Trust, Democracy, and Governance*

Eric M. Uslaner

Department of Government and Politics

University of Maryland College Park

College Park, MD 20742

euslaner@gvpt.umd.edu

Prepared for the European Consortium for Political Research (ECPR) Workshop 13 on Voluntary Associations, Social Capital and Interest Mediation: Forging the Link, April, 2000, Copenhagen, Denmark.
Some years ago the noted novelist E. M. Forster (1965, 70) gave Two Cheers for Democracy:

...one because it admits variety and two because it permits criticism. Two cheers are quite enough: there is no occasion to give three. Only Love the Beloved Republic deserves that.

Perhaps there is a reason for a third cheer. Democratic societies are trusting societies.

The big pay-off from interpersonal trust, most contemporary observers say, is that it leads to better government and to a public that is happier with government performance. Or maybe good government makes people more likely to trust each other. Or perhaps both.

Can the state produce trust and, if so, are certain types of state structures more likely to be associated with high levels of trust? Most who have written on trust and the state assert that governments can produce trust (Levi, 1998; Rothstein, in press). But I disagree. Democracy doesn’t make people become more trusting. Trust across nations without a legacy of Communism depends largely on long-term culture (specifically religious traditions) and on economic equality. Trusting publics will also produce more responsive governments and are more likely to adopt policies that will promote economic equality and thus create more trust.

I shall argue for the cultural roots of trust in this paper but trust also reflects an optimistic view of the world. This worldview in turn is based upon real economic circumstances. Societies with more equal distributions of wealth are more trusting. And societies with higher levels of trust in turn have institutions that function better. Trust leads to better institutions not the other way around. It also produces higher spending for the sorts of policies that foster equality (more redistribution, more funding for education). So the countries with the lowest levels of trust will
are those with the most unequal distributions of wealth. But they are also the countries that are least likely to redistribute wealth to create the sort of trust that will breed institutions that function better.

**The Claims About Trust**

Two claims about trust and the state seem quite reasonable, if not beyond dispute. First, when people have faith in each other, political life is less contentious and leaders are more willing to try to find compromise solutions to complex problems. More generally, nations with trusting citizens have more efficient and less corrupt governments (LaPorta et al., 1997, 335; Putnam, 1993, 111). Second, people who participate in their communities are also active in political life.

Beyond these claims, there is less consensus on the relationship between interpersonal trust and the state. Political life and trust have an uneasy relationship with each other. Some people say that the state can build trust. By ensuring that people can’t get away with cheating each other and flouting the law, the state can create respect for authority. People will ultimately come to accept legal dictates as moral stipulation. The state enforces property rights and contracts. A strong legal system will reduce transaction costs, making trust less risky. The more experience people have with compliance, the more likely they are to have confidence in others good will (Brehm and Rahn, 1997, 1008; Levi, 1998; Offe, 1999).

The state has a particularly important role in protecting the rights of minorities and in providing for the welfare of those who have fewer resources. The most vulnerable have the most to lose by trusting others and thus will be more reluctant to place their faith in their fellow citizens. A strong state can lower the bar by empowering those with less power through legalizing trade unions or enforcing child labor laws (Levi, 1998).
States can build trust in three other ways. First, honesty in government may promote interpersonal trust. Corrupt governments set bad examples for the types of behavior that will be tolerated from the citizenry. The correlation between societal corruption and interpersonal trust across 52 countries is -.613. The most corrupt countries have the least trusting citizens. This is hardly surprising, since kleptocracies send clear messages to the people that crime does pay. Citizens feel free to flout the legal system, producing firmer crackdowns by authorities and leading to what Putnam (1993, 115) calls interlocking vicious circles of corruption and mistrust.

Second and strongly related to the first claim democracy promotes trust (Brehm and Rahn, 1997, 1008). Democratic regimes, Levi (1998, 96) argues, may be prerequisites for interpersonal trust (cf. Muller and Seligson, 1994). Such polities can actually change preferences by structuring the range of acceptable choices in a society, Levi argues. She does not specify how these changes occur, but seems to argue that democracy empowers people who don’t control many resources. When political leaders need to rely upon the mass citizenry for political support, they are not free to adopt policies that enrich themselves (corruption) or the dominant interests in a society (economic stratification).

Third, strong government performance makes people feel better about government and ultimately more willing to cooperate with each other (Brehm and Rahn, 1997, 1008; Misztal, 1996, 198). There is a direct link between trust in government and faith in other people (see esp. Brehm and Rahn, 1997; Berger and Brehm, 1997; Rahn, Brehm, and Carlson, 1997). Rahn, Brehm, and Carlson (1997, 24) argue that when people trust their government, they are more likely to believe that they can influence it. This growing sense of efficacy makes people more likely to trust each other.
Each of these claims is plausible. But most are disputable, and I shall challenge many of them in this paper. The roots of trust are not institutional. They lie in the deeper values societies hold and in the distribution of resources. Yes, democracies are more trusting. So are countries with low levels of corruption. But a wide variety of structural variables fall by the wayside to the level of economic inequality in a society. Societies don’t become trusting because they are more democratic. They become trusting because they distribute their resources more equally. Perhaps the logic works the other way around: more trusting countries work to redress economic inequality (Knack, 1999). That would be nice, but it doesn’t seem to happen.

Even the linkage between corruption and trust in other people is not the creation of the state. While there is no gainsaying the sizeable correlation between the two, the direction of causality goes from trust to cooperation. Political leaders are not quite so free to rob the public purse in high trust societies. They can only get away with their con games when many people already don’t trust one another (see below).

Societies with many trusters are more pleasant places to live. Not only are they more equal, but they also have better performing governments (less red tape and more responsive judiciaries). Their governments pursue policies that lead to even more equality: a larger public sector, more transfers from the rich to the poor, and more spending on education.

**Democracy and Trust**

Levi (1998), Offe (1999), and others (Cohen, 1997, 19-20; Misztal, 1996, 198; Pagden, 1988, 139) argue that a state, and particularly a democratic state, can produce trust in people. Levi (1999, 82) maintains that states build trust through the use of coercion and that democratic states may be even better at producing generalized trust than are nondemocratic institutions...because they are better at restricting the use of coercion to tasks that enhance rather than
undermine trust. Rothstein (in press) elaborates the link between trust and coercion: If people believe that the institutions that are responsible for handling treacherous behavior act in fair, just and effective manner, and if they also believe that other people think the same of these institutions, then they will also trust other people. Levi (1998, 87) holds that [t]he trustworthiness of the state influences its capacity to generate interpersonal trust... . Rothstein (in press) elaborates on this linkage:

...if you think...that these...institutions [of law and order] do what they are supposed to do in a fair and effective manner, then you also have reason to believe that the chance people of getting away with such treacherous behavior is small. If so, you will believe that that people will have very good reason to refrain from acting in a treacherous manner, and you will therefore believe that most people can be trusted.

There is plenty of evidence that people are more likely to obey laws and pay taxes if they believe that laws are enforced fairly and if people trust government (Tyler, 1990; Scholz and Pinney, 1995). But the link between government and trust in people is tenuous. Across 42 nations, there is but a modest correlation (r = .154) between trust in people and confidence in the legislative branch of government.3

If trust in people is a long-standing value that changes but slowly and if trust in people is not largely based upon our experiences (Uslaner, 1999, chs. 3-4), then it is hard to see how government can generate faith in strangers. If we withheld trust in people until we had confidence that they were in fact trustworthy, then government might be able to generate faith in others. Levi and others are certainly right when they argue that trust in government is contingent upon our evaluations of how well our leaders have done their jobs.4 And they are just as
assuredly wrong when they argue that trust in people rests primarily upon demonstrations of trustworthiness (see Uslaner, 1999, ch. 4).

There is little reason to presume that government enforcement of laws will build trust. Yes, coercion can increase *compliance* with the law. Obeying the law because you fear the wrath of government will not make you more trusting no matter how equally the heavy hand of the state is applied. People who trust others are less likely than mistrusters to endorse unconditional compliance. In the General Social Survey in the United States, just 35 percent of trusters say that you should *always* obey the law, even if it is unjust, compared to 48 percent of mistrusters (\( \phi = -0.128 \), Yule’s Q = -0.269). Simply getting people to obey laws will not produce trust. Perhaps this is a caricature of the argument on building trust, but it is easy to confuse compliance with voluntary acceptance, to confuse the law abiding people of Singapore with those of Sweden (cf. Rothstein, 1999). Even in high trusting countries such as Sweden, the linkage between confidence in the legal system and the police and trust in people is not very strong (Rothstein, 1999).

Courts can save us from rascals only if there are few rascals (cf. Sitkin and Roth, 1993). Law abiding citizens, not rogue outlaws, create constitutions that work. You may write any type of constitution that you wish, but statutes alone won’t create either compliance or trust. Macaulay (1963, 58, 61-63) argues that business executives and lawyers prefer transactions based upon trust and handshake seals the deal to those based upon contracts and threats of legal sanctions. Most executives and even lawyers have faith that other people will keep their end of a bargain. Resorting to formal documents might undo the goodwill that undergirds business relationships (Macaulay, 1963, 63). Coercion, Gambetta (1988, 220) argues, falls short of being an adequate alternative to trust....It introduce an asymmetry which disposes of *mutual* trust and
promotes instead power and resentment (cf. Baier, 1986, 234).

Yet, democracies are more trusting. A wide range of measures of democratization show that the more democratic the constitutional structure, the more trusting citizens are. I show correlations between trust and measures of democracy in Table 1. The indicators of democratization I use are the measures of political freedoms, civil liberties, and the overall freedom score developed by Freedom House and reported in Gastil (1991); updated Freedom House measures for 1993-94 and 1998-99; a summary measure of Freedom House scores that links assigns each country a democratization measure from the year closest to the trust measure in the WVS (see Table 1); Coppedge’s (1991) indicator of polyarchy; and measures of democratization reported in Bollen (1991); Gurr, Jaggers, and Moore (1991); Vanhanen (1997), and updated scores for the Gurr measure from LaPorta et al. (1997). The measures of trust are the most recent available figures from the World Values Study for 63 countries over the course of the three waves of the WVS.

The correlations of measures of trust with democracy range from the modest (.3 for the Coppedge measure of polyarchy and the Freedom House indicator of political rights in 1988 and the Freedom House measures in 1993-94, 1998-99, and the summary index) to the more robust (.6 for the Gurr measure of democracy in 1978 and the Vanhanen democracy scores). And these differences tell an important tale: There are important differences between countries with democratic traditions and those without such legacies. The Gurr et al. measure places all of the Eastern bloc countries at the lowest end of the democracy scale which is precisely where they were in 1978, when the index was constructed. Even two decades later, this measure of
democratization, with its strong split between democracies and nondemocracies, has a stronger predictive power for interpersonal trust than do more nuanced indicators of civil, political, and property rights. Indeed, the 1978 Gurr measure of democratization has a higher correlation with interpersonal trust than the 1994 index does. The other good predictor of trust, Vanhanen’s (1997, 34-35) democratization score, is a composite of the level of party competition and popular participation in elections and not of the constitutional structure of a nation. Overall, however, the correlations between trust and the measures of democratization are moderate.

The message is simple: Democracies don’t necessarily go hand in hand with high trust (cf. Inglehart, 1999). You can’t increase trust by making a country more democratic. But you can destroy trust by making a country undemocratic. Authoritarian governments that set people against each other, such as the former Communist regimes in Eastern and Central Europe, can make trust hazardous. When people feel compelled to turn on their friends lest the state turn on them, interpersonal trust may become too risky. In such a world, you really can’t be too careful in dealing with people, even if everyone would strongly prefer to treat others as if they were trustworthy. Even with democratic institutions in place, people living in countries with legacies of oppression will neither trust their fellow citizens nor participate in civic life.

Democracies may be trusting or mistrusting. In countries with no legacy of Communist rule, the mean proportion of trusters in highly democratic regimes is .411, compared to .217 in the least democratic countries. (I shall also refer to countries with no legacy of Communist rule as democracies for short, fully recognizing that many of these nations have not always respected the rights and freedoms associated with democratic regimes.) Democracies are all over the place in trust, ranging from .03 (Brazil) to .65 (Norway). Formerly Communist regimes also vary in trust, but only from .06 to .34. Half of all democracies have more than 34 percent
trusters. The standard deviation for democracies is .151. It is less than half that value (.062) for authoritarian states. Democracies make trust possible. They don’t necessarily produce it. Totalitarian governments make trust implausible, though not impossible.

Democracy is neither necessary nor sufficient to generate trust. Mueller (1996, 118) argues: ...democracy...can function remarkably well even when people exhibit little in the way of self-discipline, restraint, commitment, knowledge, or, certainly, sacrifice for the general interest...Democracy’s genius in practice is that it can work even if people rarely, if ever, rise above the selfishness and ignorance with which they have been so rich endowed by their creator. Well, yes and no. Mueller sees democracy as primarily procedural the right of people to complain about things that go wrong. And the only precondition for such procedural democracy is the absence of thugs with guns (Mueller, 1996, 118). Without repressive authorities, people will find democracy an entirely natural system. So no wonder democracies are all over the map on trust. You don’t need trust to get to democracy and there is little reason to believe that democratic regimes will build trust over time. Trust goes up and down in many nations over time even as institutional structures remain the same (cf. Inglehart, 1997, 207-208).

There is certainly little evidence that democratization increases trust. The correlation between change in trust in 22 nations from 1981 to the early 1990s (according to the World Values Survey) and variations in Freedom House scores from 1978 to 1988 is modestly negative (.381). Yet, even this result turns out to be largely an illusion. All of the variation seems to come from two countries that had large changes in freedom: Argentina and South Korea, both of which became more democratic and less trusting over the decade. Eliminating these cases drops the correlation to -.076 but it remains naggingly negative. An Indian journalist commented on the sharp cleavages that led to a cycle of unstable coalitions, none of which could form a
government: We have the hardware of democracy, but not the software, and that can't be borrowed or mimicked (Constable, 1999, A19).

So is a third cheer for democracy misplaced? Maybe not. There is some evidence that democracy matters. According to Inglehart’s measure of the years of continuous democracy, we see a powerful correlation between interpersonal trust and democratization (cf. Inglehart, 1997, 172). Across 41 countries the correlation between the number of years of continuous democracy and trust is .769. And no set of controls or simultaneous equation estimation makes the linkage go away. One could, of course, agree with Inglehart’s (1997, 180-188) reasonable argument that stable democracy depends upon a trusting public. Regimes that merely give constitutional protections against state interference don't need an underbelly of civic responsibility (Mueller, 1996, 118).

Interpersonal trust is quite stable over time across countries (the aggregate correlation from the 1981 to 1990 is .907, N = 22). We can predict levels of democratization over long periods of time by contemporary measures of trust. So Inglehart (1997, 186-188) infers that trust is a key component of pro-democratic attitudes that lay the foundation for popular constitutions. Yet, institutionalists might argue that the logic goes the other way: Long-standing democratic regimes can promote contemporary high levels of trust. Perhaps they are correct, but if so, their case is still weak. The democratic march to trust is a long and winding road. It takes 46 years of continuous democracy to move a country from well below the mean on trust to above it. Countries with less than 46 years of continuous democracy are no more likely to have trusting citizens than authoritarian states (r = .056, N = 22, p < .237, one-tailed test). If institutions matter, their effects are very slow and difficult to disentangle from other changes occurring in societies.
Nor does there appear to be a special type of institution that builds trust. The only two measures of democracy (apart from the number of years of continuous democracy) that have strong correlations with interpersonal trust are the Vanhanen and Gurr et al. indices. The first is an indicator of political competition (the share of votes of the smallest party) and participation (voting turnout). The second is a mixture of constitutional provisions (restrictions on participation, the extent of executive power, and formal guarantees of civil liberties) and behavior (how executives are recruited and the levels of competition and openness of recruitment). While each of the other measures also have some component of how well constitutional promises are met, they focus more on the structural components of democracy. Yet, how well democratic institutions function depend more on how long a country has been a democracy rather than on how trusting its citizens are.\textsuperscript{11}

Democratic institutions, such as they are, do little in the short-to-intermediate term to build trust. The correlations between democratization and social trust in formerly Communist states are minuscule. Some are even negative. Of the eight Eastern bloc countries for which we have measurements on trust in 1990 and 1995-96, only one nation had an increase in faith in others (Latvia, six percent), while seven had decreases, four of which were substantial.\textsuperscript{12} The constitutions of Eastern and Central European nations have become increasingly democratic over time. The mean value on the freedom index ranges from 2 (completely free) to 14 (not at all free) and it moved from 12.167 in 1978 to 11.056 a decade later to 7.222 in 1993-94 and to 6.047 in 1998-99. By 1998-99, 44 percent of the nations of Eastern and Central Europe had scores of three or lower. Just 50 percent of countries with no legacy of Communism had scores of three or less.\textsuperscript{13} As democratization proceeded apace, trust lagged behind and the correlation between the two became increasingly (and significantly) negative (\( r = -.466 \) in 1998-99, \( p < .02 \), one-tailed, p
Trust is neither a prerequisite for nor a consequence of democracy. The democratic revolution that swept Eastern and Central Europe a decade ago and quickly spread through many of the world’s remaining autocracies did not depend upon social trust. Eastern bloc countries with more trusting citizenries did not become democratic sooner than nations whose populations had less faith in others. Formerly Communist countries with higher levels of trust didn’t create polities with more political or property rights. There is even a perverse positive relationship between trust and corruption in these nations as late as 1998 ($r = .274$). There is no simple explanation for these results though it may well be that Marxist regimes that permitted more economic inequality placed less emphasis on ideology and more on the market. Markets depend upon trust.

Thus, whatever effects democracy has on trust occurs within countries without long legacies of authoritarianism. Yes, many democracies in the sample have experienced authoritarian rule from time to time (and more than from time to time): Ghana, Nigeria, India, Spain, Portugal, Greece, Turkey, Peru, and Bangladesh are notable examples. And many democracies in form have not been quite so free: South Africa, South Korea, Mexico, Taiwan, and the Dominican Republic (among others) fit this pattern.

Democracy’s benefits seem confined to long-standing democracies. The correlations between levels of democracy and generalized trust are almost always higher for countries with no legacy of Communist rule than for all countries (see Table 1). The major exception is for the earlier Gurr et al. index where all Communist countries had identical scores at the bottom of the democratization scale. Democratization has no appreciable effect on trust for countries in Eastern and Central European that formerly were authoritarian regimes. In some cases the
correlation between trust and democratization is even negative (though never significant).

Democratization is correlated with trust for countries without a legacy of Communism (see Table 1). Yet, even here, the correlations are often modest and largely reflect the differences between countries with long-standing democratic traditions and countries that have not been democratic quite so long. And all of these effects, except for the years of continuous democracy, vanish in multivariate analyses. The long lag between democratization and trust in Inglehart’s continuous democracy measure show how difficult it is, if it can be done at all, to generate new values from a structural changes.

Trust Across Cultures

Why, then, are some nations more trusting than others? Inglehart (1999) argues that rich nations are trusting, poor countries more distrustful. Putnam’s (1993) logic goes the other way around: Trust brings economic growth and prosperity. We can argue either way around, but there ought to be a connection between trust and wealth.

Beyond simple measures of riches, there are several other reasonable correlates of trust: education levels, poverty rates, infant mortality, life expectancy, the fertility rate, ethnic diversity, postmaterial values, and media exposure. Knack and Keefer (1997, 1278-1279) argue that ethnically diverse societies are more likely to develop sharp cleavages which, in turn, destroys trust. I show elsewhere (Uslaner, 1999, ch. 4) that parents who wanted their children to hold values that emphasize the welfare of others are more likely to trust other people. Inglehart (1999) extends this logic: People whose own values are less materialistic (or postmaterialistic) should also be more trusting. He finds support for this argument only in the 15 richest nations. Putnam (1995) tracks changes in trust in the United States to increased viewing of television and a drop in newspaper readership. Newspapers tie us to other people, while television keeps us
inside our homes, away from civic engagement. We might also expect that countries that rank high on corruption will also have less trust (LaPorta et al., 1997, 335). If others are untrustworthy, why should I play the fool, a reasonable person might ask?

All of these arguments are reasonable and none of them hold. Various measures of income, education, and well-being all fall to insignificance in multivariate analyses. At bivariate levels, most of these variables matter at least in countries with no legacy of Communist rule. Two measures of schooling—the total number of school years from the Barro and Lee (1994) data set and the log of school attainment from 1960 to 1985 from LaPorta et al. (1998)—show correlations about .60 with trust for countries with no Communist legacy. A logged measure of infant mortality (also from LaPorta et al., 1998) shows an even more powerful simple correlation for the same group of countries (r = -.711). The same story holds across a wide variety of measures of income and life quality (Diener, 1995).

Postmaterialist values, as determined by aggregate scores in the WVS, are modestly associated with interpersonal trust, but these relationships vanish in multivariate analyses. Newspaper readership in democracies is associated with higher faith in others (r = .686). But television viewing also increases social trust (r = .597), as does listening to the radio (r = .548). Television viewing and radio listening are highest in countries with greater levels of education and income. The correlations largely vanish once I control for either. The effects of newspaper readership are somewhat more robust. For various measures of economic well-being, the correlations fall to around .45. Sometimes they drop to the same value for education controls. For other measures, the correlations don’t decline much at all. But newspaper readership has no effect in multivariate analyses.

Corrupt societies are less likely to have trusting populations, as one might expect. The
Transparency International 1998 measure of corruption is strongly correlated with generalized trust \( r = -0.749 \), while the Barro-Lee measure of the importance of the black market economy is also related to trust \( r = -0.430 \). While the simple correlations between generalized trust and these measures of economic well-being and corruption are powerful, they all fade in multivariate tests. Corruption does not lead to trust though lack of trust can give berth to civic knavery (see below). Measures of ethnic diversity don’t even gain that much support. Diverse societies are not necessarily divided societies.

What, then, makes some societies more trusting and others less so? The answer is neither structural (democratic institutions) nor ethnic (the diversity of groups). Nor is it simply wealth. It is, in part, *how resources are distributed in society*. The more equitable the distribution of wealth in a country, the more trusting its people will be. For countries without a legacy of Communism, the simple correlation of generalized trust and the Gini index is \(-0.684\) (see Figure 1). Economic inequality is strongly related to trust, and this connection does *not* vanish in multivariate tests. It *does* go away in the formerly Communist nations of Eastern and Central Europe (where the correlation falls to \(-0.239\)). The dynamic of economic inequality and trust clearly works differently in democracies and authoritarian societies.

Knack (1999) argues that the causal arrow runs from trust to inequality in his cross-national analysis. To test this claim, I estimate simultaneous-equation models (again, with bootstrapping) to see whether trust is both the cause and effect of economic inequality. I estimate two sets of models. The first has fewer cases (22), but in some ways is more interesting. It uses predictors that test a cultural model of trust and inequality, employing one aggregate
measure from the WVS and a measure of political culture developed by social psychologists. Then I estimate another model with a larger sample size based upon the trust measures I have employed so far. The specific models I estimate differ for the Gini index, but the results are largely consistent.

In the first estimation, I average the aggregate proportion of trusters in the 1981 and 1990-93 WVS samples in each country. (For countries that have only a 1990 measurement, I use that survey.)\(^{24}\) The equation for trust includes the Gini index as well as two variables tapping world views and political culture. One is the percent of a country’s population that is Protestant. Inglehart (1999) has shown that historically Protestant societies have higher levels of interpersonal trust. He links greater trust to the earlier patterns of economic development in Protestant societies. But he also argues that cultural factors are more critical than economic variables in explaining cross-national levels of trust.

Trust may flourish in Protestant societies because the Protestant church has historically been more egalitarian than the Catholic church (Lipset, 1990, ch. 5; Putnam, 1993, 175).\(^{25}\) More egalitarian societies are more likely to be trusting (see Uslaner, 1999, ch. 4). And both the individual-level and the aggregate findings for the United States suggest that optimism leads to greater trust (Uslaner, 1999, chs. 4, 6). Here I employ the aggregate findings from the WVS on whether people can count on success in life. Countries with more optimistic populations should also have more trusting citizenries.\(^{26}\) The model for economic inequality includes trust and three other variables. The first, the growth rate in gross domestic product (LaPorta et al., 1998) makes the simple claim that rising tides will help the poor more than the rich and thus reduce inequality. I also argue that governments can take a role in reducing inequality.
(1998) measure of transfers as a percentage of gross domestic product from 1974-1994. I also expect that countries with more entrepreneurial political cultures will be more equal than collectivist societies. Hofstede (1980) and Triandis (1989) have constructed cross-national measure of individualism versus collectivism. I expect that individualistic societies will offer more people opportunities to take part in economic growth. But I do not expect that societies with higher levels of trust will also be more equal. The linkage should go from inequality to trust and not the other way.

And this is what we see in Table 2. More egalitarian societies are more trusting. So are countries with higher levels of optimism about the future and especially nations with large shares of Protestants. A society doesn’t need to be predominantly Protestant to be trusting. Even a small share such as 16 percent is enough to boost generalized faith significantly (to 44 percent). Societies with a majority of Protestants also, on average, have majorities of trusters. This analysis resolves the puzzle of why ethnic diversity doesn’t seem to matter. A standard assumption people make in informal discussions about trust is that the Scandinavian countries rank highest on generalized trust (cf. Rice and Feldman, 1997) because it is easy to trust other people in a homogenous society. Of course, most people can be trusted. They look and think just like you do. And, yes, the Scandinavian countries are more homogenous, but they are more egalitarian and especially more heavily Protestant. And, overall, ethnic diversity does not shape trust or, even, indirectly, economic inequality. So Scandinavian societies are so trusting because they are more equal and more Protestant, not just because they are all blond with blue eyes.
Equality leads to trust. Trust does not produce a more egalitarian distribution of wealth, as the equation for the Gini index shows. Individualistic societies (using Hofstede's index) distribute their resources more equally. Governments can level the playing field by transferring wealth from the rich to the poor. But the biggest impact comes from a growing economy. Policies that stimulate economic growth reduce economic inequality and indirectly increase trust. Governments may not produce trust directly. Through their control of the policy-making process, political regimes can adopt policies that reduce inequality and thus lead to greater confidence in others.\(^\text{30}\)

Trust reflects both an optimistic world view and the real world circumstances that make optimism rational, a more egalitarian distribution of income. The Gini index in turn is tied to both an individualistic culture and, more critically, public policies that promote economic growth and redistribution of income. (Parenthetically, one might wonder if redistribution and growth are antithetical. They are not. For countries without a legacy of Communism, high levels of transfers have a slight, but both weak and insignificant, correlation with GDP growth rate, \(r = -.112\)). And perceptions of the ability to become successful are also based upon reality. Such views are not strongly tied to the Gini index (\(r = -.355\)), but they are linked with the infant mortality rate and per capita income for countries with no legacy of Communism.\(^\text{31}\)

Political culture and economics are thus complementary, rather than alternative explanations. Trust depends upon an optimistic world view and a more egalitarian distribution of income. Its strongest roots are in Protestant cultures, which stress both entrepreneurship and the equality of all parishioner (Lipset, 1990, ch. 5). There is something of an irony in these findings. Protestant denominations have not been notably active in pressing for economic equality, while Catholics have often been at the forefront of movements for economic justice,
both in pronouncements from Rome and in movements such as Catholic Workers and liberation theology. Yet the ethic of social egalitarianism among Protestant denominations gave rise to the welfare state in Europe, which led to both wealthier and more equitable societies than we find in Catholic countries (Inglehart, 1997, 95). Individualistic cultures lead to more economic equality and hence to greater interpersonal trust.

The model for the larger sample, with 33 cases and using just the most recent measure of trust, offers less hope for a direct link between public policy and economic inequality. And it once more suggests that both cultural factors and real economic circumstances shape trust. I present the results in Table 3.

The larger sample in Table 3 indicates a greater impact for economic inequality on trust than the estimation in Table 2. Now the Gini index has the greatest impact on trust of any independent variable. Moving from the least to the most equal nation in the sample, trust jumps 35 points. The other two significant predictors are the share of a country’s population that is Protestant and the percentage Muslim. The Protestant culture is individualistic (Weber, 1958, 105; Triandis, 1995, 126), the Muslim culture more collectivist. And Protestant societies are more trusting and Muslim ones less so.

Many Muslims find Western culture threatening and are thus less likely to trust people unlike themselves especially since Westerners had colonized many Muslim nations and tried to convert Muslims to Christianity. Muslims also see themselves as a community apart: Non-Muslims, according to Islamic law, belong to a second class of citizens, who must acknowledge the supremacy of Islam and who stand apart from the majority of Muslims (Esposito, 1991,
Societies that are most heavily Protestant (Norway, Iceland, Denmark, and Finland) are 28 percent more trusting than the least (Spain, Italy, Belgium). And the country with the most Muslims (Nigeria) is 18 percent less trusting than nations with no Muslims (distributed throughout Latin America, Asia, and Europe).

Once again, the relationship between trust and economic inequality runs in just one direction: Unequal societies have less trusting populations. Trust does not, at least directly, lead to greater economic equality. Countries with more Muslims may be less trusting, but they are more egalitarian (cf. Esposito and Voll, 1996, 25). As Protestantism has stressed individual achievement, Islam has placed greater emphasis on collective goals, especially on one's economic responsibility to the larger community (as reflected in the prohibition on charging interest on loans). So it should not be surprising to find a powerful coefficient on percent Muslim for economic equality. Were the sample of Muslim nations more representative, the results might be even more powerful. Beyond Islam, two other variable shape economic equality. High population growth rates lead to more inequality—the poor getting poorer. And the final variable in the model indicates that the unofficial economy perpetuates inequality. The black market currency value is the premium of a nation's currency on the black market compared to its official rate (see n. 20). The higher the value of the (log) of the black market currency value, the more important the unofficial economy is to a country's well being.

In democratic nations, the single biggest barrier to interpersonal trust is economic inequality. Both over time in the United States and across 33 countries without a legacy of Communism, trust goes down as inequality goes up. Yes, other cultural variables matter but the time trends in the United States suggest how important economic inequality is in shaping trust (Uslaner, 1999, ch. 6).
Some data fragments outside the United States provide support for this scenario: Interpersonal trust has been rising in Sweden, from moderately high to very high levels (Rothstein, in press). And economic inequality has been falling. The longer-term cultural variables don't change much over time. The Nordic countries remain the most Protestant in the data base, the United States one of the most religiously diverse nations. While religious practices have clearly changed over time, it is difficult to trace changes in trust to different patterns of faith. In the United States, the growth of Christian fundamentalism has almost certainly affected the decline in trust. While there are strong cross-sectional connections between fundamentalism and trust, the time series evidence is less impressive. The General Social Survey trend in fundamentalism in the United States doesn't track well with interpersonal trust in part because the fundamentalism question was not asked until the decline in trust was well underway. And there are no good time series data on membership in fundamentalist churches. And the growth of religious fundamentalism in the United States has no counterpart in Europe. Even in Canada, the religious right is much less prominent (Lipset, 1990, 85-86).

Trust has deep cultural roots, but they cannot account for change in how people view strangers. Beyond its cultural foundations, trust reflects an optimistic view of the world the expectation that tomorrow will be better than today. And this must have some foundation in reality. The measure that I have used in this study, whether you can count on success in life (from the World Values Study), expresses well optimistic assumptions about the future. Expectations for success do not track levels of inequality across cultures (r = -.323 for 24 democratic countries, -.249 for all 35 countries). But they are strongly related to the overall wealth of a society (r = .660, N = 23, as measured by the log of the gross national product) and a measure of the total quality of life offered by Diener (r = .683, N = 23). I present graphs of
these two relationships in Figures 2 and 3. In addition to these measures, expectations of success also vary with the infant mortality rate ($r = -.662$, $N = 23$), how many years of school the average person has had ($r = .533$), and life expectancy ($r = .563$).

Trust is essentially cultural, but, like culture itself, is shaped by our experiences. Whether specific individuals trust other people is largely divorced from their personal histories (Uslaner, 1999, chs. 2-4). But whether a society is composed of many trusters depends upon its collective experiences. Knowing whether someone is rich or poor helps relatively little in predicting whether they will trust others. Knowing whether a society is rich or poor doesn’t help that much either. But knowing how a society’s resources are distributed — a collective outcome that cannot be reduced to any individual’s fate — will tell you a lot about trust in that culture. How a society distributes its resources depends upon cultural factors as well as power relations and natural resources, among many other things. Ultimately culture, economics, and politics are all intertwined, so it is well near impossible to establish a simple causal ordering. What does stand out is that culture (and likely economics and politics) shapes institutions more than it is (they are) formed by formal structures.

The Cross-National Consequences of Trust

Trusting societies are also participatory societies though trust is not sufficient to generate participation. But more critically, trusting societies have better government, as Putnam (1993) argued. Governmental institutions in trusting countries perform better. They are simply more efficient. Corruption is less rampant in trusting societies. And, perhaps most critically, even though trust does not lead to social equality, it is a pathway to policies that can reduce income
disparities between the rich and the poor and, thus, boost trust in turn.

At least in democracies, membership in all organizations ($r = .625$) and secular groups ($r = .599$) are correlated with trust. So is turnout in elections ($r = .736$). While trusting societies are more participatory, the effects of trust vanish in multivariate analyses. Group membership is highest in wealthy individualistic cultures (cf. Triandis et al., 1988), and trust has nothing significant to add beyond these factors. And, Mueller (1996, 117-118) is certainly correct when he says that ...democracy is at base a fairly simple thing even a natural one. If people feel something is wrong, they will complain about it... . You don’t need trust to be willing to petition the government. Indeed, the simple correlation between faith in others and willingness to petition is negative ($r = -.389$). All you need is something to complain about, a feeling that the authorities are not responsive enough, and no thugs with guns. You don’t need trust. Group membership and petitioning not only don’t depend upon trust. They don’t produce it either (each of the coefficients in the simultaneous equation model for trust described in n. 46 are insignificant).

Group membership and electoral turnout don’t depend upon trust, but are strongly related to the number of years of continuous democracy. Group membership has an irregular pattern until a country has been democratic for 75 years and then it leaps dramatically. Electoral turnout increases more straightforwardly as the number of years of continue democracy gets larger. Civic engagement grows as people become accustomed to taking part in politics, not because they trust each other. Indeed, willingness to sign petitions points to a dissatisfaction with the political system rather than to the belief that politicians and other citizens are trustworthy and responsive, if they only know what’s on your mind.

Turing societies are less corrupt and have better government performance. Trust has
powerful effects on corruption (cf. LaPorta et al., 1997). Theoretically, if you could make Chile as trusting as Denmark, it would also be as clean as this least corrupt country in the world (according to the Transparency International 1998 ranking). The effect of trust on corruption is almost one and half times as large as the next most important predictor, the average number of school years completed. We might suspect that corruption has a greater impact on trust than faith in others has on robbing the public purse. But it doesn’t. Kleptocracies thrive in low-trust societies. They can’t get off the ground when most people trust each other.

Trust also leads to better judicial systems and to greater confidence in the legal system. An efficient judicial system (Mauro, 1995) depends upon an underlying foundation of social trust. And, once again, good judges don’t make good citizens. Countries with efficient judicial systems don’t become more trusting. More telling is confidence in the legal system, which Rothstein (in press) regards as the key mechanism for translating support for the government into trust in people (see above). In countries without a legacy of Communism, the correlation between confidence in the legal system and interpersonal trust in the 1990-91 World Values Survey is .372. But the direction of causality goes from trust to approval of the legal system. The link from trust to confidence in the legal system is strong and powerful, whereas the link in the opposite direction is insignificant with an incorrect sign.42

Similarly, bureaucrats are more responsive and less likely to keep public policy tied up in red tape (LaPorta et al., 1998) when social trust is high (cf. LaPorta et al., 1997). And once more, a responsive bureaucracy does not lead citizens to trust each other (or, ironically, in the legislative branch of government either).43

Trusting societies also have bigger governments that redistribute wealth from the rich to the poor, spend more on education, and pursue policies that will stimulate economic growth.
Thus, while there is no direct connection from trust to economic equality, trusting societies in democratic regimes pursue programs that indirectly will boost faith in others. Trusting nations spend a more of their total income on governmental programs in general and on education in particular. They also have a larger share of their total population employed by the government. In particular, trusting societies are more likely to devote a higher share of their national wealth to transfer programs that assist the poor. Finally, trusting societies are more willing to reach out to outsiders (cf. Woolcock, 1998, 158): High trust goes hand-in-hand with open economies and fewer restrictions on trade. And trade promotes economic growth.

Trusting societies have larger and more efficient governments. And bigger governments also generally perform better (LaPorta et al., 1998). But governments that redistribute income, spend money on education, transfer wealth from rich to poor, have large public sectors, and maintain open economies do not generate trust. Trust seems to come first. Well, almost.

Economic equality is a strong determinant of trust. And trust leads to policies that create wealth and reduce inequalities.

Here we find what Putnam would call a virtuous circle. The equal become more equal. Yet, there is also a vicious circle: Misanthropy and inequality feed on themselves. Yes, you can increase trust indirectly by pursuing policies that reduce economic inequality: Each of the public policies I have considered leads to more economic equality, though the correlations are moderate (ranging from .4 to .5) except for one how open the economy is (where the correlation approaches .7). And, yes, you can adopt these policies without a trusting citizenry. But a public that is public spirited gives some countries advantages over others in reducing inequality and boosting trust. It is easier to make the hard political decisions when there is trust in the land.

Reprise
We thus come full circle to the nexus between trust in government and trust in people. People have confidence in their leaders when government is working well. Their judgements about government performance reflect their evaluations of specific personalities, institutions, and policies. But each of these actors must work in, and perhaps contribute to, an atmosphere of compromise or confrontation. And political leaders are ultimately responsible and responsive to the public and its hopes and fears. Government cannot produce trust in people. People can provide government officials with the latitude to work on major social problems and thereby indirectly increase trust in government. We need to be careful about the inferences we draw, since many people will look at the range of policy options that trust in people make possible and decide that they would rather opt out. Such divisions are inevitable, because politics is all about choosing up sides based upon ideas of what government should or shouldn’t do.

But whatever government does, a trusting environment makes it possible for government to act. Mueller (1996, 106) argues that we oversell the benefits of democratic government:

Democracy is...an extremely disorderly muddle in which contending ideas and forces do unkempt, if peaceful, battle and in which ideas often are reduced to slogans, data to distorted fragments, evidence to gestures, and arguments to poses. Yes, but. If Inglehart (1997, 180-188) is correct, then democracies that are stable and that work well rest upon cultural foundations, especially social trust. Democratic structures cannot be dismissed, but overall they are generally less powerful determinants of inequality than trust and usually sink to insignificance in multivariate analyses. In the end, democracy is worth two cheers. Save the third for trust.
**Uslaner, Trust, Democracy, and Governance**  (28)

TABLE 1
Correlations Between Measures of Democracy and Generalized Trust

<table>
<thead>
<tr>
<th>Measure</th>
<th>All countries</th>
<th>Non-Communist</th>
<th>Formerly Communist*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bollen democracy score</td>
<td>.375 (62)</td>
<td>.530 (29)</td>
<td>.114 (21)</td>
</tr>
<tr>
<td>Vanhanen democracy score</td>
<td>.439 (57)</td>
<td>.578 (37)</td>
<td>.139 (19)</td>
</tr>
<tr>
<td>Gastil civil liberties score (1988)**</td>
<td>.501 (58)</td>
<td>.617 (40)</td>
<td>-.029 (17)</td>
</tr>
<tr>
<td>Gastil political rights score (1988)**</td>
<td>.361 (58)</td>
<td>.369 (40)</td>
<td>-.100 (17)</td>
</tr>
<tr>
<td>Gastil composite freedom score (1988)**</td>
<td>.424 (58)</td>
<td>.497 (40)</td>
<td>-.070 (17)</td>
</tr>
<tr>
<td>Freedom House composite freedom score (1993-94)**</td>
<td>.377 (65)</td>
<td>.600 (41)</td>
<td>-.188 (18)</td>
</tr>
<tr>
<td>Freedom House composite freedom score (1998-99)**</td>
<td>.357 (69)</td>
<td>.639 (41)</td>
<td>-.402 (21)</td>
</tr>
<tr>
<td>Freedom House composite freedom score (Year closest to survey)****</td>
<td>.393 (67)</td>
<td>.655 (41)</td>
<td>-.466 (19)</td>
</tr>
<tr>
<td>Gurr et al. democratization score (1978)</td>
<td>.604 (50)</td>
<td>.530 (29)</td>
<td>.000 (21)***</td>
</tr>
<tr>
<td>Gurr et al. democratization score (1994)*****</td>
<td>.439 (57)</td>
<td>.578 (37)</td>
<td>.130 (19)</td>
</tr>
<tr>
<td>Coppedge polyarchy score*</td>
<td>.311 (62)</td>
<td>.328 (40)</td>
<td>-.009 (21)</td>
</tr>
<tr>
<td>LaPorta et al. property rights score</td>
<td>.530 (55)</td>
<td>.627 (36)</td>
<td>-.053 (19)</td>
</tr>
</tbody>
</table>

* China is excluded.
** Scores reflected from original coding.
*** Scores reflected from original coding; when survey is from 1990, 1988 Freedom House scores used; when survey is from 1995 or 1996, 1993-94 Freedom House scores are used.
**** Correlation is zero because there is no variation in the coding of democratization.
***** Source: LaPorta et al. (1998)
<table>
<thead>
<tr>
<th>Equation for Trust</th>
<th>Gini Index Equation Including Trust</th>
<th>Gini Index Equation Excluding Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>Standard Error</td>
</tr>
<tr>
<td>Gini index of inequality</td>
<td>-.005**</td>
<td>.002</td>
</tr>
<tr>
<td>Count on success in life (WVS)</td>
<td>.195**</td>
<td>.086</td>
</tr>
<tr>
<td>Percent Protestant</td>
<td>.003****</td>
<td>.001</td>
</tr>
<tr>
<td>Constant</td>
<td>.152</td>
<td>.179</td>
</tr>
</tbody>
</table>

**Equation for Gini index**

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>Standard Error</th>
<th>t Ratio</th>
<th>Bias</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>t Ratio</th>
<th>Bias</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust in people</td>
<td>18.367</td>
<td>17.949</td>
<td>1.023</td>
<td>-.724</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP growth rate</td>
<td>-5.184****</td>
<td>1.216</td>
<td>-4.263</td>
<td>-.007</td>
<td>-4.584****</td>
<td>.907</td>
<td>-5.057</td>
</tr>
<tr>
<td>Individualism score (Hofstede)</td>
<td>-2.196**</td>
<td>1.197</td>
<td>-1.834</td>
<td>-.025</td>
<td>-1.304**</td>
<td>.698</td>
<td>-1.868</td>
</tr>
<tr>
<td>Transfers as % GDP 1974-94</td>
<td>-.465**</td>
<td>.218</td>
<td>-2.131</td>
<td>.007</td>
<td>-.401**</td>
<td>.178</td>
<td>-2.254</td>
</tr>
<tr>
<td>Constant</td>
<td>60.511****</td>
<td>5.205</td>
<td>11.625</td>
<td>59.366****</td>
<td>4.326</td>
<td>13.724</td>
<td></td>
</tr>
</tbody>
</table>

**** p < .0001  *** p < .01  ** p < .05  * p < .10

N = 22
### TABLE 3

Two-Stage Least Squares Estimation of Trust and Economic Inequality for Countries With No Communist Legacy: Model II

<table>
<thead>
<tr>
<th></th>
<th>Gini Index Equation Including Trust</th>
<th>Gini Index Equation Excluding Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equation for Trust</strong></td>
<td>R² = .733  RMSE = .084</td>
<td></td>
</tr>
<tr>
<td>Gini index of inequality</td>
<td>-.908****  .192  -4.735  .004</td>
<td></td>
</tr>
<tr>
<td>Percent Muslim</td>
<td>-.004**   .002  -2.062  -.002</td>
<td></td>
</tr>
<tr>
<td>Percent Protestant</td>
<td>.003****  .001  4.963  .00002</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>.626****  .077  8.125</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Equation for Gini index</strong></th>
<th>R² = .619  RMSE = .066</th>
<th>R² = .642  RMSE = .063</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust in people</td>
<td>.041  .166  .245  .062</td>
<td>.490****  .100  4.914  .372</td>
</tr>
<tr>
<td>Log black market currency value</td>
<td>.516***  .148  3.491  .103</td>
<td>.013****  .003  -4.443  .0003</td>
</tr>
<tr>
<td>Percent Muslim</td>
<td>-.013****  .003  -4.443  .0003</td>
<td>-.012****  .002  -5.733  .0002</td>
</tr>
<tr>
<td>Population growth rate</td>
<td>.072***  .025  2.951  .006</td>
<td>.069***  .020  3.452  -.003</td>
</tr>
<tr>
<td>Constant</td>
<td>.271****  .076  3.569  .289****</td>
<td>.020  14.542</td>
</tr>
</tbody>
</table>

**** p < .0001   *** p < .01   ** p < .05   * p < .10

N = 33
Uslaner, Trust, Democracy, and Governance (31)

FIGURE 1

Trust and Economic Inequality for Countries Without Communist Legacies
Counting on Success and Log of Gross National Product in Countries With No Communist Legacy
Uslaner, Trust, Democracy, and Governance (33)

FIGURE 3

Counting on Success and Total Quality of Life in Countries With No Communist Legacy
REFERENCES


Books.


Press.


Forster, E.M. 1965. Two Cheers for Democracy. In E.M. Forster, Two Cheers for Democ-

Blackwell.

Gastil, Raymond Duncan. 1991. The Comparative Survey of Freedom: Experience and
Transaction.

Western State: The Growth of Democracy, Autocracy, and State Power Since 1800. In

Hofstede, Geert. 1984. Culture's Consequences: International Differences in Work-Related


Uslaner, Trust, Democracy, and Governance (37)

#140.


Macaulay, Stewart. 1963. Non-Contractual Relations in Business: A Preliminary Study, 


Uslaner, Trust, Democracy, and Governance (39)


I gratefully acknowledge the support of the General Research Board of the University of Maryland--College Park and the Everett McKinley Dirksen Center for the Study of Congressional Leadership. Most of the data I employ were obtained from the Inter-University Consortium for Political and Social Research, which is absolved from any responsibility for my claims. I owe debts of gratitude for comments and conversations to Gabriel Badescu, Dennis Chong, Karen Dawisha, Paul Dekker, Ronald Inglehart, Margaret Levi, Jane Mansbridge, Jeffrey Mondak, John Mueller, Joe Oppenheimer, Robert Putnam, Bo Rothstein, Tara Santmire, Dietlind Stolle, Shibley Telhami, Mark Warren, and Yael Yishai. This paper is taken from Chapter 7 of my book in progress, The Moral Foundations of Trust.

The data base are the countries that have World Values Survey questions on interpersonal trust in either 1981-82 or 1990-93. For countries with surveys in both years, the figure for trust is the average. I eliminated China, since its trust score is suspiciously high. (The correlation is reflected, since higher scores on the corruption index indicate honesty in government.) Later in the paper, I shall analyze trust data for countries without a legacy of Communism. I simply note here that the correlation rises to -.749 when I restrict the analysis to these 34 nations. The data on corruption (for 1998) come from the global organization Transparency International and are found on its web site, at http://www.transparency.de/documents/cpi/index.html.
2. The correlation between the measures of corruption and tax evasion in the LaPorta et al. (1998) Quality of Government data set are .619.

3. I focus the legislative rather than the executive branch since most democratic governments are parliamentary systems. The correlation is not much different for nations with and without a legacy of Communist rule (r = .143 and .189, respectively).

4. Fenno (1978) and Bianco (1994) provide compelling arguments that members of Congress must expend much effort to develop trust among their constituents.

5. The question was asked in 1985, 1990, and 1996.

6. The correlation between trust in people and confidence in the legal system in the World Value Survey is modest (tau-c = .069, gamma = .122). And the country by country correlations tend to be higher where trust in people is higher.

7. These updated measures were obtained from the web site: http://www.freedomhouse.org/rankings.pdf. The Freedom House web site contains scores for both political and civil liberties. They were very highly correlated, so I summed the two (cf. Inglehart, 1997, 357).

8. I am grateful to Ronald Inglehart for providing updated data for the third wave (1995-96) of the World Values Survey, where available. These figures are not averages (see below for some analyses that use the mean trusting shares for the first and second waves).

9. Communist governments still existing elsewhere, as well as other tyrannical regimes fit
the pattern as well. However, I omit China from all discussions below. It has a very high percentage of generalized trusters. Inglehart (1999) attributes this to its Confucian culture, comparing it with Taiwan (where 42 percent of people say most people can be trusted) rather than with other countries with legacies of Communist rule. However, I see the Chinese figure as a likely outlier that might reflect the hazards of conducting survey research in a country that Freedom House ranks at the bottom of its rankings on both political and civil liberties.

10. Similarly the strong correlations between the LaPorta et al. (1998) measure of bureaucratic delays and interpersonal trust \( (r = .656) \) and between generalized trust and Mauro’s (1995) measures of judicial efficacy \( (r = .745) \) and red tape \( (r = .530) \) also reflect the mediating effects of the years of continuous democracy. The partial correlations with trust, controlling for the years of continuous democracy, are .049 for bureaucratic delays, .339 for judicial efficacy, and .063 for red tape. Democratization has a shorter lag for these variables: just 37 years.

11. The partial correlations of the early Gurr et al. index and the Vanhanen measure of democratization with trust, controlling for the years of continuous democracy, are -.036 and .094, respectively. The partials with the years of continue democracy controlling for trust are .673 and .616.

12. The rise in Latvia was 32 percent. The drops are: Estonia (six percent, 21.4 percent of
Uslaner, Trust, Democracy, and Governance (44)

1990 base), Lithuania (nine percent, 29 percent of the base), Russia (14 percent, 37 percent of the base), and Poland (17 percent, 49 percent of the base). Belarus, East Germany, and Slovenia each had a drop of one percent (four, four, and six percent of the 1990 bases). The 1996 measure on Hungary was not yet available, but there is a 1981 survey and it has more of the same bad news: Trust fell eight percent from 1981 to 1990, or a third of the base.

13. Belgium, Italy, Japan, Northern Ireland, South Africa, Spain, Uruguay, and the United Kingdom, and the former West Germany each had scores of three, as did the Czech Republic, the former East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, and Slovenia.

14. The measures of political and property rights come from LaPorta et al. (1997). The correlation with corruption is reflected since higher scores on the corruption perceptions index indicate more honesty. The trust measure used is not an average, but rather the most recent available figure for social trust. I am grateful to Ronald Inglehart for providing some available data from the third wave of the World Values Survey.

15. I owe this suggestion to my colleague Ted Robert Gurr.

16. Postmaterial values include putting more emphasis on freedom of speech and having more say on the job (and in government) rather than maintaining order and fighting price
Uslaner, Trust, Democracy, and Governance (45)

rises (Inglehart, 1997, ch. 4).


18. The log of per capita GNP (averaged from 1970 to 1995, from LaPorta et al., 1998) correlates at .625 with trust for countries with no legacy of Communism; the Diener et al. measures of total quality of life and advanced quality of life correlate at .683 and .732, respectively, with trust.

19. The measures are newspaper readership per 1,000 population and the number of television and radio receivers per 1,000 population (The Economist, 1990, 126-127).

20. The sign of the Transparency International index is reflected. The Barro-Lee measure is the log of the premium of the black market economy in 1985. The premium is defined as the (black market rate / official rate of exchange) - 1. See Barro and Lee (1994, 10).

21. Data on ethnic diversity come from Ted Gurr’s Minorities at Risk Phase I Dataset (Lee, 1993) and the Easterly-Levine (1997) measure of ethnic fractionalization (from LaPorta et al., 1998). The correlations with trust are -.242 and -.108, respectively.
22. The Gini index comes from Deininger and Squire (1996) and the data base available at [http://www.worldbank.org](http://www.worldbank.org). I used the Gini index with the best available data in the Deininger-Squire data base and matched the Gini index to the year in which trust was measured for each case.

23. With China included, it turns positive (r = .255).

24. The countries in this analysis are as follows: Argentina, Austria*, Belgium, Brazil*, Canada, Chile*, Denmark, Finland, France, India*, Ireland, Italy, Japan, Luxembourg*, Mexico, the Netherlands, Norway, Portugal*, Spain, Sweden, Turkey*, the United Kingdom, and the United States. Nations marked with an asterisk only have 1990 surveys available. I constructed Gini indices from the Deininger-Squire data set for all available years from 1981 to 1990, using the most accurate data sources in their data set. For countries that only have 1990 measures of trust, I used the 1990 Gini index (or the year closest to it).

25. Inglehart (1999) argues that religious identification must be considered a historical cultural influence rather than a contemporary indicator of the depth of faith since church attendance has fallen in many of the Protestant countries. The correlation between the frequency of church attendance and the share of Protestants in a country is -.242. The measures of percent Protestant (and later percent Muslim) come from LaPorta et al. (1998).
26. Again, this only holds in countries with no legacy of Communism. In those societies, the simple aggregate correlation between trust and success is .646. For countries in Eastern and Central Europe, there is a negative correlation between the two measures (r = -.177).

27. The data for the Triandis individualism scores come from Diener et al. (1995).

28. The Scandinavian countries rank seventh (Denmark), 17th (Sweden), 20th (Norway), and 23rd (Finland) among 45 countries on the Easterly-Levine measure of ethnic fractionalization (see n. 21). The mean score for the Scandinavian nations is .067, compared to .220 for other countries with no legacy of Communism (which only reaches significance at p < .12, one-tailed test).

29. The average Gini index in Scandinavian countries is .383 compared to .313 for other countries with no legacy of Communism (p < .10). But the five Scandinavian countries have an average of 88.63 percent Protestants, compared to 18.73 percent in other countries (p < .0001). Interpersonal trust in Sweden has been increasing, not declining (Rothstein, in press), even as the society is becoming less demographically homogenous (Bo Rothstein, personal communication).

30. The equations in Table 2 are rather robust. The bias measures from bootstrapping are quite small. Even the value for trust in people in the equation for the Gini index is modest, given the size (and insignificance) of the unstandardized regression coefficient.
The root mean squared error values (RMSE) are all rather small, indicating that each equation has a good fit to the data.

31. The correlations of logged infant mortality rate and logged GNP per capita (both from LaPorta et al., 1998) are -.696 and .683.

32. The correlation between the Protestant share of a nation’s population and the Triandis ranking for individualism is .497 for democracies. The correlation with the percentage Muslim is -.472. There are not many Muslim nations in the data base and the result is largely due to the extreme score on the individualism scale of the only country dominated by Islam in the data base (Bangladesh). Without Bangladesh, the correlation falls to -.198. The correlation between trust and percent Muslim is not appreciably reduced when I eliminate Bangladesh. Because of missing data on the Gini index, Bangladesh is not included in the model in Tables 7-5 or 7-6 anyway.

33. There are few public surveys in Muslim nations, perhaps reflecting a distrust of others motives in seeking to find out what’s on people’s minds.

34. The data on population growth rate come from LaPorta et al. (1998).

35. According to data in the Deininger-Squire data base.

36. Personal communication from Robert Wuthnow. The simple correlation over time (from 1972 to 1996) between trends in fundamentalism and trust is -.430.
37. The total quality of life index includes basic physical needs fulfillment, physicians per capita, the suicide rate, the literacy rate, college and university attendance, gross human rights violations, the Gini index, deforestation, major environmental treaties, the homicide rate, the monetary savings rate, purchasing parity power, per capita income, and subjective well being (represented by survey responses to happiness and life satisfaction). See Diener (1995, 113). Counting on success is a three-point scale with higher values indicating greater optimism.

38. The infant mortality and education rates are both logged and come from LaPorta et al. (1998); the average life expectancy comes from Barro and Lee (1994) and is my averaging of the male and female rates.

39. To make for a less burdensome discussion, I put some of the discussion of models in the notes (as here). I shall list the other predictors in the models, with variables significant at \( p < .10 \) underlined, variables significant at \( p < .05 \) in bold, variables significant at \( p < .001 \) or better in italics, and insignificant variables in regular typeface. The group membership variables and petitioning come from the WVS, while the turnout figures come from Vanhanen (1997, 34-42). These and subsequent analyses are based upon two-stage least squares estimations. The first stage is an estimation for trust, including the Gini index, the percent Protestant, the percent Muslim, and the other endogenous variable. The second stage always includes trust, of course. The exception to this general
Uslaner, Trust, Democracy, and Governance  (50)

schemata is for turnout, where I simply examine partial correlations. For organizational membership, the other predictors are whether people say that government rather than individuals are responsible for solving major problems (from the WVS); percent Protestant in the population, and a society’s overall measure of subjective well-being (Diener, 1995). For secular group membership, the other predictors are a society’s individualism score (Triandis), the percentage of people with a secondary education (from Barro and Lee, 1994), and whether people say that government rather than individuals are responsible for solving major problems.

40. The equation for signing petitions also includes something to complain about (not wanting neighbors of different races to move into your neighborhood, from the WVS), a belief that the system is not responsive (low scores on Mauro’s 1995 index of judicial responsiveness), and no thugs with guns (the summary Freedom House measure of democratization).

41. The simple correlation between trust in people and electoral participation is .736; a control for years of continuous democracy reduces it to .226.

42. I estimate these equations by two-stage least squares. The equation for trust also includes the Gini index of inequality and the percentage of a country’s population that is Protestant (see below for an explication of the logic of these predictors). The other predictors in the model for confidence in the legal system are the 1988 Freedom House measure
Uslaner,  Trust, Democracy, and Governance  (51)

_of civil liberties_ (Gastil, 1991) and assassinations in a country per million people per year from 1970-85 (Sachs and Warner, 1997). So countries with higher interpersonal trust, greater civil liberties, and fewer assassinations have more confidence in the law. The impact of civil liberties is the strongest, though the t-ratios for civil liberties and trust are about equal.

43. The model for corruption also includes the average number of school years citizens have attained (Barro and Lee, 1994), and the 1998 Freedom House democratization score. Other variables in the equation for judicial efficiency are the average number of school years and the summary Freedom House democratization index. The bureaucratic delay index is an average of the thrice-annual scores from 1972-1995 of the Business Environmental Risk Intelligence s (BERI) Operation Risk Index. This equation also includes the share of the public in nonfarm occupations (Vanhanen, 1997); the summary Freedom House democratization index; and the LaPorta et al. (1998) index of property rights protection.

44. All of the dependent variables except openness come from LaPorta et al. (1998). Trust is significant at p < .01 for the share of the population employed in the public sector and at p < .05 in the other equations. Other variables in the model for the share of GDP spent on government are the percentage of the population not living on farms (Vanhanen, 1997) and how much the economy relies upon government rather than the free market
Uslaner, Trust, Democracy, and Governance (52)

(Barro and Lee, 1994). The education spending equation also includes the log of GNP per capita (LaPorta et al., 1998) and the adult literacy rate (Vanhanen, 1997). The equation for the percentage of the population employed in the public sector also includes the percentage of people not living on farms and how much the economy relies upon the government rather than the free market. Transfers and subsidies as a percentage of GDP (average from 1975-1995) also depend upon the log of GNP per capita, bureaucratic delays, and tax compliance (from the Global Competitiveness Report 1996, as reported in LaPorta et al., 1998). The openness of the economy measure comes from Barro and Lee (1994). Other predictors include transfer payments as a percentage of GDP and the country's area (smaller countries have more open economies). The area measure is also reported in Barro and Lee (1994).