this method of analysis does not allow exploration of the direct effects of civic engagement, familiar trust and social trust on the development of political trust. To explore these effects further analysis will continue with multivariate regression.

### **Predicting social trust with the socio-psychological/cultural theories**

Ordinary least squares multiple regression analysis was used to test the hypotheses about the prediction of social trust. The regression model was developed in two stages. In Stage 1 the civic engagement variables were used to predict social trust. Next, familiar trust was entered with the civic engagement variables to find out if they both contributed to social trust or if one dominated the other. Thus, the first test was of Putnam's thesis that associational membership and involvement in civic activities provides the experiences for the development of social trust. This hypothesis was tested initially using as the dependent variable the single item social trust measure, and subsequently using the multi-item social trust measure. This strategy was adopted because the two trust measures were strongly correlated, but their predictors at the bivariate level were slightly different. The purpose of repeating the regression analysis with the second measure of trust was to corroborate the findings obtained in the first analysis, if possible.

### Stage 1: Testing Putnam’s social capital thesis

Table 5.5 below provides the standardised beta coefficients obtained from regressing social trust on the civic engagement variables, together with the multiple  $R^2$  for the regression model. The results show that one civic engagement variable dominates the others: regular engagement in personal activities has a positively significant relationship with social trust (single item measure). Personal activities incorporate leisure activities such as involvement in sports and clubs, self-help groups, and use of the computer to send emails or join chat groups. Putnam (2002:412) describes this as “informal social connectedness” which involves the individual rather than formal commitment to a group.

**Table 5.5: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting social trust (single item) from regular civic engagement**

Predictors	Social trust (single item)	
	r	$\beta$
<i>Civic Engagement</i>		
Regular engagement in personal activities	.189**	.155***
Regular engagement in volunteering activities	.108**	.040 ns
Regular engagement in political activities	.130**	.073 ns
Regular engagement with the media	.053 ns	.040 ns
Adjusted $R^2$	.040	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

Engagement in activity of this type is of interest because of Putnam’s (2002) recent reflections on growing inequality in societies such as the United States, Britain, and Australia. He has proposed class differences in access to social capital. Research suggests that there are declines in the types of activity that are accessible to the working class, such as unions, churches and political parties (Putnam 2002:415). It is thought that growth in

personal types of leisure activity favours the young, well-educated middle class (Putnam 2002:415). What is important to take away from the current findings is that engagement in activities that provide personal benefit rather than working for the collective good is actually associated with higher social trust.

This model, however, is a very poor one with the Adjusted  $R^2$  showing that only 4% of the variance is predicted. This indicates two possibilities: first, that civic engagement and social trust do not have much in common; and/or, that the single item measure of trust is inadequate. Consequently, the single trust item was replaced as the dependent variable by the multi-item social trust scale in a further regression model (see Table 5.6 below).

**Table 5.6: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting social trust (multi-item) from regular civic engagement**

Predictors	Social trust (multi-item)	
	r	$\beta$
<i>Civic Engagement</i>		
Regular engagement in personal activities	.160**	.101**
Regular engagement in volunteering activities	.202**	.164***
Regular engagement in political activities	.100**	.024 ns
Regular engagement with the media	.057 ns	.049 ns
Adjusted $R^2$	.049	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

When the multi-item social trust scale was regressed on the civic engagement variables, the strongest significant predictor was volunteering. This is in keeping with Putnam's finding that volunteering builds social trust. Regular engagement in personal activities

remained a significant predictor in this regression model, with higher activity associated with higher social trust.

Again, this was a poor model with only 5% of the variance predicted. These regression tests suggest some association between civic engagement and social trust, but highlight that this is not the main part of the story about how trust develops. Survey respondents' comments provide some insight into why this might be so.

Generally, the survey respondents do not civically engage to any great extent, as reported in Chapter 4. It will be recalled that less than 40% were regularly involved in any activity, with sporting activities and engagement with the news being the exceptions (for frequencies for the civic engagement items see Appendix E). The qualitative comments at the back of the surveys highlighted reasons for lack of civic engagement. Those who made comments about their civic engagement and associational memberships ranged in age from 23 to 90 years, with only slightly more females than males providing comments of this nature. It was interesting that many survey respondents took the trouble to give explanations about why they were not as involved in their communities as they once were or would like to be. Some seemed concerned that they might be viewed negatively because of their lack of involvement. A 23 year old student said: "I'm actually more of a concerned citizen than this questionnaire indicates"; and a 49 year old primary school teacher said: "Section A made me feel like a couch potato but in fact I work so hard that my spare time has no room for the activities you itemised". The reasons people gave for lack of involvement included study pressures, work pressures and constraints, old age and poor health.

Others reported in more detail about the types of activity they were involved in. People's comments about how they civically engaged can be broadly summarised as volunteering and charity work, as well as personal development and interest. Those who were retired seemed particularly keen to let it be known that they were active in their communities. This is the group which Putnam (2000a) described as the "long civic generation". One 76 year old woman who had owned her own business said:

I am not idle, there are many things for retired people to do, mainly to help others less fortunate by joining groups to help etc and visit folk in nursing homes etc. I am a member of 23 years of our local Lioness Club so very busy with charity work, craft and jam making for stalls, visits to hostels and nursing homes etc etc.

While the survey results indicated that civic engagement overall is low, respondents' comments implied that people would like to be more engaged in their communities but that there are other factors, such as time pressures, which prevented them from doing so. This is particularly the case for those who were not retired.

The quantitative and qualitative findings cast doubt over the hypothesis that generalised trust develops through our experiences of civic engagement and associational membership. As the tests of the four civic engagement activities showed such poor results, the next step was to move back to the earlier sociology and psychology theories which claim that trust develops from our socialisation experiences with family and close intimates.

### Comparing Putnam's thesis with a basic socialisation model

In the second regression model, familiar trust (trust in the family and one's close personal circle) was added so that socialisation theory could be compared with Putnam's thesis that civic engagement is the key to building social trust. As the results for predicting social trust using the single social trust item continued to be poor<sup>6</sup>, the dependent variable used in the regression model reported below was the multi-item social trust scale.

**Table 5.7: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting social trust (multi-item) from familiar trust and regular civic engagement**

Predictors	Social trust (multi-item)	
	r	$\beta$
<i>Trust</i>		
Familiar trust (family, boss and co-workers)	.527**	.506***
<i>Civic Engagement</i>		
Regular engagement in personal activities	.160**	.032 ns
Regular engagement in volunteering activities	.202**	.123 **
Regular engagement in political activities	.100**	-.001 ns
Regular engagement with the media	.057 ns	.062 ns
Adjusted $R^2$	.293	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

Table 5.7 shows that familiar trust was the strongest predictor of social trust when it was entered into a regression model with the civic engagement variables. When familiar trust is including in the regression model there is little relationship between civic engagement and social trust. It is notable that once familiar trust is accounted for, the only type of

<sup>6</sup> The  $R^2$  value for the single item trust measure was .04.

civic engagement with any significance in predicting social trust is volunteering. This regression model explained 29% of the variance in social trust. These results provide support for Hypothesis 5.2.

### ***Summary of findings for the development of social trust***

The two regression analyses above provide support for the conclusion that social trust, or trust in strangers, is built on the attitudes of trust we learn from those familiar to us, such as our family and those in our close personal circle. The process does not start with civic engagement, although civic engagement may help trust along the way. These results suggest that those of us who civically engage, and those who would like to civically engage if they had the time or the health, may have already learned to trust. This is the argument which has been made by Stolle (2001), that it is trusting people who civically engage. Possibly, positive civic engagement experiences would reconfirm the trusting attitudes we bring with us from our childhood socialisation experiences.

The final objective of this chapter is to use regression analysis to investigate the idea that social trust generalises from intimates and strangers to those institutions more distant from us, such as government and its organisations.

### **Predicting political trust from social trust**

The significant correlations reported earlier in the chapter between familiar or social trust and political trust convey no insight into the direction of influence. The idea examined in this chapter that social trust would generalise to government and its organisations challenges Putnam's view, and that of others, that political trust has a different theoretical



basis. The competing view in the literature to the one investigated in this chapter is that political trust is the result of people's rational evaluation of government performance and that it is this form of trust that generalises to strangers to form social trust – that is, trust generalises in the opposite direction to what I am hypothesising. The logic of the rational view is that I trust government to perform well, meet my needs, and ensure that everyone abides by the law. If government does what it is supposed to do, I can trust strangers.

However, in this chapter, the focus is on testing the opposite theoretical perspective which is based on people's orientation to trusting others rather than rational assessment of their performance. Jennings (1998) highlighted that people's trust in local and state government organisations depends to a large extent on the closeness of their relationship, in terms of access and responsiveness. This insight into the way in which people see themselves as having a relationship with government as they might with, say, an employer or boss is reflected in the comments of a 52 year old male manager about the Tax Office:

I think the ATO organisation carries out its duties in a very “secret society” manner – they are not very approachable with tax minimisation and appear to want to penalise people more than help them ...

At one level, this is a rational assessment of performance, but at another the comment attributes to an impersonal bureaucracy, personality characteristics of being secretive and not approachable. Some of the other respondents' comments reflected this, such as the comment of a 56 year old female administration officer: “I place my trust in the democratically elected Government of Australia”. Some might perceive this as blind or naïve trust (see Solomon and Flores 2001), but the comment illustrates that people have faith in our system of government, and in the good intentions of those who are elected to

government. Their trust is associated with the idea that a democratically represented government represents the people.

What is interesting about these comments is that people appear to place some importance on the relationship they think government organisations at the remote political level should have with the community. This suggests that relational factors are relevant to political trust at both the local and remote levels. Tests below using multivariate regression analysis may illuminate this point.

The first regression model examines how well familiar trust, social trust<sup>7</sup> and civic engagement predict trust in local service institutions, that is, those government organisations which provide services in the local community. These organisations include schools, hospitals, police and fire stations. The standardised beta coefficients from an ordinary least squares regression analysis are presented in Table 5.8 below, along with the squared multiple correlation coefficients for the model.

The results in Table 5.8 show that social trust was the strongest predictor of trust in local service institutions. If trust generalises from family to strangers and from strangers to government institutions, this is the finding one would expect. Within this context, it is particularly interesting that familiar trust was a significant positive, although weak, predictor of trust in local service institutions, once social trust was included in the model.

Only one of the four civic engagement variables was significant – being engaged with the media. Again, the relationship was positive but weak. 25% of the variance in trust in local political institutions was explained by this model.

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<sup>7</sup> The social trust item used in this model is the multi-item social trust scale.

**Table 5.8: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (local service institutions) from familiar trust, social trust and regular civic engagement**

Predictors	Political trust (local service institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust (family, boss and co-workers)	.333**	.113*
Social trust (strangers – multi-item)	.494**	.442***
<i>Civic Engagement</i>		
Regular engagement in personal activities	.043 ns	-.038 ns
Regular engagement in volunteering activities	.066 ns	-.021 ns
Regular engagement in political activities	.023 ns	-.024 ns
Regular engagement with the media	.101**	.081*
Adjusted $R^2$	.251	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

The next regression model tested whether socio-psychological/cultural theories of trust generalised even further to more remote political institutions – that is, to the federal government, the tax office, local councils, as well as newspapers and television news channels. While much of the literature maintains trust in this type of organisation is based on rational evaluation of performance, the positive findings for a relational basis to political trust in the previous regression model suggest value in extending the test to the remote political organisations.

Table 5.9 below shows that the strongest predictor of trust in remote political institutions was trust in local service institutions. Nearly as strong a predictor was social trust.

Familiar trust dropped out of this model. No form of civic engagement had anything to do with trust in remote political institutions in the presence of other trust variables. This model has predicted nearly 26% of the variance.

**Table 5.9: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (remote institutions) from familiar trust, social trust, political trust (local service institutions) and regular civic engagement**

Predictors	Political trust (remote institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust (family, boss and co-workers)	.254**	.024 ns
Social Trust (strangers – multi-item)	.405**	.213***
Political Trust (local service institutions)	.470**	.351***
<i>Civic Engagement</i>		
Regular engagement in personal activities	.073*	.025 ns
Regular engagement in volunteering activities	.086*	.023 ns
Regular engagement in political activities	-.004 ns	-.053 ns
Regular engagement with the media	.098**	.055 ns
Adjusted $R^2$	.256	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

These results imply that relational factors, associated with the trust that exists between family and friends, has much to do with the development and maintenance of trust in government institutions. The proposition put forward here, and examined later, is that trust starts in the family and one's personal circle, and ripples out to encompass strangers, service organisations at local level and then more remote political organisations. Both the

models in Table 5.8 and Table 5.9 above are good ones. But, just as familiar trust dominated civic engagement, there may be other factors that dominate familiar and social trust. These will be examined in the next chapter.

## **Chapter summary**

In this chapter, two aspects of the socio-psychological/cultural perspective (the social capital thesis and a basic socialisation thesis) were compared as possible explanations of social trust. Subsequently, the relational thesis was examined, that trust extends beyond people to generalise to groups, roles, and the abstract systems of government and its organisations.

The results of the correlation and regression analyses suggest that civic engagement has little or nothing to do with the development of social trust, that is, trust in strangers. There was some effect for regular engagement in volunteering and in personal activities.

However, as soon as trust developed through our socialisation experiences in the family and our personal circle was introduced the effects expected through social capital theory were lost completely. In contrast, familiar trust ripples well beyond those we know to social trust and then to political trust.

While the results in this chapter were consistent with the relational account of generalising trust, they are not conclusive. There are other factors which can be included to test the relational argument in regard to both social and political trust. In the next chapter, we move beyond social capital and basic socialisation theories. Two other dimensions from the socio-psychological/cultural perspective will be introduced: world views and satisfaction with life, as well as social demographics variables.

## **Chapter 6 – Widening the ripples: Including world views and personal satisfaction with life, and social demographics**

*It is from numberless diverse acts of courage and belief that human history is shaped. Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance.*

Robert F. Kennedy (1925 - 1968), South Africa, 1966

### **Introduction**

In the previous chapter, social capital and socialisation (family and personal circle) theories were compared in terms of their potential for explaining first social trust, and second political trust. The results provided support for the thesis that social trust is shaped primarily through our socialisation experiences with family and friends, and political trust by social trust. Civic engagement played little to no role in explaining social trust or political trust.

While these results provided some clarification about the development of trust, there are other aspects of socio-psychological/cultural theory which could be included to more fully explore how trust is developed and generalised. In this chapter, the dimensions of world views and personal satisfaction with life, and social demographics will be added to test the effect of these dimensions on trust and its generalisation from the personal to the remote. These concepts and measures are summarised in Table 6.1 below.

**Table 6.1: Concepts and measures to be tested in Chapter 6<sup>8</sup>**

Construct	Concept (scale) name	Score items
<i>World views and satisfaction:</i>		
To what extent do you accept or reject each of the following as principles that guide your judgements and actions?	Harmony values	1 = reject
	Security values	7 = accept as of utmost importance
How satisfied are you with the life you lead?	Satisfaction with life	1 = very dissatisfied 5 = very satisfied
To what extent do you agree or disagree that all Australians should share in the costs of ...	Commitment to Australian society	1 = strongly agree 5 = strongly disagree
	Obligation to the state	1 = strongly agree 5 = strongly disagree
<i>Social demographics:</i>		
Would you describe where you live as...(town < 10,000 – metropolitan > 500,000)?	Place of residence	0 = rural
		1 = urban
What was the highest level of education you completed?	Education	1 = basic
		2 = to Year 12
		3 = trade/diploma
		4 = tertiary
Are you from a non-English speaking background?	Ethnicity	0 = yes 1 = no
What is your current marital status?	Marital status	0 = not married now 1 = married now

<sup>8</sup> This table is an abbreviated version of a table detailing all the concepts and measures used in this study at Appendix F.

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What is your sex?	Sex	0 = female 1 = male
What kind of work do you do?	Occupation	job title main tasks kind of business or industry
What is your age in years?	Age	

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### **World views, personal satisfaction and trust**

In the first part of this chapter, world views and social demographic variables are correlated with social trust, local political trust and remote political trust. Examining bivariate relationships provides an opportunity to find out if social trust, local political trust and remote political trust are different, albeit related, concepts with their own distinct sets of predictions. Alternatively, this level of analysis provides preliminary data on whether some of these variables are likely contenders as the carriers of trust from one institutional level to another. This question is not addressed directly until Chapter 7, but the bivariate analyses test for factors that might be related to more than one kind of trust.

The second part of the chapter proceeds to examine the predictors of social trust, local political trust and remote trust through regression analysis. These analyses identify the world views and the social demographic variables that are the dominant influences on the development of each type of trust. This reduced subset will be carried forward for more detailed analysis in the next chapter.



The concept of world views includes different sets of values held by people, peoples' feelings of obligation or duty towards others generally and towards government and the law, and their personal satisfaction with the life they lead. The general hypothesis is that if individuals view their own lives positively, engage with others in a cooperative fashion, and work with others for collective goals, they will have higher trust, socially and politically. Specifically, the hypotheses to be tested are:

H6.1: Harmony values are related to higher social trust and political trust (local and remote);

H6.2: Security values are related to higher social trust and political trust (local and remote);

H6.3: Satisfaction with one's life is related to higher social trust and political trust (local and remote);

H6.4: Commitment to Australian society is related to higher social trust and political trust (local and remote);

H6.5: Obligation to the state is related to higher social trust and political trust (local and remote).

Pearson product-moment correlation coefficients were calculated between the multi-item scales developed to measure social values, satisfaction with life, commitment to Australian society, obligation to the state and trust (social, local, and remote). The correlations are reported in Table 6.2. Moderate and generally positive correlations were produced with social trust and both types of political trust. Both harmony and security values were significantly and positively correlated with political trust at the local level. There was a weak correlation for security values with political trust in remote organisations, and a weak correlation for harmony values with trust in strangers (the multiple indicator measure). These results only partly and weakly support Hypotheses 6.1 and 6.2.

**Table 6.2: Correlation coefficients between world views and trust variables**

Variables	Social trust (multi-item)	Political trust (local service)	Political trust (remote)
Harmony values	.081*	.111**	.061
Security values	.033	.121**	.070*
Satisfaction with life	.259**	.278**	.187**
Commitment to Australian society	.072	.179**	.105**
Obligation to the state	.098**	.180**	.257**

\*\*Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Satisfaction with life was the variable which was most significantly related to both types of political trust, and to social trust. These positive and significant results supported Hypothesis 6.3 and reinforced the view that satisfaction with life is an important factor in building trust between government and citizens (Inglehart 1999; Uslaner 2002). In the following chapter, satisfaction with life will be considered as a possible mediator that facilitates the movement of trust from one institutional level to another.

Commitment to Australian society was positively and significantly related to both types of political trust. But there was no relationship with the social trust variable. These results are not surprising in so far as one would not be prepared to pay for public goods if there was no trust in the government providing those goods. Hypothesis 6.4 was partly supported.

There is a moderate positively significant relationship between obligation to the state and both types of political trust, and a weak positive relationship with the social trust variable. These results suggest that a sense of duty towards unknown others in the system and the institutions of governance, such as the law and those who administer it, may be a common element in the development of trust. Hypothesis 6.5 is supported for the most part.

In summary, life satisfaction and obligation to the state have significant links with all three levels of trust while values and commitment to society are related to only two. Also of note is that with the exception of satisfaction with life, world views have more to do with political trust than social trust. Potentially then, world views can help or interfere with the generalisation of trust. This issue will be addressed further in the regression models later in the chapter.

### **Social demographics and trust**

Social demographics are a prominent aspect of socio-psychological/cultural theories on trust as they reflect life experience (Uslaner 2002). Ethical codes and moral dispositions, of which trust is one, are habits which we develop from our childhood training about right and wrong (Fukuyama 1995:36). Measuring habits is difficult, so one way trust has been examined is from the perspective of cultural differences across and within countries using indicators of socioeconomic status such as gender, age, education, ethnic background, and income (Bean 2005; Inglehart 1999; Putnam 1993; 2000a). It is hypothesised that:

H6.6: Social trust and political trust (local and remote) are affected by indicators of socio-economic status.

The socialisation experiences of children can differ depending on their ethnic background, where they lived when they were growing up, their sex, and their class (Fukuyama 1995). To reflect different aspects of social demographics Hypothesis 6.6 has been broken into seven subsets:

H6.6a: Social trust and political trust (local and remote) are affected by whether one lives in an urban or rural setting;

H6.6b: Social trust and political trust (local and remote) are affected by level of education;

H6.6c: Social trust and political trust (local and remote) are affected by ethnic background;

H6.6d: Social trust and political trust (local and remote) are affected by marital status;

H6.6e: Social trust and political trust (local and remote) are affected by age;

H6.6f: Social trust and political trust (local and remote) are affected by sex;

H6.6g: Social trust and political trust (local and remote) are affected by occupation.

Pearson product-moment correlation coefficients were used to correlate the dichotomous social demographic variables with the trust variables (in effect, point biserial correlations). Pearson product-moment correlations were calculated for the dummy variables created with education and occupation and the different types of trust. The results for the social demographic variables were interesting (see Table 6.3 below). Age had an impact on political trust (at both levels), as well as being positively related to social trust. If trust is generalised from family to friends to strangers and ultimately to political institutions, it is intuitively appealing that there is a reduction effect. In other words, the reach of one's trust (from intimate to remote) increases with age.

Sex, place of residence, ethnic background and marital status all had a significant positive relationship with social trust. Females were more inclined to trust strangers, as were those who lived in rural areas. There was no relationship between sex, place of residence, ethnic background, marital status and political trust of either kind.

**Table 6.3: Correlation coefficients between social demographics and trust variables**

Variables	Social trust (multi-item)	Political trust (local service)	Political trust (remote)
Age	.285**	.208**	.128**
Sex	-.102**	-.012	-.028
Residence - rural/urban	-.104**	.002	-.045
Ethnicity	.179**	.030	-.001
Marital status	.105**	.029	.015
Education			
- basic	.047	.008	.044
- Year 12	-.030	-.053	-.055
- Trade/diploma	-.033	.027	-.032
- tertiary	.009	.013	.034
Occupation			
- professional/manager	.036	-.018	-.010
- associate professional	.034	.047	-.039
- trade/clerical	-.043	-.048	-.007
- labour/transport	-.023	.040	.055

\*\*Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

The results for education and occupation are puzzling. Neither education nor occupation was correlated with social trust or with either of the political trust variables. This finding is at odds with the overseas literature which associates higher trust with more privileged groups.

Overall, these results for social demographics only weakly support Hypotheses 6.6a, c, d, and f (urban/rural living, ethnic background, marital status and sex). Hypotheses b and g (education level and occupation) are not supported. Hypothesis 6e (age) received support.

As in the previous chapter, the correlational analysis supported some hypotheses, although at times only very weakly. To enable further exploration of the effect of world

views, satisfaction with life and social demographics on the development of social and political trust, analysis will continue using multivariate regression.

### **Predicting social trust from world views and personal satisfaction with life**

The variables which make up world views and satisfaction with life were introduced into the regression model to test their combined effect on social trust. Table 6.4 presents the beta coefficients for these predictors as well as the adjusted  $R^2$  for the model. It is of importance to note that the effect of world views and life satisfaction is examined net of familiar trust and civic engagement. Theoretically, familiar trust and civic engagement are at the core of the analysis. World views and life satisfaction are of interest only in so far as they impinge on the adequacy of the explanation of trust provided by the more theoretically central variables.

The results in Table 6.4 below tell a story about what contributes to trust in strangers. The experience we have in our family and our personal circle is the major influence in the development of our social trust. Regularly engaging in volunteering activities is also associated with higher trust, although the relationship is more modest. Finally, feelings of satisfaction with life are stronger among those with high social trust. In summary, if we are satisfied with our lives, and we volunteer, we are more likely to extend our trust to those we do not know. These variables have explained 31% of the variance. This is only a small improvement on the results for social trust in the previous chapter. However, this result explains trust more fully as satisfaction with life is shown to be also a factor. Of note is the way in which social values, commitment to Australian society and obligation

to the state drop out of the explanatory model. These variables were only weakly connected to social trust in the bivariate analysis.

**Table 6.4: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting social trust from familiar trust, regular civic engagement, and world views and satisfaction with life**

Predictors	Social trust (multi-item)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.527**	.480***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.160**	.016 ns
Regularly engage in volunteering activities	.202**	.118*
Regularly engage in political activities	.100**	-.005 ns
Regularly engage with the media	.057 ns	.038 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.259**	.137**
Harmony values	.081*	.032 ns
Security values	.033 ns	.013 ns
Commitment to Australian society	.072	.000 ns
Obligation to the state	.098**	.059 ns
Adjusted $R^2$	.311	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

### **Predicting political trust from world views and personal satisfaction with life**

The same predictive regression model was used to explain political trust in government institutions at the local level. The results in Table 6.5 below are similar but not the same as those for social trust, highlighting that different factors contribute to different types of

trust. Nevertheless, the story starts in the same way: trust is built on trust which ripples out from those close to us to those we do not know.

**Table 6.5: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (local service institutions) from familiar trust, social trust, regular civic engagement, and world views and satisfaction with life**

Predictors	Political trust (local service institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.333**	.109*
Social trust	.494**	.397***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.043 ns	-.054 ns
Regularly engage in volunteering activities	.066 ns	-.023 ns
Regularly engage in political activities	.023 ns	-.032 ns
Regularly engage with the media	.101**	.047 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.278**	.132**
Harmony values	.111**	.020 ns
Security values	.121**	.050 ns
Commitment to Australian society	.179**	.107**
Obligation to the state	.180**	.080*
Adjusted $R^2$	.295	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

The multi-item social trust variable was the strongest predictor by far of local political trust, with familiar trust continuing to be significant. The world views variables contributed significantly to trust in government institutions providing services at the local level. Satisfaction with life had the greatest impact, followed by people's commitment to Australian society and their obligation to the state. The harmony and security values were



not significant. Civic engagement continued to have no impact at all on predicting trust in local service organisations. This model has explained nearly 30% of the variance, compared with the 25% explained in the previous chapter.

Both familiar trust and social trust remain a major part of the story of political trust. However, the world views and satisfaction with life variables have added much to the explanation of political trust in those organisations which operate within our local communities.

A final model repeated this test to determine the impact of world views and personal satisfaction on trust in political institutions at the remote level (see Table 6.6 below).

Again, the strongest predictors remain the trust variables, with trust in political institutions at the local level having the strongest effect on political trust in remote institutions. The civic engagement variables had no effect, nor do either of the value types, personal satisfaction with life, or commitment to Australian society. The only other predictor of trust in remote political institutions was people's feelings of obligation to the state. 28% of the variance was explained with this model, a 2% improvement over the model for political trust (remote) in the previous chapter.

**Table 6.6: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (remote institutions) from familiar trust, social trust, political trust (local service institutions), regular civic engagement, and world views and satisfaction with life**

Predictors	Political trust (remote institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.254**	.030 ns
Social trust	.405**	.205***
Political trust (local service institutions)	.470**	.322***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.073*	.023 ns
Regularly engage in volunteering activities	.086*	.024 ns
Regularly engage in political activities	-.004 ns	-.053 ns
Regularly engage with the media	.098**	.047 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.187**	.010 ns
Harmony values	.061 ns	.012 ns
Security values	.070*	-.024 ns
Commitment to Australian society	.105**	-.015 ns
Obligation to the state	.257**	.182***
Adjusted $R^2$	.279	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

### **Summary of findings**

The results detailed in the previous three tables provide support for the relational argument that trust developed in the family and reinforced in one's personal circle is directly linked with trust in strangers, and that trust in strangers is linked to trust in political institutions.

Satisfaction with life appears to be implicated in trust in strangers in the community, and trust in government organisations which operate at the community level. Satisfaction with life did not predict remote political trust.

Commitment to Australian society had an effect only at the organisational level, specifically in the case of trust in local service institutions where the organisations are a visible part of the community. This means that people who pay willingly for education, health, and so on are more likely to trust educational or health authorities. When citizens give their money voluntarily, they are also giving their trust.

Obligation to the state predicted trust in local institutions but was stronger for more remote political institutions, such as the federal government and the tax office, acquiescing to government acquiring greater statutory powers.

With the addition of these world view and life satisfaction variables, there continued to be no evidence of civic engagement being a factor in the development of trust in strangers in one's community or in government organisations either at the local level or those government organisations which are more remote.

### **Rippling together: which factors build trust in government organisations?**

#### ***Adding social demographics to the prediction of social trust***

In this final set of analyses involving ordinary least squares regression in the prediction of social trust, political trust (local) and political trust (remote), the social demographic

variables were added to the equation. Education and occupation were excluded because they were non-significant at the bivariate level. The effect of social demographics on building social trust has been to significantly increase the variance explained in the outcome variable: nearly 41% of the variance variation in social trust is explained (see Table 6.7 below).

From the beta coefficients in Table 6.7, the strongest predictor of social trust was familiar trust, with age following closely behind, supporting the idea that experiences encountered throughout life matter in developing trust. As seen in the previous regression models, also important in trusting strangers was one's satisfaction with life. In this analysis, the civic engagement variable to emerge as significant was regular engagement in personal activities, indicating that associating with others in an informal way had a positive reinforcing effect on the attitudes of trust we have towards strangers. It is of note that in the prediction of social trust, personal activities and volunteering are coming into and moving out of the equation, depending on the other variables in the model.

In terms of other social demographic variables, those from a rural background and those from an English speaking background were more likely to trust strangers. An unexpected small positive effect also appeared for harmony values. Those who place importance on cooperative social relations are somewhat more likely to trust strangers.

**Table 6.7: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting social trust from familiar trust, regular civic engagement, world views and satisfaction with life and social demographics**

Predictors	Social trust (multi-item)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.527**	.462***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.160**	.113**
Regularly engage in volunteering activities	.202**	.053 ns
Regularly engage in political activities	.100**	-.007 ns
Regularly engage with the media	.057 ns	-.013 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.259**	.122**
Harmony values	.081*	.085*
Security values	.033 ns	-.061 ns
Commitment to Australian society	.072	-.011 ns
Obligation to the state	.098**	.025 ns
<i>Social Demographics</i>		
Place of residence	-.104**	-.099**
Ethnicity	.179**	.090**
Sex	-.102**	-.050 ns
Marital status	.105**	.001 ns
Age	.285**	.302***
Adjusted $R^2$	.408	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$ 

Note: ns means not significant at the .05 level.

 $\beta$  = standardised regression coefficients

r = bivariate correlations

### ***Adding social demographics to the prediction of political trust***

The same predictive regression model was applied to trust in political institutions which supply services at the local level.

The beta coefficients reported in Table 6.8 below tell a similar story to the one told about social trust. Trust at one level continues to be the strongest predictor of trust at the next level. The trust we have in strangers was the strongest predictor of the trust we have in government organisations in our community. It is interesting that familiar trust remained significant in predicting political trust at this level. This result adds support for the thesis that trusting attitudes towards institutions of governance are developed and nurtured in our intimate circle. The civic engagement thesis appears to play no part in political trust – engagement in personal activities was no longer a significant predictor, nor were any of the other civic engagement variables<sup>9</sup>.

None of the social demographics played a part in predicting trust in government organisations at the local level. Values made no impact here either. Remaining influential was the level of satisfaction we have with life and to a lesser extent our commitment to Australian society, and our obligation to the state. The model is quite strong, with 30% of the variance predicted. If we are happy, trusting people, who have a sense of responsibility towards others we will extend trust to government organisations at the local level.

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<sup>9</sup> At each of these stages, the set of exposure to civic engagement variables were compared with the set of regular civic engagement variables. No differences or improvements in the performance of the civic engagement variables were observed.

**Table 6.8: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (local service institutions) from familiar trust, social trust, regular civic engagement, world views and satisfaction with life, and social demographics**

Predictors	Political trust (local service institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.333**	.116*
Social trust	.494**	.399***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.043 ns	-.041 ns
Regularly engage in volunteering activities	.066 ns	-.018 ns
Regularly engage in political activities	.023 ns	-.024 ns
Regularly engage with the media	.101**	.045 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.278**	.136**
Harmony values	.111**	.021 ns
Security values	.121**	.045 ns
Commitment to Australian society	.179**	.102*
Obligation to the state	.180**	.089*
<i>Social Demographics</i>		
Place of residence	.002 ns	.013 ns
Ethnicity	.030 ns	-.066 ns
Sex	-.012 ns	.033 ns
Marital status	.029 ns	-.069 ns
Age	.208**	.046 ns
Adjusted $R^2$	.299	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

The final model below repeats this analysis, using as the dependent variable trust in remote political institutions with which we have few direct dealings. The beta coefficients produced by the ordinary least squares regression analysis, together with the adjusted  $R^2$ , are reported in Table 6.9 below.

**Table 6.9: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (remote institutions) from familiar trust, social trust, political trust (local service institutions), regular civic engagement, world views and satisfaction with life, and social demographics**

Predictors	Political trust (remote institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.254**	.029 ns
Social trust	.405**	.228***
Political trust (local service institutions)	.470**	.314***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.073*	.016 ns
Regularly engage in volunteering activities	.086*	.030 ns
Regularly engage in political activities	-.004 ns	-.045 ns
Regularly engage with the media	.098**	.057 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.187**	.019 ns
Harmony values	.061 ns	-.001 ns
Security values	.070*	-.012 ns
Commitment to Australian society	.105**	-.007 ns
Obligation to the state	.257**	.195***
<i>Social Demographics</i>		
Place of residence	-.045 ns	-.033 ns
Ethnicity	-.001 ns	-.076 ns
Sex	-.028 ns	.000 ns
Marital status	.015 ns	-.047 ns
Age	.128**	-.031 ns
Adjusted $R^2$	.281	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations



There are three variables which predicted trust in remote political institutions in the model. Two of these variables are trust-related. If we have trusting attitudes in political institutions at the local level, and if we trust strangers, we will trust those government organisations which are remote from us. This result is consistent with the thesis put forward in Chapter 5 and explored further in Chapter 6; the idea that if we have learned to trust from those close to us, those attitudes of trust continue to ripple out to those people, roles and systems we do not know.

The other strong predictor of trust in remote political organisations was people's willingness to be responsive to the legal obligations the government imposes on them. None of the civic engagement or social demographic variables played a part in predicting trust in remote political organisations. This is a good model with 28% of the variance explained.

### ***Summary of findings***

The results in the previous tables provide further support for the relational argument. When social demographic variables were included in the regression models predicting social trust, political trust (local) and political trust (remote), there was little change in the major predictor of trust. Familiar trust predicted social trust, social trust predicted political trust (local), and social trust and political trust (local) predicted political trust (remote). Satisfaction with life predicted social trust and political trust (local). Commitment to Australian society predicted political trust (local). Obligation to the state predicted political trust (local) and political trust (remote). The additional significant predictor was age at social and local political levels.

## All of us and ‘us and them’

Some of the comments written by respondents in the back of the survey booklets illustrated the processes that were suggested by the statistical analyses above. This was particularly so in regard to people’s commitment towards other Australians and their obligation towards government laws and subservience to authority. The context for their comments, however, tended to be negative. There was disillusionment about society expressed through a sense of ‘us and them’, and perceptions of a lack of fairness in the way different groups in society were dealt with.

A 23 year old student clearly stated her views on the duty she believed we all have to the collective, as well as the duty of those in bureaucracy to the collective. However, there was a resigned sense of disillusionment with government in her comment as if she felt poor behaviour by government was something the people just had to accept.

I feel that most complex bureaucracies will eventually (and do) focus on their own needs rather than those of the people they’re meant to serve. Lots of money gets wasted because of this. Still, because some of our taxes eventually benefit citizens and because most citizens benefit from the money government spends on them, we all have an obligation to pay taxes.

This disillusionment seemed to be a feature of the comments of many respondents. A few expressed their commitment to the Australian society through expressions of annoyance and disappointment about some of their fellow citizens who they believed shirk their obligations to the collective. Their comments can be interpreted as saying they try to be a team player even though they understand that the system is not perfect.

In some countries rich people who pay their taxes are lauded. In Australia rich people and corporations endeavour to pay as little tax as possible. Don't rich people care about Australia (45 year old male handyman/gardener)?

And another who said:

I feel Australia tries hard to be a fair and just society and feel proud we can support others who aren't as able to help themselves. I do occasionally feel cynical when I see health resources wasted when the front line professionals struggle to cope with more services than they can supply, and others 'rip off' the system with clever usage of solicitors and accountants (48 year old female clinical nurse).

Several respondents were keen to confirm that they felt an obligation to government, particularly with regard to paying their taxes. This comment from a 57 year old female director is illustrative: "I am a strong believer in abiding by the law...I try to believe that most people do the right thing, but am not gullible".

The comments from the respondents above represent a disruption of the ripple of trust from the social to the political. They want to feel commitment to others in society and be responsive to government but they are not always happy with the actions of either. Their comments reflect an awareness that we are not all equal and that some people in society can get away with not doing their bit, including government which can be self-serving. This awareness creates a disconnect or a slowing down in the flow on effect of the ripple of trust built in the family to others in society and to government.

The comments illustrating people's satisfaction with their life were interesting, indicating the satisfaction they felt had more to do with being an Australian than what they had achieved personally. In contrast to the comments above, the following comments represent a flow through effect which possibly binds social and political trust. If life is

good and we are satisfied with our lives, we trust other people generally and are more likely to trust government because its policies and actions contribute to our satisfaction with our lives.

I have travelled overseas a lot and if paying tax is what we must do to maintain our standard of living as it is, I am happy to do so. As Australians we live very very well in comparison to other countries. Let's hope it stays that way (38 year old male podiatrist).

## **Chapter summary**

The analyses in this chapter have shown that for the most part civic engagement is not related to trust – neither social trust nor political trust. Civic engagement in personal activities alternates with volunteering activities in having a weak positive effect on building social trust, but there is no impact at all on political trust. This result challenges Putnam's finding that active engagement in one's community builds and maintains trust among strangers.

These results suggest alternative explanations for how trust is built and maintained. The findings support the basic socialisation thesis that our experiences early in life and with those close to us are what build attitudes of trust. The findings also suggest that the trust we learn from those close to us generalises to strangers, and further to political trust, or those in government and government organisations.

The results of this chapter highlighted other factors which played a part in building or undermining different types of trust: world views and satisfaction with life; and social demographics. Both trust in strangers and trust in government organisations providing services in our community are explained by familiar trust, but familiar trust has no direct

effect on trusting government organisations remote from us. However, familiar trust works through social trust to provide the strongest explanation for trust in both government organisations at local and remote levels.

Social demographics, in the form of place of residence, ethnic background and age, have a bearing on social trust. Age has an effect on political trust (local) but none of the social demographics significantly affect political trust (remote) when other variables are controlled. Other than trusting attitudes, world views and satisfaction with life played the biggest role in developing all three types of trust. Satisfaction with life had a moderately strong impact on both social trust and trust in government organisations at local level. Commitment to Australian society was a modest but stable predictor of trust at the local political level. Our feelings of obligation to the state were associated with attitudes of trust towards government organisations, both those providing services at the local level, and particularly those organisations which are remote from us.

These results highlight that our socialisation experiences with those close to us, and as a result of who we are and where we grow up, have a strong impact on our attitudes of trust towards others. These experiences, together with the feelings of obligation we have towards other people as well as towards government, are major factors in explaining trust from a relational perspective. The data presented in Chapters 5 and 6 are consistent with this account. It is not the only account, however, as we know from Chapter 3. The plausibility of the alternative account also grows in stature in the light of these data. This chapter shows that people weigh up evidence about other people, their surroundings, government and its organisations. This rational aspect of trust will be added to the explanation of the development of trust and examined in the following chapter.

## Chapter 7 – Rational and relational perspectives together

*If we can't trust our elected representatives to lead this country responsibly, who can we trust?*

B. Vincent, Macgregor, *The Canberra Times*, 22 July 2005, page 10 Editorial

### Introduction

Chapters 5 and 6 tested aspects of the socio-psychological/cultural perspective to examine the plausibility of the generalisation of trust from family, to friends, to strangers and to government. The data were consistent with the thesis that our socialisation experiences, beginning with those in our personal circle, build attitudes of trust and a sense of obligation towards others generally, including those in government. A number of factors appeared to be important in “helping” trust generalise. Social demographics played a role, in particular, at the level of social trust. Life satisfaction was associated with higher trust at two levels, social trust and political trust (local). At the political level, commitment to Australian society signalled higher political trust (local), and obligation to the state signalled higher political trust (local) and political trust (remote).

What is particularly interesting is that the findings in relation to political trust are exactly those that rational trust theorists would predict. Such theorists would argue that perceptions of poor government performance explain the relationship at the political level between trust and commitment to society, trust and obligation to the state, and trust and life satisfaction. Those with a rational perspective emphasise competence and efficiency in meeting citizens' economic interests, as well as ethical behaviour – people need proof that government can be trusted. Rationalists place great importance on the need for

government organisations to be established and managed with systems in place that ensure officials cannot act in their own self-interest but in the interests of the collective. If the performance of government, its organisations and representatives is judged to be inefficient, or corrupt, and if its actions make people feel powerless, then there is no trust and there can be no extension of trust to others. If someone does the wrong thing by you, and does not consider or serve your interests, those who favour a rational perspective may never trust the other again. From a rational perspective, trust is conditional on performance.

At this point in the data analysis we therefore have two plausible accounts. From a relational perspective, inefficiency or poor behaviour in the form of corruption weakens or challenges trust, but it does not necessarily destroy it or prevent it from developing. For example, a person may evaluate government performance negatively in so far as government does not care about the under-privileged. Even if not personally affected, this person's trust in government may be weakened through knowing that the interests of others are not being met. The ripple of trust from the familiar to the level of remote government is slowed or blocked.

The loss of trust is relational because the government is seen to be letting down people in need. Trust in people in need is not necessarily affected adversely. The effect of corruption on political trust has been considered in situations where citizens were let down by institutions of law and order: sometimes the interpretation takes place through a rational lens, sometimes a relational lens (see for example, Rothstein and Stolle 2002; Sztompka 1993; 1999). In such situations, a rationalist would say that government corruption was so endemic that trust was destroyed throughout society. A relationalist would say trust reached its high point at the local community level and could not extend

beyond as the people felt no bond with government because of observed corruption and disregard for citizens. Therefore, the analyses in this chapter will consider the effect on trust of government performance from both a relational and a rational perspective.

## Adding a rational perspective

In order to fully explore a rational perspective on political trust, this chapter adds a set of measures that reflect how people evaluated government performance (see Table 7.1).

**Table 7.1: Measures of the government performance construct<sup>10</sup>**

Concept name	Items	Item scores
Corruption	Generally speaking would you say that politics in your city or town is ... And how would you describe politics in Australia?	1 = honest 7 = corrupt
Citizen powerlessness	Most people in positions of power try to exploit you. The people who run the country are not really concerned with what happens to you. What you think doesn't count very much. The government is mainly run for the benefit of special interest groups. I feel left out of what is happening around me. People like me don't have any say about what the federal government does.	1 = strongly disagree 5 = strongly agree
Efficiency in government spending	The government spends tax money wisely. I would like to see lower taxes, even if it means fewer government services (reverse). Most government services are of benefit to me. Government spending often ends up in the hands of people who deserve it least (reverse).	1 = strongly disagree 5 = strongly agree

<sup>10</sup> A full summary of the variables used in this study and descriptive statistics are in Appendix F.



## **Analytic approach and hypotheses on government performance**

The central question addressed in this chapter is how do respondents' assessments of government performance affect social trust, political trust (local) and political trust (remote). The ordinary least squares regression model tested in the previous chapter will be expanded to include three measures of government performance, detailed in Table 7.1 above. The argument is that governments and government organisations which perform well and in accordance with public expectations will build trust in government and its organisations at both the local and the remote level.

Furthermore, the flow on effect will be higher social trust. The first two measures of government performance examine the bleak side of poor governance: feelings of citizen powerlessness and perceptions of corruption in politics. The third measure represents efficiency in government spending which explores people's perceptions about government being responsible in providing services which are of benefit to them and to society. This type of performance focuses on the economic perspective, capturing people's expectations and evaluations of the extent to which their self-interest, and the interests of society, have been met.

The three hypotheses being tested in this chapter are:

H7.1: Perceptions of corruption in politics are associated with lower social and political trust (local and remote);

H7.2: Feelings of powerlessness by citizens are associated with lower social and political trust (local and remote);

H7.3: Efficiency in government spending is associated with higher social and political trust (local and remote).

## The relationship between trust and government performance

To examine the relationships among the key variables at a bivariate level, Pearson product-moment correlation coefficients were calculated between the three trust scales and the three measures of government performance. The results are presented in Table 7.2 below.

There are moderately strong relationships between all three government performance variables and all types of trust. The strongest relationships involve corruption. When respondents considered politics to be corrupt in their city or town, they expressed lower levels of political trust at the remote level of government and at the local level, and they expressed less social trust in strangers. Hypothesis 7.1 was supported by the data.

**Table 7.2: Correlation coefficients between trust and government performance**

Variables	Social trust (multi-item)	Political trust (local)	Political trust (remote)
Corruption	-.334**	-.318**	-.569**
Citizen powerlessness	-.293**	-.214**	-.415**
Efficiency in government spending	.252**	.250**	.409**

\*\*Correlation is significant at the 0.01 level (2-tailed).

As expected, feelings of citizen powerlessness were associated with social trust and with political trust at both levels. If people felt powerless, their reported trust in strangers was also likely to be lower. Citizen powerlessness was also likely to be associated with lower trust in government and government organisations which operate at both the local and the federal level. These results are consistent with Hypothesis 7.2. Finally, where respondents perceived efficiency in government spending as being high, so too were self-reports of

trust in strangers, local political institutions and remote political institutions. Hypothesis 7.3 was supported.

In order to understand how the government performance variables and the socio-psychological/cultural variables work together to shape trust at the social, political (local) and political (remote) levels, a set of multivariate analyses will be conducted using ordinary least squares multiple regression. Measures of government performance will be included in a model with the four other sets of trust predictors: trust at more familiar levels; civic engagement; world views and satisfaction with life; and social demographics. The objective of these analyses is to ascertain the extent to which government performance is related to trust. It is not the objective to test the factors that have been investigated earlier from a socio-psychological/cultural perspective.

## **Comparing rational and relational perspectives**

### ***Predicting social trust***

The first regression examines the relationship between trust in strangers (the multi-item social trust variable), familiar trust, civic engagement, world views and satisfaction with life, social demographics, and government performance. The beta coefficients and the adjusted  $R^2$  for this model are reported in Table 7.3.

From the results in Table 7.3, the strongest predictor of social trust is familiar trust. Our socialisation experiences with those in our close personal circle are strongly predictive of our trust in strangers, after controlling for the new measure of government performance.

Yet government performance plays a role in the prediction of social trust. There is a moderately strong negative effect for perceptions of corruption in politics. Where respondents reported political corruption, they were less likely to trust strangers.

Other factors that were significant in predicting social trust emerged in the analyses reported at the end of Chapter 6. The form of civic engagement predicting social trust was regular engagement in personal activities. Other predictors included satisfaction with life, one's place of residence and one's ethnic background. Higher life satisfaction was associated with higher trust. The negative result for place of residence tells us that people who lived in rural areas were more likely to trust strangers. The positive result for ethnic background indicates that those from an English speaking background were more trusting of strangers. Age also predicted social trust, with older respondents expressing greater trust in strangers. The variance in social trust accounted for by this set of predictors was 43%.

**Table 7.3: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting social trust from familiar trust, regular civic engagement, world views and satisfaction with life, social demographics and government performance<sup>11</sup>**

Predictors	Social trust (multi-item)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.527**	.420***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.160**	.097**
Regularly engage in volunteering activities	.202**	.041 ns
Regularly engage in political activities	.100**	-.003 ns
Regularly engage with the media	.057 ns	-.028 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.259**	.100**
Harmony values	.081*	.075 ns
Security values	.033 ns	-.033ns
Commitment to Australian society	.072	-.024 ns
Obligation to the state	.098**	-.017 ns
<i>Social demographics</i>		
Place of residence	-.104**	-.103**
Ethnicity	.179**	.090**
Sex	-.102**	-.052 ns
Marital status	.105**	.000 ns
Age	.285**	.288***
<i>Government performance</i>		
Feelings of citizen powerlessness	-.293**	-.036 ns
Perceptions of corruption	-.334**	-.114**
Efficiency in government spending	.252**	.077 ns
Adjusted $R^2$	.432	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

<sup>11</sup> As education and occupation consistently produced non-significant results in Chapter 6, these two aspects of social demographics were excluded from the regression analyses in this chapter. Note that when education and occupation were included in the regression analyses in this chapter they both produced non-significant results.

The findings from this regression model show relational and rational factors working together to shape trust. If people perceive that government and its organisations are efficient, effective and fair, they can trust the organisations and they can also trust strangers because they know that government will deal with people who behave wrongly. The institutions of government provide protection from those who will take advantage of and hurt others. Obversely, if there are perceptions of corruption in politics there will be less trust in strangers. However, it is to be noted that trust in strangers remains safeguarded by familiar trust, satisfaction with life and regular engagement in personal activities, regardless of how government is acting. The argument that socio-psychological factors are the more significant predictors of trust in strangers remains plausible, although there is clearly no justification for dismissing rational explanations based on assessment of government performance.

### ***Predicting trust in local government organisations***

The basic regression model in Table 7.3 was applied to predicting trust in political institutions which supply services at the local level. One additional variable included in this analysis was social trust. From the beta coefficients reported in Table 7.4 below, it can be seen that the most significant predictor was social trust, with familiar trust remaining weakly positive. This is an important finding given the inclusion of the government performance measures in this analysis. The central thesis remains plausible: the ripple of trust journeys from family to strangers, and out to government organisations providing services in the local community.

**Table 7.4: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (local service institutions) from familiar trust, social trust, regular civic engagement, world views and satisfaction with life, social demographics and government performance**

Predictors	Political trust (local service institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.333**	.108*
Social trust	.494**	.364***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.043 ns	-.046 ns
Regularly engage in volunteering activities	.066 ns	-.020 ns
Regularly engage in political activities	.023 ns	-.018 ns
Regularly engage with the media	.101**	.033 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.278**	.129**
Harmony values	.111**	.010 ns
Security values	.121**	.064 ns
Commitment to Australian society	.179**	.092*
Obligation to the state	.180**	.056 ns
<i>Social demographics</i>		
Place of residence	.002 ns	.012 ns
Ethnicity	.030 ns	-.065 ns
Sex	-.012 ns	.023 ns
Marital status	.029 ns	-.072 ns
Age	.208**	.039 ns
<i>Government performance</i>		
Feelings of citizen powerlessness	-.214**	.033 ns
Perceptions of corruption	-.318**	-.125**
Efficiency in government spending	.250**	.062 ns
Adjusted $R^2$	.312	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

Nevertheless, as was the case with social trust, we see the effect of government performance on trust in government organisations at the local level. A moderately strong predictor of political trust (local) was the perception of corruption in politics. If people perceived corruption or lack of honesty in politics at either the local or federal levels, their trust in government organisations operating within their communities was lower. There was no effect for government spending, or for feelings of powerlessness.

Two factors from the previous analyses in Chapter 6 emerged as significant predictors of political trust (local). Satisfaction with life had a positive effect on political trust (local), as did commitment to Australian society. This is a good model with 31% of the variance accounted for.

Both socio-psychological/cultural factors and perceptions of government performance play a role in shaping our trust in government organisations which operate within our communities. What seems to matter most with this type of trust are our socialisation experiences in trusting strangers and those closer to us, how satisfied we are with our lives, our commitment to Australian society, and whether we perceive politics as honest.

### ***Predicting trust in remote government organisations***

The final model in Table 7.5 below examines trust in remote political institutions; those organisations with which we have few direct dealings. The predictors are those used in Table 7.4 with the addition of trust in political institutions that are local.



**Table 7.5: Standardised beta coefficients, adjusted  $R^2$  and bivariate correlations for an ordinary least squares regression analysis predicting political trust (remote institutions) from familiar trust, social trust, political trust (local service institutions), regular civic engagement, world views and satisfaction with life, social demographics and government performance**

Predictors	Political trust (remote institutions)	
	r	$\beta$
<i>Trust</i>		
Familiar trust	.254**	.021 ns
Social trust	.405**	.137**
Political trust (local service institutions)	.470**	.240***
<i>Civic Engagement</i>		
Regularly engage in personal activities	.073*	-.018 ns
Regularly engage in volunteering activities	.086*	-.003 ns
Regularly engage in political activities	-.004 ns	-.038 ns
Regularly engage with the media	.098**	.019 ns
<i>World views and satisfaction</i>		
Satisfaction with life	.187**	-.021 ns
Harmony values	.061 ns	-.001 ns
Security values	.070*	.043 ns
Commitment to Australian society	.105**	-.030 ns
Obligation to the state	.257**	.102**
<i>Social Demographics</i>		
Place of residence	-.045 ns	-.057 ns
Ethnicity	-.001 ns	-.076*
Sex	-.028 ns	-.012 ns
Marital status	.015 ns	-.054 ns
Age	.128**	-.022 ns
<i>Government performance</i>		
Feelings of powerlessness	-.415**	-.125**
Perceptions of corruption	-.569**	-.342***
Efficiency in government spending	.409**	.123**
Adjusted $R^2$	.459	

\*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$

Note: ns means not significant at the .05 level.

$\beta$  = standardised regression coefficients

r = bivariate correlations

In this context, one might expect government performance to have its biggest impact. From the beta coefficients in Table 7.5, quality of government performance matters. The highly significant and major predictor of trust in remote political institutions is corruption, or lack of honesty, in politics. This is an interesting result, confirming that the perception of honest and ethical behaviour by politicians is important to people if they are going to trust in government and in government organisations. The trusting attitude people have towards strangers and local service institutions continues to ripple through to political institutions despite perceptions of unethical and uncaring behaviour by politicians. That is, negative evaluation of government performance does not destroy the attitudes of trust people have in government and its organisations, it only lowers it. There are other factors that keep trust alive in the community.

The two other measures of government performance were also significant in the regression results reported in Table 7.5. Feelings of powerlessness were associated with less trust in remote political institutions, while perceptions of efficiency in government spending were associated with more trust.

Perceptions of government performance dominate this analysis. Yet there is still evidence of a ripple of trust emanating from trust in strangers and trust in government institutions that deliver local services. This ripple seems to be helped along by a sense of obligation to the state which includes willingness to give more power to the state to achieve its objectives.

The remaining significant beta coefficient in Table 7.5 is ethnicity. Interestingly the result is the opposite of that found in the case of social trust: it is people from a non-English

speaking background who have greater trust in government. This may be because people from other countries who have been in Australia for some time can compare government performance in Australia with the country from which they migrated and see a positive difference between Australia and their home country. This may be explained by the different socialisation experiences people from other countries have had. Overall, the findings for ethnicity lend support for the socialisation argument rather than the rational perspective which argues that positive evaluation of government performance builds trust in strangers. Conversely, while those born in Australia were more trusting of strangers, they were less trusting of remote political institutions. One possible explanation is that they expect more of their government than do more recently arrived Australians, commonly refugees. No other social demographics were significant.

With nearly 50% of the variance predicted, the remote political trust model is strong. Both evaluation of government performance and social trust appear to be positively and significantly associated with political trust. These findings are the most encouraging in supporting the case for the rational perspective. They raise the important question of how can the rational and relational coexist at the level of trust in remote government institutions. Interesting insights as to how this may happen are gleaned from the qualitative comments at the end of the survey.

### **Qualitative synthesis of the rational and relational**

An important insight in the literature was that trust in government can be interpreted to mean either trust in the political system or trust in political incumbents (Bean 1999; Worthington 2001). It has been suggested that political trust in Australia refers to incumbent-based trust (Bean 1999; Job 2005). While perceptions of corruption are a

measure of people's evaluation of the performance of government, this is not necessarily a reflection of people's attitudes towards abstract systems such as democratic governance. Perceptions of corruption measure the attitudes citizens have towards the personal motives or intentions of those in government – the politicians and the bureaucrats in government organisations (Ullman-Margalit 2004). This suggests that while government performance is very important to people, because it affects personal and collective self-interest, relationships also matter. This includes our relationships with strangers and the incumbents of government. The comments of one of the survey respondents, a 57 year old self-employed engineering contractor, support the interpretation that relationships are important:

I am really disappointed with the quality of the politicians we have. I think they are in politics to make a name for themselves and push there (sic) own political barrow. They don't vote on conscience, only on party policy. They are not in touch with the average Australian (they don't even know they exist). I do not believe they vote on policy that will help our country, only on policy that will help there (sic) party ... Thank you for the opportunity to express my little opinion.

The ethical behaviour of politicians matters because it has an impact on people's self-interests. The "average Australian" gets less if politicians only look after themselves. However, there is more to the outrage evident in this respondent's comments. Unethical performance by the incumbents of government violates people's underlying morals and the attitudes of trust which they hold about others generally. The reference to "conscience" demonstrates this underlying attitude of trust that people have towards others and which they believe others have for them.

This respondent's comment reinforces the idea that people's evaluation of government combines both relational and rational perspectives. Undoubtedly, perceived poor

behaviour by those in government reduces political trust and also flows back to reduce social trust because people cannot be sure that government is dealing effectively and fairly with those people not doing the right thing. While there is concern about politicians' behaviour and declining trust in government, a reduction in trust can be a healthy attribute in a democracy. It reminds the government of the day that people are watching them, and helps to "keep the bastards honest"<sup>12</sup> (Boyle 1996; Brenton 2005). Even though lack of honesty in politics and government is not a good thing in that it creates social tension and conflict, it may serve a useful function if it causes government and the public to re-evaluate political standards of behaviour.

But there is more to people's discontent. There is a standard of behaviour that they expect and that they hope for from political incumbents. The coexistence of rational and relational factors in people's trust in government is demonstrated again in the following comment from a 48 year old managing director of a real estate company:

Unfortunately our Prime Minister is a liar. Unfortunately our politicians are all "little boys". Unfortunately people like Packer don't pay tax. Unfortunately Dick Smith isn't Prime Minister. But Australia is still a wonderful country to live in but I hope the down trend in loyalty, honesty, integrity is not pushed along by the greed of the powerful in our wonderful nation.<sup>13</sup>

While people may be morally offended by the self-interest of political incumbents and perceived inequality in the way politicians and wealthy businessmen are treated compared with the general population, they may still retain a sense of obligation to the state and commitment to Australian society.

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<sup>12</sup> A term coined by Don Chipp in 1977 when he founded the Australian Democrats, a minor political party in Australia, with the purpose of keeping an eye on the major political parties to "keep the bastards honest".

<sup>13</sup> Kerry Packer, who died in December 2005, was a media baron and Australia's richest man. Dick Smith is a high profile Australian businessman who actively promotes Australian-made products.

Of as much concern as perceptions of corruption are feelings of powerlessness. The comment above expresses also an underlying concern about power differences.

Powerlessness was a significant predictor of trust in the regression results in this chapter. It reduced trust in remote political institutions. It also created a sense of helplessness in some as reflected in the comment of one respondent, a 45 year old, unemployed female shop assistant, who said: “We have a big problem in our neighbourhood and no one wants to help us. Especially for the children. Thank You”. This comment reinforces the issue expressed previously about the power difference between some members of the community and those in high places. This divide or distance that creates people who feel powerless plays out in the political trust domain. People who feel that government does not listen to them, does not care about them, and tries to exploit them, are less likely to have trust in remote political institutions for reasons that appear to be both rational and relational; rational in the sense that they are coming up empty-handed, relational in the sense that they see no-one caring about their plight.

The mean score for the powerlessness scale (3.29) suggests that people believed that government listens only to those who have an unfair advantage over most – those with wealth and those who have influence because they are advocated for and organised on a professional basis. For example, 52% agreed or strongly agreed that “government is mainly run for the benefit of special interest groups”, and 56% agreed or strongly agreed that “people like me don’t have any say about what the federal government does”. 63% agreed or strongly agreed that “the people who run the country are not really concerned with what happens to you”. The results highlight that people wanted government and its incumbents to listen to them and to care about them, rather than using their position of power to further their own interests or the interests of the powerful. This theme is reflected frequently in the comments of survey respondents. As one respondent (a 61 year

old retired school principal) said: "...I am concerned that Govt listens unduly to, and is guided by, the extremely wealthy (eg K. Packer), and the single issue lobby groups...". That the average person anywhere in the world wants, and expects, to have a say and to be heard by government was clearly expressed by a 41 year old transport driver: "People in government should start listening to the majority. The media and politicians should be more accountable. Stop listening to minority groups".

The growth of professional lobby groups has resulted in what Skocpol (2003) has called "diminished democracy". Since the mid 20<sup>th</sup> century, public participation in large membership organisations has been overtaken by professional organisations which lobby government on behalf of others (Skocpol 2003). These organisations might do the job better, but people no longer feel personally involved or feel that they have the opportunity to have a say in their collective lives. Whether government listens only to the wealthy and to minority groups, or is perceived to, is not the point so much as people no longer feel they have a say. As a result they feel powerlessness.

The third rational factor of government spending which was significant in the regression results was also reflected in people's comments. Respondents expressed their views about wanting more say in the way government distributes "their" money and in the way that politicians are remunerated. While many commented about the unfair advantages given to the wealthy by politicians, the unfair advantages politicians bestow upon themselves infuriated others. A 32 year old statistical process control specialist maintained that:

... we should have the right to decide where those monies are to go to and at the same time how much should be allocated. After all, it is our money so shouldn't the vast and varied majority decide where best their money should be invested (not spent!), as opposed to a very small minority of self serving, vested interest, ill-informed individuals who really only represent a small portion of society's

views, goals and needs?! I also firmly believe that politicians wages, perks and benefits, superannuation etc should be wholly and solely decided upon by the general public (not the polities themselves!!!) and the process of paying former PMs to have staff (and their spouses) be abolished and also their right to free air travel etc be abolished immediately. This money should then be shared amongst all Australians to create a more even balance between the rich and the poor instead of the already rich being looked after as such an unfair ratio compared to less better off 'AUSTRALIANS' ....

This comment illustrates the finding in Chapter 4 that 72% of respondents were not happy about the way government spends public money. It is the perceived self-interest of politicians, and the favours that politicians are perceived to give to the wealthy, which people see as corruption or lack of honesty in politics. Comments such as these about sharing resources so that all benefit highlight people's commitment to the collective and to equality. Lack of fairness and inequality is seen as corrupt. People are made to feel powerless about it because they have no say in how government is run.

These comments illustrate the close connection in people's minds between rational and relational factors in the development of trust in political institutions. Even though people's comments express their anger that government spends money to meet the interests of political incumbents, that there is corruption in politics, and that they feel powerless, respondents still expressed their commitment to their country, their system of government and their fellow Australians. These comments expand on the statistical results to suggest that the rational choice and socio-psychological theoretical perspectives coexist in relation to trust in political institutions. The attitudes of trust which develop in childhood ripple beyond those close to us and combine with self and collective interests to build trust in political institutions.

The comments also suggest that the rational measures can be partly relational because they combine self-interest with ethics. For example, someone like the respondent who



referred to K. Packer might think they would not want Packer for a friend because he appears to be less than honest. If Packer was their friend, he would probably be generous to them (thereby serving their interests). They do not spurn his friendship for rational reasons, but for relational ones. They turn away from corrupt people and do not encourage their friendship. It is the same with corrupt governments.

Overall, these findings suggest that people are aware of the quantity and, particularly, of the quality of the performance of their political institutions. Both the quality and quantity of government performance may be significant factors in building trust.

## **Chapter summary**

The regression results in this chapter highlight that people perceive their relationship with government organisations which provide services at the local level differently from the relationship they have with those political institutions with which they have little contact. The results support the idea that trust is a multi-dimensional concept, comprising attitudes about what others do for me and attitudes about how others make me feel (that is, both rational and relational factors). Furthermore, different factors predict different types of trust (see Table 7.6 below). Trust in close relationships is the number one predictor of both social and political trust (local), and is the second and third strongest predictor of political trust (remote). In evaluating government performance, it is the perceived quality of behaviour by those in government which most strongly predicts trust in the remote organisations of government – perceptions of corruption are most important, with feelings of powerlessness and efficient government spending the fourth and fifth most important predictors. Closely associated with these is people's sense of obligation to the state, the sixth strongest predictor. People who feel committed to government and the laws it

administrators and feel obligated to respond as government requests are more likely to trust remote political institutions. These findings are summarised in Table 7.6 below.

**Table 7.6: Predictors of different types of trust in order of significance**

Social trust	Political trust (local)	Political trust (remote)
Familiar trust +	Social trust +	Corruption -
Age +	Satisfaction with life +	Political trust (local) +
Corruption -	Corruption -	Social trust +
Rural dweller +	Familiar trust +	Powerlessness -
Satisfaction with life +	Commitment to society +	Efficiency in government spending +
Engaging in personal activities +		Obligation to the state +
English speaking background +		Non-English speaking background +

There are two other interesting observations which can be made from this table. The first is that there are only two factors which endure across and feature strongly in all types of trust. These are attitudes of familiar trust and social trust, the essence of our relationships with others, which are positive predictors of both types of political trust, and corruption, the essence of rationalism, which is a negative influence on all three types of trust. These findings suggest the following causal model, as yet untested, but consistent with the data. The trust ripple can be seen moving out from familiar trust to develop attitudes of social trust, attitudes of trust in government organisations implementing policy to provide services to us in our communities (political trust [local]), and trusting attitudes then ripple further to develop attitudes of trust in government organisations in the remote political arena (political trust [remote]). However, corruption or lack of honesty in politics negatively influences our attitudes of trust, reducing not only the trust we have in government and its organisations but also our trust in strangers. This suggests the idea that trust ripples out from the family, but that it also ripples from government to strangers

(corruption in government at the highest levels causes a cross ripple), suggesting that both the relational and rational theoretical perspectives play a part in building different types of trust.

The other interesting observation which can be made from Table 7.6 is that each form of trust is a mix of rational and relational factors. While the relational perspective appears to be more prominent in this summary, as the trust ripple extends to those more remote from us, a more rational view of the world is also important. The most influential aspects of the rational perspective are the quality of government performance (corruption, efficiency and citizen powerlessness) which reflects the degree to which respondents believed that people like themselves were the recipients of government decision making that was sound, democratic, and served the interests of citizens. This suggests that rational items can be partly relational. What Table 7.6 suggests is that a mix of both rational and relational factors is needed in the building of trust of all types (see also Braithwaite 1998 on trust norms). It seems from these results that it is moral factors that are derived from both a rational and a relational perspective which feature most strongly in both building and maintaining trust. People value qualities in their system of government that are regarded as desirable because government respects individual citizens and is considerate of their needs and because government delivers outcomes efficiently that are of benefit to the population. Braithwaite (1998) refers to these as communal and exchange trust norms respectively.

In this chapter a rational perspective was introduced to the question about how trust is developed. People's evaluation of government performance was added to the socio-psychological/cultural factors tested earlier in Chapters 5 and 6. All aspects of the relational and rational perspectives were tested using regression analysis. The results

suggested that both perspectives played a part in the development of both social and political trust. The rational and relational accounts of political trust can work together. Knowing that they work in combination does not prevent the question being asked: Which is more important? In the next chapter, structural equation modelling will be used to compare the relational and rational theses.

## Chapter 8 – Which way does the ripple run?

*The average person does not trust government bodies or bureaucracy generally. Therefore there is a feeling of contempt for law and order. I accept that corruption exists, but still I am idealistic enough to feel that with effort on everyone's part things can be turned around.*

73 year old female CPC survey respondent

### Introduction

There remain two questions to tackle, both of which have not been dealt with satisfactorily in the trust/social capital literature. First, the notion that political trust comprises both rational and relational factors has not been widely considered. Most consider one aspect and dismiss or ignore the other. As emphasised earlier, Misztal (1996) highlights that an integrated theory of trust is yet to be developed. While the results of the regression analyses above indicate that both factors play an important role in building trust, support for this finding can be strengthened using the statistically more rigorous method of structural equation modelling (SEM). The hypothesis to be tested using SEM is that both rational and relational theoretical perspectives are relevant to building different types of trust.

Central to this hypothesis is the question of causal direction which has not been established through regression analysis. Even SEM is unable to answer this question with cross-sectional data, but this method of analysis takes us one step closer in being able to understand what is plausible and what is not. The hypotheses regarding the direction of trust building taken from the literature cater for all possibilities. For example, Inglehart (1999:104) maintains that “it seems likely that democratic institutions are conducive to

interpersonal social trust, as well as trust being conducive to democracy". Hetherington (1998) found a reciprocal relationship between trust and evaluations of politicians and government (Chanley, Rudolph and Rahn 2000:241). Brehm and Rahn (1997) suggested that civic engagement and social trust may be both cause and consequence of political trust. Using an institutional structural approach, Rothstein and Stolle (2002) suggested that the causal direction was from impartial, fair, unbiased and non-corrupt institutions which implement government policy to social trust. This is a top-down or macro-meso model which is the opposite direction to the bottom-up socialisation and social capital argument which presents meso-macro explanations of trust development. The key question is does trust come from the top (high levels of government) down or from the bottom (intimate informal groups) up?

The findings presented so far in this thesis suggest that the causal direction could run in both directions. Trust may begin in the micro institution of the family, ripple out to social trust and then to political institutions – not only to political institutions at the local level which implement policy but also to those institutions at the remote level of government which decide policy. However, the causal direction may just as easily run in the opposite direction, as Rothstein and Stolle suggest, from political institutions to social trust. Using structural equation modelling allows for an examination of the effects and causes of political trust from opposing theoretical perspectives: that familiar trust, civic engagement, and social trust build political trust; and that political trust builds or affects levels of social trust.

To examine these opposing causal directions using structural equation modelling, the chapter will proceed as follows. First, the structural equation method will be explained by comparing its advantages over regression modelling, explaining the treatment of missing

values in the data set and describing how SEM results are interpreted. Then a description follows on how the preliminary measurement models (which can be likened to scales) were constructed, which items had to be trimmed to fit the measurement models, and how the structural equation models were constructed. Second, the relational argument, structural equation model and results will be presented. Third, an explanation of the relational argument and the two rational models is given: a fully rational model and a hybrid rational model.

### **Using structural equation models to compare the theoretical perspectives**

One of the main reasons structural equation modelling is used is for causal modelling. Causal relationships are hypothesised and tested with a linear equation system. Causal modelling enables the researcher to determine the extent to which the data agree or not with the causal path which has been hypothesised. While structural equation modelling cannot establish causality, it can provide a statistically plausible explanation to theoretical questions such as those raised in the above hypotheses.

Structural equation modelling has advantages over multiple and multivariate regression. These advantages include the ability to explore simultaneously the relationships between dependent and independent variables, the relationship between independent variables and more than one dependent variable, estimate relationships among latent constructs underlying observed variables, allow for correlations among the measurement errors, allow for unequal weightings for the multiple indicators of a latent construct, improve on the use of composite scales in regression by minimising unreliability, and estimate measurement error in the observed variables (Holmes-Smith and Coote 2001).

In this study, estimation is achieved using Analysis of Moment Structures (AMOS) Version 4.01 with maximum likelihood estimation (Arbuckle and Wothke 1999).

### **Assessing SEM results**

Even though a model may fit the data, this does not mean that the model is the correct one. Another model may fit the data just as well. This is where structural equation modelling has an advantage over regression modelling. Equivalent structural equation models can, and should, be built and then compared to allow for the best possible fit between theory and data (Kline 1998). In this study equivalent models will be built to compare the two theoretical perspectives.

Traditionally, the chi-square ( $\chi^2$ ) is used to assess goodness-of-fit; those models with smaller and non-significant results having a better fit. However, degrees of freedom (*df*) and sample size may increase chi-square, so other indices are included to assess model fit. A chi-square/degrees of freedom ratio of less than 2 is acceptable; values greater than .95 for the Goodness-of-Fit Index, Adjusted Goodness-of-Fit Index, the Tucker-Lewis Index, and Comparative Fit Index indicate a good fit; and a Root Mean Square Error of Approximation of .05 or less is an indicator of acceptable fit (Arbuckle and Wothke 1999; Bollen 1989; Byrne 2001; Holmes-Smith and Coote 2001).



## ***Building the model***

### **Treating missing values**

First, to fit data to a model in AMOS there cannot be any missing values. Expectation Maximisation is the preferred method for handling missing values in structural equation modelling as it has been shown to have the least bias (Byrne 2001:296-297). Expectation Maximisation assumes that data are missing at random rather than systematically missing. This method allows values to be replaced by including information from all the other variables which are not missing for each person or case (Arbuckle and Wothke 1999; Byrne 2001; Holmes-Smith and Coote 2001; Kline 1998). Expectation Maximisation was used for the continuous variables and listwise deletion was used for the categorical variables. After treating missing values, a total of 794 cases remained in the data set.

### **Building the measurement models**

I began by modelling the data using the same variables in the scales described in Chapter 4. However, to obtain the best fit for each measurement model several items had to be trimmed. Table 8.1 below shows the items in the measurement models and includes details of the items which were trimmed to improve the measurement models used in the final structural equation models.

**Table 8.1: Items in the measurement models**

Measurement model	Items retained	Items trimmed
Familiar trust	All	-
Social trust	Trust people in neighbourhood Trust people encountered downtown Trust people in same clubs Trust people in stores where you shop	Trust people in church
Political trust (local)	Trust in public schools Trust in fire stations Trust in police stations	Trust in hospitals
Political trust (remote)	Trust in federal government Trust in tax office Trust in local council	Trust in newspapers Trust in television news
Civic engagement	Personal regular Volunteer regular Political regular	Media regular
Harmony values	All	-
Security values	All	-
Satisfaction with life	All	-
Commitment to Australian society	Providing health care Providing education Providing welfare benefits Building national highways	Protecting the environment Providing for defence of the country
Obligation to the state	All	-
Corruption in politics	All	-
Citizen powerlessness	All	-
Efficiency in government spending	The government spends tax money wisely Government spending often ends up in the hands of people who deserve it least	I would like to see lower taxes even if it means fewer government services Most government services are of benefit to me

The next step was to validate the measurement models, ensuring the best estimation for the observed and unobserved variables. Measurement models were estimated for each of the latent or endogenous variables (civic engagement, familiar trust, social trust, political trust [local], and political trust [remote]). I also estimated measurement models for each of the nine exogenous variables (corruption in politics, efficiency in government spending, commitment to Australian society, feelings of citizen powerlessness, obligation to the state, satisfaction with life, harmony values, and security values).

### **Building the structural models**

With all measurement models validated, the structural models could now be built. The models were made more manageable by reducing the number of items being introduced into them. This was done by constructing latent variables. Latent variables, comprising the indicators detailed above in the measurement models, were constructed for civic engagement, familiar trust, social trust, political trust (local), and political trust (remote). To do this the indicators for each latent variable were combined. This was achieved by calculating weightings for each scale (the lambda regression coefficients and the variance for the error terms) which were then entered into the model in AMOS. The remaining indicators for world views and satisfaction with life, government performance, and social demographics were entered into the models as separate independent variables (that is, as predictors of the trust variables).

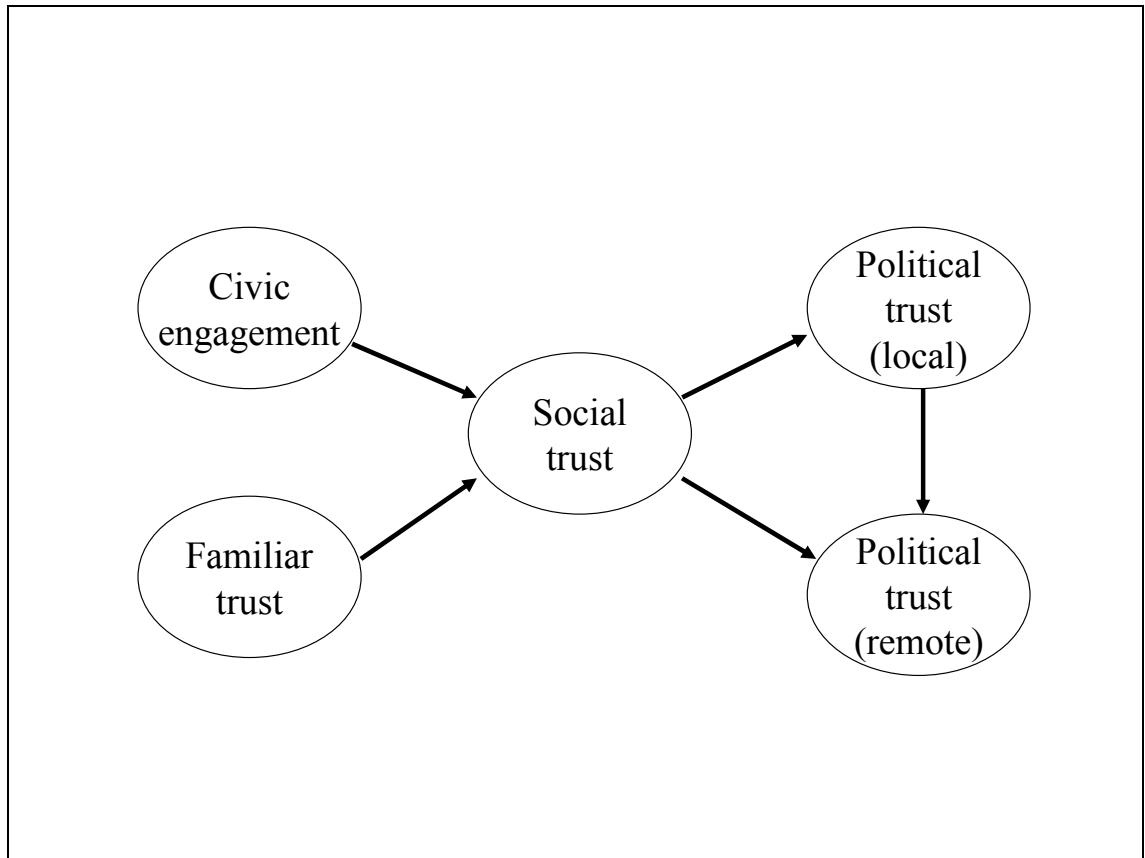
Equivalent structural models were used to test the competing theories about the development of trust. The final structural models comprised five latent variables (familiar trust, social trust, civic engagement, political trust [local] and political trust [remote]), and twelve predictor variables (five variables representing world values and satisfaction with

life, three representing government performance and four social demographic variables – age, ethnicity, place of residence and education).

## **Explaining trust from a relational perspective**

### ***The relational hypothesis***

In the relational model, depicted in Figure 8.1 below, social trust is hypothesised to lead directly to political trust (local) and directly to political trust (remote), and to lead indirectly to political trust (remote) mediated by political trust (local). This model combines all three institutional levels making it a micro-meso-macro model. Social trust may be built by either or both familiar trust and civic engagement. I develop confidence and skill in managing my relationships with others through the lessons I learned from my parents (this cannot be tested here but those who work on early childhood development propose that is where we learn these skills), or through my engagement with others in voluntary associations. I know how to treat people to elicit trustworthiness. I generalise my trust to strangers and to government because I am confident and I believe our society is working well. If I do see corruption, or institutional decay, I might question the trust I can place in government, but it should not rebound to affect my social trust, nor my readiness to generalise social trust to the political sphere in normal circumstances.



**Figure 8.1: Diagrammatic representation of the relational hypothesis**

### ***The relational structural equation model***

The relational hypothesis represented above was that civic engagement and familiar trust, together with those indicators representing socialisation experiences (world views and satisfaction with life, and social demographics), would lead to social trust, which, together with government performance, would lead to political trust (local and remote). This represents a generalisation of the trust argument that positive socialisation experiences in the family and one's intimate circle, civic engagement, and satisfaction with life will build positive views of the world and an attitude of trust towards strangers and towards government institutions.

The conceptual model above in Figure 8.1 represents a simple model, using only the trust variables and civic engagement which will be represented as latent factors in the structural model. The final structural equation model in Figure 8.2 below includes the other relational and rational dimensions tested in the regression analyses which will appear as exogenous causes in the structural model (world views and satisfaction and social demographics as carriers of the socialisation thesis, and government performance as a carrier of the rational thesis). The conceptual model was tested and the structural equation model below in Figure 8.2 represents the final model. Those variables which were not significant were deleted during the model trimming process. These included the harmony and security values, education, and civic engagement<sup>14</sup>.

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<sup>14</sup> For the purposes of illustration the civic engagement variable has been retained in Figure 7.3. However, it was deleted during the trimming process in AMOS as it was not significant. It would not normally be shown in the final AMOS model diagram.

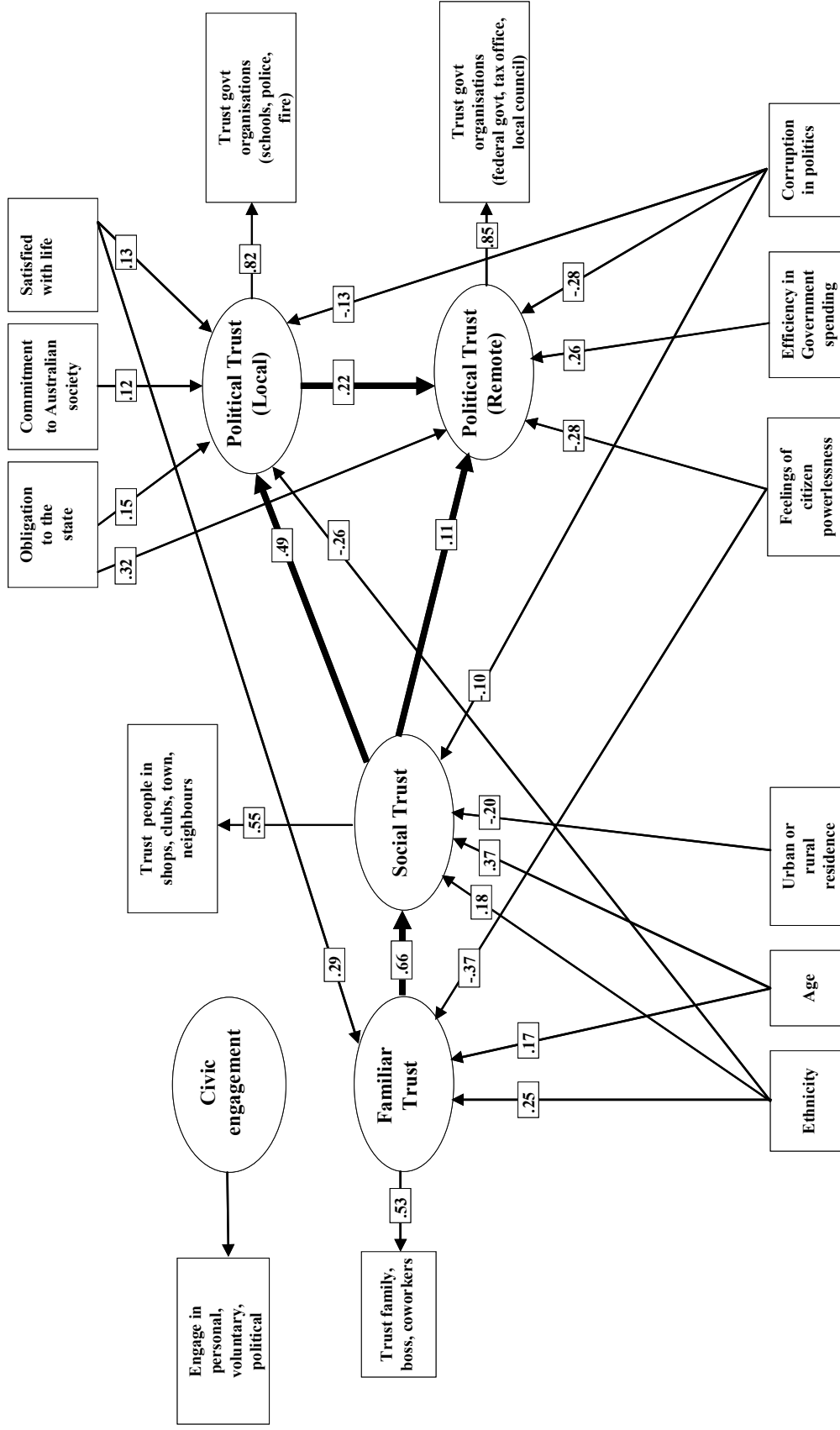


Figure 8.2: Relational structural equation model

The fit indices in Table 8.2 below that accompany the relational model in Figure 8.2 indicate an excellent fit to the data. There was no indication in the modification indices that the model could be improved by either the addition or removal of paths.

**Table 8.2: Goodness-of-fit indices for the relational SEM model (N = 794)**

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Measures of Goodness-of-fit	
Chi-square	28.939
Degrees of Freedom (df)	21
Probability level	0.115
Chi-square/df ratio	1.378
Goodness-of-fit index	0.995
Adjusted Goodness-of-fit index	0.976
Comparative fit index	0.996
Tucker-Lewis Index	0.986
Root Mean Square Error of Approximation	0.022
Squared multiple correlation (for political trust (remote))	0.782

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Table 8.3 below shows the paths in the final model. The standardised beta coefficients in the table identify three sets of results: the first is a set of five very strong results; the second is a set of nine middle strength results; and the third is a set of seven results which in themselves are not important but provide further explanatory insight into the more important findings. Separate from these three sets of results is the first important finding for the relational model in Figure 8.2: civic engagement has neither an effect on the trust variables nor on any of the predictor variables in the model. This finding suggests that civic engagement and associational membership is not the answer to building trust.



**Table 8.3: Paths in the final relational SEM model with their standardised beta coefficients**

Paths in the final model	Standardised beta coefficients
Social Trust → Political trust (remote)	.11
Political trust (local) → Political trust (remote)	.22
Corruption in politics → Political trust (remote)	-.28
Obligation to the state → Political trust (remote)	.32
Efficiency in government spending → Political trust (remote)	.26
Feelings of citizen powerlessness → Political trust (remote)	-.28
Social Trust → Political trust (local)	.49
Corruption in politics → Political trust (local)	-.13
Satisfaction with life → Political trust (local)	.24
Commitment to Australian society → Political trust (local)	.13
Ethnicity (non-English speaking background) → Political trust (local)	-.26
Familiar Trust → Social trust	.66
Corruption in politics → Social trust	-.10
Ethnicity (English speaking background) → Social trust	.18
Age → Social trust	.37
Place of Residence → Social trust	-.20
Feelings of citizen powerlessness → Familiar trust	-.37
Satisfaction with life → Familiar trust	.29
Ethnicity (English speaking background) → Familiar trust	.25
Age → Familiar trust	.17

The first set of findings in Table 8.3 shows there are five strongly significant paths in the model presented in Figure 8.2. These are the paths between: familiar trust and social trust; social trust and political trust (local); feelings of citizen powerlessness and familiar trust; age and social trust; and obligation to the state and political trust (remote). While most of

these results were expected, one was surprising (feelings of citizen powerlessness to familiar trust which will be explained below). Two of these important paths show support for the argument that the source of trust is multi-dimensional, or that theories on trust should be integrated: first, trust is sourced in the family and generalises; and second, the quality of government performance reduces trust, even at the familiar level (through feeling powerless). Yet the diagram also shows that there is evidence of the robustness of political trust – it is sourced in a number of ways that are independent of government performance.

The major effect is that familiar trust builds social trust. This is the strongest path in the model, with a standardised regression weight of 0.66. This result strongly supports the relational thesis. Familiar trust is embedded in one's intimate circle, presumably based on early positive socialisation experiences where trust is developed. Further support for this relational thesis can be seen in the second strongest path in the model from social trust to political trust (local), with a standardised beta coefficient of 0.49. Together these two paths support the argument that trust is developed in the family, ripples out to society and continues on to those government institutions which operate in our local communities. Even though the direct path from trust in strangers to political trust (remote) is weak (standardised beta coefficient of 0.11), this result provides further support for the relational argument. Nevertheless, with a beta coefficient of 0.22, the indirect path from political trust (local) to political trust (remote) supports one of the necessary links in the relational hypothesis that trust ripples from family groups to social institutions, to local government and then to remote government.

The second strongest positive effect in this first set of findings is that social trust is predicted by our age (0.37); older people are more trusting. Equally strong (with a

standardised beta coefficient of -0.37), was the direct negative effect from feelings of citizen powerlessness to familiar trust. This was the most surprising result as it was not hypothesised. Nevertheless, familiar trust for this Australian sample comprises trust in our families as well as trust in our workmates – our bosses and our colleagues. This strong negative relationship between feelings of powerlessness and familiar trust can be explained. It may be that feelings of exploitation, lack of respect and uncaring behaviour by government impacts on workplaces where workers experience procedural and distributive injustices. The evidence on the increase in and extent of bullying in the workplace in both Australia and overseas (Ahmed 2004) suggests that trust is being broken down in many contexts. This is of concern as it echoes reasons given by Banfield in his Italian study for the growth of particularised trust. If you know that neither government nor people in society are supportive of the collective but only intent on meeting their own needs, there is no reason to trust them to look out for your needs or to give trust to those outside your immediate family. Indeed, even the immediate family may be doubted if stressful conditions continue as we see in extreme cases like children informing on their parents in Nazi Germany. Subsequent feelings of depression and negative cognitions may lower trust in everyone, even one's immediate family.

The fifth strongest path in the first set of findings is between obligation to the state and political trust (remote), with a standardised beta coefficient of 0.32. This highlights people's commitment to comply with the laws made by government in the hope that government will reciprocate by ensuring the well-being of everyone in our society. The positive, but weaker, result (0.15) between obligation to the state and political trust (local) further supports the idea that a sense of obligation or willingness to respond to the demands of government, presumably acquired through reading the cultural signposts of what is expected, builds trust in government at all levels.

The second set of results in Table 8.3 shows nine paths which are not quite as strong (with standardised beta coefficients ranging from 0.29 to 0.20), but which are supportive of a multi-dimensional approach to the sources of trust.

The satisfaction we have with life is closely related to trust at a number of levels. Significant paths were found from satisfaction with life to familiar trust (0.29) and from satisfaction with life to political trust (local) (0.24). Our satisfaction with life combines both rational and relational factors to build trust, supporting the argument for a multi-dimensional source of trust.

Important in this second set of findings is the effect on political trust of the quality of government performance. Feelings of citizen powerlessness reduce the trust we have in the remote level of government, as demonstrated in a path with a standardised beta coefficient of -0.28. Similarly, perceptions of corruption in politics (-0.28) reduce the trust we have in the remote level of government. These results are only slightly lower than the strongest paths in the model, and indicate the importance people place on the quality of political behaviour. If people perceive that those in government only look after themselves and their mates, or those who have the ability (money or power) to curry favour with politicians and bureaucrats, such as the wealthy and lobby groups, there is little reason to trust them. In this environment, it would be very difficult for people to feel assured that government can be trusted to look after the needs of the collective.

Feeling unheard and uncared for, together with perceived lack of honesty in politics, is a recurring theme in the results in this study. The importance of the quality of government performance factors is highlighted again in the negative path (-0.13) from corruption to

political trust (local), which points to a reduction in the trust people place in government organisations which operate within their communities. The effect of these perceptions of unethical behaviour by government officials carries further, as seen in the weaker but significant path from corruption in politics to social trust (-0.10). If government organisations are perceived to behave unfairly by favouring some groups over others, trust in government organisations at the local level will decline. Perceptions of lack of honesty and unethical behaviour in those we do not know will negatively affect bridging and linking (Narayan 1999; Stone 2003; Szreter and Woolcock 2004; Woolcock 1998; 2001; Woolcock and Narayan 2000): we will get by but are less likely to approach others to help us get ahead because of perceptions of cultural signposting that dishonesty is in vogue and is everywhere, and this will reduce our trust in others.

Paths supporting both relational and rational factors increase political trust (remote). Expectation of efficient and wise government spending (0.26) is of some importance in building trust in government and its organisations. Ethnic background is a moderately significant factor in predicting trust – being from a non-English speaking background predicts higher political trust (local) (-0.26), whereas an English speaking background predicts higher familiar trust (0.25). Finally, living in a rural area is related to higher social trust (0.20).

Not hypothesised in this model were the direct effects on familiar trust. Feeling satisfied with our lives will increase our trust in those in our close personal circle, as does coming from an English speaking background and age. These results indicate that it is our experiences in life which affect the development of trust. Feeling powerless, a large part of which was discussed above as a factor reducing familiar trust, is likely to be based on personal experience.

There are two themes which are apparent in the results of this structural equation model. One highlights the source of trust, the other highlights a source of mistrust. Both have far-reaching effects. The first theme is the strong support for the building of trust in the family which then ripples to strangers and to both levels of government. The second theme is one of a cross ripple or backwash – unethical or poor quality performance by government at both levels sends a ripple back the other way from government to society generally, then into workplaces and families. The social bond, sourced in our families and close intimate circle, seems to be strong enough that the effect of the cross ripples of unethical behaviour in politics reduces trust but does not destroy it. Familiar trust has other sources of support. This raises a question about how poorly does government have to behave, and over what length of time, before trust in a whole society becomes particularised to a few individuals and is not extended beyond this tight group?

However, a world where everyone mistrusts everyone else does not appear to be likely from the results shown in Figure 8.2. Too many backups for generalising trust are in place to guard against complete social disintegration. This is not to say, however, that damaging levels of social disintegration cannot take place. The possibility of reverse causality in the ordering of some of these variables could seriously undermine the trust fabric of society. The analysis turns now to the rational argument.

## **Explaining trust from a rational perspective**

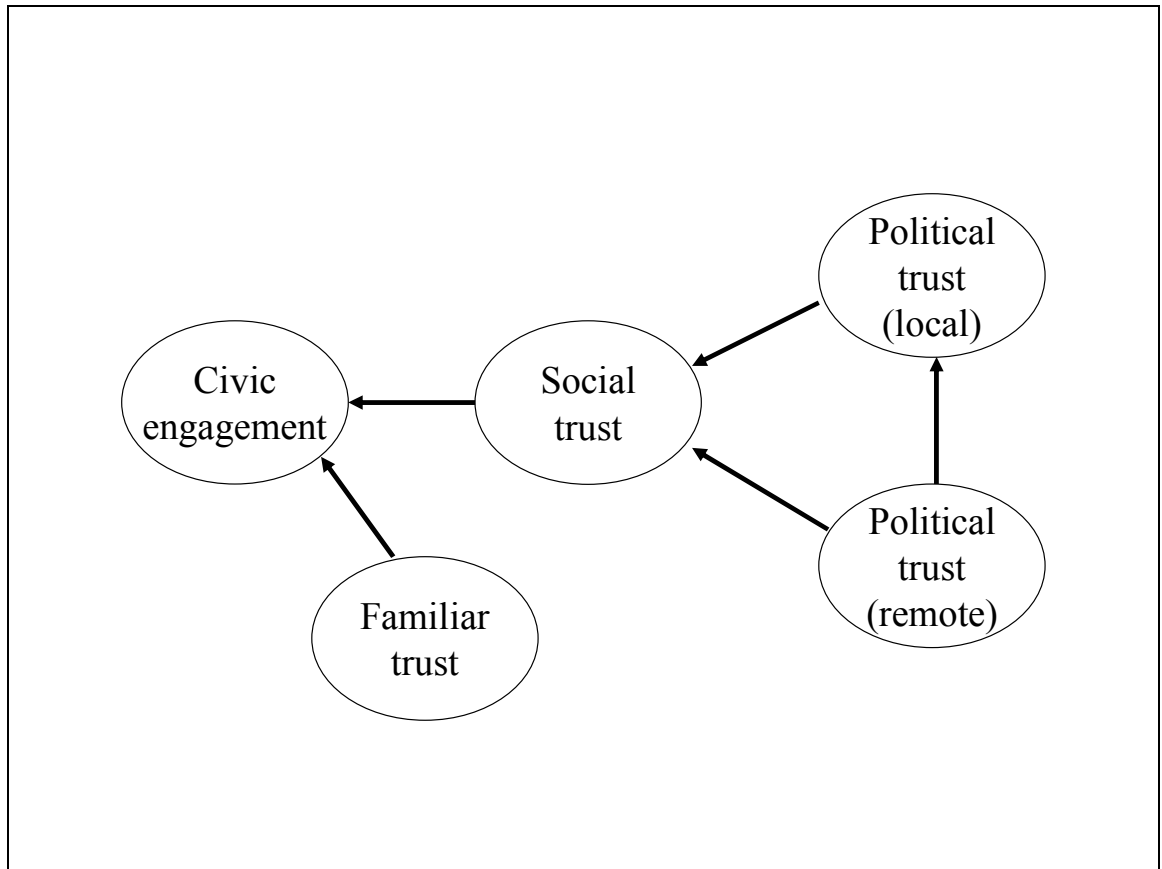
### ***The rational hypothesis***

The rational perspective can be represented in similar but different ways in two macro-meso-micro models where the paths run from political institutions to intermediate institutions and also include paths from familiar institutions to intermediate institutions.

### **The first rational model**

A fully rational model is represented in Figure 8.3 below, testing the hypothesis that strong and efficient government builds social trust, which in turn builds civic engagement. I trust government. It provides the safeguards so that I can trust people generally. Because I trust people generally, I will engage with others in activities in my community. In this model the causal arrows from social trust and familiar trust lead to civic engagement.

However, when the structural equation model representing this hypothesis was constructed, the model could not be fitted and was discarded.



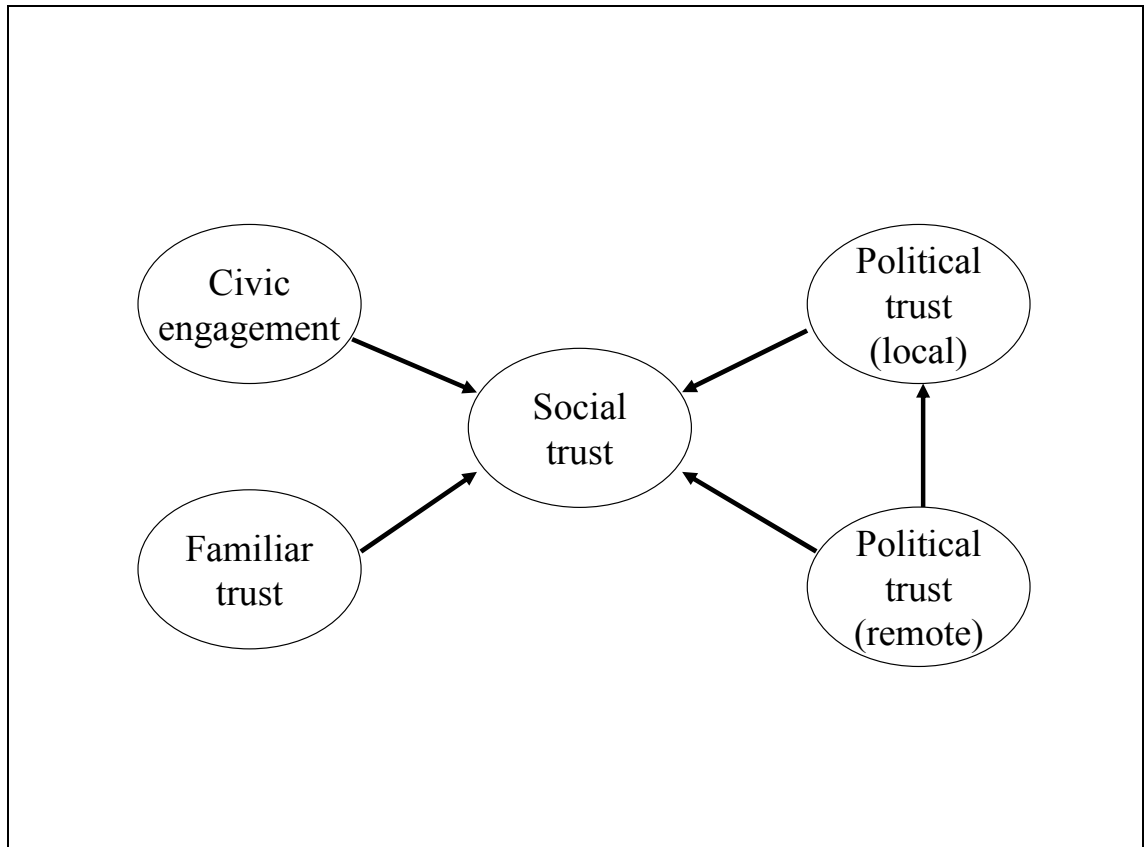
**Figure 8.3: Diagrammatic representation of a rational model to test the hypothesis that social trust builds civic engagement**

### **A second rational model**

A second rational conceptual model was constructed. In Figure 8.4 below, if I perceive corruption in politics at local and remote levels of government, my trust in government at both levels will be reduced or turn to fear and my social trust may be reduced.

Nevertheless, my social trust will not be destroyed because it is directly affected by familiar trust and civic engagement. Thus, a rational model is hypothesised where political trust (remote) leads directly to social trust, and indirectly to social trust, mediated by political trust (local). There are direct paths from civic engagement and familiar trust to social trust giving this macro-meso-micro model a hybrid quality.





**Figure 8.4: Diagrammatic representation of the hybrid rational hypothesis**

### ***The hybrid rational structural equation model***

To test the possibility of a hybrid rational hypothesis an equivalent structural equation model was constructed to test the possibility of reverse causality in the ordering of some of these variables and to enable comparison between the two theoretical perspectives.

This hybrid rational model retained the relational hypothesis that civic engagement and familiar trust would lead to social trust. However, political trust (local and remote), together with government performance, in accordance with the rational approach, were hypothesised also to lead to social trust.

In this model, people who trust government are more likely to trust others in society generally. If people are not getting what they expect from government, that is, ethical behaviour from government and its organisations, they not only do not trust government

but they do not trust others generally. Counteracting this source of distrust is a source of trust at the micro level that is generated by trust in family and friends.

The hybrid rational conceptual model was tested and the final rational structural equation model is illustrated in Figure 8.5 below.

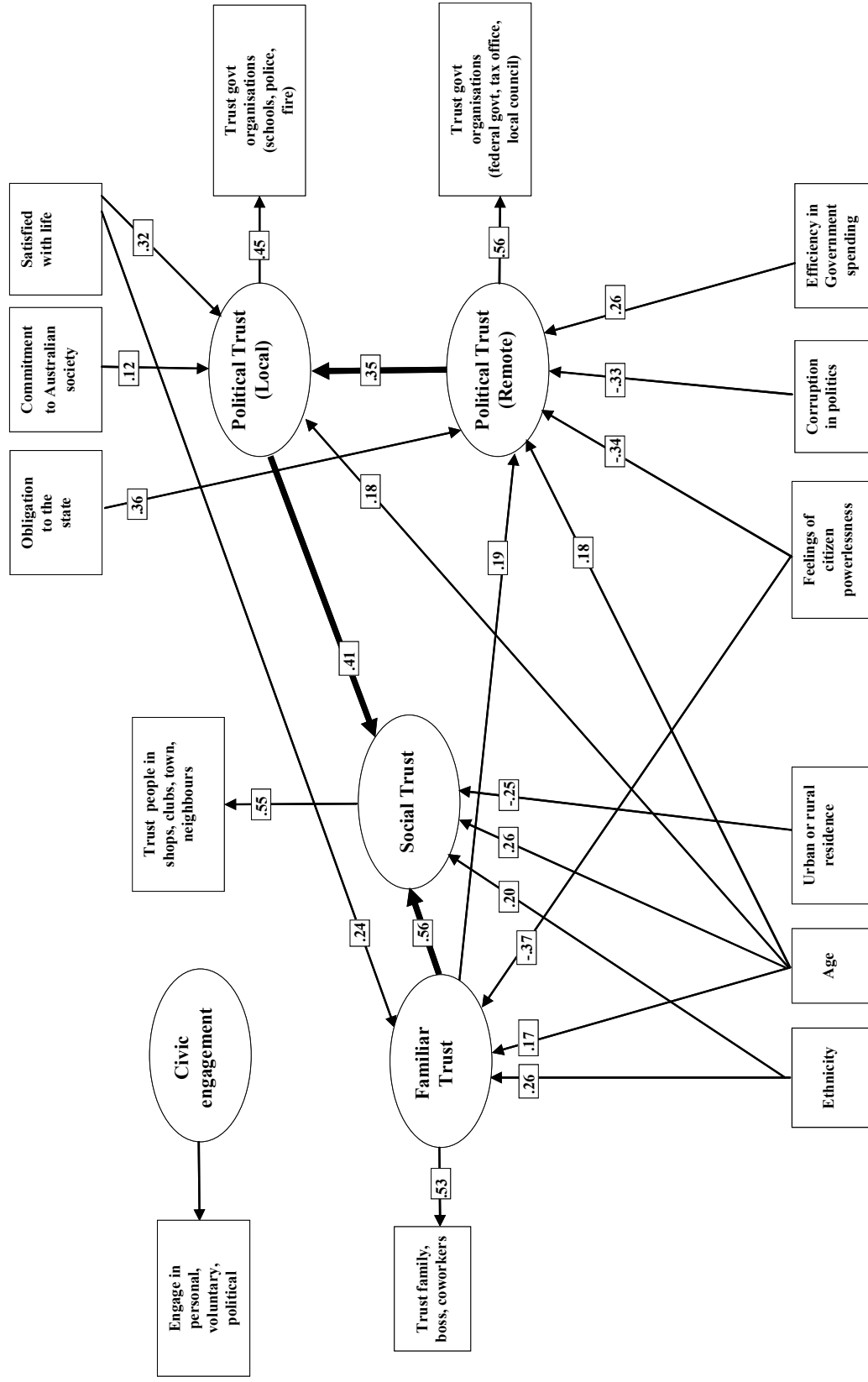


Figure 8.5: Hybrid rational structural equation model

The fit indices for this model in Table 8.4 below indicate an excellent fit to the data.

There was no indication that the model could be improved by adding or removing paths.

**Table 8.4: Goodness-of-fit indices for the rational SEM model (N = 794)**

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Measures of Goodness-of-fit	
Chi-square	34.621
Degrees of Freedom (df)	20
Probability level	0.022
Chi-square/df ratio	1.731
Goodness-of-fit index	0.993
Adjusted Goodness-of-fit index	0.970
Comparative fit index	0.993
Tucker-Lewis Index	0.974
Root Mean Square Error of Approximation	0.030
Squared multiple correlation (for social trust)	0.750

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The results for Figure 8.5 are similar to the results for the relational structural equation model. Once again, there is no effect for civic engagement. The variable appears in the diagram in Figure 8.5 but only to indicate that there was no effect and that this is not how trust is built. As in the relational structural equation model, the rational model in Figure 8.5 provides three sets of results which can be seen in Table 8.5 below.

**Table 8.5: Paths in the final rational SEM model with their standardised beta coefficients**

Paths in the final model	Standardised beta coefficients
Feelings of citizen powerlessness → Political trust (remote)	-.34
Corruption in politics → Political trust (remote)	-.33
Obligation to the state → Political trust (remote)	.36
Efficiency in government spending → Political trust (remote)	.26
Age → Political trust (remote)	.18
Political trust (remote) → Political trust (local)	.35
Satisfaction with life → Political trust (local)	.32
Commitment to Australian society → Political trust (local)	.12
Age → Political trust (local)	.18
Familiar trust → Social trust	.56
Political trust (local) → Social trust	.41
Ethnicity (English speaking background) → Social trust	.20
Age → Social trust	.26
Place of residence (rural) → Social trust	-.25
Ethnicity (English speaking background) → Familiar trust	.26
Satisfaction with life → Familiar trust	.24
Feelings of citizen powerlessness → Familiar trust	-.37
Age → Familiar trust	.17

Three of the strongest paths in this model relate to trust. The strongest path (with a standardised regression weight of 0.56) is from familiar trust to social trust, again supporting the relational argument that trust sourced in the family generalises to strangers. The next strongest is the path from political trust (local) to social trust (0.41) followed by the path from political trust (remote) to political trust (local) (0.35). These latter two paths support the argument that trust sourced in those political institutions which make decisions on behalf of all citizens, extends to government organisations which deliver

services to the community on behalf of government, and then ripples beyond government and its organisations to those in society generally. If government organisations operating at the local level are perceived to be doing their job fairly and effectively, people feel they can trust strangers. The moderately strong result for efficient government spending (0.26) lends weight to this interpretation. This result supports the Rothstein and Stolle (2002) findings that it is government institutions implementing policy which build social trust. It is of note that there is no direct effect from political trust (remote) to social trust. If the rational thesis was strong, one would expect a direct effect. This result lends further support to the pivotal role played by local political institutions and to the view that there needs to be a 'personal' relationship for trust to develop.

The paths from obligation to the state to remote political institutions (0.36) and from satisfaction with life to local political institutions (0.32) are strong. These factors are regarded as relational, and in a rational model such as this, one would expect the arrows to go the other way to indicate that trusting government will encourage people to obey the law. These results provide support for the argument that the source of trust is a complex combination of both relational and rational factors, including the trust we have in political institutions. If government is meeting people's needs, they respond with a sense of obligation to meet government demands, and feel satisfied with the way their lives are going. Nearly as strong is the path from satisfaction with life to familiar trust (0.24), further supporting the idea that we extend trust to others when we are satisfied with our lives. While the path is weak (0.12), commitment to Australian society is also a factor in predicting political trust (local). These results highlight that the two theoretical perspectives are closely related to the building of trust, and how difficult it is to see how the relational and the rational perspectives could stand separately.

However, the results in the rational model also tell a story about how government actions can build distrust. Three of the strongest paths in the model suggest that trust is reduced if people evaluate the quality of government performance negatively. Perceptions of corruption reduce political trust (remote), as can be seen in the standardised regression weight of -0.33, and feelings of powerlessness reduce both familiar trust (-0.37) and political trust (remote) (-0.34). These results support the idea that the starting place of trust is in political institutions and the idea that trust is based on the evaluation of the actions of others.

Social demographics feature frequently in predicting trust. Living in a rural area builds trust in strangers. Being older and from an English speaking background predicts both familiar and social trust, indicating that both experience and our ability to interact on a deeper level with others play a role as a source of trust. We learn from personal and positive experiences during our life to give trust to others.

As before, the results for familiar trust were not hypothesised. Satisfaction with one's life, age, and an English speaking background predicted trust in those in our personal circle. Again, strongly reducing trust in those close to us is a feeling of powerlessness. I am acknowledging this feeling as one that is fuelled by a loss of respect for the principles of democratic governance in society. A future research project, however, would countenance multiple sources for feelings of powerlessness and would recognise how a psychological state of being defeated can transcend domains (family, work and citizen roles).

The important finding here is that the rational story of the development of social trust is supported by these results. Remote political trust has a strongly significant and positive effect on trust in government organisations providing services at the local level. This

variable in turn has a significant effect on the building of trust in strangers. The indirect path explaining the development of social trust is confirmed. However, the hypothesis that there is a direct effect from remote political organisations to social trust is not confirmed. As before in the regression results, corruption and citizen powerlessness have strongly significant negative impacts on trust. Corruption has a major effect on decreasing political trust in remote government organisations. It no longer affects local government organisations as it does in the relational model. Again, powerlessness has a substantial negative impact on political trust in remote government organisations and an even stronger negative effect on familiar trust. If government does not meet people's needs, it is not surprising that lack of support may be felt in strained workplace and family relations.

So what is the answer? Both models fit the data well. However, there is scarcely any difference in the fit statistics. Therefore, the Squared Multiple Correlation ( $R^2$ ) was examined to see which model explained more of the variance. The relational model explained 78% of the variance compared with 75% for the rational model. The relational model is marginally stronger if  $R^2$  is the criterion: there is support for the hypothesis that the main story of trust is that it begins in the micro institution of the family and ripples across both intermediate and political institutional levels in society. However, this is no basis on which to downplay the explanatory contribution of the rational model. The relational model may explain a little more of the variation but the rational model can also account for a lot of variance. Both theoretical perspectives are plausible, and these models have provided very satisfactory and credible goodness of fit statistics. Of considerable importance is that in whichever model one favours civic engagement plays no role in the development of trust. These results provide support for the idea that both rational and



relational perspectives may be needed to explain the sources of trust at all three institutional levels.

## **Chapter summary**

While the results of the regression analyses in Chapters 5, 6 and 7 were interesting, regression analysis has weaknesses which do not allow insight into which perspective might be stronger than the other. To improve on that, this chapter used structural equation modelling which allows equivalent models to be tested. Two equivalent models were tested, and each model produced excellent results.

While causality cannot be established with cross-sectional data such as these, the results indicate that both causal directions are plausible and are worthy of further testing in future panel or longitudinal research. However, rather than fixating on causal direction and trying to determine the dominance of one direction or theoretical perspective over another as others have tried to do, perhaps these results are telling us something else. The results highlight that both relational and rational perspectives may contribute to the building of trust, that trust is a multi-dimensional concept, and that different factors predict different types of trust. Relational trust appears to be built by learning about how to behave towards others and interacting with them and is given a boost if one has a nurturing intimate environment where trust is given and is rewarded. These attitudes of familiar trust are the foundation of trust at all institutional levels and the basis of our capacity to form trusting relationships with others.

The rational model highlighted the importance of both the range and quality of government performance in building political and social trust. Most importantly, the

rational model explained the source of mistrust and illustrated how dishonest or corrupt behaviour reduces trust in those inside government and its organisations and in people generally by denying both our personal and collective interests. Also interesting is the finding that corrupt behaviour reduces trust but does not destroy it if a strong foundation of trust has been developed in the family and generalised to society. The importance of these results is to illustrate that both perspectives play a role in the development of trust.

Chapter 9 will discuss the implications of the results detailed in Chapters 5, 6, 7 and 8. It will highlight the strengths and limitations of this thesis, consider areas for future research, and conclude with some implications for both theory and method in understanding the sources of trust.

## Chapter 9 – Multi-dimensional trust

*Trust yourself. You know more than you think you do.*

Benjamin Spock

### Introduction

The objectives of this thesis were twofold: to understand how trust is built from both the socio-psychological/cultural and rational perspectives; and how trust in different institutional contexts is interconnected. In particular, the critical theoretical question was how trust in government is built and how it is eroded. The different institutional contexts considered include the micro institutional level or familiar trust, the meso level or social trust, and two aspects of the macro institutional level – political trust at the local level and political trust at the remote level. The lack of examination of trust across these different institutional contexts in the literature comes from theoretical singularity which has suppressed cross-institutional comparisons.

Before summarising and discussing where we are in terms of the findings, some of this study's strengths and the shortcomings which were encountered in undertaking the research are detailed. Future directions for research will then be considered.

### Strengths and shortcomings

All studies have strengths and weaknesses, and this study is no exception. The type of data used, the methods of analysis and the measures used are three areas of interest in this study which will be discussed here.

### ***Data used***

The data used in this study are cross-sectional – the most common design used in survey research (de Vaus 1995). Cross-sectional data have been used in similar contexts, for example, in the examination of causal relationships between political trust and civic engagement and presidential evaluation (for example, see Brehm and Rahn 1997; Hetherington 1998). However, a cross-sectional data set is a poor second best when the objective is to tease out causal directions. With data measured at one point in time, the effects of age or cohort cannot be examined, and causality cannot be determined. The theoretical understanding in this thesis is that trust starts in the family. The inclusion of the effect of experience over time would greatly enhance understanding of the mechanisms which enable development of different types of trust. This can be done using experimental methods and analysis of panel data which are more useful for measuring change over time (Levi and Stoker 2000), and for gaining insight into the effect on people's attitudes of trust as they mature and interact with others at different institutional levels. Panel data are currently being collected from young adulthood which can be used in possible future research to further examine these causal directions.

### ***Methods of analysis***

One of the strengths of the study was the use of different methods of analysis to determine the predictors of different types of trust. Regression modelling was used earlier to understand the interrelationships among the many different measures included in this study and to gain insight into which variables were the most likely to be doing the explanatory work in this analysis of trust. With key variables identified, the analytic

frame progressed to one which provided insight into likely pathways of influence. The use of structural equation modelling sharpened the measures used in the final analyses. The rigorous requirements of structural equation modelling resulted in the deletion of some scale items because they were not contributing enough valid and reliable information to the measurement of the construct (the process of building a measurement model in structural equation modelling). Fitting measurement models (scales) prior to building a final structural equation model ensures that only valid indicators are used, that is, the items are measuring what is intended to be measured (Holmes-Smith 2001). The use of structural equation modelling to analyse these cross-sectional data enabled the relationships between multiple dependent variables to be examined and plausible causal directions to be obtained.

The idea that trust exists in different institutional contexts was confirmed through the use of a number of statistical techniques including: factor analysis; correlational analysis; regression modelling; and finally, causal modelling using structural equations. These techniques also allowed confirmation of the idea that different factors are responsible for building trust in different contexts. The quantitative findings support both rational and relational models, and the (limited) qualitative data show complementarities between them.

The use of factor analysis identified four separate institutional contexts: family and close personal circle; strangers or the social circle; political institutions which implement government policy and provide services at the local community level; and political institutions which develop policy and which are remote from citizens. These separate contexts were interesting because the results in Australia, while similar, were different from those found in the United States. In Australia, there were four types of trust rather

than the three types in the United States found in Uslaner's (2002) factor analysis for the foundations of trust. The difference was in political trust which factored into two dimensions, representing different roles of government. These results indicate that there are different contexts in which political trust can be examined – in this case, the strategic level of government where policy is developed compared with the more operational level of government which implements government policy within communities. This finding enabled examination of trust in different levels of government, and particularly in political institutions which implement policy, which has been highlighted as a neglected area in the understanding of political trust (Rothstein and Stolle 2002).

Causal modelling confirmed the regression results but the rigour of this method removed those predictors which had been weak in the regression modelling. This allowed the focus to remain on those measures which strongly predicted trust in each institutional context. It also highlighted those predictors which were common to the different contexts. Even more importantly, structural equation modelling provided support for both the rational and relational models. Both the rigour and the flexibility of this method, which allows comparison of models with different causal paths, gave a result which was not possible in regression analysis. There was confirmation that both rational and relational theories can provide a model with a good fit to the data. The use of regression analysis alone would have left the impression that the factors representing the relational theoretical perspective were the more significant predictors of trust. The use of equivalent structural equation models revealed the nearly equal importance that both rational and relational perspectives play in the development of trust across different institutional contexts. Structural equation modelling showed strong results for the links between trust at different institutional levels. There was a very strong path from familiar trust to social trust, as well as strong paths between social trust and political trust (local), and political trust (local) and political

trust (remote). These relationships between different institutional contexts existed in both the relational and rational structural models. Both theories continue to look (almost equally) plausible in explaining the development of trust.

### ***Measures used***

Another of the strengths of this study has been the way in which many different facets and measures of core concepts were considered. This has allowed a broad examination of the sources of trust at different institutional levels. In particular, the measures of civic engagement were developed with the intention of incorporating measures used by other researchers and supplementing them with measures considered relevant to other contexts. The measures cover activities which have been mentioned in Putnam's work and in the PEW (1997) studies of trust and civic engagement. The activities Putnam (1993; 2000a) highlighted in his Italian and American studies were used as a guide to identify the four dimensions of civic engagement used in this study: personal activity; volunteering activity; political activity; and engagement with the media. Measures were taken of the opportunity to civically engage on the odd occasion as well as regularity of engagement. These measures provided insight into whether regularity or exposure built a feeling of trust in others. The distinction was important for measurement of civic engagement at the individual level.

Because the civic engagement indices used in this study measured engagement at the individual level, they are not directly comparable with Putnam's aggregate measures of civic engagement. The results for civic engagement in this study were virtually non-existent, perhaps for some readers raising questions about the validity of the civic engagement measures used in this study. However, as Rothstein (2005) has pointed out,

measures and correlations obtained at the aggregate level will not necessarily stand up to the test at the individual level. This study is not unusual in its inability to find relationships between civic engagement and trust in either direction (Rothstein 2005). It may be that civic engagement requires re-conceptualising theoretically before it is re-measured.

The aim in this study was to be comprehensive, as evidenced in the large number of measures used, but some of the measures proved to be weak. Only the strongest measures could be used in the structural equation models. The weaker measures, which were discarded at this point in the analysis, need to be further examined to help build a richer picture of the sources of trust at different institutional levels. For example, the two items measuring trust in newspapers and television stations were removed from the measure of political trust (remote) which finally went into the structural equation models. The trust people have in the media is a different matter and worthy of further exploration in the examination of the sources of trust.

The rational choice measures used in this study can be improved on in future research, particularly in the measurement of political trust. The rational choice argument about the development of political trust can be made in two ways. First, political trust can be examined using macro measures. Trust in institutions depends on reliance on them to perform in a way that positively serves the interests of citizens. Trust serves a normative purpose – if government and its organisations serve our interests we should give government and others generally our trust in return. Rothstein and Stolle (2002) have examined trust in this way. Second, political trust can be examined from a micro angle. Government as a representative of democracy may also connect with a moral or ethical aspect of trust. The representatives of government, politicians and bureaucrats, may be



deemed trustworthy on the basis of their moral disposition which citizens assess through the promises that politicians make. The policies of politicians are “signals of the candidate’s general views and moral character” (Brennan 1998:213). This aspect of rational choice theory in relation to political trust was not measured in this study. The aim was to follow Rothstein’s and Stolle’s structural and macro examination of trust. Future work should include both macro and micro measures of political trust.

Government performance is a concept which also could be better measured in micro studies such as this. While people have been asked about their personal experience of the treatment they received from a particular government organisation (for example, Tyler 1984; 2001; 2004; Tyler and Degoe 1996), this is more an examination of a relational aspect of government performance. It does not capture the idea of expected utility from a rational perspective. The satisfactory performance of government in meeting people’s needs through the provision of public goods is more usually measured at the macro level by aggregate performance (Bouckaert and Van de Walle 2003). The attempt in this study to construct an attitudinal measure of economic performance for use at the micro level resulted in a measure with a weak reliability ( $\alpha = .50$ ). Nevertheless, this measure has produced significant results, indicating the value of exploring stronger measures of this idea in future research at the micro level. There are other measures left out of the study which would have strengthened the robustness of the test of the rational perspective. For example, items measuring the performance of politicians and public servants which could have further tested a rational perspective and broadened the interest in the results were not included, and could be considered in further research (for example, questions like those in Hetherington 1998; 1999).

Few studies on the sources of trust have included qualitative data (an exception is Wuthnow 1998; 1999). In this study, qualitative comments written in the back of the survey booklets provided insight into the quantitative data. Future research might include qualitative interviews with members of the public, as well as government bureaucrats, to examine what they understand by the term ‘trust’, and to differentiate how they understand it in terms of trust in strangers, and trust in government and its organisations. It is also possible to infer trust from the way people behave towards each other. Various methods, such as experimental work and ethnographic study, can be considered also in future research on trust.

### **Where we are now in understanding the sources of trust**

The main aim of this thesis was to explain which institutional level provides a more powerful explanatory account of the source of trust in government. Three institutional levels, representing micro, meso and macro institutions, using two theoretical perspectives were examined to explore the sources of trust. The arguments of prominent social theorists which were tested in this study are summarised below in Figure 9.1. These arguments represent both bottom-up (relational) and top-down (rational) explanations of the source of trust.

Moving from the left to the right in Figure 9.1 below, we begin with bottom-up explanations of trust. Putnam’s (1993) social capital thesis was used to test the meso institutional level as the starting place of trust. Included in the figure for illustrative purposes is Skocpol’s (2003) alternative view that the social capital focus should be on larger national organisations at the meso level. The micro institutional level was examined using Uslaner’s (2002) work that trust has a moral foundation which is

developed in the institution of the family. Alternatively, Rothstein’s and Stolle’s (2002) top-down argument that trust developed in government organisations which implement policy and generalises to build social trust was used to test the macro institutional level. The final two models in Figure 9.1 were developed for this study and extended the Putnam, Uslaner, and Rothstein and Stolle theses. These models tested a hybrid rational model (a combined top-down and bottom-up model) and a relational model, both of which spanned all three institutional levels to examine interconnections in different institutional contexts.

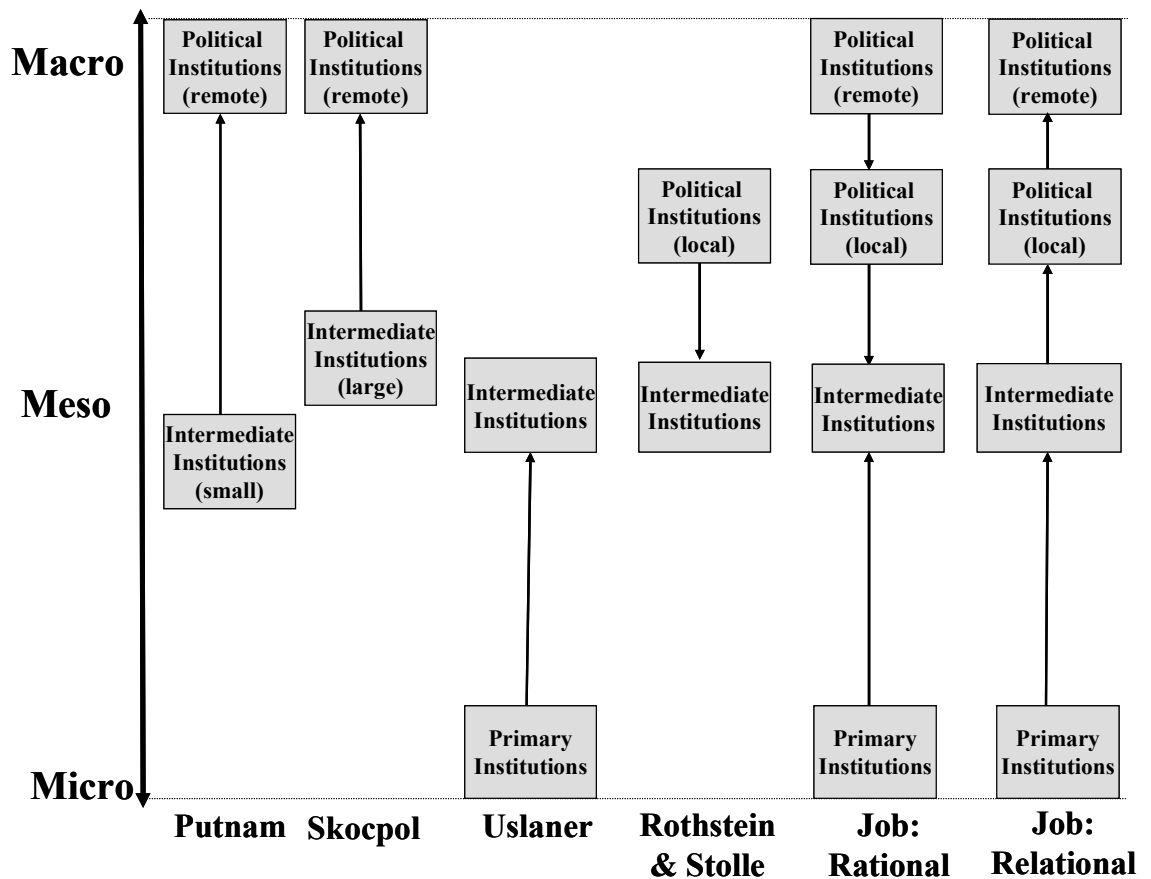


Figure 9.1: Bottom-up and top-down perspectives on the sources of trust

The data do not refute either the relational theoretical perspective or the rational theoretical perspective. One of the strengths of the findings is the insight they provide into the institutional sources of trust. What was found at each of these institutional levels will

be discussed in turn, starting with the intermediate or meso institutional level, moving to the primary or micro institutions, then progressing to the political or macro institutions.

### ***Intermediate institutions are not a source of trust***

Social capital theorists such as Putnam argue that trust is built in intermediate institutions. Their arguments can be located on a micro-meso-macro axis shown in Figure 9.1 above. Putnam's argument begins on the micro side of the meso point on the axis; Skocpol's argument begins slightly on the macro side of the meso point on the continuum. Both Putnam (1993) and Skocpol (2003) are meso-macro theorists. Putnam's argument is a bottom-up explanation of the source of trust, advocating the importance of civic engagement in intermediate institutions in the building of trust.

Tests of Putnam's thesis provided one of the findings of most interest in this study: civic engagement and associational membership had no effect on the development of trust in any institutional context. In Chapter 8, structural equation models, which used only the strongest measures, showed that civic engagement had no effect at all on the development of trust. While the data do not support Putnam's argument, this is not a new finding.

Many of the criticisms of Putnam's social capital thesis were described in Chapter 3. Two criticisms of interest in this study are those of Stolle (2001) and Skocpol (2003). Stolle's (2001) work convincingly placed doubt on the idea that participation by individuals in intermediate institutions builds trust. Her findings are supported by the findings in this thesis. Stolle (2001) suggested that the direction could just as easily run the opposite way. The alternative idea that Putnam's thesis might be relevant only to those who are already trusting (Rothstein and Uslaner 2005; Stolle 2001) is consistent with the results of this

thesis. People who have learned attitudes of trust towards others generally in micro institutions will extend their trust to those unknown to them.

Skocpol's (2003) solid empirical work provided a different view of social capital. Hers has been one of the most influential of the critiques of Putnam. Using an "historical-institutionalist" perspective, Skocpol examined particular types of organisation and changes in associational behaviour in the United States since the early 18<sup>th</sup> century. She argued that "worriers" like Putnam have based their work on snapshots of a recent past (the latter half of the 20<sup>th</sup> century) which does not consider the historical background to civic change. Skocpol found that civic engagement and the types of organisation Putnam (2000a) discusses in his study of social capital in the United States have not declined as rapidly as Putnam maintains. She found that the meso institutions in which people participated in their community have declined slowly and ceased to exist over a couple of centuries or came to be run by professionals rather than community volunteers.

Skocpol's (2003) criticisms have been influential in raising doubt about Putnam's social capital formation arguments. Skocpol's argument, which she has based on solid empirical work, has provided a plausible alternative about the reasons for the decline in trust and social capital. She has moved from theoretical privileging of smaller community organisations as Putnam does to placing greater importance on the larger, more socially encompassing organisations. Nevertheless, the organisations Skocpol considered are still intermediate or meso organisations. Despite her solid empirically-backed argument, Skocpol remains a meso-macro theorist, as Putnam is. The analyses in the previous four chapters provided no support for the social capital argument that the source of social trust is through engagement in meso or intermediate institutions.

**“... a luxury for people with lots of time on their hands”**

There are reasons for lack of civic engagement other than the disappearance of intermediate institutions. One reason, which became evident in this study, was lack of time.

If we follow the argument that it is trusting people who civically engage, then a lack of trust will limit engagement with the world. People with low trust in others generally will be unlikely to invest too much in the broader community unless they are sure they will receive a personal benefit. This is what Banfield’s work suggests. People who do not trust those outside their immediate family or personal circle, and who have not learned to place faith or have attitudes of trust in strangers generally will be far less likely to engage with strangers and cooperate with others in their community for the greater good. It is more likely that they will keep to themselves, as Banfield (1958) described in his study of southern Italian village life. The degree to which individuals decided how much and where to limit their engagement was not measured in this study but this is worthy of consideration in future studies.

The results in this study suggested that civic engagement outside the home, in voluntary organisations or in political activities, is low. As one respondent, a 49 year-old female primary school teacher, suggested:

Section A made me feel like a couch potato but in fact I work so hard that my spare time has no room for the activities you itemized. My impact on the community doesn’t involve volunteer work, clubs or sport, but working full time with the pupils I teach. I rarely complain or protest to bodies – that’s a luxury for people with lots of time on their hands.

In one respect, this comment supports an argument that trust is built through civic engagement in larger, more socially encompassing organisations, in this case, primary teaching institutions. While not voluntary work, which is often the focus of social capital theorists, teaching has been called a vocation even though those who teach are paid a salary. Teaching institutions such as primary schools can also be considered primary institutions where trusting attitudes are strengthened or weakened. These institutions comprise those government organisations which implement policy, which are the focus of Rothstein and Stolle's (2002) argument, and which factored into the political institutions (local) dimension in this analysis. Is a primary school a socialisation agent reinforcing micro institutional lessons or a political/government organisation which provides evidence of government performance necessary for trust in the rational choice perspective? Perhaps schools serve both roles, adding to the argument that the source of trust is multi-dimensional.

Respondents expressed their desire to engage more in their communities, and explained they were unable to because of time, work and health pressures, as indicated in the respondent's comments above. Australian working hours are the second longest in the western world (ACTU 2003), justifying the comments respondents made in the survey about work and time pressures preventing them from civic engagement. The increase in full time working hours over the last twenty years in Australia, coupled with growth in casual employment with unpredictable hours, is being described as 'family unfriendly' (Pocock 2001). It may also be described as 'community unfriendly'. It is puzzling that governments like the current Australian government could develop policies which put more pressure on the workplace (the recent industrial relations legislation in Australia), and subsequently on families, and yet also expect that people will have the time and energy to engage in their communities to develop solutions to local problems.

To return to the meso level argument, it was the more ‘passive’ types of civic engagement which can be engaged in in one’s own home which were very high, such as reading, listening to and watching the news. Third persons, such as the media, question our attitudes to others and ourselves (Lagerspetz 1998). The media is also a socialisation agent, which in a modern world builds relationships without the need for face-to-face interaction (Bessant and Watts 2002; Giddens 1990). Rather than the face-to-face interactions of traditional societies, we rely on “abstracted social interchanges that are reliant on impersonal technologies and the media of communication” (Bessant and Watts 2002:384).

The world we live in is one based on extended and abstracted social relations. This means we continuously rely on people (for example, journalists, TV camera operators and editors) we never see and will never meet for quite basic knowledge about our world ... (Bessant and Watts 2002:383).

The effect of interaction with the media, particularly television, on people’s trusting attitudes was not included in this study as an explanatory variable but it may be of value to include it in future work. Similarly, respondents’ comments about wanting to engage more in their community suggests that it might be useful to measure what people would like to do, as well as what they actually do.

**“ ...government should start listening to the majority”**

As well as insufficient time and energy, there were other reasons for lack of civic engagement. This study highlighted that most inactivity was in the area of ‘democratic’ participation, that is, activity such as contacting members of parliament or local council



members, attending public hearings, participating in professional or industry association activities, or contributing money to particular causes.

Plausible reasons have been given for this lack of civic engagement in political activities. It may not be because people do not care. Rather, it may be because these types of ‘democratic’ activity have been professionalised and taken over by formal organisations. For example, since the 1960s in the United States, “professionally managed advocacy groups” have increased, while the “voluntary federations” common before the 1960s have declined (Skocpol 2003:174). The professionalisation of community campaigning has effectively cut ordinary people out of engaging in their communities for collective purposes. This has occurred for a number of reasons, such as changing values, new techniques, such as direct mail rather than face-to-face interaction, resources coming primarily from highly educated and mobile patrons rather than cross-class members themselves, and management from the top rather than the bottom (Skocpol 2003). Democracy is diminished when supposedly representative groups run by professionals have little reason or capacity to involve the masses through personal contact (although they do contact us for marketing purposes) and continued involvement (Skocpol 2003:231). That people notice was demonstrated by the comment of the respondent that: “...government should start listening to the majority ...”.

These observations of American society and civic life are echoed in Australia by respondents’ comments highlighted in Chapter 7 about the lobby groups and the wealthy in Australia as the only ones with access to politicians. These data suggest that the effect is to make ordinary or ‘middle’ Australians believe there is inequality in society, and they feel powerless and disempowered (see also Pusey 2003). People do not want government and its officials coming into their community and ‘doing for’ them; past experience

indicates that people want to be ‘doing with’ others on an ongoing basis for the benefit of their communities (Skocpol 2003:227). The results in this thesis suggest a reason why the government-conceived community development and community building programs, such as those mentioned earlier, have not worked.

### **Excluding the non-trusting**

Prominent people such as Putnam who urge the community to civically engage may be doing no more than preaching to the converted: those who are already trusting and who have had the life chances to gain the trusting attitudes they need to cooperate with those they do not know. This is supported in the empirical findings of theorists such as Stolle (2001) and Uslaner (2002). The implication is that those members of the community who do not trust others generally may continue to be excluded, feel powerlessness because they feel they have no voice, and avoid civic engagement. For example, community development and community building programs established in regional Australia by federal and state governments over the last thirty years “have not lived up to their claims” (Johnson, Headey and Jensen 2005). Despite involving “extensive” community consultation, there is obviously something else which is preventing these programs from being successful.

Much of the meso-macro arguments of theorists such as Putnam were not supported in the findings of this thesis. While some aspects of Putnam’s work resonate with findings in this thesis, the idea that social trust is developed at the meso level is not the main story. The results supported the argument that social trust extended to political institutions which implement policy at the local level, and then rippled further to political institutions which are remote from people. However, before they will engage with either the

government officials or with others in their community, people need to have attitudes of trust in people generally.

We can conclude from the findings in this study that the data refute the arguments made by Putnam that civil society organisations (meso institutions) that are intermediate between the state (macro institutions) and the family/workplace (micro institutions) are the source of generalised trust and social capital.

The lack of support for the meso-macro argument in this study places further doubt on the social capital thesis about the development of trust. These findings provide support for considering other institutional contexts as sources of trust. Therefore, we move now to the two alternative arguments about the sources of trust which were tested in this thesis and which are shown in Figure 9.1. First, is the bottom-up, micro-meso explanation of Uslaner (2002) that trust is sourced in primary institutions. Second, is the macro to meso, or top-down, argument of Rothstein and Stolle (2002) that the source of trust is in political institutions.

### ***Primary institutions are a source of trust***

Our generalised trust in others does not arise from engaging with those we know in meso institutions. Instead, an alternative, bottom-up approach to explaining the development of trust has been provided by Uslaner (2002). We trust others generally because we have faith that most people share our moral values and thus most people will do the right thing by you (Uslaner 2002). The argument that trust has a moral basis, beginning in the primary institution of the family, provides a micro-meso explanation of the source of trust.

Support was found in this study for Uslaner's (2002) argument that trust has moral foundations which begin in infancy with the lessons we learn about trusting others in the primary institution of our families and reinforced by those in our close intimate circle. These results support the socialisation argument that we learn attitudes of trust from our caregivers and those in our close personal circle (Cooley 1956; Erikson 1950; Giddens 1990; Parsons 1952; 1955; Sztompka 1999; Uslaner 2002). The micro institutional argument in this study was based on the assumption that trust is sourced in the family and our close personal circle. The strength of the results provides strong support for this assumption. This is an argument based on the socio-psychological perspective and distinct from trust based on our personal experiences or knowledge about others which comes from the rational perspective.

### **From strong to weak trust**

These results raise an interesting issue about two functions of trust: trust for social cohesion and trust to get things done. These results could be construed to mean that the first step in building trust is to build strong ties, or strong bonds of social cohesion, rather than encouraging weak ties which enable communities to get things done. As Banfield demonstrated, bonds which are too strong allow trust to reside only within the immediate family and ensure that nobody in one's community will trust each other enough to work together to achieve anything. It is strong social capital, or weak ties, which allow communities to work together for the greater good (Putnam 1993; 2000a). However, social capital is unequally distributed in society (Foley and Edwards 1996). The same can be said of trust. Those whose life goes well for them and who are happy, optimistic people have stronger attitudes of trust towards strangers (Uslaner 2002), and the inverse

applies: those whose life has been difficult will be more guarded in their trust. Optimism and life's chances begin in the family. We learn from those who are close to us to be positive and to have faith in others and in ourselves.

The question remains about how that trust, or those strong ties, generalise to form weak ties (Levi 1996)? Can we be sure, however, that this is the right question? We need both strong and weak ties. Nevertheless, perhaps there is a hint in the unexpected results for familiar trust. There is not much we can do about ethnic background or age, as they are givens, although they may show us that we might focus attention on social demographic differences in our potential to trust. However, feelings of powerlessness and satisfaction with life also are strong predictors in the building of trust. These are aspects which can be changed. If we feel powerless and dissatisfied with life and with those we are close to, it is hard to imagine how we might form and generalise attitudes of trust to those unknown to us to build weak ties. Empowerment and satisfaction with one's life are two key factors in building both familiar trust (strong ties) and social and political trust (weak ties).

Satisfaction with our life was a strong and positive predictor of trust in the familiar context and in the context of government organisations operating in our community. Being satisfied or emotionally positive is likely to put individuals in a positive frame of mind for judging or evaluating their environment. This suggests how relational and rational factors can work compatibly together. However, an equally plausible interpretation is that it is trust that makes people satisfied with their life as suggested by findings in this study of the effect of familiar trust on social trust. The strong positive results for satisfaction with life may be part of learned optimism theory as suggested by Uslaner in his study on the moral foundations of trust.

If we have faith or trust in those close to us, there is no reason to think that we cannot have the same faith or trust in others generally. We have learnt cues in one context that can be used successfully in other contexts. Until further experience gives us knowledge that counters past experience, we extend trust.

The finding that the source of trust is relational, with its basis in the family, might be dismissed by some. There are those who would argue that if that is the basis of trust then all that has to be done to build trust in different institutions is for mothers to raise trusting children. The data here indicate that relying on trust to be built in the micro institutions alone is insufficient. This was shown in the finding that there is a backwash which reduces trust when people have evidence that all is not right (in this case when they perceived corruption in politics). We move now to the third model shown in Figure 9.1: a top-down explanation of the development of trust.

### ***Political institutions are a source of trust***

While there was strong support for the micro-meso argument of those like Uslaner (2002), there was equally strong support for the top-down argument of Rothstein and Stolle (2002). They argued that fair, impartial and non-corrupt institutions which implement government policy would build social trust. Rothstein and Stolle's (2002) argument is shown in Figure 9.1 as a macro-meso explanation of the source of trust. Their ideas were supported and extended in this thesis to explain a source of mistrust and its role in reducing trust. Corruption, or lack of honesty in politics, not only reduced trust in institutions which implemented policy but also reduced trust in institutions which developed policy, and also reduced social trust. This finding suggested that both the

rational and relational aspects of trust work together in people's minds when they are deciding whether to give trust.

When government is corrupt we cannot rely on fairness, impartiality or efficiency, and we cannot be sure that government will protect the interests of all which reduces our trust in others generally (LaFree 1998; Rothstein and Stolle 2002; Skogan 1990). This idea was supported in the findings of this study when the variable measuring perceptions of corruption was included in the regression models in Chapter 7 and the structural equation models in Chapter 8. In both chapters, the hypothesis that perceptions of corruption in politics would be associated with lower trust was confirmed. Corruption reduced trust not only in remote political institutions and local political institutions, but trust in others generally. Respondents' comments reinforced these findings and indicated that people think about the behaviour of politicians and those prominent in society, as well as the effect of their poor behaviour not only on themselves but on Australian society generally. That is, they simultaneously hold both relational and rational aspects of trust in their thoughts.

What was notable, however, was that while all types of trust were lower as a result of corruption, trust remained strongly significant. The findings indicated that in stable democracies like Australia people have a healthy scepticism of both political and intermediate institutions but generally they are not so lacking in trust in others that they will withdraw completely from interaction.

The rational perspective of trust plays two roles. It is important in building trust, especially at the level of political institutions, but it introduces also a healthy scepticism which allows people to consider a situation or sense when something is not quite right and

to withdraw before harm is done. Too much trust might be dangerous. In the short term, our evaluation of the behaviour of the other dampens trust but does not destroy it. In this study, trust was significantly reduced by perceptions of institutions acting poorly. Both structural equation models showed paths with strong negative beta coefficients which highlighted that trust is reduced because of perceptions of political corruption and feelings of powerlessness. Reductions in trust in both remote political institutions and local political institutions, as well as in strangers (but not family), were evidenced because of perceptions of corruption in politics. Powerlessness through lack of voice and feelings of exploitation and lack of caring by government reduced trust in remote political institutions. Feeling powerless also reduced trust in those in one's close personal circle. Over the long term, behaviour might be perceived to be so poor that we withdraw our trust completely. In countries where political corruption is more blatant and ingrained, as Banfield (1958), Rothstein and Stolle (2002), and Rothstein (2005) describe, the negative effect on trust and civic interaction is much stronger.

As corruption is partly non-rational in its effects (that is, there is a moral aspect to corruption), these results provide support for working towards an integrated rational and relational explanation of trust as the best choice for future examination. Perceptions of corruption in politics were common to three institutional contexts in the relational model and one in the rational model. The perception of corruption or dishonesty in politics is generally considered from a rational perspective because self-interested behaviour by politicians, or favouritism of one group over another, means that others miss out – usually the majority of citizens. People suspect that their interests and the interests of the majority are not being served as well as they should be and trust in government and in others generally is reduced. How do I know who is behaving honourably and who is not?



However, corruption can be explained also from a relational or social perspective. There is a moral expectation that those in positions of power will behave in an ethical way. This is what Barber (1983) called “fiduciary trust”, meaning that we expect that those who hold special skills or powers have a moral obligation and responsibility to put others’ interests before their own. Society has these expectations of parents, government officials and professionals (Barber 1983). Similarly, Uslander (2002:17) differentiated between strategic trust and moralistic trust, defining the latter as a “general outlook on human nature”, shared values and a bond with others. Corrupt behaviour offends those moral values but as the paths in the models in this study show, trust is reduced but not destroyed because our moral expectations are of society generally, which is more powerful than the expectations we have of particular individuals.

Again, common to both models and in two institutional contexts were feelings of powerlessness. Feeling powerless or helpless reduced both familiar trust and trust in government and its organisations which are remote. The feeling of powerlessness in different institutional contexts can be interpreted differently, depending on the perspective taken. From a rational perspective, power or efficacy is associated with government and people’s participation in political activities, such as voting or their ability to influence government policy and their knowledge that government will be responsive to their demands. If people feel they have no influence over government policy and that government will not respond to their demands, they feel powerless. Respondents’ comments in the back of the survey booklets reinforce the interpretation that the notion of powerlessness is associated with the lack of influence people have over government and its decisions. This was evidenced in the previous chapter in comments expressing concern that government only listens to the extremely wealthy and lobby groups, and does not listen to the majority. This explains why there might be less trust in government.

From a socio-psychological perspective, powerlessness tends to be associated more with the individual and the social. It indicates a lack of self-sufficiency, helplessness or the inability to help oneself. The idea of helplessness was demonstrated in respondent comments that politicians do not even know the average Australian exists, or that there are big problems in their community but no one wants to help them, indicating that people feel unable to help themselves.

Those who favour a rational perspective focus more on government effectiveness or political institutions to explain the development of trust in others, and ignore social factors. Alternatively, those who prefer a relational explanation of the world focus more on socio-psychological/cultural factors to explain the source of trust and ignore or dismiss rational factors. The main point to make about these results is that the explanations we use to explain the same behaviour can be different, but it is important to understand that both perspectives play a part in those explanations. Trust in different institutional contexts is based on different factors, yet trust in one context is related to trust in others.

The importance of Rothstein and Stolle's (2002) point that government organisations implementing policy are different to those organisations which develop policy was confirmed in the regression models. These analyses showed that there are different predictors of trust in different institutional contexts. There were only three factors which were common to all types of trust (familiar trust, social trust and corruption). All other factors were different at each institutional level. At the political institutional level, these differences have been highlighted by Jennings (1998), who also suggested that the predictors of trust at different levels of government vary. He maintained that trust in federal government is based primarily on evaluation of performance whereas trust in state

and local governments is based more on how well these organisations provide a link between citizens and government officials and decision making. To some extent, Jennings findings are supported here but the results of this study suggest that Jennings may have been oversimplifying the commonalities and differences between the sources of trust in different institutional contexts.

### ***Rational and relational perspectives are not incompatible***

The remarkably similar results of the two equivalent structural equation models support the argument for future possible integration of the rational and relational perspectives in the explanation of trust. This thesis provides insight into how these perspectives might work together in the building of trust, and how people may use them both in deciding when to give trust and when to hold it back.

However, data collected at one point in time presents the danger of one account dominating another, as we saw in the regression models. Rather than arguing for the superiority of one theoretical perspective over another, a preferable explanation of the source of trust is provided by the two structural equation models. Trust is a complex and multi-dimensional construct, comprising factors from both theoretical perspectives. This is a more plausible explanation of trust than the opposing perspectives seen in the literature and provides a better understanding of trust in different institutional contexts and how these institutional contexts can work in combination.

While the results highlighted that both the rational and relational perspectives play a role in explaining trust, there were two important differences in what each perspective showed. The relational perspective highlights that we learn through familiar others how to

give trust. The rational perspective highlights that we all have experiences in life from which we learn to draw back and show caution in giving trust.

The relational aspects of trust ensure that trust is built and then continues to ripple across different contexts. The strongest paths in the structural equation models were those between the trust variables, demonstrating the ripple effect of trust across the different institutional contexts. Familiar trust built social trust and was the strongest path in both models. In the relational model, the idea that trust generalises is seen in the paths from social trust to political trust (local) and from political trust (local) to political trust (remote). In contrast, in the rational model trust ripples the other way from political trust (remote) to political trust (local) and then to social trust. If we have trust in people in one context we trust people in other contexts.

To explain trust by favouring one perspective over another reduces our understanding of the complexity of the sources of trust, and of the interrelationship between different institutional contexts in the building of trust. There needs to be greater acknowledgement that both perspectives may play a part in the development of trust. Rather than deciding at what institutional level to study the development of trust, it would seem preferable to consider all institutional levels together because of the interplay between factors.

The data show that both bottom-up and top-down arguments for the building of trust are plausible. The qualitative comments have shown that people have both relational and rational ideas in their heads when they are thinking about trust. Their comments focussed on the state (politicians) as well as the collective (the majority of Australians).

Respondents wrote about the quality of our politicians (their disappointment in the quality of politicians and their anger about politicians' behaviour) and the supposed favouritism

shown by government to the rich and powerful. These thoughts were followed with comments about “our wonderful nation” and their hope that moral behaviour would prevail (“... loyalty, honesty, integrity ...” and fairness and equity). Unethical behaviour by those in government and powerful places not only offends people’s morals but also can undermine the trust they have in others generally. It would seem that many people do not want to be associated with those who are dishonest. They may benefit personally through receiving favoured treatment by those who are corrupt, including government, but that type of behaviour offends their morals. Their trust is withheld.

This study has been explanatory in its testing of different theoretical perspectives on trust across different institutional levels. Three theories have been empirically tested: socio-psychological theory; rational choice theory; and social capital theory. Two theories on the source of trust held; one did not. The results suggest that the relational and rational theoretical perspectives ought to be synthesised or integrated in some way. This has not been attempted here but opens up possibilities for where we ought to be going in our thinking about trust.

### **Where we ought to be going to understand the sources of trust**

We are caught in a divide between rational and relational arguments about the sources of trust. This thesis has empirically tested these opposing theoretical arguments and reached the following conclusion. Both the relational and the rational models are convincing theoretically and both models were consistent with the quantitative and qualitative data. This makes the most appealing provisional theory to be an integrated relational-rational one.

We trust others generally, including government and its organisations, because we believe that others generally will do the right thing by us and not harm us. This is our starting position. On specific occasions when we are uncertain we draw on past experience or information to give us good reason to trust or not to trust. This is our back-up position. If we decide not to give trust on this occasion, that does not affect our general positive view of others generally. We use both. Trust ripples up and down across all three institutional levels.

One of the assumptions of this study, which is supported in the literature, was that trust is sourced in the family and close personal circle. However, there is little empirical evidence about how this trust develops, and about how this trust is generalised to those outside the immediate family. Empirical work needs to be done on the ways in which trust is developed in the family. This is work which needs to be undertaken over the long term. Gathering and analysing such data presents several practical and ethical problems, including how to measure and record parent/child interaction over many years. The relational theory could be tested further using a randomised controlled trial. Families could be randomly assigned to positive parenting training, and parent effectiveness training oriented to developing the social capital of their children (using games that teach children how to trust, for example). The observation of the same individuals over the longer term is desirable.

Similarly, there has been little work conducted on the micro impact of government performance and on the development and the reduction of trust generally and in particular contexts. Both measures of the quantity and quality of government performance are of interest. More work needs to be done on the construction and testing of a robust measure of the economic performance of government at the micro level. Of interest is the effect of

such performance on our satisfaction with life and how that flows on to build both political and social trust. Also of particular interest are measures of the quality of government performance: the effect of corruption in politics; the impact of powerlessness on trust; and the interrelationship between corruption and powerlessness and their effect on the reduction or withdrawal of trust in both government, its organisations, and society generally. This would combine with work on testing the relative importance of the two measures of political trust to examine the quantity and the quality of government performance. Do people really care only about their ‘hip pocket’ as has been suggested in Australia despite media stories highlighting government lies? Or does ethical behaviour matter to them as well?

The concept of corruption or dishonesty in politics and its impact on trust is interesting and not well understood in either a cross-disciplinary or cross-institutional sense.

Perceptions of corruption in government set up a ripple of fear which reduces our trust in others generally. More work needs to be done to explore what people understand by corruption or dishonesty in politics, what level is tolerable, and why citizens perceive corruption in government but continue to re-elect that same government – the current situation in Australia. How much corruption will people tolerate, will too much corruption destroy both political and social trust completely, what can be done to rebuild trust once it has been destroyed, and how long does it take to rebuild trust?

To help determine which aspects of the political institutional level influence trust, future research into the political institutional level might include questions about trust in different actors within government. This could include questions which examine people’s perceptions about the head of government (for example, the Prime Minister in Australia or the President in the United States), and actors within different levels of government

(such as ministers in federal government, heads of government agencies, mayors and councillors at local government level, public/civil servants, and so on). This would help to clarify uncertainty in the literature about whether political trust means trust in the system of government itself, trust in the current incumbents, or trust in particular government roles.

These Australian results are new additions to a small literature on the understanding of the sources of trust. However, a study across a range of countries to allow comparison across three types of economy (developed countries, developing countries and transitional countries) would be interesting. The purpose would be to test whether the integration of theoretical perspectives in the explanation of the sources of trust across different institutional levels holds in different cultural and political environments, which factors are similar in all countries and which factors vary and why in the development or reduction of trust. In particular, it would be hypothesised that the salience of the relational and rational models would vary with context.

Also interesting would be a comparison of different groups within the same society such as different socio-economic groups, different ethnic groups, different genders and urban/rural comparisons and their views about trust at different institutional levels. The latter three groups can be examined in Australia using the current data set. This would allow examination of the link between equality and trust being considered in recent work by Rothstein and Uslaner (2005) to examine the impact of trust or distrust at different institutional levels. The notion of powerlessness gave strong results across different institutional levels in this study and it would be worthwhile to examine it in a broader context to determine its relationship with inequality and the direction of the causal path between powerlessness, inequality and institutional level. As well, more work needs to be



done on understanding powerlessness. The common effect of powerlessness in political and familiar contexts suggests a rational/relational dilemma. While powerlessness is a rational measure of the performance of government, it is also very relational in that we all want respect, inclusiveness, and a voice, to a point. Which aspect of powerlessness has most effect on trust – structural issues like lack of material resources or inability to influence government, or psychological issues such as feeling helpless and unable to improve one's life? And what has to happen to reduce powerlessness?

Finally, repetition of this study is necessary to obtain panel data to test causal directions. Cross-sectional data such as those used in this study provide a baseline for further work to test causality in determining the sources of trust. This work has not been done elsewhere using such comprehensive measures and including different institutional levels. Further studies in this vein would make a valuable contribution to the literature on understanding the sources of trust.

## **Conclusion**

Many theorists explain the sources of trust by examining particular factors, such as self-interest, knowledge, habits, faith, calculation, laws, or norms. Others examine the development of trust from just one particular institutional level. Researchers have not empirically explored the development of trust from all three institutional levels in the same study. Many favour one theoretical perspective over the other in explaining how trust is developed. The many pieces of work on trust come together in an enormous and confusing literature which does not explain satisfactorily what the sources of trust might be.

Were the stated aims in this thesis achieved? The objective was to understand which institutional level best explained trust in government and how trust in government is reduced. The aim was to do this by looking at different starting places for trust – three different institutional levels. This was done by using the competing rational choice and socio-psychological theoretical perspectives in a range of statistical models to examine factors which might produce trust. The proposition was that our socialisation experiences, beginning in the family, allow the generalisation of trust across different institutional levels, but that our evaluation of the performance of others helps us to choose when to give and when to withhold trust. The aims of the thesis have been achieved, and there is more work to do.

Rather than people considering factors in isolation in regard to trusting different institutions, the socio-psychological and rational choice theoretical perspectives appear to both be necessary in the formation of our trust in different types of institution. However, people use them in different ways for different institutions. More interesting was the finding that trust in one institutional context is related to trust in another institutional context, lending support for the idea of a ripple of trust starting in the family and extending to strangers and then to government and its organisations. At the same time, there is a backwash effect: poor behaviour at the political institutional level reduces trust in strangers and flows back to reduce trust in those in our close personal circle – in this study, in our workplace colleagues. This further finding was made by using structural equation modelling which allowed comparison of models using the different theoretical perspectives, rather than the commonly used method of regression modelling.

These results have implications for both theory and method. They support the suggestion that the rational and socio-psychological theoretical perspectives should be integrated to

enable a fuller picture of trust. The rigid preference of one perspective over another may perhaps give the researcher the results they want to find, rather than the results they could find. I began this study favouring a socio-psychological perspective. I completed the study highlighting the value of both in explaining the development of trust. Each perspective provides important insights into the sources of trust. Those researchers examining trust, and particularly those working on the sources of trust, need to consider both theoretical perspectives to gain a clearer picture of how trust is built and how it is eroded.

The findings also have implications for Putnam's social capital theory. Although not a new finding, more doubt has been placed on the idea that civic engagement builds trust. There is work needed to find a better understanding of civic engagement, perhaps by examining the effect of different experiences on civic engagement such as family socialisation, or structural issues which affect life's chances and satisfaction with life. It is of concern that a prominent theory such as social capital, which advocates behaviour to produce trust, and which is influencing government policy, does not stand up to empirical testing.

The findings also support the suggestion that the method used to analyse data has enormous importance for what is found. The way the researcher utilises a method can limit or expand findings. In this case, regression analysis cannot provide these results. Nor would structural equation modelling have provided these results if only one model had been constructed. The use of the suggested but less favoured testing of equivalent models provided these far more interesting results which more accurately and fully reflect the different theoretical perspectives found in the literature. Regression analysis left me in the same position as other researchers – with an answer that favoured one theoretical

perspective over another. If the study had stopped there, the conclusion would have been that a socio-psychological perspective is a stronger source of trust than a rational perspective. I would have concluded also that this perspective explains political trust – a result which goes against all other researchers. Using a more rigorous method of analysis provided greater insight to the problem of how trust is developed.

The results provide support for the consideration of both theoretical perspectives in explaining different sources of trust, a realisation that was made possible through examining trust in micro, meso and macro institutions. Further work on the sources of trust should not only use factors from both theoretical perspectives, and examine relationships between different institutional contexts but also analyse results using methods which do not obscure a perspective, or favour one perspective over another. The next challenge then becomes integration of the two perspectives, theoretically and empirically.

So what can be said to regulators about how trust is built in government institutions?

There certainly is not much to recommend a tax office suggesting to taxpayers that they should join their local bird-watching society or bowling league. There is value in highlighting that effective and efficient government performance is a prominent factor in building citizens' trust in government and its organisations. Honest and ethical behaviour on the part of government officials is also of major importance in building trust in government. Equally important are government policies which might impact on families because that is the institution in which people develop their orientation towards others. Government policies and behaviours which place pressure on families, which make people feel powerless, reduce their satisfaction with life and reduce their belief that they can have an influence over what happens to them are problematic. Such policies may

encourage the withdrawal of trust in both government and its organisations and in people generally. The implications are not conducive to social cooperation.

Finally, people's experiences at one institutional level have implications for trust at other institutional levels. What happens in the family potentially affects how much someone trusts strangers and government, and equally, how government performs has implications for how much people trust both it and others generally. Much has been made of whole-of-government. Much has been said that it is a pipe dream. In reply, it seems that government has another reason for trying harder. People do not silo their trust. They look at government, they look at its different branches, their workplaces, their communities and their families and trust ripples from one sphere to another, elevating trust or depressing trust in spheres quite different from their source. The implications for theory and practice are substantial. Sometimes in one sphere we trust too much, sometimes too little. Institutionally, we make adjustments creating information sources to get the level of trust just right. But how often do we consider the ripple effect and how trust is affected in our institutional sphere? Rarely, but the findings of this thesis suggest we should consider it much more.

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## Appendix A – Pilot testing

In deciding how to administer the survey, a pilot telephone survey was done in July 2000. Thirty-seven names were drawn randomly from the white pages of the telephone book in the city of Canberra, in the Australian Capital Territory. Nearly 50% were not contactable – there was no answer, or the telephone number was disconnected. Two spouses who wanted to seek permission to participate from their partner were counted as refusals. As Lavrakas (1998) suggested, there was a high non-response rate on weekdays during business hours, but also in the early hours of the evening (up to 8.30pm in this pilot survey).

Many of the questions about involvement in clubs and associations, and level of participation, were difficult to administer over the telephone and people kept forgetting the choices of response available to them. Some people became so irritated with this first part of the survey they refused to continue with the remainder of the survey. It took about thirty to forty minutes to administer the questionnaire and interviewees became very tired.

The result highlighted that telephone surveys should be brief and simple, and that there was considerable skill needed to encourage people to participate. Overuse of telephone surveys for market testing might have encouraged refusals. One potential respondent said: “This is the fourth time I’ve been asked to do one of these things. I’m sick of them! I won’t do it!” In Putnam’s (2000a:142) view, refusals to participate in opinion surveys are evidence of declining generalised trust and reciprocity. The rise in refusals in recent years has plagued face-to-face and telephone interviews, but *not* mail surveys. This pattern suggests that these refusals may be due more to the menace of personal contact with anonymous strangers than to the simple inconvenience of answering questions (Putnam

2000a). The findings from the pilot were that there was likely to be a high non-response rate primarily because of difficulty contacting people, the complex content of the survey made it unsuitable for administration by telephone, and because such personal contact made people uneasy/irritated. A survey with this type of content was probably not ideal for administration by telephone.

A second pilot was conducted for the mail survey, again in Canberra with people from existing friendship groups who were given a survey booklet to complete. Their comments resulted in some questions being dropped because people could not understand them, and others being reworded because of ambiguity. Pilot participants said that the questionnaire took approximately thirty minutes to complete.

The poor results in the telephone survey pilot resulted in the decision to conduct the study by mail, with a survey booklet preceded by a pre-survey letter to let participants know they had been selected to participate.

**Appendix B – The survey**

**Centre for Tax System Integrity  
The Australian National University**

**Community  
Participation  
and Citizenship**

A SURVEY FROM  
THE AUSTRALIAN NATIONAL UNIVERSITY  
2000

## ABOUT THIS STUDY

This survey is being undertaken to try to understand how Australian's activities and their relationships with others might affect their opinions about their obligations as a citizen, particularly the obligation to pay tax.

The answers to these questions will give us valuable information and a clearer understanding of the public's views of citizenship and the concerns they may have about taxation generally. The information you give us will be used to help develop a better understanding of how Australia might go about building a cooperative taxpaying culture.

All the information you give us will be treated in the strictest confidence. No personal details will be revealed to anyone and all identifying information (such as names and addresses) will be destroyed at the end of the project. We do ask for some background information on you (such as age, occupation, etc). This is not meant to be an invasion of privacy but it is important to allow us to assess whether people of different ages or backgrounds have different interests and views about citizenship.

Please answer all sections carefully and return the booklet to us as soon as possible.

## HOW TO ANSWER THIS QUESTIONNAIRE

To answer most questions you need only **circle a number**. For example:

Do you think the government in Canberra is doing a good job or a poor job?	<b>Very good</b>	<b>Fairly good</b>	<b>Poor</b>	<b>Very poor</b>	If you think they are doing a fairly good job, circle "2"
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	

With some questions you need to circle a word. For example:

Do you think the government in Canberra is doing a good job or a poor job?	<b>Very good</b>	<b>Fairly good</b>	<b>Poor</b>	<b>Very poor</b>	If you think they are doing a fairly good job, circle " <b>Fairly good</b> "
----------------------------------------------------------------------------	------------------	--------------------	-------------	------------------	------------------------------------------------------------------------------

Please read each question carefully. Remember there are no right or wrong answers. We just want to know your **own** personal opinion.

Enjoy the questionnaire. And thank you very much for helping.

### Jenny Job

Project Coordinator

Centre for Tax System Integrity, Australian National University

Canberra ACT 2600

Telephone: (02) 6249-3813



**A. COMMUNITY INVOLVEMENT**

1. Overall, how would you rate your city or town as a place to live? Would you say it is:  
(Please circle a number)

Excellent.....	1
Very good.....	2
Good.....	3
Only fair.....	4
Poor.....	5

2. And would you say your neighbourhood is a place where people socialise with one another, or where the people mostly keep to themselves?

Socialise with one another.....	1
Keep to themselves.....	2

3. Would you describe where you live as ...

A rural area or small country town (up to 10,000 people).....	1
A larger country town (up to 25,000 people).....	2
A middle-sized city (up to 100,000).....	3
A large city (up to 500,000).....	4
A metropolitan area (over 500,000).....	5

4. Below is a list of activities. Could you please indicate how much time you have spent participating in each of them in the last six months. Circle the category that is closest to what you do.

**HOW OFTEN IN THE LAST 6 MONTHS?**

	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
a. Taking continuing or adult education classes.....	Never	Sometimes	Monthly	Weekly	Daily
b. Exercising or working out.....	Never	Sometimes	Monthly	Weekly	Daily
c. Attending a self-help group, such as those to help you lose weight, quit smoking, or make other personal improvements.....	Never	Sometimes	Monthly	Weekly	Daily
d. Attending clubs, or association activities.....	Never	Sometimes	Monthly	Weekly	Daily
e. Attending church or religious services.....	Never	Sometimes	Monthly	Weekly	Daily
f. Participating in a reading group, or other special interest group.....	Never	Sometimes	Monthly	Weekly	Daily
g. Participating in organised sporting activities.....	Never	Sometimes	Monthly	Weekly	Daily

**HOW OFTEN IN THE LAST 6 MONTHS?**

- h. Playing cards or board games with a usual group of friends ..... **Never**    **Sometimes**    **Monthly**    **Weekly**    **Daily**
- i. Using a computer to send or receive personal e-mail, or to get involved in on-line discussions or chat groups over the Internet..... **Never**    **Sometimes**    **Monthly**    **Weekly**    **Daily**

5. To what extent did you get to know other people while you were doing these activities?  
(Please circle a number)

- Not at all..... **1**  
 A bit..... **2**  
 Quite a bit..... **3**  
 A great deal ..... **4**

The following two questions only apply to those who have children. Please skip to **Question 8** if you do not have children.

6. If you have children, do they participate on a regular basis in any recreational activities, such as:

	<b>More than once a week</b>	<b>Once a week</b>	<b>Now and again</b>	<b>Not at all</b>	<b>Not applicable</b>
a. Sports teams or sporting activities .....	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
b. Music or dance lessons .....	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
c. Art and craft activities .....	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
d. Other activities .....	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

7. Overall, to what extent have you developed any new friendships with other parents, because of your child's/children's participation in these activities?

- Not at all..... **1**  
 A bit..... **2**  
 Quite a bit..... **3**  
 A great deal ..... **4**

8. Next, could you think about any volunteer activity you have participated in during the last six months. Volunteer activity means not just belonging to an organisation, but actually spending your time helping without being paid for it. Please choose the category that is closest to what you do.

**HOW OFTEN IN THE LAST 6 MONTHS?**

- a. Any church or religious group ..... **Never**    **Sometimes**    **Monthly**    **Weekly**    **Daily**
- b. Any political organisations or candidates..... **Never**    **Sometimes**    **Monthly**    **Weekly**    **Daily**
- c. Any school or tutoring program..... **Never**    **Sometimes**    **Monthly**    **Weekly**    **Daily**
- d. Any environmental organisations ..... **Never**    **Sometimes**    **Monthly**    **Weekly**    **Daily**

**HOW OFTEN IN THE LAST 6 MONTHS?**

e. Any child or youth development programs, such as day care centres, sporting groups.....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
f. Any arts or cultural organisation, like a theatre or music group, museum, or public TV station.....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
g. Any hospital, health or counselling organisation .....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
h. Any local government, neighbourhood, civic or community group such as your community association or neighbourhood watch .....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
i. Any organisation to help the poor, elderly or homeless .....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>

9. And when you volunteered for this organisation, to what extent did you get to know other people who were also doing voluntary work? *(Please circle a number)*

- Not at all..... **1**
- A bit..... **2**
- Quite a bit..... **3**
- A great deal..... **4**
- Not applicable..... **5**

10. Below is another short list of activities. Could you please indicate if you have done any of these activities in the last six months. Please choose the category that is closest to what you do.

**HOW OFTEN IN THE LAST 6 MONTHS?**

a. Attended a town council meeting, public hearing or public affairs discussion group.....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
b. Called or sent a letter to any elected official .....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
c. Joined or contributed money to an organisation in support of a particular cause .....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
d. Participated in union activities, professional or industry association activities .....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
e. Joined together with co-workers to solve a workplace problem.....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>
f. Participated in professional or industry association activities.....	<b>Never</b>	<b>Sometimes</b>	<b>Monthly</b>	<b>Weekly</b>	<b>Daily</b>

11. Overall, how much impact do you think people like you can have in making your community a better place to live:

- A big impact..... 1
- A moderate impact..... 2
- A small impact ..... 3
- No impact at all..... 4

12. What do you think is the MOST effective way people can have an impact? Circle as many ways as you wish. Is it to:

- Give money ..... 1
- Volunteer time..... 2
- Get other people involved ..... 3
- Complain to authorities ..... 4
- Some other way..... 5

13. Below is one more short list of activities. Could you please indicate if you have ever done any of these activities?

Could you also please indicate if you have done any of these activities in the past twelve months? Please circle the number that is closest to what you have done.

	<b>No, haven't ever done it</b>	<b>Yes, but not in the last 12 months</b>	<b>Yes, and I have done this in the last 12 months</b>
a. Participated in Green Peace activities.....	1	2	3
b. Participated in political rallies.....	1	2	3
c. Joined in anti uranium rallies.....	1	2	3
d. Participated in environmental protection rallies.....	1	2	3
e. Protested against involvement in war.....	1	2	3
f. Joined in university demonstrations.....	1	2	3
g. Participated in civil rights rallies eg Aboriginal reconciliation.....	1	2	3

14. Generally speaking, how satisfied are you with the life you lead? Are you:

- Very satisfied ..... 1
- Fairly satisfied..... 2
- Not very satisfied ..... 3
- Dissatisfied..... 4
- Very dissatisfied..... 5

15. The following statements are also about satisfaction with life. Could you please circle the number that is closest to how you feel.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
a. I don't place much emphasis on the material objects people own as a sign of success .....	1	2	3	4	5
b. I put less emphasis on material things than most people I know .....	1	2	3	4	5
c. My life would be better if I owned certain things I don't have.....	1	2	3	4	5
d. It bothers me quite a bit that I can't afford to buy the things I'd like .....	1	2	3	4	5

Now on a different subject ...

16. Do you regularly watch the news on television?

- Yes ..... 1
- No..... 2

17. Did you watch the news or a news program on television yesterday?

- Yes ..... 1
- No..... 2

18. When you watch the news on television, do you pay most attention to:

- Local news ..... 1
- National news..... 2
- International news ..... 3

19. Do you read any DAILY newspaper or newspapers regularly?

- Yes ..... 1
- No..... 2

20. If Yes, which ones? \_\_\_\_\_

21. Did you get a chance to read a daily newspaper yesterday?

- Yes ..... 1
- No..... 2
- Do not regularly read daily newspaper ..... 3

22. If yes, which stories were you most interested in?

- Local stories ..... 1
- National stories..... 2
- International stories ..... 3

23. Do you ever listen to the news on the radio?

- Yes ..... 1
- No..... 2

24. If yes, which stories interest you most?

- Local stories ..... 1
- National stories..... 2
- International stories..... 3

25. In this question, the word 'know' means knowing someone as a friend or acquaintance – it means more than just being able to recognise that person. Do you personally know:

a. Your Federal member of Parliament?

- Yes ..... 1
- No..... 2

b. Your local council member?

- Yes ..... 1
- No..... 2

26. Suppose you had some problem to take up with a member of your local council but you did not personally know this council member. Do you feel that you would have to find someone who could contact the council member for you, or could you contact the member directly?

- Would have to go through connection ..... 1
- Could approach directly ..... 2
- Depends on the problem..... 3

27. Do you contact your local council members?

- Very often..... 1
- Often..... 2
- Sometimes ..... 3
- Rarely ..... 4
- Never ..... 5

28. If you have contacted your local council members, did you make contact to sort out:

- Personal matters (eg licences, jobs, etc)..... 1
- Broader public issues ..... 2

29. Do you usually think of yourself as a supporter of a political party?

- Yes ..... 1
- No..... 2

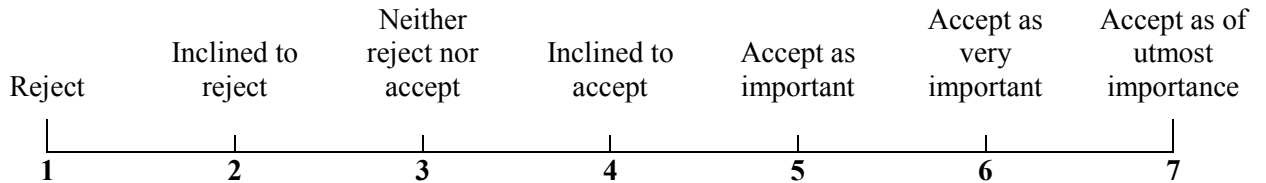
30. **If Yes**, do you usually think of yourself as Liberal, Labor, National, or what?

- Liberal ..... 1
- Labor ..... 2
- National ..... 3
- Australian Democrats ..... 4
- One Nation ..... 5
- Greens ..... 6
- Other ..... 7

31. Our Society's Goals

Below are 16 goals that refer to our society, our nation, and to people in general. Please indicate the extent to which you accept or reject each of the following *as principles that guide your judgements and actions*. Do this by circling the number that comes closest to the way you feel about each goal.

Quickly read through the list before you start. This will give you an opportunity to decide which are the more important principles for you personally.



(Please circle a number)

- a. **A Good Life for Others** (improving the welfare of all people in need) ..... 1 2 3 4 5 6 7
- b. **Rule by the People** (involvement by all citizens in making decisions that affect their community) ..... 1 2 3 4 5 6 7
- c. **International Cooperation** (having all nations working together to help each other) ..... 1 2 3 4 5 6 7
- d. **Social Progress and Reform** (readiness to change our way of life for the better) ..... 1 2 3 4 5 6 7
- e. **National Greatness** (being a united, strong, independent, and powerful nation) ..... 1 2 3 4 5 6 7
- f. **A World at Peace** (being free from war and conflict) ..... 1 2 3 4 5 6 7
- g. **A World of Beauty** (having the beauty of nature and the arts: music, literature, art, etc.) ..... 1 2 3 4 5 6 7
- h. **Reward for Individual Effort** (letting individuals prosper through gains made by initiative and hard work) ..... 1 2 3 4 5 6 7
- i. **Human Dignity** (allowing each individual to be treated as someone of worth) ..... 1 2 3 4 5 6 7
- j. **National Security** (protection of your nation from enemies) ..... 1 2 3 4 5 6 7
- k. **Equal Opportunity for All** (giving everyone an equal chance in life) ..... 1 2 3 4 5 6 7
- l. **Freedom** (being able to live as you choose whilst respecting the freedom of others) ..... 1 2 3 4 5 6 7

m. <b>Greater Economic Equality</b> (lessening the gap between the rich and the poor).....	1	2	3	4	5	6	7
n. <b>The Rule of Law</b> (living by laws that everyone must follow).....	1	2	3	4	5	6	7
o. <b>National Economic Development</b> (having greater economic progress and prosperity for the nation).....	1	2	3	4	5	6	7
p. <b>Preserving the Natural Environment</b> (preventing the destruction of nature's beauty and resources) .....	1	2	3	4	5	6	7

**B. TRUST**

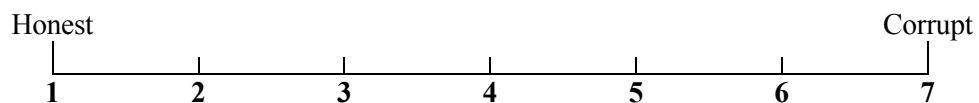
1. Below are some statements about how people deal with each other. Please indicate how much you agree or disagree with each statement by circling the number that is closest to your own view.

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
a. Most people in positions of power try to exploit you.....	1	2	3	4	5
b. The people who run the country are not really concerned with what happens to you .....	1	2	3	4	5
c. What you think doesn't count very much .....	1	2	3	4	5
d. Most people try to be fair with you .....	1	2	3	4	5
e. The government is mainly run for the benefit of special interest groups .....	1	2	3	4	5
f. Most people would try to take advantage of you if they got the chance .....	1	2	3	4	5
g. I feel left out of what is happening around me .....	1	2	3	4	5
h. People like me don't have any say about what the federal government does .....	1	2	3	4	5

2. Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people? *(Please circle a number)*

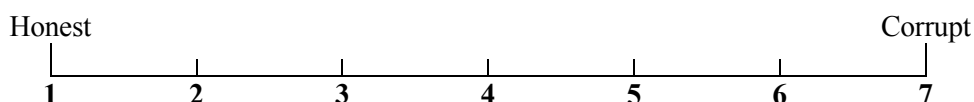


3. Generally speaking would you say that politics in your city or town is: *(Please circle a number)*





4. And how would you describe politics in Australia? *(Please circle a number)*



5. The following asks your opinion about trusting other people. Would you please indicate how much you feel you can trust these different groups of people. Circle the number that is closest to how you feel.

	<b>Trust them a lot</b>	<b>Trust them a fair bit</b>	<b>Trust them only a little</b>	<b>Not trust them at all</b>
a. People in your immediate family.....	1	2	3	4
b. People in your neighbourhood.....	1	2	3	4
c. Your boss or supervisor (if employed) .....	1	2	3	4
d. People you work with (if employed) .....	1	2	3	4
e. People at your church or place of worship .....	1	2	3	4
f. People in the same clubs or activities as you .....	1	2	3	4
g. People who work in the stores where you shop .....	1	2	3	4
h. People you encounter down town.....	1	2	3	4

6. The following is a list of different institutions or organisations. For each one would you please indicate how much you can trust them by circling a number that is closest to how you feel. By trust, we mean the trust you have in their ability to meet community needs and expectations.

	<b>Trust them a lot</b>	<b>Trust them a fair bit</b>	<b>Trust them only a little</b>	<b>Not trust them at all</b>
a. The police stations in your area .....	1	2	3	4
b. The fire station in your area.....	1	2	3	4
c. The public schools in your area .....	1	2	3	4
d. Your local council.....	1	2	3	4
e. The newspapers .....	1	2	3	4
f. The television news channels in your city	1	2	3	4
g. The hospitals in your city.....	1	2	3	4
h. The Tax Office .....	1	2	3	4
i. The federal government .....	1	2	3	4

7. Would you please think now about the Tax Office. Below are some statements that describe ways people see the Tax Office. Please indicate how much you agree or disagree with each statement by circling the number that is closest to your own view.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
a. The Tax Office treats people as if they can be trusted to do the right thing	1	2	3	4	5
b. The Tax Office treats people as if they will only do the right thing when forced to.	1	2	3	4	5
c. The Tax Office considers the concerns of average citizens when making decisions.	1	2	3	4	5
d. The Tax office cares about the position of taxpayers.	1	2	3	4	5
e. The Tax Office tries to be fair when making their decisions.	1	2	3	4	5

**C. RECIPROCITY/DUTY**

1. The following ask for your opinion about the obligations that people in general have to Australia. To what extent do you agree or disagree that all Australians should share in the costs of:

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
a. Protecting the environment .....	1	2	3	4	5
b. Providing health care.....	1	2	3	4	5
c. Providing education.....	1	2	3	4	5
d. Providing welfare benefits .....	1	2	3	4	5
e. Providing for defence of the country .....	1	2	3	4	5
f. Building national highways .....	1	2	3	4	5

2. To what extent do you agree or disagree that you are:

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
a. Willing to make personal sacrifices for the good of the country as a whole .....	1	2	3	4	5
b. Not really concerned whether your actions benefit or help the country as a whole .....	1	2	3	4	5

3. The following statements are about paying tax and how those payments are used. Please indicate to what extent you agree or disagree with each statement. Circle the number that is closest to how you feel.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
a. I will pay my fair share of taxes as long as other people do .....	1	2	3	4	5
b. If other people don't pay their taxes, I don't see why I should .....	1	2	3	4	5
c. People should comply with the taxation system because it is the law .....	1	2	3	4	5
d. If governments contribute to society's well-being, it is only right that we comply with their legislation.....	1	2	3	4	5
e. It is our duty as citizens to comply with the taxation legislation .....	1	2	3	4	5
f. The government spends tax money wisely.....	1	2	3	4	5
g. I would like to see lower taxes, even if it means fewer government services.....	1	2	3	4	5
h. Most government services are of benefit to me .....	1	2	3	4	5
i. Government spending often ends up in the hands of people who deserve it least .....	1	2	3	4	5

4. The following questions ask you to picture yourself in different situations with the Tax Office. We are not suggesting that you would do any of these things but we'd like you to pretend you are in these situations.

a. Imagine yourself in this situation. You have deliberately and knowingly understated your income by \$500. How would you feel about doing this?

- Very guilty ..... 1
- Quite guilty..... 2
- Somewhat guilty..... 3
- Not guilty at all..... 4

b. Imagine yourself in this situation. You have deliberately and knowingly understated your income by \$5,000. How would you feel about doing this?

- Very guilty ..... 1
- Quite guilty..... 2
- Somewhat guilty..... 3
- Not guilty at all..... 4

c. Imagine yourself in this situation. You carelessly but unintentionally left \$500 in income off your tax return and the Tax office contacted you about it? Would you feel

- Very guilty ..... 1
- Quite guilty..... 2
- Somewhat guilty..... 3
- Not guilty at all..... 4

d. Now, imagine yourself in this situation. You carelessly but unintentionally left \$5,000 in income off your tax return and the Tax Office contacted you about it? Would you feel

- Very guilty ..... 1
- Quite guilty..... 2
- Somewhat guilty..... 3
- Not guilty at all..... 4

5. The following ask your opinion about the Tax Office and paying tax. To what extent do you agree or disagree with the following statements:

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
a. I feel a moral obligation to report my income honestly.....	1	2	3	4	5
b. As a society we need more people willing to take a stand against the Tax Office.....	1	2	3	4	5
c. I accept responsibility for paying my fair share of tax.	1	2	3	4	5
d. I enjoy spending time working out how changes in the tax system will affect me .....	1	2	3	4	5
e. The Tax Office is more interested in catching you for doing the wrong thing than helping you do the right thing.....	1	2	3	4	5
f. I think of taxpaying as helping the government do worthwhile things .....	1	2	3	4	5
g. Once the Tax Office has you branded as a non-compliant taxpayer, they will never change their mind.....	1	2	3	4	5
h. Paying tax is the right thing to do .....	1	2	3	4	5
i. If you don't cooperate with the Tax Office, they will get tough with you.....	1	2	3	4	5
j. The Tax Office respects taxpayers who can give them a run for their money .....	1	2	3	4	5

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
k. It's impossible to satisfy the requirements of the Tax Office completely .....	1	2	3	4	5
l. I enjoy talking to friends about loopholes in the tax system .....	1	2	3	4	5
m. It's important not to let the Tax Office push you around .....	1	2	3	4	5
n. I like the game of finding the grey area of tax law .....	1	2	3	4	5
o. If I find out that I am not doing what the Tax Office wants, I'm not going to lose any sleep over it .....	1	2	3	4	5
p. Paying my tax ultimately advantages everyone .....	1	2	3	4	5
q. I don't care if I am not doing the right thing by the Tax Office .....	1	2	3	4	5
r. Paying tax is a responsibility that should be willingly accepted by all Australians .....	1	2	3	4	5
s. I enjoy the challenge of minimising the tax I have to pay .....	1	2	3	4	5

**D. RESPECT FOR THE LAW**

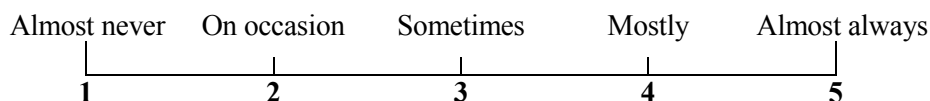
1. Could you please indicate the extent to which you agree or disagree with the following statements by circling a number that is closest to how you feel:

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly agree</b>
a. People in this town strictly obey the laws .....	1	2	3	4	5
b. The police should have greater power to defend the law. ....	1	2	3	4	5
c. The government doesn't do enough to assure public order. ....	1	2	3	4	5
d. These days there is not enough respect for authority. ....	1	2	3	4	5
e. The police have too much power in Australia. ....	1	2	3	4	5
f. The police have too much power in your city or town. ....	1	2	3	4	5

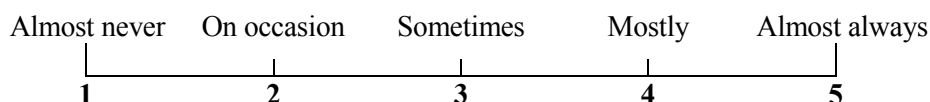
2. The following is a list of statements about the Tax Office. For each one, could you please circle a number to indicate to what extent you agree or disagree.

	Strongly disagree	Disagree	Neither	Agree	Strongly agree
a. I should accept decisions made by the Tax Office even when I disagree with them .....	1	2	3	4	5
b. People should follow the decisions of the Tax Office even if they go against what they think is right.....	1	2	3	4	5
c. The Tax Office gives equal consideration to the views of all Australians.....	1	2	3	4	5
d. The Tax Office gets the kind of information it needs to make informed decisions .....	1	2	3	4	5
e. The Tax Office is generally honest in the way it deals with people.....					
f. The Tax Office is concerned about protecting the average citizen's rights .....	1	2	3	4	5
g. The Tax Office respects the individual's rights as a citizen.....	1	2	3	4	5

3. How often do you agree with the decisions made by the Tax Office?



4. How often are the decisions of the Tax Office favourable to you?



The next few questions are about tax matters.

5. Thinking now about your 1998/99 tax return. Did you lodge your 1998/99 tax return?

- Definitely did ..... 1
- Probably did ..... 2
- Probably did not ..... 3
- Definitely did not ..... 4
- Not required to lodge a return ..... 5

6. In the last three years have you missed lodging a tax return that you should have lodged?

- Yes ..... 1
- No ..... 2

7. During the last three years, has the Tax Office ever asked you to lodge your tax return?
- Yes ..... 1  
No..... 2
8. Have you been prosecuted by the Tax Office in the last three years?
- Yes ..... 1  
No..... 2

**E. BACKGROUND**

The final section asks questions about yourself and your family background.

- 1 What is your age in years?.....  years
- 2 What is your sex?
- Male..... 1  
Female..... 2
- 3 In what country were you born? \_\_\_\_\_
- 4a. Are you from a non-English speaking background
- Yes ..... 1  
No..... 2
- 4b **If yes**, from which country did your family come? \_\_\_\_\_
5. What is your current marital status?
- Never married..... 1  
Now married..... 2  
De Facto relationship ..... 3  
Widowed ..... 4  
Divorced or separated..... 5
6. What was the highest level of education you completed?
- No schooling ..... 1  
Primary School..... 2  
Junior/intermediate/Form 4/Year 10 ..... 3  
Secondary/Leaving/Form 6/Year 12 ..... 4  
Trade Certificate/Nursing Diploma..... 5  
Diploma course ..... 6  
University/Tertiary degree ..... 7  
Post graduate degree or diploma ..... 8

7. What kind of work do you do? Please give your full job title and as much detail as you can. If you are retired or unemployed, please describe your last regular paid job.

a. Job title

---

b. Main tasks that you do

---

---

c. Kind of business or industry

---

8. Is (was) that job for ...

- A private company or business ..... **1**
- Non-profit organisation eg university ..... **2**
- Commonwealth, state or local government..... **3**
- Self-employed; in partnership; own business..... **4**



If there is anything you would like to add, please write it here.

**THANK YOU VERY MUCH FOR FILLING OUT THE QUESTIONNAIRE.**

We hope you have enjoyed it and we very much appreciate your help. Please put the completed questionnaire in the reply-paid envelope and mail it back to us.

Thanks very much again.

## **Appendix C – Pre-survey letter**

(sent one week before survey was posted)

Centre for Tax System Integrity  
Research School of Social Sciences  
CANBERRA ACT 0200  
Survey Telephone: (02) 6249-3813  
Email: jenny.job@anu.edu.au

11 August 2000

Dear Respondent

The Centre for Tax System Integrity at the Australian National University is conducting a survey to understand how Australians' activities, and their interactions with others, might affect their opinions about their obligations as a citizen, particularly the obligation to pay tax.

Your name was selected at random from the electoral rolls. All responses to this survey will be stored securely at the Australian National University to ensure confidentiality and will be used only to help us draw an overall picture of the views of all Australians. No personal identification will be used in the reporting of survey data.

In order for us to achieve our objectives, it is vital that we get the highest level of participation possible. Within the next week or so you will receive the survey in the mail. Could you please help us by setting aside some time to complete the survey and then returning it to us as soon as possible in the reply-paid envelope provided?

If you have any questions or if you would like to discuss anything with us, please contact Ms Jenny Job on (02) 6249-3813 during business hours.

We very much hope you will be able to participate in this study.

Yours faithfully

Jenny Job  
Project Coordinator  
Centre for Tax System Integrity

## **Appendix D – Covering letter sent in survey package**

Centre for Tax System Integrity  
Research School of Social Sciences  
CANBERRA ACT 0200  
Survey Telephone: (02) 6249-3813  
Email: jenny.job@anu.edu.au

18 August 2000

Dear Respondent

Last week I sent a letter to tell you about a survey we are conducting at the Australian National University on Australians' involvement in their communities and their opinions about their obligations as a citizen.

In my letter of last week, I asked if you could please help by giving some of your time to complete a survey. I am enclosing the survey booklet with this letter. I am also enclosing a reply-paid envelope so that you can send the completed survey back to us.

Your participation in this survey is voluntary but the study can only be a success with the help of people like yourself. Please send your completed survey as soon as you can. It shouldn't take very long to fill out. May I reassure you that this survey will be used only to help us draw an overall picture of the views of all Australians. No personal identification will be used in the storing or reporting of survey data.

If you have any questions or if you would like to discuss anything with us, please contact Ms Jenny Job on (02) 6249-3813 during business hours.

Yours faithfully

Jenny Job  
Project Coordinator  
Centre for Tax System Integrity

## Appendix E – Civic engagement frequencies

### Frequencies for Participation in Personal, Volunteering, Political Activities, and Interest in the News

Activity		Participate	Exposure Percent	Regular Percent
Personal	Continuing or adult education	No	71.3	87.5
		Yes	28.7	12.5
	Exercising or working out	No	16.5	44.3
		Yes	83.5	55.7
	Attending a self-help group	No	85.4	94.2
		Yes	14.6	5.8
	Attending clubs or associations	No	31.4	60.0
		Yes	68.6	40.0
	Attending church or religious services	No	55.7	81.1
		Yes	44.3	18.9
	Participating in special interest groups	No	76.3	89.3
		Yes	23.7	10.7
	Participating in organised sporting activities	No	53.2	69.7
		Yes	46.8	30.3
	Playing cards or board games with a usual group of friends	No	57.4	87.6
		Yes	42.6	12.4
	Using a computer for personal e-mail, on-line discussions, chat groups	No	50.9	64.2
		Yes	49.1	35.8
	Children participating in sports teams or sporting activities	No	24.7	37.4
		Yes	75.3	62.6
Children participating in music or dance lessons	No	56.6	68.2	
	Yes	43.4	31.8	
Children participating in art and craft activities	No	54.5	77.8	
	Yes	45.5	22.2	
Children participating in other activities	No	32.0	59.5	
	Yes	68.0	40.5	
Volunteering	Volunteering for church or religious group	No	80.9	89.4
		Yes	19.1	10.6
	Volunteering for a political organisation	No	96.4	98.8
		Yes	3.6	1.2
	Volunteering for a school or tutoring program	No	75.7	90.2
		Yes	24.3	9.8
	Volunteering for environmental organisations	No	83.7	95.6
		Yes	16.3	4.4
	Volunteering for child or youth development programs	No	75.5	90.6
		Yes	24.5	9.4
Volunteering for arts or cultural organisations	No	84.6	94.9	
	Yes	15.4	5.1	
Volunteering for a hospital, health or counselling organisation	No	86.6	95.1	
	Yes	13.4	4.9	
	No	80.0	92.6	

	Volunteering for a local government, neighbourhood, civic or community group	Yes	20.0	7.4
	Volunteering for an organisation to help the poor, elderly or homeless	No	79.1	92.9
Yes		20.9	7.1	
Political	Attending a town council meeting or public hearing	No	84.3	98.1
		Yes	15.7	1.9
	Calling or sending a letter to an elected official	No	80.4	98.6
		Yes	19.6	1.4
	Joining or contributing money to an organisation in support of a cause	No	38.1	85.4
		Yes	61.9	14.6
	Participating in union activities	No	81.5	96.6
		Yes	18.5	3.4
	Joining with co-workers to solve a workplace problem	No	57.3	80.7
		Yes	42.7	19.3
	Participating in professional or industry association activities	No	68.8	90.3
		Yes	31.2	9.7
Contacting local council members	No	60.5	60.5	
	Yes	39.5	39.5	
Media engagement <sup>2</sup> .	Regularly watching the news on television	No	11.7	11.7
		Yes	88.3	88.3
	Watching the news on television yesterday	No	14.7	14.7
		Yes	85.3	85.3
	Reading any daily newspaper/s regularly	No	33.3	33.3
		Yes	66.7	66.7
	Reading a newspaper yesterday	No	42.0	42.0
		Yes	58.0	58.0
	Listening to the news on the radio	No	10.9	10.9
		Yes	89.1	89.1

Note:

1. Missing answers have not been included. The percentage reflects those who responded to the question.

2. The percentages for exposure to and regular engagement with the media are the same because the scale for 'engaging with the media' questions was Yes = 1 and No =2.

## Appendix F – Summary of variables

### Summary of variables used in this study (Number of items, Means, SDs, and Cronbach’s Alpha Reliability Coefficients (N = 837))

Construct	Concept Name	No. of Items	Mean/%	SD	Alpha	Score items
Trust	Familiar trust	3	3.24	.57	.69	1 = trust not at all 4 = trust a lot
	Social trust (multi)	5	2.70	.57	.81	
	Political trust (local)	4	3.22	.51	.69	
	Political trust (remote)	5	2.36	.56	.78	
	Social trust (single)	1	3.88	1.59	-	1 = you can’t be too careful 7 = most people can be trusted
Civic Engagement	Personal exposure	10	4.35	2.02	-	1-5 (count of how many activities done sometimes, monthly, weekly, daily)
	Volunteer exposure	9	1.48	1.75	-	
	Political exposure	7	2.00	1.67	-	
	Media exposure	5	3.87	1.22	-	
	Personal regular	10	2.56	1.67	-	1-5 (count of how many activities done monthly, weekly, daily)
	Volunteer regular	9	.53	.90	-	
	Political regular	7	.88	1.01	-	
	Media regular	5	3.87	1.22	-	
World Views and Personal Satisfaction	Harmony values	10	5.65	.827	.86	1 = reject 7 = accept as of utmost importance
	Security values	5	5.56	.951	.80	
	Satisfaction with life	2	.0013	.81	.49	1 = very dissatisfied 5 = very satisfied
	Commitment to Australian society	6	3.97	.685	.86	1 = strongly disagree 5 = strongly agree
Government Performance	Obligation to the state	3	3.97	.557	.70	1 = strongly disagree 5 = strongly agree
	Government spending	4	2.721	.657	.50	1 = strongly disagree 5 = strongly agree
	Political corruption	2	3.95	1.268	.78	1 = honest 7 = corrupt
Social demographics	Citizen powerlessness	6	3.29	.782	.84	1 = strongly disagree 5 = strongly agree
	Place of residence	2	0 = 55.0% 1 = 45.0%	-	-	0 = rural 1 = urban
	Education	4	1 = 31.6% 2 = 19.5% 3 = 24.4% 4 = 24.4%	-	-	1 = basic 2 = to Year 12 3 = trade/diploma 4 = tertiary
	Ethnicity	2	0 = 22.9% 1 = 77.1%	-	-	“Are you from a non-English speaking

*Appendices*

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Occupation	4	1 = 38% 2 = 13% 3 = 31% 4 = 18%	-	-	background?" 0 = yes 1 = no 1 = managers/ professionals 2 = associate professionals 3 = trade/ clerical 4 = labourers/ transport workers
Marital status	2	0 = 31.2% 1 = 68.6%	-	-	0 = not married now 1 = married now
Age	-	48	16.29	-	In years
Sex	2	0 = 50.8% 1 = 49.2%	-	-	0 = female 1 = male

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**Appendix G – Inter-correlations among all variables (N = 837)**

Variables	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	
1. Familiar trust	-																				
2. Social trust (single)	.35**	-																			
3. Social trust (multi)	.53**	.40**	-																		
4. Political trust (local)	.33**	.27**	.49**	-																	
5. Political trust (remote)	.25**	.24**	.41**	.47**	-																
6. Personal regular	.17**	.19**	.16**	.04	.07*	-															
7. Volunteer regular	.14**	.11**	.20**	.07	.09*	.31**	-														
8. Political regular	.11*	.13**	.10**	.02	-0.00	.28**	.27**	-													
9. Media regular	-.11	.05	.06	.10**	.10**	.04	.01	.09*	-												
10. Harmony values	.05	.06	.08*	.11**	.06	.03	.06	.08*	.08*	-											
11. Security values	-.05	-.10**	.03	.12**	.07*	-.05	-.04	-.00	.03**	.50**	-										
12. Satisfaction with life	.19**	.17**	.26**	.28**	.19**	.17**	.10*	.09*	.12**	.05	.12**	-									
13. Commitment to Australian society	.05	.14**	.07	.18**	.11**	.07*	.07	.07*	.08*	.19**	.11**	.11**	-								
14. Obligation to the state	.03	.05	.10**	.18**	.26**	.01	.00	.01	.07*	.04	.22**	.14**	.23**	-							
15. Residence	.02	.03	-.10**	.00	-.05	.04	-.07	.02	-.01	.04	-.02	.11**	.08*	.01	-						
16. Education	.14**	.20**	-.24	.02	-.00	.23**	.08*	.24**	.01	.04	-.17**	.01	.12**	.00	.22**	-					
17. Ethnicity	.09*	.06	.18**	.03	-.00	.06	.12**	.11**	.05	-.02	.02	.04	.05	.10**	-.11**	-.04	-				
18. Marital status	.06	.08*	.11**	.03	.02	.07*	.04	.08*	.10**	-.04	.08*	.15**	.06	.14**	-.02	-.04	-.04	-.02			
19. Age	-.01	.01	.29**	.21**	.13**	-.24**	.04	-.04	.19**	-.02	.21**	.10**	.09**	.16**	-.08*	-.30**	-.06	.18**	-		
20. Sex	-.08	-.00	-.10**	-.01	-.03	.01	-.11**	-.00	.08*	-.12**	.01	-.06	.06	.02	.03	.07*	-.02	.05	-.04		

\*\* Correlation is significant at the 0.01 level (2-tailed); \* Correlation is significant at the 0.05 level (2-tailed)