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# Understanding Trust in Municipal Governments<sup>1</sup>

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Social scientists have proposed at least three theories to understand political trust in democratic institutions (Newton and Norris 2000). First, the *socio-psychological* theory suggests that the inner quality of trust between individuals, by itself or together with life satisfaction, is associated with institutional trust. This type of trust is created in the first stages of human psychological development as a result of the mother-child feeding experience (Vetter and Smith 1971, Coser and Rosenberg 1976). Secondly, the *cultural-environmental* theory suggests that the degree of participation and socialization in communitarian activities affects levels of trust. This second type of trust is activated by social mechanisms of personal interaction (Putnam 1994, Inglehart 1997).

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<sup>1</sup> Prior issues in the *AmericasBarometer Insights* series can be found at: <http://www.vanderbilt.edu/lapop/studiesandpublications>. The data on which they are based can be found at <http://www.vanderbilt.edu/lapop/datasets>

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Finally, the *institutional efficacy* theory argues that institutional performance is closely linked to political trust. This third type of trust is based upon the perception that people have of whether or not institutions are producing results consistent with their expectations (Hiskey and Seligson 2003, Hetherington 2005).

In this new *AmericasBarometer Insights Series* report, we carry out an empirical verification of these theories through the study of citizen trust in Latin America's municipal governments. For this purpose, we query the 2008 round of the Latin American Public Opinion Project (LAPOP) surveys.<sup>2</sup> In this survey, 38,535 respondents from 23 nations were asked the following question:<sup>3</sup>

**B32.** To what extent do you trust the Municipality?<sup>4</sup>

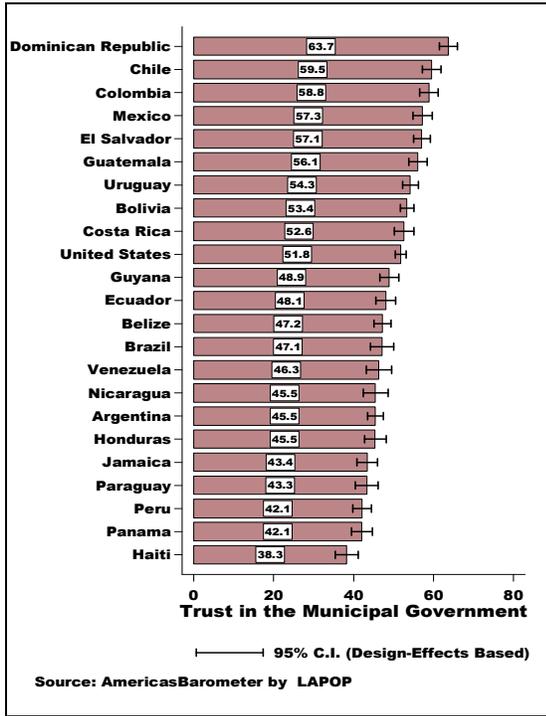
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<sup>2</sup> Funding for the 2008 round mainly came from the United States Agency for International Development (USAID). Important sources of support were also the Inter-American Development Bank (IADB), the United Nations Development Program (UNDP), the Center for the Americas (CFA), and Vanderbilt University.

<sup>3</sup> Non-response for this question was 3.35%.

<sup>4</sup> The proper name of the Municipal Government was used in each country (i.e., Parish Council in Jamaica).

**Figure 1.**  
Average Trust in Municipal Governments  
in Latin America and the Caribbean, 2008

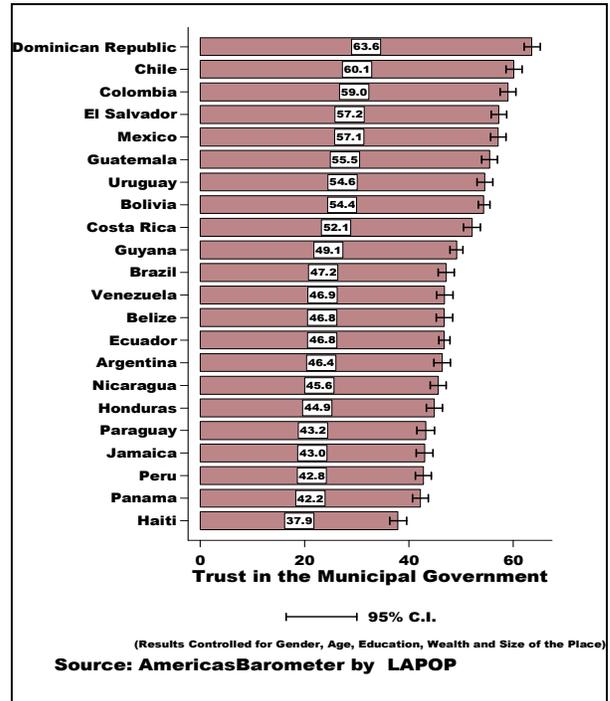


Respondents placed their degree of trust on a 1-7 scale, where 1 meant ‘not at all’ and 7 meant ‘a lot’. These responses were recalibrated on a 0-100 scale in order to make comparisons across questions and survey waves easier. Figure 1 shows national averages for the 23 countries in the sample.<sup>5</sup>

It is striking to note that the average trust in municipal governments in the region is only 49.9 out of 100 possible points. This corroborates previous *AmericasBarometer Insights* series findings of overall low levels of trust in democratic institutions in the hemisphere. However, there is significant variation of trust across nations. At one end, countries like the Dominican Republic, Chile and Colombia show the highest levels of trust with 63.7, 59.5 and 58.8 points, respectively. At the other end, countries like Peru, Panama and Haiti show the lowest levels of trust with 42.1, 42.1 and 38.3 points, respectively.

<sup>5</sup> In a previous report (IO801) we examined trust in political parties.

**Figure 2.**  
Average Trust in Municipal Governments after  
Taking into Account Individual Characteristics  
in Latin America and the Caribbean, 2008



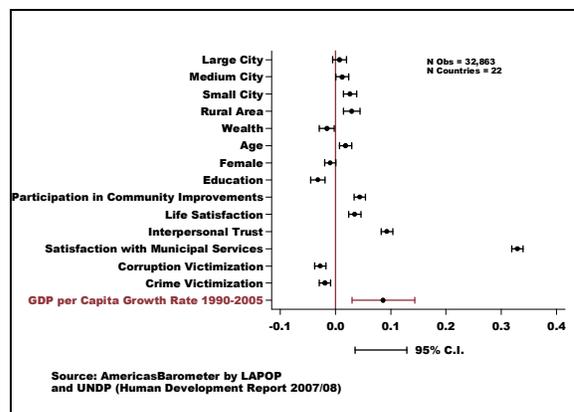
How great are the effects of the socioeconomic and demographic characteristics of the populations on trust in Latin America’s municipal governments? To respond to this question, we insert sex, age, education, wealth, and size of town as control variables, and we eliminate both the U.S. and Canada cases in part because these countries have such high levels of socio-economic development compared to the others that any statistical analysis would be affected by these “outliers,” and also in part because the LAPOP project’s predominant focus is on policy-relevant questions for the Latin American and Caribbean regions. When the data are controlled for the standard socio-economic and demographic characteristics, as they are in Figure 2, the ranking varies somewhat relative to the ranking displayed in Figure 1. In addition to the effects of individual characteristics on trust, we believe that there are other explanatory factors at the country-level of analysis.

## Do Contextual Factors matter?

A recurrent contextual factor explaining political trust in democratic institutions is *economic performance*. Consistent with the institutional efficacy theory is the finding in a previous *AmericasBarometer Insights* article of a positive, strong and substantive relationship between economic growth and institutional trust.<sup>6</sup> For this reason, we fit a multilevel model with the average GDP per capita growth rate between 1990 and 2005, as a contextual explanatory variable. Figure 3 depicts the effects of both the individual characteristics of respondents and the level of GDP per capita growth on trust in municipalities.<sup>7</sup>

**Figure 3.**

A Multilevel Analysis of the Determinants of Trust in Municipal Governments in Latin America and the Caribbean: The Impact of Growth, 2008



It can be observed in Figure 3 that all the theories of political trust mentioned at the outset of this study pass the empirical test. In other words, all the variables used to operationalize the concepts of the socio-psychological, cultural-environmental and institutional efficacy theories show a statistically significant relationship with trust in municipal governments. This significance is graphically represented by a confidence interval that does not overlap the vertical “0” line (at .05 or better). When the dot, which represents the predicted impact of that variable, falls to the right of the vertical “0” line, it implies a positive relationship whereas if it falls to the left, it indicates a negative relationship. The relative strength of each variable is indicated by standardized coefficients (i.e., “beta weights”).

Which variables most appropriately capture the three theories of trust proposed in our analysis? In this study we focus our attention on the most recurrent variables used in the literature to measure political trust (Newton and Norris 2000).<sup>8</sup> First, we use “life satisfaction” and “interpersonal trust” to evaluate the socio-psychological theory. Holding other factors constant, we find that the levels of trust in municipal governments increase as a result of any increment in levels of life satisfaction or interpersonal trust. This finding corroborates the socio-psychological theory of trust described at the beginning of this report. It is worth noting in

<sup>6</sup> See for example, Trust in the Armed Forces.

<sup>7</sup> This analysis is carried out using multi-level regression techniques (Raudenbush and Bryk 2002; Raudenbush, et al. 2004), as implemented by LAPOP on STATA 10. The model simultaneously takes into account both individual and country-level (i.e., contextual) factors, and produces correct regression estimates that are impossible with standard OLS regression.

<sup>8</sup> In order to avoid “omitted variable bias” we tested several other variables to measure these concepts. In general terms, the results do not contradict our findings.

Figure 3, however, that the variable interpersonal trust displays a higher explanatory power than life satisfaction.

Second, we employ the variable “participation in community improvements” to measure the concepts of the cultural-environmental theory. We find that individuals who participate more often in community improvement activities tend to manifest higher degrees of trust in their municipalities. Third, we use both individual and country-level factors to measure the concepts of institutional efficacy. At the individual level, we find that the most powerful explanation of trust is the degree of satisfaction with municipal services. Citizens who are satisfied with the services provided by their municipalities tend to express higher trust than those who are dissatisfied. Accordingly, those individuals who have been victimized by corruption or crime tend to rely less on their municipalities than those who have not been victimized.

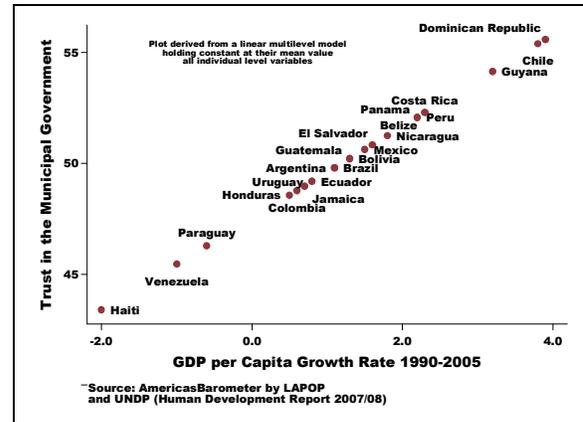
In terms of the socioeconomic and demographic characteristics of individuals, we find that citizens with more years of completed education express less trust in municipal governments than those with less formal education. On the other hand, as people grow older, the degree of trust tends to increase relative to younger individuals. The most revealing demographic factor is, perhaps, the size of the geographic area of residence. Citizens who live in rural areas and small cities express more trust in their municipalities compared to those residing in medium and large cities and national capitals.

At the country-level, we employ the variable “GDP per capita Growth Rate” to measure institutional efficacy. Consistent with the results of previous *AmericasBarometer Insights* series, we find that citizens of countries with higher growth rates tend to show higher levels of trust in their municipal governments.<sup>9</sup> In this paper,

<sup>9</sup> The question, then, becomes: is there a direct effect of municipal performance on economic growth? The scholarly literature suggests that citizen trust in democratic institutions increases with positive economic performance,

we show the specific effects of economic growth on trust in municipalities in Figure 4.

**Figure 4.** Economic Growth and Trust in Municipal Governments in Latin America and the Caribbean, 2008



For example, if a Haitian citizen with a given set of socio-economic and demographic characteristics were to migrate from Haiti to the Dominican Republic, all other things being equal, and none of her individual characteristics such as education, household wealth, age, etc. were to change, that person’s trust in the municipal government would increase, on average, by nearly 15 points on a 0-100 scale.

Note, however, that the predicted line above fits the countries that would have been outliers in a regular scatter plot. This is the reason why the placement of Venezuela and Guyana, for example, appear to be inconsistent with the rankings presented in Figures 1 and 2. Nevertheless, the placement of most countries (the non-outliers) is consistent with what we observed in the national averages depicted earlier, stressing the robustness of our findings.

but we think that more research is needed to answer this question.

## Policy Implications

Since we believe that there is a direct impact of trust on support for democracy (see previous *Insights* series), it is natural to ask how trust in the municipal government can be improved. The most evident policy recommendation is to increase institutional efficacy based upon citizen needs. As we have shown, citizen evaluations of municipal performance demonstrate the strongest effect on trust in this particular institution; therefore, these evaluations may be used as input for local policy-making. Another important policy implication is the encouragement of participation in community and municipal activities. Enabling “participatory budget” mechanisms that bring citizens together to find solutions to common problems has proved to be one of the most effective mechanisms to connect the citizenry with the local government. Our analysis shows that this element of social capital activates certain social mechanisms necessary to increase the levels of trust required in a healthy democracy.

An additional finding suggesting the need for further research is the fact that citizens living in rural areas and small towns are more trusting of their municipalities than individuals residing in larger cities. Does this mean that when the government is closer to the people, they tend to trust their governments more? The answer to this question will be explored in a future *AmericasBarometer Insight Series*.

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