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〈Special Contribution〉

## Institutional Trust and the Effectiveness of Public Institutions\*

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Putting trust at the crossing of the uncertainty, risk, and costs any given relationship may entail is a necessary step to grasp the bearing trust has on the way relationships take shape and evolve. Next, however, attention needs to focus on how trust interplays with the specific characteristics of a relationship and with those of the actors involved. The paper is about how trust counts in the relationships that for whatever reason go on in ordinary life between single actors and all kinds of public institutions set up to implement a given set of rules (laws, norms of different kinds) addressed to the public regulation of a specific aspect of social life.

Based on these premises, the discussion focuses on the way in which trust is related to two main characteristics of these relationships: the way rules count and the role played by the subjects called to implement them. In principle the content of the relationship between an individual actor and a given public institution is expected not to be the outcome of a negotiation but rather reflect the definite enforcement of a given set of rules. The actual content, however, deviates from this expectation, if for no other reason, because not all individual actors grant the same legitimacy to the rules and because the implementation of the rules is subject both to the competence and to the intentions of the actors involved – more to the point, to the way in which any public official plays out the discretionary power he/she has in administering the institutional rules. In this light, trust becomes a main factor in explaining why a given deviation occurs, its possible management, and ultimately the effectiveness of public institutions.

Key words: Institutional trust, institutional rules, performance of public officials, discretionary power in administering institutional rules, effectiveness of public institutions

### 1. Introduction

By the turn of the last century a considerable amount of literature had already variously contributed to the understanding of the role played by trust in social and organizational life and

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in the unfolding of social relationships in general (Luhman, 1979; Williamson, 1985; Gambetta, 1989; Fukuyama, 1995; Misztal, 1996; Sztompka, 1999; Rousseau *et al.*, 1998, to name only a few authors). As a compact statement of this understanding one could say that trust is placed at the intersection of the uncertainty, risk, and costs any given relationship may entail. More to the point, as in the case of a transaction, the higher the degree of uncertainty, the more cogent becomes trust; the higher the degree of risk, the more the need to rely on trust and vice-versa; the higher the trust, the lower the transaction costs.

However pointedly this statement hints at the importance trust has in any human interaction, in order to serve as an analytical tool for contributing to the explanation of how social relationships take shape and evolve, it needs to go hand-in-hand with the explication of the mechanisms by which trust comes into being and develops and how it is actually at work. Only then the understanding of why it affects a given relationship in a certain way becomes possible. The answer to these questions, however, may vary a great deal according to the relationship being investigated. Paying attention to the specific characteristics of a given relationship and to the type of actors involved is, then, a necessary first step in trying to grasp the actual bearing trust has in it.

This paper is about how trust counts in the relationships that day by day for whatever reason go on in ordinary life between single actors, such as individual citizens, and all kinds of institutions that as organized structures make up the public administration and the public sector at large. This means including organized public structures such as government agencies of different kinds, the judiciary, the police, schools, hospitals, and many other structures that provide services. In the following discussion this vast array of collective actors will be shortly referred to as 'public institutions'. In doing so, the discussion skips the questions on the distinction between "institution" and "organization" (as in North, 1990), and on what is strictly part of the "public administration" (as in Van de Walle *et al.* 2004), and it focuses, instead, on the fact that these structures constitute the arrangements set up to implement a given set of rules (i.e. laws and norms of different kinds) addressed to the public regulation of a specific aspect of social life. This implies, on one hand, that no such structure can be envisaged independently of the set of rules its constitution embodies; on the other, that interacting with them tends to be an inevitable facet of any individual's life.

On the basis of these premises, the spelling out of the specific characteristics of the relationships the paper is concerned with – as the following discussion will unravel – leads to the expectation that in principle the way these relationships take shape and evolve should reflect the

rules embodied in public institutions. In reality, however, they may deviate *more* or *less* from this expectation. The trust at work between the public institutions and the single actors involved may well be considered the intervening variable that affords an explanation of this deviation. In this sense, the area the questions addressed here belong to is “trust and institutions” and the trust implied in the relationships under study is “institutional trust”. Here after the discussion, in reviewing its meaning and usage, will dwell upon how this kind of trust comes into being and what exactly it entails. In doing so, an argument will be offered of how its presence/absence counts in explaining the actual content the relationships the paper is about take in a given context, on one side, and in enhancing or even determining the effectiveness of public institutions, on the other.

## 2. On institutional trust

According to the specific aspect of social life they relate to, the rules embodied in the public institutions this paper refers to enable, guide or constrain the individuals’ behaviour. In as much this is so, these institutions play an essential role in ensuring the orderliness of the social system at large and the trustworthiness implied in the way individual actors relate to them can be considered part of what in the literature has at times been labelled “system trust” (Luhmann, 1979; Giddens, 1990, as recalled in Bachmann and Inkpen, 2011, p.6). In trust research, however, systemic or institutional trust as such, has been a rather minor or even controversial topic. On one hand, it does not appear to have been the main concern of many authors who from different angles have dedicated themselves to the study of trust; on the other, even talking of “institutional trust” has been questioned. To give only a few examples, in a book aimed at pointing out the importance of social capital for economic development, Mutti (1998) does dedicate some attention to institutional trust. Along with the proposal that the common ground to the different conceptualizations of trust lies in the positive expectations actors have in a context of uncertainty, he suggests that the content of systemic or institutional trust consists of the expectations of stability attributed to a given social order and to the functioning of its rules (*ibid.*, p. 38). But then, although dwelling at some length upon this notion (*ibid.*, pp. 38-40), in the ensuing discussion he turns his concern mainly to interpersonal trust. In a later work, though, in reviewing a number of research issues on trust, he points out to the neglect reserved in particular to generalized institutional trust both in theoretical and empirical studies (Mutti, 2003, p. 526).

Even less attention to institutional trust is paid by Nooteboom (2002). In a book fully dedicated

to “Forms, Foundations, Functions, Failures and Figures” of trust, this author makes only a cursory reference to it, as the trust one may have in “institutions such as the law, police, or government” (*ibid.*, p. 55). And soon after, having noticed that in these cases trust relates “to entities that we can hardly influence”, he adds, “we can talk of institutional trust, but mostly that will be a matter of confidence rather than trust, so that it would be better to speak of *institutional confidence*”. (*Ibid.*, pp. 55-56, italics in the orig.). And although when raising the question of the links connecting institutional or systemic trust to interpersonal trust, Nooteboom emphasizes the importance the former has for the existence of the latter – “we need system trust as part of the basis for personal trust (*ibid.*, p. 8) – throughout the book his attention remains mainly focussed on interpersonal trust.

Among many other authors who from different perspectives have contributed to the point, as amply reviewed in Cole and Cohn (2016), although not mentioned in the latter authors’ work, Offe is perhaps the one who digs further in the distinction between trust and confidence in institutions. In doing so, he offers a cogent argument to question the very concept of institutional trust. “Trust’ – he argues – in a way, is opposite of ‘confidence’”. Indeed, “[t] he analytical distinction between trust and confidence is essential because it allows us to dispose of the muddled though frequently advanced idea of ‘trust in institutions’” (Offe, 1999:44-45). Then, having agreed that “[t] rust is the cognitive premise with which individual or collective/corporate actors enter into interaction with other actors” (*ibid.*) he raises the question about “what determines the supply of trust as a cognitive (as well as moral) resource that inspires cooperation” (*ibid.*, p. 46). In tackling this question Offe dedicates a substantial part of his ensuing argument to explain why, although “we may be tempted to rely on institutions as mediators and generalizers of trust” (*ibid.*, p. 65), this is subject to a host of conditions and limitations pertaining to the very nature of institutions – indeed, a point quite at the core of the matter addressed in this paper. Given that institutions are first of all “sets of rules”, one main reason the reliance on them cannot be a simple and “easy way out of the structural scarcity of trust”, lies in the fact – as Offe puts it – that “institutional rules are never of a wall-to-wall nature. Rules can never provide for all contingencies and emergencies ... Rules are not sacrosanct, impersonal and eternal, but authored, contingent, and incomplete, both concerning their origin and their implementation. (*Ibid.*, p. 66).

As it is, due also to the lack of specific relational features pertaining to the nature of trust, “the field is still ambivalent about the appropriateness of institutions as targets of trust” – as PytlikZillig and Kimbrough (2016) p.26, sum up the discussion on this point in their review of

conceptualizations and definitions of trust. Yet, against this background and in contrast to the relative lack of interest mentioned above, in the course of the last twenty years also “institutional trust” has gained a sizeable amount of attention in the work of a number of authors, both in terms of its conceptualization, definition and measurement as well as of its role in contributing to social cooperation. A very cursory account of this growing interest may suffice here

Although addressed – as stressed in the introduction to the book – to the study of the role of trust in political life, and specifically in the relationships between democracy and trust, for the purpose of this paper a noteworthy contribution to the definition of institutional trust has come from Warren (1999) – indeed in the same book that hosted Offe’s argument. Following Warren, “institutional trust is based on the shared recognition and the acceptance of the principles guiding the operation of an institution as well as the view that the institution actually performs according to these principles” (as pointedly reported in Grönlund and Setälä, 2012, web ed., p. 4).

Indeed, stressing the bases on which institutional trust rests has served as the starting point of the work of authors who have aimed at its measurement (Thomas, Abts, Stroeken, and Vander Weyden, 2015:87). Moreover, in their review of the different ways of approaching such a measurement, these authors point out how not only it can vary according to the institution being considered and to the method used, but also be affected by contextual variables. In this vein, a decisive contribution has come from those studies and research efforts that have addressed the question of how trust matters in different cultural and national contexts (Sasaki, 2012; Cole and Cohn, 2016). This strand of studies not only contributes to enlighten the complexity of both the conceptualization and the measurement of institutional trust but also to unravel the many difficulties, if not even pitfalls, implicit in any attempt to carry out cross-cultural and cross-national comparative analyses of it. As it is, the data needed to measure directly or indirectly different aspects of institutional trust have gained a growing attention in various sources of data collections (like, among others, in the data collection by the Asian Barometer Survey, the Eurobarometer, the World Values Survey, the Swedish National Data Service).

A further contribution has come from authors that have directed their attention to the distinction between institutional trust and institutional-based trust. Bachmann and Inkpen, for ex., define institutional-based trust as “a form of individual or collective action that is constitutively embedded in the institutional environment in which a relationship is placed” . They then point out that although “in some parts of the literature institutional-based trust denotes trust *in* institutions (where institutions, like for example the law, are the object of

trust)” , this is not their view in as much as their interest is rather focused on examining “*how* and *when*” institutions matter with regard to trust building (Bachmann and Inkpen, 2011:282–284, italics in the orig.).

There are, finally, a number of studies that have variously contributed both to the conceptualization and to the explanation of institutional trust by addressing a research matter akin to the one this paper is interested in. Thus, in their analysis of trust in public institutions, Grönlund and Setälä (2012), moving from Warren’s conceptualization mentioned above, address their attention to how institutional trust is linked to social trust. In particular they focus on citizens’ perception of how well institutions live up to given normative expectations, namely those related to the incorruptibility and honesty of public officials, and see in this a possible determinant of institutional trust. In a way – as the following discussion will argue further – bringing into play the acting of public officials and the trust individual citizens may or may not have towards them, bridges Offe’s assertion that it makes no sense in talking of trust in institutions, since “[t]rust ... can only be extended to actors and the ways in which they perform and enact their roles within institutions” (Offe, 1999:45).

Interestingly enough, there are also contributions that seem open to consider a reverse causality, namely that institutional trust, derived from fair and efficient state institutions, may be a determinant of social trust (Sønderskov and Dinesen, 2016). In this sense, people’s experiences with representatives of state institutions, that is public employees such as bureaucrats and police officers, are thought of as a factor determining the formation of their social trust. “More specifically the effect of such experiences on social trust [as argued in the work of other authors] is ... mediated by *perceptions* of the fairness and effectiveness of state institutions ... – or what is commonly referred to as *institutional trust*.” (*Ibid.*, p. 3). Still – they admit – “concluding that elevating trust in institutions is a means for promoting social trust would be premature in the present state of research” (*ibid.*).

Quite paradoxically, in the light of this challenged but by all evidence growing interest in institutional trust, one aspect of it often emphasised in the literature is its decline, particularly in terms of decline of “trust in government”, a phenomenon referred to as underway for more than half a century (Cook and Gronke, 2001), although – as pointed out in Bouckaert *et. al.* (2002: 13) – trust (or distrust) in government may well be a catch-all term. If indeed and why institutional trust is declining is not a question tackled in this paper. However, in as much as the following discussion will focus on the grounds upon which institutional trust rests, although indirectly it will contribute to enlighten how the loss of trust, and its ensuing decline, can step in.

As mentioned above, PytlikZillig and Kimbrough (2016), in pointing out that the existence of a consensus on the conceptualization and definition of trust is not quite complete, draw in particular attention to the persisting ambivalence about institutions as a target of trust. Yet, about twenty years earlier, in providing an answer to the question whether “scholars fundamentally agree or disagree on the meaning of trust”, Rousseau *et al.* concluded that a “widely held definition” revolves around the “intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another” (1998:394-395). Indeed, hereafter as well, the trustor’s positive expectations of the trustee will be retained at the core of the construct of trust, and, even considering what has been said so far, in referring to “institutional trust” the notion conveyed will imply a certain set of expectations individual actors nourish regarding the content of their relationship to a given public institution, i.e. expectations related to how it should function, in general, and how it should respond to their demands or treat them, in particular.

### 3. On the relationships between individual actors and public institutions

Based on the above notion of institutional trust, the following discussion will focus on how trust counts in connection to the specific characteristics of the relationships this paper is concerned with. At first glance, these characteristics could be singled out in the fact that the relationships take place between individual and collective actors and often times they entail not repetitive, nor frequent interactions. Simple examples are provided by contact with the judiciary, the revenue office or the police – actually the case of the police has attracted a lot of attention and has been investigated from different angles all very pertinent to this discussion (Cao, 2015).

The literature quoted in the previous section is rich with hints regarding the distinctive role trust plays in relationships with this kind of characteristics. Yet, however useful, paying attention to them is not enough for the purpose of this paper. The characteristics that afford a deeper understanding of the way in which trust matters in the relationships under study relate, instead, to two other variables: the way rules count, and the way the subjects called to implement them perform their role. The following discussion will argue why this is so and dwell upon how the mechanisms by which trust can be built and reproduced depend on them.

The interaction between the parties involved in the relationships this paper is concerned with can generate from both sides. It can spring from some kind of demand an individual actor addresses to a given public institution or, vice-versa, from some kind of action a public institution undertakes toward a given individual actor. Borrowing, then, the way Sztompka recently put it –

and in line with the notion referred to above – “the bond of trust means the expectation by A [in the case under discussion the individual citizen] of the beneficial actions of B [in the case under discussion the public institution], and the trustworthiness of B means that it has a right to be trusted by A” (Sztompka, 2017: 8). Moreover, for the sake of this discussion, it may suffice to say that the more capable the public institution will be in satisfying the demand of the individual citizen, on one side, and to carry out the actions it has undertaken, on the other, the more effective its action will be.

Again, simple examples of how the interaction arises and of the trust implied are given by the case of a citizen who, after having been robbed or suffered some kind of offence, turns to the police for help, or by the case of a revenue office that investigates the statement of a given taxpayer. The more satisfied the citizen will be for the help received, or more quick and precise the investigation, the more effective will be considered the action of the police or that of the revenue office. More complex examples are provided, instead, by the cases in which the relationship is generated by the enactment of a given administrative measure or public policy, such as the rule that the admission to elementary school be subject to a certain type and number of vaccinations, or granting under specific conditions certain tax benefits to individual small entrepreneurs. In the latter cases the higher complexity derives mainly from the fact that, once set in, the relationship may snowball in other relationships involving a plurality of public institutions. On one hand, then, establishing whether they stem from the demand of the individual citizen (or entrepreneur) or from the action undertaken by the public institution involved – and at each turn the trust implied – may turn out to be less clear-cut or simple; on the other, determining the effectiveness of the public action may be a quite elusive effort.

Taking now into account the first of the two variables mentioned above, whatever the source of the interaction between the individual citizen and the public institution, *in principle* – as most of the literature mentioned above would agree – its specific character lies in the fact that the content of the relationship is expected not to be the outcome of a negotiation between the two parties involved but rather reflect the definite enforcement of a given set of rules which both sides confer legitimacy to. Of course, also in the case of the implementation of any agreement or contract between two parties other than a public institution, the expectation each side nourishes that the other will act according to the agreement is based on a given set of shared rules. But these rules stand behind the agreement, so to speak, and, if necessary, can be appealed to for its enforcement. The content of the interaction, however, like in a transaction, relates to what the two sides have more or less autonomously negotiated and stipulated. In the case of the



relationships addressed here, instead, in principle the content of the interaction between the two sides does not derive from what they have autonomously stipulated, but reflects the immediate enactment of commonly accepted rules. Moreover, also the decision about how to implement the rules is in no way the outcome of a negotiation between the two parties. In fact, its correct implementation is established beforehand according to general principles and rests with the public institution. The individual citizen can only trust – and in this sense give for granted – that the institution will act according to what the rules prescribe. Indeed – as indicated above – in this expectation lies the core of the notion of institutional trust as used here.

To follow-up on the previous examples, in principle while the police will consider legitimate the claim for help coming from any citizen who has suffered a robbery, the latter – whoever he or she is – will expect that the police will undertake appropriate actions in trying to pursue the offence. Conversely, while the revenue office considers its duty to investigate the declaration of any individual taxpayer, the latter does not question the legitimacy of the investigation, no matter the wrongs it may uncover. As to the other examples, while the parents are expected to take full notice of the vaccinations their children have to undergo in order to be admitted to elementary school, the school is expected to check that the vaccinations have been done and accept admission or not accordingly. Conversely, while small entrepreneurs are expected to prove that they are eligible for the established benefits, once they have done so, the public institution involved is expected to grant them. In all these examples the expected behaviour of each side is not based on the autonomous stipulation of some kind of contract that they feel obliged to abide, it reflects instead the direct enactment of shared rules that apply fairly and impartially whoever is the actor involved. Yet, it is up to the police to decide what are the appropriate actions to undertake, as it is up to the revenue office to decide how to investigate and eventually pursue an untruthful tax declaration. And it is up to the school to establish how to check that a given vaccination has been done, and it is up to the public institution involved to establish how to ascertain that the individual entrepreneur is entitled to have the prescribed benefits. The citizen who has been robbed, the individual taxpayer, the individual parents, or the individual entrepreneur can only trust that they will do it according to what the rules prescribe. And in doing so set out a basic condition for an effective action on the part of the public institution involved. Only later, if they are unsatisfied of the actions undertaken by the police, by the revenue office, by the school or by the public institution involved, or consider them not to comply with what the rules prescribe, they may have the right to appeal to some kind of judicial third party.

#### 4. Conferring legitimacy to the rules and trusting the public officials

Having said that the interaction process just outlined is what one would expect in principle, implies, however, that in actual fact it may deviate *more* or *less* considerably from what expected. If so, how can the deviation be explained? In a nut shell, the argument advanced here is that also the explanation of why a deviation may occur relates to the specific character the two variables mentioned above take in the case of the relationships under study. Following this argument, the ensuing hypothesis is that the role trust plays in connection to those variables is the intervening variable that helps to understand the actual deviation that occurs and hence to explain the degree of effectiveness of the institutions involved.

In the remaining part of this discussion the attention will focus first on how a deviation from the expected interaction process may occur and then on the way in which the possible deviations may refer to the trustor or to the trustee. In doing so, the role trust plays and the way it impinges on the effectiveness of the public institutions will be pointed out.

As to the first variable, one main reason for a deviation may be due to the fact that, however taken-for-granted, conferring legitimacy may turn out to be not so smooth as expected. In fact not all individual actors involved in a relationship with a public institution may confer legitimacy to the rules embodied in it or to the rules that it is called to enact. Or, vice-versa, not all public institutions may experience to the same degree the acceptance of their rules. In other words, however true – as already quoted in Nooteboom (2002:55) – that an individual actor can hardly influence the entities embodied in institutions, this does not mean that all individual actors have the same trust (or confidence) in them. Quite more to the point, institutional rules – and the ends they pursue – carry always a certain amount of uncertainty and ambiguity. As quoted in Offe (1999:66) : “Rules are not sacrosanct, impersonal and eternal, but authored, contingent, and incomplete”. It may well happen that some actors may not attribute to the rules the expected fairness and impartiality and question or even out-right reject them. Regardless of how unlikely this may be, its occurrence will undermine the possibility itself that the actors involved may nourish any trust in relating to a public institution. Indeed, the out-right rejection of the rules may lead them to try to avoid any relationship whatsoever. And there may even be situations and contexts, such as those under the heavy influence of organized crime, in which the legal regulatory system is de facto replaced by an illegal system which strips official public institutions of any capacity to generate trust and hence of any effectiveness (Arcidiacono, Avola and Palidda, 2016).

Turning to the previous examples, the rules governing the police may be considered by some citizens too slack to be effective – or, vice-versa, too despotic to be fair – and subsequently there would hardly be any trust in expecting that an answer to their need could come from asking for help to the police. As to the other example, if given tax regulations appear to some taxpayers too severe with them – or, vice-versa, too favourable to others – they would have no trust that the revenue office's investigation of their tax return will come up with an acceptable outcome and will try all ways to escape its investigation (regardless of the fact that as a tax avoidance behaviour may issue from a more radical tax dissent, as in the "exit" option theorized by Hirschman, 1970). More complex – as already anticipated – are the other two cases mentioned above, where at stake may be the questioning of a measure or policy a given public institution is called to administer. In the first of the two cases mentioned, in fact, parents may indeed question the rule of forced vaccination, but then have to face both the refusal of admittance of their children to school and missing the fulfilment of compulsory education. In the other case, an individual entrepreneur may consider, for whatever reason, the procedure to have access to the benefits too cumbersome and prefer to forego the benefits, but in this way frustrate the purposes of the measure. It is quite easy to see how ultimately in all these cases the interaction process deviates more or less considerably from what expected due the lack of trust in the rules on the part of the individual citizen and how this leads to the ineffectiveness of the public institution involved.

More frequent and various are, however, the reasons for deviation from the expected interaction process stemming from the other variable mentioned above, i.e. the way in which the subjects called to implement the rules perform their role. In fact, even if all the actors involved share and fully accept the rules embodied in a given public institution or the rules that it is called to enact, although a necessary condition this may not be enough to ensure that the relationship will take place as expected and lead to an effective action on the part of the institution. Whether this will happen or not depends on the concrete course of actions undertaken by the public official/s who act on its behalf.

Following the examples provided above, a person who has suffered some kind of offence, may well trust that turning to the police will help, but then whether her expectation will be met depends on the concrete actions undertaken by the individual policeman or policewoman whom she will interact with. By the same token, an individual taxpayer may well consider legitimate that the revenue office investigates his/her tax declaration, but then be willing to accept, and come to grips with, how this will be carried out by a specific officer. What counts, then, is the way

in which the individual policeman/policewoman or revenue officer will preform their role, or better, and more pointedly, which factors determine their performance.

These factors are connected to the specificity of their role as public officials, and there lies how a deviation from the expected interaction process may arise. Of course, the specificity does not consist in the fact that, acting on behalf of the institution, they mediate the relationship with the individual citizens. Indeed, this is so in all cases in which one party is an organization, and in any organized structure its employees act in its place. There are, instead, some aspects that make a specific difference in the case of public officials relating to individual citizens.

One main aspect concerns the fact that while in the case of a structure other than a public institution the individual employee is required to perform at his/her best according to the “inner” rules of the organization, so to speak, and then accept that his/her performance be sanctioned and evaluated according to the factors specified in those rules, this is not the case for public officials. They, instead, are called to perform according to “shared”, common rules which establish in principle the general factors that should guide their behaviour and according to which be sanctioned and evaluated – which means that not only the institution on whose behalf they act but also the other party has an intrinsic voice in relation to the way they are required to perform. One more aspect that makes a difference relates to the possibility of exit. Although with some exceptions, more often than not in the case of an organization other than a public institution the other party can exit the relationship, in the case of a public institution this option is foreclosed not only in terms of the institution involved, but most of the times also in terms of the official who acts on its behalf.

In considering, then, the way in which a given public official performs his/her role, a deviation from the expected interaction process may occur due to the fact that the factors determining their performance are others than those expected on the basis of the shared rules. And this may well affect the relationship between a given public official, as the trustee, and an individual citizen, as the trustor, and the way in which trust intervenes in its unfolding.

As to the trustor, although as Warren puts it, “the trustor knows the normative idea of the institution, and has some confidence in the sanctions that provide additional motivation for officials to behave according to this idea” (Warren, 1999a:349), not necessarily the formal sharing of the rules ensures that the public official’s performance will reflect what the rules prescribe and the individual citizen expects. It is on the basis of the experience of interacting with a given public official that an individual citizen will be able to realize which factors are actually determining the public official’s behaviour and be both reassured in his/her acceptance

of the rules embodied in the public institution and, to use Sztompka's expression, in his/her "bond of trust" with it. Ultimately, in any given relationship with a public official, it will be on the basis of the way that specific official puts the rules into effect – hence on the factors determining his/her actual performance – and on the extent to which this differs from what expected, that the individual citizen will be more or less reassured as a trustor.

As to the trustee, on the basis of the shared rules that are supposed to guide a public official's behaviour in a given relationship with an individual citizen, in principle it is possible to single out what factors best respond to his/her expected performance and hence best lay the ground for a trustful relationship. His/her actual performance may unravel, instead, which factors are actually driving his/her behaviour, leading the attention to focus both on the leeway any public official may have as a trustee and on how this may vary considerably according to the public official involved.

To sum on this point, however true that, as previously quoted, "[t]rust ... can only be extended to actors and the ways in which they perform and enact their roles within institutions" (Offe, 1999:45), institutional trust can be considered the outcome of a two-step process. The first step relates to the fact that an individual citizen confers legitimacy to the set of rules embodied in a given public institution and on that basis nourishes given expectations as to how it should function and respond to his/her demands. This does not mean, however, total legitimacy or none. It rather implies the possibility of different degrees of legitimacy, each degree carrying a different predisposition towards the public official/s acting on behalf of the institution. The second step relates, then, to whether and how this first step results in "positive expectations of the behaviour" of the public officials in as much as these are revealed by the perception the individual citizen has of the main factors determining their performance: i.e. whether they are indeed the factors that best respond to his/her expectation and hence that best lay the ground for a trustful relationship. In the end, this hints to the fact that in relating to a public official any citizen has some kind of perception of the prevailing factor (or factors) at play and on the basis of whether that perception corresponds to what he/she expects, be open to have or not a trustful relationship.

Based on what has been said above the sources of deviation from the expected interaction can be further discussed both from the side of the trustor and from that of the trustee.

## 5. From the side of the trustor

Although Weber's model remains a milestone in singling out the factors at the basis of a public

official's behaviour, later developments have led to apply to the study of the factors determining the performance of public officials and to its evaluation principles and criteria borrowed from management research in the private sector. In particular, in the aftermath of McClelland's (1973) paper on testing for competence and then of Boyatzis' (1982) model of management competencies, the enormous amount of research on human resources management that has been going on in the private sector focussed on identifying the employees' characteristics that can lead to their best performance, has spilled over to the public sector. Also the work "culture" of public officials, then, has been increasingly conceptualized as a complex set of competencies that can best account for their performance and then be used for their evaluation. However relevant all this work is, for the sake of this discussion it is enough here to focus, first, on a simplified conceptualization of competence and then address the attention to the distinction made in the literature between competence and intentions. In this light, together with competence, two other factors will be pinned down as the main factors that can best determine the expected public official's performance: integrity and service-orientation. Following the path of the discussion underway, the attention will then turn to the way in which trust is connected to the perceived presence of these three factors and consequently it matters in leading to an effective public action.

In a most simplified conceptualization, competence refers here to the fact that, faced with the tasks that need to be carried out in order either to respond to a given demand by an individual citizen or to implement the action undertaken by the institution he or she works for, a public official knows what to do and how to do it. In this sense, without competence there can be no effective performance and a public official may be highly or not at all competent. Although it is reasonable to say that for an individual citizen the perception of interacting with a competent official is likely to lead toward a trustful relationship, "competence trust" alone – as Nooteboom refers to it (2002:50) – may not be enough. It needs to be complemented by the perception of interacting with a person who is willing to make her competence available right there and then.

This leads to the distinction made in the literature between competence and intentions (*ibid.*), or – as another possible way to put it – to the way in which any public official plays out his/her discretionary power, i.e. using the discretionary power he/she disposes of in administering the institutional rules, in order to better meet the citizen's demands rather than to promote his/her own self-interest (Cerase, 1998: 165-174, *passim*). A notion, the latter, akin to Offe's "perceived extent to which administrators make competent and fair use of their scope of discretion and how resistant they are to the temptations of opportunism" (Offe, 1999:69).

Integrity and service-orientation, as the two other main factors that best determine the expected public officials' performance, are considered here to belong to the realm of intentions and to a fair use of discretionary power on the part of public officials. As to integrity, on one side, in as much as it refers to the fact that in carrying out his/her tasks, the public official will behave honestly and ethically, it can be considered the main source to resist opportunism. On the other side, it is reasonable to say that an individual citizen will hardly build a trustful relationship with a public official perceived to be dishonest and ethically ambiguous. Indeed, as reported above, some authors have investigated and tested the hypothesis that institutional trust depends on people's perceptions of the honesty of public officials (Grönlund and Setälä, 2012).

As to service-orientation, the other factor that can best lead public officials to act with "benevolence rather than opportunism" – to borrow Nooteboom's expression (2002:58) – it refers here to the willingness to help people by actively looking for a way to understand and respond to their demands. Furthermore, it hints at the fact that the discretionary power of the individual public official is put – so to speak – at the service of the citizen. In this sense service-orientation belongs to the conceptual construct that in an increasingly influential strand of literature has been labelled public service motivation (Perry and Wise, 1990, and many others after them). The basic argument for public service motivation is that doing a job that is meant to promote the public interest and is helpful to others is in itself rewarding. It can easily be argued, then, that the more a public official is animated by public service motivation, the more is likely to gain the trust of individual citizens who for whatever reasons relate to the public institution on whose behalf he/she is acting. Indeed, what can elicit a trustful relationship more than interacting with a person who in performing her job is perceived as being animated by the willingness to be helpful? Or, the other way around, who can better gain somebody else's trust than a person who is inherently oriented to fulfill the former's demands?

Seen from the side of the individual citizen as the trustor, then, the previous discussion suggests that ultimately the way he/she relates to a given public institution depends on the perception he/she has of the public official who is acting on behalf of the institution: more specifically, on whether he/she trusts that the public official is competent, honest and service-oriented. Moreover, the more competent, honest and service-oriented the public official will prove to be, the more likely it is that the citizen's demands will be met.

In reality, of course, not all these factors may be at work in determining the public official's behaviour and lead to an effective action. Indeed, to some extent the above factors are independent of one another, both in terms of perceptions and of actual individuals' attributes. As

already hinted, in fact, being competent may have little to do with being honest and service-oriented and this lead to unexpected uncertainties and ambiguities. What happens, for ex., if the public official is perceived to be competent, but dishonest or not at all service-oriented? Or, if he/she is perceived to be honest, even service-oriented, but incompetent? And although it is hard to see how an official who is perceived to be service-oriented will be perceived as a dishonest person, not necessarily to be honest leads to being service-oriented.

The examples provided above afford ample evidence of what may actually happen in reality. A given policeman or policewoman, may well be willing to do his/her best to help, but have very little idea of what would actually be helpful. At first, then, based on the perception of interacting with a person willing to help, the individual citizen may well look with trust to the effectiveness of her performance. Soon, however, this trust would be frustrated if not undermined by the evidence of the policeman/policewoman's incompetence. Conversely, in the other example provided above, the officer investigating a given tax-declaration may well be very clever in identifying wrongs but then suggest under-table ways to come out of them. Although, then, based on the perception of the officer's competence, the individual tax-payer may be led at first to trust the fairness of the investigation outcome, this trust would soon after be undermined by the officer's unethical behaviour. All this means that from the side of the individual citizen a trustful relationship with a public official, however sought, tends to be always loaded with ambiguities and the effective response to his/her demands always subject to uncertainties.

## 6. From the side of the trustee

Having seen how trust counts from the side of the individual citizen has left in the background how it counts from the side of the public official as the trustee. If – as previously asserted – the trustfulness of the individual citizen toward a public institution is decisively affected by the performance of the official who acts on behalf of the institution, what moves the public official to perform trustworthily? Or, in other words, on what grounds should the public official be moved to seek the trust of the individual citizen he/she is interacting with? I.e., once the target of trust shifts from the institution to the public officials who perform on its behalf, they as well need to be considered as “actors” moved by their own interests, and at this point the relationship may well display its specific lack of reciprocity. Indeed, why in any given relationship with an individual citizen should the public official perform as expected and refrain from pursuing his/her own interests? More to the point, why should he/she decide to use the discretionary power he/she has in administering the institutional rules in order to meet the citizen's demand rather than to



promote his/her own self-interest?

For sure, a possible answer stemming from public service motivation theorizing would be, as outlined above, because public employees are moved by service-orientation. But still, regardless of how diffused this kind of motivation actually is, some public officials may not at all have it. Nor are there any ready-made viable practices to induce it in those who lack it. Moreover, interestingly enough, in public service motivation literature there is hardly any explicit reference to the concept of trust and to the relevance building a trustworthy relationship with citizens has for public employees' performance. In particular, although public employees are at times referred to as the trustees of the state power, the question of whether in their actual behavior they have or not some awareness of this does not seem to carry any weight in the measurement of public service motivation. For ex. there is no reference to it neither in the leading scale of public service motivation (Perry, 1996), nor in one of its most elaborate and recent measure (Kim, Vandenabeele, Wright *et al.*, 2013).

As it is, in the literature dealing with public officials' working ethos and behaviour the question of whether trust matters in the way they relate to individual citizens is usually left in the background. In the vast amount of work that has variously appended Max Weber's model of state bureaucracy and shed light on the actual behaviour of public officials, for ex., whether and how trust counts in the way they relate to the recipients of their action has seldom been raised as an issue.

A noticeable exception is in Offe's argument quoted above, which contains an explicit reference to trust. Given the "authored, contingent, and incomplete" nature of rules, (Offe, 1999:66), "*decisions* play as much a role as *rules* – even if (and especially if) these decisions pertain only to guarding, enforcing, keeping in place, or interpreting the rules." (*Ibid.*, p. 67, italics added). If so – although here Offe's argument is mainly pertinent to the trustor's point of view dealt with in the previous section – he points out that "trust in the anonymous mechanisms of institutions is justified only by trust in the voluntary compliance of those actors to whom rules apply, as well as the trust in those actors who are mandated with the supervision and enforcement of these rules" (*ibid.*, p. 68). The key question, then, becomes "what can motivate compliance?" (*ibid.*). In the end, unsatisfied with the answer that "compliance can be generated by the formal-rational correctness of the command that is to be complied with" and with the way in which Weber's political sociology struggles with this question, Offe turns to the quality of institutions, in as much as: "Institutions, if appropriately designed, can enable us to trust persons whom we have never contact with and with whom we share no relevant communal allegiance."

(*Ibid.*, p. 70). And following this assertion he dwells at length on how to envisage institutions able to perform such a function (*ibid.*, pp. 71-77).

Coming back to the point under discussion here, the question of compliance is turned to the very actors mandated with the supervision and enforcement of the institutional rules and the answer suggested is rather more direct. I.e., once unraveled the limits of the conceptualization *sine ira et studio* attributed in Weber's model to the behaviour of public officials, and having ascertained which factors can best determine their behavior, what else may further support the expectation that they will behave trustworthily? Indeed, however competent, honest and service-oriented public officials may be, the crux of the question remains that in administering the institutional rules they are still left with a discretionary power and how they use it time after time (Cerase, 1998:167). Moving ahead along the path that has been laid out, then, one way to tackle this question could be envisaging some regulatory mechanisms that would make them constantly accountable for the outcome of their actions and thus lead to solid compliance practices.

Once more, following up the examples of the policeman/policewoman and of the revenue agency officer provided above, it is quite possible that their poor performance be effectively overcome by means of dedicated management measures: an appropriate training program, in the case of the incompetence of the policeman/policewoman; more strict controls, in the case of the unfaithful behaviour by the revenue agency officer. What counts, however, is that beforehand some regulatory mechanism prompts their willingness to face the outcome of their performance and come to grips with the fact that, although for different reasons, in the end in failing to secure the trust of the citizens they interact with they are jeopardizing both the trust in the institutions they act for and its effectiveness.

To sum up, this paper has been about how trust counts in the relationships that in ordinary life go on between individual citizens and public institutions. More to the point: in as much as the effectiveness of public institutions relates to their capacity to satisfy the demands of individual citizens, on one side, and to carry out the actions that they themselves have undertaken in order to implement a certain rule, on the other, the discussion has addressed the question of how much trust counts in determining or enhancing their effectiveness. In doing so, the attention has focussed, first, on how trust is linked to the degree to which the rules constituting a given public institution are actually shared by all the actors involved, and, second, to the factors that prevail in determining the performance of the public officials called to implement those rules. In this light the paper has argued that although the shared acceptance of the rules embodied in a given public institution is a necessary condition for a trustful relationship, it is not enough to ensure an

enduring trust and an effective public action. Ultimately, in fact, trust rests with the perception individual citizens have of interacting with competent, honest and service-oriented public officials, and the effectiveness of the public action depends on the extent to which this perception is not betrayed.

### 7. Footnote for further development

In the previous discussion the hypothesis relating institutional trust to the effectiveness of public institutions has been argued at some length and here and there offhand examples taken from ordinary life have been offered to support the argument. For sure, a desirable further development would be a sound testing of the hypothesis based on a systematic analysis of the way in which institutional trust impinges on the effectiveness of public institutions.

One option could be planning a research comparing different institutions in the same country – taking the risk of the effects of different institutional variables – or comparing one single institution in different countries – facing the problems and taking the risk of the pitfalls this may entail, as hinted in the review of the literature presented above in section 2. Another option could be carrying out some kind of comparative analysis between the overall trust in public institutions in different countries. Besides being slippery, however, following this second option appears to be hardly feasible. In such a case, in fact, the empirical question to test would be the extent to which a higher degree of trust in public institutions as a whole is indeed associated with a higher degree of their overall effectiveness. The major problem such a test would face relates to the fact that the measurement of both entities is quite hard to come by. On one hand, as to the overall effectiveness of all public institutions operating in a country, its measurement can turn out to be, at its best, a very approximate operation. Indeed, even the attempts to carry out international comparisons of the performance and efficiency of the public sector as a whole are loaded with many weaknesses (Afonso *et al.*, 2003 and 2005; Cerase, 2015). Truly, a proxy could be “government effectiveness”, one of the six indicators used by the World Bank Group in their “worldwide indicators” of governance (Kaufmann *et al.*, 2010). As it is, however, even leaving aside the methodological shortcomings of its measurement (Van de Walle, 2005), the problem is that in constructing this indicator one of the data sources used is “trust in government”, although the source is one of many. On the other hand, as to the overall trust in public institutions, in the absence of such a measure, some kind of proxy would have to be used. To this effect, data such as the support for the highest national court, when and where available – as Cole and Cohn (2016) do – or the score in the “corruption perceptions index” of Transparency

International could be of some use. Undoubtedly, all this may end up into a rather unsatisfactory patchwork. It may very well be that with the data at hand, it would be difficult to do better.

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