How is trust in government created?
It begins at home, but ends in the parliament

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ABSTRACT

Trust was a key issue in the 2004 Australian federal election. The Prime Minister appealed to the public to trust his government because of its ability to manage the economy. The Leader of the Opposition highlighted the government's lack of credibility and honesty. These are two different aspects of trust. There is a vast literature on trust, but it does more to create confusion than to illuminate. On what basis do people trust government? Most favour a rational view of trust based on people's evaluation of government performance in providing public goods. They argue that if people trust government to perform in their interest, they will generalise this experience and develop social trust, or trust in strangers. One of the best known writers on trust, Robert Putnam, has used social capital theory to show that civic engagement creates social trust, which makes government more effective. However, he does not consider social trust a basis for trust in government. I test this thesis that civic engagement creates social trust, and that social trust generalises to trust in government. I find that while civic engagement plays a minimal role in creating social trust, the foundation of trust in government and its organisations is relational, based on what happens in our intimate circles. If people are trusting of others generally, they will continue to trust despite the poor performance of others. I conclude that rational and relational factors co-exist in creating trust in government and its organisations.

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Introduction

On 29 August 2004 the Australian Prime Minister, John Howard, launched his 2004 election campaign—on the basis of trust. He argued that the electorate should trust him because of his and his government's proven ability to manage the economy. Howard based his campaign on trust because he had been accused of being less than truthful with the Australian public. Mark Latham, the then Leader of the Opposition, challenged Howard's personal credibility, and that of his government, on a range of issues, most notably the children overboard affair and Australia's involvement in the Iraq war (Parliament of Australia 2002; Warhurst 2004). Howard used a rational view of trust by appealing to the electorate on the basis of his government's economic performance and his ability to meet their needs. In highlighting ethics and honesty, Latham was taking a relational view of trust. This election fight raises interesting theoretical debates about how trust is built. Do people judge government and its organisations on the basis of competence alone, or ethics alone, or do they weigh up both aspects of trust?

I do not have data collected at the last federal election measuring people's perceptions of trust in Howard and Latham. However, I do have data on Australians' attitudes of about trust collected in 2000 (Job 2000). This which gives some insight into whether the basis of trust in government is rational or relational. Rather than examining two different types of trust, some might argue that I am comparing confidence and trust. While it is accepted that we trust other people, there is dispute about the idea of our trusting an abstract system such as government, with some preferring to call it confidence (see Giddens 1990; Luhmann 2000; Nooteboom 2002; Paxton 1999; Seligman 1997; Sztompka 1999). For example, Seligman (1997) discusses the distinction between trust in people and confidence in systems or role expectations, and vulnerability based on uncertainty compared with reliance. Others argue that confidence is a passive emotion, whereas trust is based on 'beliefs and commitment' which allow us to deal actively with the future unknown actions of others (Sztompka 1999, p. 27). There is also debate about the meaning of political trust, with distinctions made between trust in 'regimes', trust in 'incumbents' and trust in the 'political community' (Worthington 2001). In Bean's view (1999), the Australian data suggests that political trust refers to incumbent-based trust: that is, trust in the politician or person.

I will not engage in such debates here. My aim is to examine how rational and relational trust of the kind flagged by Howard and Latham co-exist, and explain how both are relevant to the citizen–government relationship. In this paper, the term 'political trust' will be used broadly to represent attitudes people have towards the future actions of government, government organisations, and the people who administer those abstract systems. I conceptualise trust as an attitude 'towards something', rather than 'a state of somebody', in the way that Thomas and Znaniecki understood an attitude as 'a pre-disposition to act in relation to some social object' (Coser 1977, p. 512). I conceive trust as an attitude which people have towards other people, groups, roles, or organisations.

In this paper I will describe the problem of trust, and use both rational and relational perspectives on trust to examine how social trust and trust in government are created. I argue that relational trust is the basis of both trust in people generally and trust in the incumbents of government and its organisations. I question views which maintain that the link between social and political trust is weak, or that social trust and political trust are not related (Newton 1999; Putnam 2000a). I hypothesise that social trust generalises to form the basis of trust in those in government and its organisations. Using regression analysis, I test these arguments in two ways. First, I compare Putnam's influential social capital theory on the creation of social trust with the socialisation theories of early social theorists. Second, I examine whether or not social trust generalises to political trust, and then test the effect of both relational and rational factors on the creation of political trust. My findings do not support Putnam's view that it is civic engagement which builds social trust. Instead I suggest that it is trust in one's personal circle which creates social trust, and forms the basis of political trust. Overall, I find that rational and relational factors co-exist in building trust in government and its organisations. As the data used here are cross-sectional, causal direction cannot be established, but the results suggest that it is plausible to consider that trust starts in the family and generalises to the abstract.

The problem of trust

Trust is topical in recent research. There are numerous claims in the literature of a decline in social trust (trust in strangers) and in political trust (trust in government and its organisations) in most Western democracies (see, for example, Bean 1999; Misztal 1996; Newton 1999; Papadakis 1999; Putnam 2000a; Uslaner 2002; Warhurst 2004; Warren 1999; Worthington 2001; Wuthnow 1998). Some say there is no evidence of a decline in trust in political institutions in Australia (Worthington 2001), while others show a sharp decline in trust in both government and non-government organisations in Australia over the last decade or so (Papadakis 1999; Warhurst 2004). The literature suggests that lack of trust in federal government and politicians is driven by particular events and scandals, concerns about poor government performance, excessive control and power, and lack of honesty and ethics.

While declining trust is interesting, it is not the focus of this paper. The objective is to better understand how people's attitudes towards others—their trust in strangers, and particularly, their trust in government organisations—are developed. Building attitudes of trust towards government and its organisations is regarded as important. Trust encourages voluntary compliance (Ayres & Braithwaite 1992), creates effective government and makes democracy work (Putnam 1993), creates economic prosperity (Fukuyama 1995), and is a major factor in compliance with law and government regulation in nursing homes, taxation compliance, policing and the court system (Braithwaite 1995, 1998, 2003; Braithwaite et al. 1994; Luhmann 2000; Tyler 1984, 2001, 2004). However, how trust is created is not well understood.

Different theoretical perspectives in the literature

Trust may be seen as an attitude underpinning human action. 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, calculating and self-interested (Sztompka 1999, p. 2). More recently there has been a move towards the study of individual behaviour and actions using cultural explanations such as 'rules, values, [and] norms' (Sztompka 1999, p. 2). This view of the world takes a 'soft', humanistic view of action, emphasising the 'emotional, traditional, normative [and] cultural' aspects of life; this provides for socio-psychological and cultural theories of action (Sztompka 1999, p. 2). From a methodological viewpoint, rather than treating action as the dependent variable explained from a rational perspective, we can now treat action as an independent variable which impacts on other social objects, such as groups, communities, and whole societies (Jackman & Miller 1998; Mishler & Rose 2001; Sztompka 1999).

Trust is generally considered from the utilitarian perspective, especially where government is concerned, but it can also be viewed as one of those soft aspects of human action. The rational form of trust is also known as calculative or strategic trust—in other words, 'I trust X to do Y.' This involves my thinking about X and what I know of X and calculating whether or not X will do what I want. The view that trust is mostly rational is a common one (see, for example, Coleman 1988; Gambetta 2000; Hardin 2002; Luhmann 2000; Yamagishi 2001), and assumes that to trust presupposes consideration of information or knowledge about the other. Within many of these rationally focused conceptions, uncertainty or risk is regarded as central to the idea of trust (Luhmann 2000). These institutional theories highlight political trust as a 'rational response' to government performance. Trusting government to perform allows us to trust strangers. However, behaviour based solely on calculative or strategic trust would be seen as cold-blooded.

The alternative form of trust, relational trust, is also called affective or moralistic trust. It has ethical roots, and is based on belief or faith in the goodness of others. It can be thought of as a basic value shared with others in the community, a trusting impulse, or general orientation to the world—in other words, 'I trust', or 'I trust you.' A trusting disposition is learned very early in life (Cooley 1956; Erikson 1950; Giddens 1991; Parsons 1952; Uslaner 2002). Relational trust is considered to be given, and not subject to change in the short to medium term (Mishler & Rose 2001). Relational theories see trust as conditioned by culture and our learning experiences, and as being made up of beliefs about other people which may then be projected on to political institutions. However, trust based solely on belief or faith in others could be seen as blind or naïve.

While there is agreement that trust is an important aspect of democracy, we 'lack … an integrative theory of trust' (Misztal 2001, p. 372). Social capital theory is interesting in

this regard, as it has been used to explain the development of trust from both a rational choice perspective (see Coleman 1988), where trust is a product of social and political arrangements, and from a socio-psychological/cultural perspective, to analyse government performance in Italy (see Putnam 1993). This latter perspective is reflected in the highly influential work of Robert Putnam (1993, p. 171), who took a cultural or relational perspective to show that social trust was created through civic engagement and associational membership: in other words, people's involvement in their community or their social networks. He concluded that government effectiveness was dependent on a civic culture and social trust. Putnam's conception of social capital sees trust as a source of performance rather than a product of it.

Putnam has been widely criticised for a range of reasons, including his inability to differentiate between consequence and cause. Stolle's (2001) equally suggestive thesis is that social trust is a precondition for civic engagement, meaning that the causal direction is the opposite of Putnam's. Putnam himself only goes so far with his socialisation thesis. While he maintains that civic engagement allows the generalisation of trust to strangers, he excludes the generalisation of social trust to government and its organisations, on the basis that social and political trust are 'theoretically … distinct' (2000a, p. 137). His argument can be interpreted in the following way. Adult socialisation, in the form of civic engagement and associational membership, creates social trust and generalised reciprocity, which make government more effective. The rational evaluation of effective government performance in providing public goods creates political trust. Trust in government to be effective generates social trust. We are left again with two opposing theses about trust creation.

Few researchers see trust as a blend of the rational and the relational, for example, Lewis and Weigert (1985), and Dunn (2000, p. 76), who defines trust as both a 'passion', which is the 'confident expectation of benign intentions in another free agent', and a 'modality of action' which allows people to 'cop[e] with uncertainty over time'. I conceptualise trust in this broader sense, as a combination of both relational and rational trust, with the basis of trust in social relationships.

Research questions

Like Putnam, I use the perspective of the socio-psychological and cultural theories to explain the creation of social trust, and trust in government. However, I question his starting place. According to Putnam, civic engagement or adult socialisation creates social trust, but according to other socialisation theories, social trust is learned within our family from our earliest days, and within our close personal circle.

The literature either is silent on whether or not social trust generalises to government institutions, or makes opposing assumptions: first, that social trust does not generalise to government, and second, that it does generalise to government (Misztal

1996). There is little empirical evidence to support either of these assumptions. Most work has been done from the rational perspective of trust.

The literature raises questions about the creation of both social and political trust (that is, trust in strangers and trust in government and its organisations). What creates trust in strangers? Does trust in strangers generalise to government organisations? Is political trust created by rational or relational factors, or both?

Research design

A literature review suggested a research design with five key concepts for measurement that represented civic engagement, trust, world views and personal satisfaction with life, government performance, and social demographics (see Appendix 1 for the concepts and measures).

Civic engagement

Using the activities which Putnam (1993, 2000a, 2000b) highlighted as a guide, I identified four dimensions of civic engagement: leisure activity, volunteering activity, political activity, and engagement with the media (see Appendix 2). Voting in elections and referenda is compulsory in Australia, so these factors were excluded from political activity. The four dimensions were grouped theoretically on the basis of Putnam's work in Italy and the United States. His work was influenced by Tocqueville's (1953) thesis that networks of associations and interest in civic affairs produces trust and co-operation within a community.

Thirty-four items were rated by respondents in terms of how often they actually engaged in the behaviour. The emphasis was on behaviour, as opposed to what they would like to do or try to do. The aim was to assess diversity of participation rather than predisposition to social engagement or social well-being (see Braithwaite et al. 1992). Indices of civic engagement were constructed by counting the number of activities participated in within each of the four dimensions. To form the indices, the items were dichotomised to obtain a measure of regular civic engagement: respondents had to participate in the activity 'monthly, weekly or daily' versus 'never and sometimes'.

Trust

The next concept is trust. The commonly used survey question measuring social trust asks: 'Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people'. This single item measure has been criticised from a methodological perspective on the grounds that single item measures can not account for measurement error; it may be measuring the trustworthiness of the respondent rather than how much they trust others; possible respondent confusion about the meaning of the response options; and lack of context (Alesina & La

Ferrara 2002; Hughes et al. 1999; Leigh 2004; Mishler & Rose 1998; Paxton 1999; Uslaner 2002). However, most people use this question for comparative purposes, as it has a tradition of use in major surveys, such as the World Values Survey and the Eurobarometer survey (Helliwell & Putnam 2004; Uslaner 2002).

As it is more likely that trust is a multi-dimensional concept (Braithwaite 1998), and because few surveys measure both social and political trust (Newton 1999), I asked about people's trust in seventeen different groups of people and organisations. To reduce the number of variables, a principal components factor analysis with a varimax rotation divided these seventeen variables into four types of trust: (a) social trust; (b) political trust in organisations remote from us; (c) political trust in government organisations providing services at local level; and (d) familiar trust. Fifty-six per cent of the variance was accounted for. This means that the new abstract categories of trust (social, political remote, political local, and familiar) were capturing a large proportion of the variation in responses to individual items. In other words, I was not losing valuable information through pooling individual items.[1] (See Appendix 3 for the factor analysis results, the items making up the scales, and the descriptive statistics for each scale.)

The interesting result of the factor analysis was 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 organisations which provide services to the community, and with which people are more likely to have regular direct contact. While it was thought that Australians would feel familiar with their neighbours and consider them friends, it is not surprising that neighbours are in fact 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. There was only one instance where a variable appeared as part of two factors: co-workers appeared to belong to both the social trust and the familiar trust scales. This is not surprising, as we know some co-workers well and others not as well. For the purposes of analysis, trust in co-workers was placed in the group with which it was most strongly linked, that is, familiar trust.

The single item social trust variable was not aligned with any one of these four groups of trust. The relationship between the trust dimensions found above and the commonly used single item measure of social trust is examined using Pearson's product-moment correlations (see Appendix 4). These correlations confirm that the different types of trust are significantly and positively related, and that related concepts are being measured, but not the same concepts.

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[1] For an explanation of techniques used in statistical analysis of survey data (for example, factor analysis, correlation and regression modelling), see de Vaus 2002.

World views and satisfaction with life

The next concept measured people's world views and the satisfaction they felt with their own lives. Four kinds of measures were used: satisfaction with life (Kohut & Pew Research Center for The People & The Press 1997; Putnam 1993); harmony and security values which have been found relevant to trust in government (Braithwaite 1998, 2001; Braithwaite & Law 1985); orientation to the collective (Blamey & Braithwaite 1997); and responsiveness towards government and willingness to comply with the law (Braithwaite 1992; Levi & DeTray 1992).

Social demographics

Micro-level cultural theory suggests that different socialisation experiences can result in differences in trust (Mishler & Rose 1998, 2001). The questions used were based on two well-established surveys—the Australian Election Survey and the International Social Science Survey—and included age, gender, education, place of residence (urban or rural), ethnic background, marital status and occupation, which are commonly used in trust studies (Kohut & Pew Research Center for The People & The Press 1997; Mishler & Rose 2001; Putnam 1993; Uslaner 2002).

Government performance

Rational theories of trust hold that people's evaluation of government performance in providing public goods affects their trust in government (Bouckaert & Van de Walle 2003; Mishler & Rose 2001). Evaluation includes both the quantity and quality of performance (Hetherington 2001; Kent Jennings 1998; Putnam 1993; Tyler 1997). Public perceptions of government performance were inferred from four measures: satisfaction with spending of public money (Bouckaert & Van de Walle 2003; Dean, Keenan & Kenney 1980; Hetherington 2001); citizen support for giving government more power to enforce law and order (Putnam 1993); citizen perceptions of honesty or corruption in government (Putnam 1993); people's feelings of powerlessness within the democracy (Putnam 1993; Scholz & Lubell 1998).

Method

Data was collected using the 'Community Participation and Citizenship' survey (Job 2000), a self-completion survey with a standardised questionnaire. The survey was mailed to participants in the Australian states of New South Wales and Victoria between August and December 2000. The process involved an explanatory letter, a package containing a covering letter, the survey, and a reply-paid envelope, and was followed up with two reminder cards. The 16-page questionnaire comprised 58 questions, with 183 variables, measuring: (a) community involvement; (b) trust; (c) reciprocity/duty; (d) respect for the law; (e) background or demographics; and (e) space at the end of the survey for people to write further comments, which 14 per cent did.

The sampling method, which was randomised from the New South Wales and Victorian electoral rolls, selected 1999 people. The adjusted response rate was 43 per cent (837 persons). Representativeness was tested using the Australian Bureau of Statistics 2001 national Census results. The sample did not differ significantly from the population on the distribution of males and females. People less than 34 years of age were slightly under-represented in the sample. There was a small over-representation of those with higher education levels and of those whose occupations favour writing. These trends were similar to those encountered in other survey procedures conducted at this time (Mearns & Braithwaite 2001).

Findings

The first step in examining the creation of trust in government from a relational viewpoint is to test how social trust is created.

Putnam's social capital thesis

I began with two tests of Putnam's social capital thesis that associational membership and involvement in civic activities create social trust. The first test used the single item measure of social trust, and the second used the multi item measure of social trust of those in your town, your neighbourhood, church and clubs. The four measures of civic engagement (activities involving leisure, volunteering, politics and media interest) were used to predict social trust using ordinary least squares multiple regression analysis (see Table 1).

Table 1. Testing Putnam's social capital thesis

	Single item social trust variable		Multi item social trust variable	
Predictors	r	β	r	β
Civic engagement				
Regular engagement in personal activities	.189**	.155***	.160**	.101**
Regular engagement in volunteering activities	.108**	.040 ns	.202**	.164***
Regular engagement in political activities	.130**	.073 ns	.100**	.024 ns
Regular engagement with the media	.053 ns	.040 ns	.057 ns	.049 ns
Adjusted R^2	.040		.049	

Notes: ns means not significant at the .05 level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
β = standardised regression coefficients, r = bivariate correlations.

The results from the regression analysis for the single item social trust variable showed that only engagement in personal activities had a significant positive relationship with social trust. This partly agrees with Putnam's findings, but there is no effect for volunteering, which Putnam (1993, 2000a) maintains is the most important factor in building social trust. This is a very poor model, with only 4 per cent of the variance being predicted, meaning that 96 per cent of the variation in social trust is not accounted for.

When the single social trust item was replaced with the multi item social trust variable, the most significant relationship was between volunteering and social trust. There was also a weak relationship with personal activities. These results are in accordance with Putnam's predictions. However, this again was a poor model, with only 5 per cent of the variance being predicted. These tests suggest some association between civic engagement and social trust, but this is not the main part of the story of how trust develops.

Comparison of Putnam's thesis with a basic socialisation model

Next I compared the civic engagement variables with the thesis of early social theorists that social trust is built from trust in one's circle of personal acquaintances and intimates. I continued to use the multi item social trust variable, and excluded the single item social trust variable.

In Table 2, the only relationship between civic engagement and social trust is with regular engagement in volunteering activities, as Putnam maintains. Trust in one's close personal circle strongly predicts social trust. With the introduction of trust, the model has improved, and 29 per cent of the variance is now predicted.

Table 2. Comparison of Putnam's thesis with a basic socialisation model

	Multi item social trust variable	
Predictors	r	β
Trust		
Familiar trust (trust in family, boss and co-workers)	.527**	.506***
Civic engagement		
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	

Notes: ns means not significant at the .05 level. * *p* < 0.05, ** *p* < 0.01, *** *p* < 0.001.
β = standardised regression coefficients, r = bivariate correlations.

Generalising social trust to government institutions

Next I tested the hypothesis that social trust can generalise to government institutions or organisations. In accordance with the results of the factor analysis, in Table 3 below I differentiated between trust in local service institutions (local political trust), and trust in remote political institutions (remote political trust).

Table 3. Generalising social trust to government institutions

Predictors	Political trust (local)		Political trust (remote)	
	r	β	r	β
Trust				
Familiar trust (trust in family, boss and co-workers)	.333**	.113*	.254**	.024 ns
Social trust (trust in strangers)	.494**	.442***	.405**	.213***
Political trust (trust in local service institutions)	-	-	.470**	.351***
Civic engagement				
Regular engagement in personal activities	.043 ns	-.038 ns	.073*	.025 ns
Regular engagement in volunteering activity	.066 ns	-.021 ns	.086*	.023 ns
Regular engagement in political activity	.023 ns	-.024 ns	-.004 ns	-.053 ns
Regular engagement with the media	.101**	.081*	.098**	.055 ns
Adjusted R^2	.251		.256	

Notes: ns means not significant at the .05 level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
β = standardised regression coefficients, r = bivariate correlations.

The results in the left column show that social trust was the strongest predictor of trust in local service institutions—that is, in fire stations, police, schools and hospitals. It is also interesting that trust in one's personal circle remains a significant, although weak, predictor of trust in local service institutions. Weakly significant is regular engagement with the media.

Turning to remote trust in Table 3 (right column), the strongest predictor of trust in the remote political institutions was trust in local service institutions. Nearly as strong a predictor was social trust, with trust in one's personal circle dropping out. Now, civic engagement has nothing to do with trust in government organisations.

These results indicate that social trust does generalise to government and its organisations. It appears that relational factors have quite a bit to do with the development and maintenance of trust in government institutions. 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 models in Table 4 are good ones. However, with less than 30 per cent of the variance predicted, there remains the possibility that there are other factors predicting trust in government organisations.

Other factors which may create trust in government organisations

The final model, shown in Table 4, below, retains the trust and civic engagement variables, and adds relational and rational variables that could explain why trust endures across institutional domains: world views and satisfaction with life; social demographics; and government performance.

Trust in local service institutions

By far the most significant predictor of trust in local service institutions (see Table 4) is social trust. These government organisations are a visible part of the local community, and many people would interact with them on a regular basis. It is not surprising that being trusting of strangers would extend to those strangers who work in local service organisations. The positive and significant result for familiar trust supports the relational argument, indicating that the trust which we learn from those close to us ripples beyond them, to include strangers in our community, including those in government organisations. The significant positive relationship between support for stricter law and order and trust in local service institutions indicates that people trust the police to deliver security to them. Nevertheless, people retain a healthy scepticism about government, with the significant negative result for corruption in politics. If individuals perceive corruption in politics, their trust in local institutions is adversely affected.

The significant positive result for satisfaction with life suggests that people who are happy with their lives are more trusting of local service institutions. This result is consistent with Putnam's and Uslaner's findings. Although the result is only weakly positive, people who trust local institutions feel a stronger sense of duty towards the collective and towards contributing to the greater good by sharing in the costs of services and benefits such as health care, education, the environment, roads, defence and welfare.

There is no effect for any of the social demographic variables, or for any of the civic engagement variables.

Table 4: Creation of trust in government and government institutions

Predictors	Political trust (local)		Political trust (remote)	
	r	β	r	β
Trust				
Familiar trust	.333**	.109*	.254**	-.012 ns
Social trust	.494**	.353***	.405**	.133**
Political trust (local)	-	-	.470**	.235***
Civic engagement				
Regularly engage in personal activities	.043 ns	-.043 ns	.073*	-.011 ns
Regularly engage in volunteering activities	.066 ns	-.024ns	.086*	-.004ns
Regularly engage in political activities	.023 ns	-.019 ns	-.002	-.023 ns
Regularly engage with the media	.101**	.022 ns	.098**	.019 ns
Social demographics				
Age	.208**	.047 ns	.128***	-.032 ns
Ethnicity	.030 ns	-.059 ns	-.001 ns	-.075*
Sex	-.012 ns	.028 ns	-.028 ns	-.008 ns
Urban/rural dweller	.002 ns	.020 ns	-.045 ns	-.044 ns
Marital status	.029 ns	-.069 ns	.015 ns	-.053ns
Education	.016 ns	.055 ns	-.004 ns	-.043 ns
Occupation	.015 ns	.032 ns	.039 ns	.038ns
World views and satisfaction				
Satisfaction with life	.278**	.122**	.187***	-.024 ns
Harmony values	.111**	.042 ns	.061 ns	.008 ns
Security values	.121**	.017 ns	.070*	.026 ns
Law abidingness	.180**	.034 ns	.257***	.102**
Orientation to collective	.179**	.092*	.105**	-.023 ns
Government performance				
Wise government spending	.250**	.077 ns	.409***	.121**
Support for stricter law and order	.122**	.151**	-.007	.020 ns
Feelings of powerlessness	-.214**	.009 ns	-.415***	-.136**
Perceptions of corruption in politics	-.318**	-.133**	-.569***	-.346***
Adjusted R^2	**.327**		**.460**	

Notes: ns means not significant at the .05 level. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
β = standardised regression coefficients, r = bivariate correlations.

The model is a good one, with nearly 33 per cent of the variance explained. These results suggest that people who trust both those in their close personal circle and those they do not know, who have a sense of duty towards others, and who are happy with their lives, will have greater trust in local service institutions. However, their trust is tempered by an awareness of corruption in politics.

Trust in remote political institutions

The factors which predict trust in the more remote political institutions are in the column on the right of Table 4. With nearly 50 per cent of the variance predicted, the remote political trust model is strong. The highly significant major predictor is corruption. Perceptions of corruption in politics decrease people's trust in government. Also significant are feelings of powerlessness: people's perceptions that government neither listens to them nor cares about them, and tries to exploit them, are associated with lower trust in remote political institutions. These results indicate people's awareness of the quality of the performance of these political institutions and that people do take note of how ethically government and its institutions operate, as evidenced by the positive relationship between trust and wise government spending. The results confirm that people's trust in government is built through their rational evaluations of government performance in providing services which benefit them through wise spending of taxes.

The significant negative results for corruption and powerlessness may provide an explanation for the decline of trust in government and politicians. These results strongly suggest that people are watchful of, and have opinions about, lack of honesty and unethical behaviour in government, and that the way they are treated by government does matter to them. Fortunately for the federal government in Australia, however, the results also show a strong positive result for people's trust in their local service organisations, as well as trust in strangers. The strength of the trusting attitude people have towards strangers and local service institutions continues to ripple through to political institutions despite perceptions of unethical behaviour.

The significant negative result for ethnicity is interesting. It indicates that people from a non-English speaking background have greater trust in government. This may be because those who have been in Australia for some time can compare government performance here with the country from which they migrated and see a positive difference between Australia and their home country. No other social demographics were significant.

Again, the results for civic engagement and remote political institutions are non-significant. World views and satisfaction with life were mostly non-significant with regard to trust in remote political organisations. However, there was a positive and significant result for people's commitment and willingness to abide by the laws set by government. People seem to perceive a reciprocal relationship between themselves and government.

Conclusion

Both relational and rational factors work together in building people's trust in political institutions. Factors representing rationally based trust showed strong results. People's self-interest and their perception that government is performing well in providing services that are useful to them is demonstrated by the positive significant result that trust is high when government is perceived to distribute funds wisely and fairly. There were also strong negative results from a quality of performance perspective. Any government wanting to build trust should be aware that its hopes will be dashed if people perceive corruption and lack of honesty in government. Governments would be wise to put an effort into making people feel that they are listened to and that government does care about them.

Relational aspects of trust have featured strongly in these results. It is notable that trust in local government organisations and social trust remain strongly significant as predictors of trust in remote government organisations even when there are negative perceptions of government, such as corruption or a lack of honesty. This is quite remarkable, and supports the thesis that the basis of trust is relational. Even though government organisations might behave badly, if people have a basic faith or belief that other people's intentions towards them are not harmful, they will still trust government.

These findings indicate that civic engagement and associational membership does not create social trust, as Putnam maintains they do. Instead, support is found for the work of early sociology and psychology, which claimed that the basis of trust is in the family and one's personal circle. These results suggest that relational trust does extend from social trust to trust in government organisations. Relational trust remains the strongest predictor of trust in government institutions even when perceptions of government performance are considered. It is only perceptions of corruption in politics that can become a stronger predictor of trust in government institutions. However, despite corruption, trust in remote political government institutions will remain strong while people trust government institutions which operate in their local community, and while they have trust in strangers. These results suggest that the basis of our trust in other people and abstract institutions is relational.

What can government and government organisations learn from these findings? Appealing to the public on the basis of effective economic performance might be successful in the short term, but to build trust and to encourage the co-operation of the community in the long term, government and government organisations must focus on both the rational and relational aspects of trust. Quality of performance is also important. Rational and relational factors co-exist in building trust in government.

However, this argument is not only about government winning the trust of the people but is also about the community and the decisions they make about trusting and supporting a government. Remembering Hitler's Germany and apartheid South Africa

reminds us that in evaluating a government's performance, the community must think carefully about whether a government is deserving of trust or not. Seeing corruption and standing up against it can serve the community's interests as well. It is the community's role to maintain a 'vigilant skepticism' (Citrin 1974) by considering both rational and relational aspects when deciding whether or not to trust government.

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Appendix 1

Concepts and measures

Concept	Measures	Range of scale
Civic engagement: How often have you done this in the last six months?	Personal regular Volunteer regular Political regular Media regular Personal exposure Volunteer exposure Political exposure Media exposure	1–5 (how many activities done monthly, weekly, daily) 1–5 (how many activities done sometimes, monthly, weekly, daily)
Trust: How much do you feel you can trust these people or organizations?	Familiar trust Social trust (multi) Social trust (single) Political trust (local) Political trust (remote)	1–4
World views and satisfaction with life: To what extent do you accept or reject that … / agree or disagree that … / are you …?	Values Satisfaction with life Collective orientation Law abidingness	1–7 1–5 1–5 1–5
Social demographics: What is your … / are you from?	Place of residence Education Ethnicity Marital status Sex Age	1–5 1–8 1–2 1–5 1–2 in years
Government performance: To what extent do you agree or disagree … / would you say that …	Government spending Stricter law and order Powerlessness Corruption in politics	1–5 1–5 1–5 1–7

Appendix 2

Civic engagement items

Activity index	Items in index
Personal / leisure	Taking continuing or adult education classes
	Exercising or working out
	Attending a self-help group
	Attending clubs or associations
	Attending church or religious services
	Participating in special interest groups
	Participating in organised sporting activities
	Playing cards or board games with a usual group of friends
	Using a computer for personal email, online discussions, chat groups
	Children participating in sports teams or sporting activities
	Children participating in music or dance lessons
	Children participating in art and craft activities
	Children participating in other activities
Democratic participation	Attending a town council meeting or public hearing
	Calling or sending a letter to an elected official
	Joining or contributing money to an organisation in support of a cause
	Participating in union activities
	Joining with co-workers to solve a workplace problem
	Participating in professional or industry association activities
	Contacting local council members
Voluntary work	Volunteering for a church or religious group
	Volunteering for a political organisation
	Volunteering for a school or tutoring program
	Volunteering for environmental organisations
	Volunteering for child or youth development programs
	Volunteering for arts or cultural organisations
	Volunteering for a hospital, health or counselling organisation
	Volunteering for a local government, neighbourhood, civic or community group
	Volunteering for an organisation to help the poor, elderly or homeless
News watching, listening and reading	Regularly watching the news on television
	Watched the news or a news program on television yesterday
	Regularly reading any daily newspaper or newspapers
	Read a daily newspaper yesterday
	Listening to the news on the radio

Appendix 3

The trust measures: results of a principal components factor analysis and varimax rotation of trust variables, and descriptive statistics

Trust scale	Factor 1 Social	Factor 2 Political (remote)	Factor 3 Political (local)	Factor 4 Familiar
	M = 2.70; *SD* = .57; *alpha* = .81	*M* = 2.36; *SD* = .56; *alpha* = .78	*M* = 3.22; *SD* = .51; *alpha* = .69	*M* = 3.24; *SD* = .57; *alpha* = .69
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%	

Appendix 4

Intercorrelations between the trust items

The Cronbach alpha levels (see Appendix 3) are higher for each scale than the inter-correlation coefficients, which provides support for the use of these scales as separate measures of trust.

Intercorrelations between trust dimensions and single social trust item

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

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