Chapter 1
What drives public trust? Identifying the policy levers

This chapter presents a framework for understanding trust built around two fundamental building blocks: competency and values. A competent government provides accessible, efficient and citizen-oriented public services that effectively address the needs and expectations of people and evolve as those needs and expectations change. A competent government will also ensure a high degree of reliability and predictability, minimizing uncertainty in the economic, social and political environment of its citizens. A government is values-based when it promotes integrity through the alignment of public institutions with broader standards of conduct and undertakes to safeguard the public interest, mitigate corruption and strive to ensure fairness in both the processes and outcomes of public policy. A values-based government will also demonstrate a high degree of transparency and inclusiveness.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
Trust in what, from whom?

Trust is usually understood as “holding a positive perception about the actions of an individual or an organisation”. Trust gives us confidence that others will act as we might expect, either in a particular action or in a set of actions. While trust may be based on actual experience, it is often a subjective phenomenon, based as much on interpretation or perception as on facts.

As social beings, we depend on agents beyond ourselves for many things in life, from nice-to-have items that give us pleasure to essential material needs. Procuring these things requires that we enter into some sort of tacit or explicit agreement with agents (people, groups, organisations, systems), and there is always some risk that the chosen agent will not have the required good will, benevolence, motivation, availability, competency or capacity to perform to our satisfaction. Four factors inform the emotional dimension of the relationship: access to other suitable agents; the degree to which the object procured via the agent is essential to us; the faith we have in the agent’s commitment and benevolence in providing it; and our experience with the agent.

While there are potentially many agents able to meet a person’s needs, they may prefer some to others, usually on the basis of experience. Experience with any given agent limits a citizen’s perceived vulnerability. An agent proving reasonably reliable over time will usually be chosen over other agents, potentially just as capable or more so. For private companies, the trust-based choice made by customers is often the basis of their competitive advantage, as tangible and valuable as any technological or cost advantage that they hold over their competitors.

Interpersonal and organisational relationships can develop into what some researchers call psychological contracts. This is defined as an individual’s beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party (Rousseau, 1989). These contracts differ from formal and implied contracts because of their subjective nature – one party’s understanding of the contract may not be shared by the other (Robinson, 1996). For example, from government we might expect essential local services, security, justice, basic fairness, safe products, a representative voice in government, etc. in exchange for voting, obeying rules and paying our taxes. Non-respect on the part of the agent constitutes a deep-seated breach of obligations – a perception of betrayal.

Complicating discussions of trust are the different types of trust. Generalized trust has been defined as the default expectation of other
people’s trustworthiness (Rotter, 1980; Oskarsson et al., 2012). We may trust other people (interpersonal trust), organisations and institutions (institutional trust), or even intangibles such as brands (brand trust). Trust also extends to systems, objects and technologies (technological trust).

Table 1.1. **Some definitions of trust**

<table>
<thead>
<tr>
<th>Definition</th>
<th>Author</th>
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<tr>
<td>“Confidence that one will find what is desired from another, rather than what is feared”</td>
<td>Deutsch, (1973)</td>
</tr>
<tr>
<td>“A psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another”</td>
<td>Rousseau et al. (1998)</td>
</tr>
<tr>
<td>“A generalised expectancy held by an individual that the word, promise, or statement of another individual can be relied on”</td>
<td>Rotter, (1980)</td>
</tr>
<tr>
<td>“The willingness to be vulnerable to another”</td>
<td>Meyer et al. (1995)</td>
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</table>

Despite these rather unscientific definitions, trust is clearly an important concept. It supports most if not all collective and individual human interactions, from trade and commerce to welfare systems and education. In all cases, trust allows people, businesses and organisations to make decisions without having to renegotiate with and/or reassure their counterparts at each interaction. This eliminates or reduces costs and increases the speed of social interactions.

By allowing one actor to give the benefit of the doubt to another, trust generates tangible benefits for each – a “trust dividend” (Table 1.2).
Table 1.2. Trust relationships in society

<table>
<thead>
<tr>
<th>Type of trust</th>
<th>Trust dividend</th>
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<tbody>
<tr>
<td>Citizens towards other citizens</td>
<td>Social capital gains; more cohesive communities.</td>
</tr>
<tr>
<td>Citizens toward government</td>
<td>Greater compliance with and support of government programmes and policies. Lower enforcement costs.</td>
</tr>
<tr>
<td>Business toward government</td>
<td>Greater propensity to invest. Easier compliance with regulations.</td>
</tr>
<tr>
<td>Government toward citizens</td>
<td>More streamlined public services optimised for efficiency and effectiveness.</td>
</tr>
<tr>
<td>Within government</td>
<td>Promotes effectiveness as government institutions increase the level of collaboration among government services and with outside providers.</td>
</tr>
<tr>
<td>Citizens toward political leaders</td>
<td>Greater public confidence can allow government leaders the support to see through implementation of their policies. Less deadlock.</td>
</tr>
<tr>
<td>Among government leaders</td>
<td>Enhanced effectiveness in approaching shared, complex challenges (i.e. climate change, security, etc.).</td>
</tr>
</tbody>
</table>

Because of its crucial importance for so many socio-economic interactions, the notion of trust has generated much examination in academic literature. Above all, and despite different areas of focus, researchers agree on some defining elements of trust, such as positive expectations toward the future and a willingness to be vulnerable to risk or uncertainty (Rousseau et al., 1998). Likewise, a number of trust relationships are consistently identified (from citizens’ trust in their fellow citizens to political elites’ trust in other elites or in citizens) (Offe, 1999). These are frequently clustered into two broader categories: i) interpersonal trust, in the realm of human and social interactions, and ii) systemic or institutional trust, in the realm of public and political institutions.

- **Interpersonal trust** relates to the results expected of the interaction between individuals, other than friends and relatives, within a given community at a specific moment of time. Often it has been considered a proxy for social capital (Halpern, 1999). Interpersonal trust is highly influenced by the set of common values shared by a given society; for example, groups of countries with mutual cultural and religious backgrounds tend to have similar levels of interpersonal trust (OECD, 2009).
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- **Systemic or institutional trust** focuses on the interaction between government and citizens and within government. Institutional trust is generated when citizens appraise public institutions and/or the government and individual political leaders as promise-keeping, efficient, fair and honest (Blind, 2006).

OECD work on trust focuses largely on the latter -- better understanding how trust influences the outcomes of public policies, and how governance changes may strengthen or weaken trust. This scope reflects the concerns of leaders and policy makers about the deterioration of institutional trust in the past few years and their interest in “actionable” policy insights to help them reverse this trend.

**The current state of trust in public institutions**

Levels of trust in institutions vary, but trust in most public bodies has declined since 2007. Trust in government and political institutions has been hardest hit.

- According to the Gallup World Poll, between 2007 and 2015, trust in government decreased by an average of 2 percentage points in OECD member countries (from 45% to 43%). In certain countries (such as Slovenia, Portugal, Spain, Finland and Mexico) the decrease has been sharper (see Figure 1.1).

- According to the Gallup World Poll, between 2007 and 2015, satisfaction with the education system increased by 6 percentage points in OECD member countries (from 62% to 68%).

- According to the Gallup World Poll, between 2007 and 2015, trust in the judicial system increased by 4 percentage points in OECD member countries (53% in 2015 compared to 49% in 2007).

- According to Eurobarometer, between 2007 and 2015, trust in political parties decreased by an average of 2 percentage points in OECD/EU member countries (from 21% to 19%).

- According to the European Social Survey, between 2008 and 2014, trust in parliaments decreased by 5 percentage points (from 58% to 53%) in OECD/EU countries.

- According to the Gallup World Poll, between 2007 and 2015, trust in financial institutions decreased by an average of 9 percentage points in OECD member countries (down to 46% in 2015).
• According to Eurobarometer, between 2007 and 2014 trust in the press decreased by an average of 1 percentage point in OECD/EU countries (from 47% to 46%).

• According to Eurobarometer, between 2007 and 2014 trust in television decreased by an average of 4 percentage points in OECD/EU countries (from 60% to 56%).

• The Edelman Barometer 2016 finds a widening disparity between levels of trust in public institutions according to income, with high-income persons reporting a higher degree of trust in government (on average 10% higher).

• According to the Edelman Barometer 2016, which looked at customer behaviour, almost 70% of respondents chose to buy a product because they trusted the company.

Figure 1.1. Confidence in national government in 2015 and its change since 2007

Source: Gallup World Poll (database).

Focusing on the drivers of trust

Institutional economics has shown the important influence of high quality public institutions in achieving economic growth and managing inequality (Rodrik, 2002, 2003). Other studies largely confirm that state capacity and quality of government have strong, positive effects on almost all standard measures of human well-being, as well as measures of social
trust and political legitimacy (Rothstein, 2012). In this regard, it could be argued that how power is exercised (what takes place at the output side of the political system) is equally if not more important than how access to power is organised (Rothstein, 2013). The idea that good governance generates trust by promoting fair processes and fair outcomes is an important concept in recent research.

Attempts to identify the core drivers of trust (how to gain trust or retain it) have featured trust as contingent on the congruence between citizens’ (and businesses’) expectations (their interpretation of what is right and fair and what is unfair) and the perceived and/or actual functioning of public institutions (Bouckaert and van de Walle, 2003). Numerous authors draw a broad distinction between “trust in competence” – the ability of institutions to do their job – and “trust in intentions” – the propensity of institutions to do what is right (for example Choi and Kim, 2012). Despite the complexity of the subject and variety of approaches, we can find consistency across the literature on trust in at least two key respects. First, the literature highlights two different but complementary components that matter in understanding and analysing trust: i) competence or operational efficiency, capacity and good judgement to actually deliver on a given mandate; and ii) values, or the underlying intentions and principles that guide actions and behaviours. Digging deeper, there is also consistency in the literature regarding specific attributes that matter for trust, in relation to both the competence and values components.

Building on the above, this report proposes an analytical approach to citizen’s trust in public institutions, facilitating measurement efforts (based on both experience and expectations) and policy attempts to influence trust. The first step is to deconstruct trust into two key components, competence and values, closely following the broad distinction reflected in the literature between the actual outcome of an action and the intention that guided it. The second step is to identify for each component relevant dimensions that could make it amenable to policy change: responsiveness, reliability, integrity, openness and fairness.

Trust as competence

Competence is a necessary condition for trust – an actor, whether a business or a government agency, with good intentions but without the ability to deliver on expectations cannot be trusted (Forsyth, Adams and Hoy, 2011). The provision of public goods and services (from security and crisis management to public health and education) is one of the principal activities exercised by government. In many countries, these services are

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provided on a massive scale and offered to citizens as a right, in return for their tax payments. Despite being entitled, citizens depend on the ability of governments to actually deliver the services they need, at the quality level they expect. These expectations entail two critical dimensions of trustworthiness:

- **Responsiveness** – Recognising responsiveness as an explicit dimension of trust reflects the core objective of public administration: to serve citizens. Increasingly, responsiveness refers not only to how citizens receive public services but also to how government listens to citizens and responds to their feedback. Responsiveness, then, is about availability, access, timeliness and quality, but also about respect, engagement and response.

- **Reliability** – As a prerequisite to responsive service delivery, governments must assess the economic, social and political environment facing their citizens, and act in consequence. This may mean adapting certain services or creating new ones (e.g. addressing climate change, energy, housing, etc.), but it also means being able to deal with uncertainty in a consistent and predictable manner. In the face of multiple natural and man-made threats over the past decade, long-term planning and risk management have proved to be essential albeit not universally institutionalised functions of government. Reliability is the capacity of government institutions to respond effectively to a delegated responsibility to anticipate needs, and thereby minimise uncertainty in the economic, social and political environment facing people.

**Trust as values**

When it comes to influencing trust, the process of policy making and its guiding motivations are just as important as actual results. In a context of persistently high unemployment and growing inequality, citizens expect not only effective policies to improve socio-economic conditions but also irreproachable behaviour. These expectations entail three critical dimensions of trustworthiness: i) integrity, ii) openness and iii) fairness.

- **Integrity** – Available data suggest that the way in which public administrations conduct themselves and the degree to which they can be trusted to safeguard the public interest without the need for scrutiny have the most direct influence on levels of trust in public institutions. High standards of behaviour reinforce the credibility
and legitimacy of government and facilitate policy action by
government.

- **Openness** – Openness and stakeholder engagement in the design and
delivery of public policy and services can help governments better
understand people’s needs, leverage a wider pool of information,
achieve higher levels of compliance, and increase trust (OECD,
2013). Openness, as a dimension of trust, reflects a renewed social
contract between citizens and state, where the former contribute not
only by paying taxes and obeying the law, but also by being
receptive to public policies and co-operating in their design and
implementation.

- **Fairness** – Citizens share a growing concern in the wake of the
financial crisis that the distribution of burdens and rewards among
members of society is skewed. Higher levels of wealth accumulation
among the top percentiles help fuel mistrust in government and its
institutions. Fairness, as a dimension of trust, addresses this concern
by focusing on the consistent treatment of citizens and business by
government, and protection of the pursuit of the benefit of society at
large.

The competence-values framework provides a theoretical way to better
link the policy discussion on trust to an actionable reform agenda.\(^3\) Building
on it, a guiding “public governance” definition for institutional trust can be
proposed: *A citizen’s belief that [the institutions of government] fulfil their
mandates with competence and integrity, acting in pursuit of the broader
benefit of society.* According to this approach, citizens assess government
from the perspective of their experience of service delivery, but also with
respect to the efficacy and fairness of the policy-making process and its
outcomes. Furthermore, the approach can provide guidance on measuring
trust, on its monitoring over time, and on analysing the factors that may
drive it in the future – in effect opening the door to an alternative set of data
to that currently available.
Table 1.3. **Summary: The competence-values framework for citizens’ trust in public institutions**

<table>
<thead>
<tr>
<th>Competence</th>
<th>Key elements</th>
<th>Overall public policy objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government mandate involved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide public services</td>
<td>Access to public services regardless of income, place of residence. Quality and timeliness of public services. Respect in public service provision, including response to citizen feedback.</td>
<td>Responsiveness</td>
</tr>
<tr>
<td>Anticipate change, protect citizens</td>
<td>Anticipation and adequate assessment of citizens’ evolving needs and challenges Consistent and predictable behaviour Effective management of social, economic and political uncertainty</td>
<td>Reliability</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Values</th>
<th>Key elements</th>
<th>Overall public policy objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government mandate involved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use power and public resources ethically</td>
<td>High standards of behaviour Commitment to fight corruption Accountability</td>
<td>Integrity</td>
</tr>
<tr>
<td>Inform, consult and listen to citizens</td>
<td>Letting citizens know and understand what government is doing Engagement opportunities that lead to tangible results</td>
<td>Openness</td>
</tr>
<tr>
<td>Improve socio-economic conditions for all</td>
<td>Pursuit of socio-economic progress for society as a whole Consistent treatment of citizens and businesses (vs. fear of capture)</td>
<td>Fairness</td>
</tr>
</tbody>
</table>

*Source: Adapted from review of the literature.*
Notes

1. Competence in the light of wrong guiding principles or corrupted mechanisms does not lead to trust. As argued by Hibbing and Theiss-Morse (1995), people tend to focus on outputs because citizens contact output institutions more frequently; dissatisfaction with government, however, has more to do with unfair policy and political process.

2. The ongoing discussion around public value points in this direction, not only as an evolution in public management science, but also as a direct consequence of increasing levels of inequality. Public value is achieved when governments produce what is either valued by the public, good for the public or both, leading to just and fair conditions in the society at large (Bryson, Crosby and Bloomberg, 2014).

3. This scope is consistent with the definition of trust in government as confidence of citizens in the “government to do what is right and perceived as fair” (Easton, 1965).

References

