

## **Governments in need are governments indeed: The impacts of job insecurity on trust in government**

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*In spite of voluminous literature on citizen trust in government and job insecurity, the relationship between job insecurity and trust in government has been overlooked. Drawing on performance theory and psychological democratic contract model, this study assesses the effects of job insecurity on trust in government. Using the Latinobarometer 2017, the findings suggest that job insecurity has a substantial negative impact on trust in government. A closer look at the impacts of job insecurity on various parts of government reveals a slightly differentiated picture. While job insecurity reduces trust in a national government, Congress, and the Court, it does not have a damaging impact on trust in police.*

**Keywords:** *trust in government, job insecurity, performance theory, psychological- democratic contract*

### INTRODUCTION

Over the past decades, numerous organizations including even public institutions as well as private firms have experienced cut-throat competition. Moreover, accelerating technology and automation tend to replace a substantial fraction of job across states and businesses. These macroeconomic forces have led to major changes in employees' jobs and to an increase in layoffs. A growing number of employees who feel insecure about their future has generated concerns among about unfavorable outcomes of job insecurity (Silla, De Cuyper, Gracia, Peiró, & De Witte, 2009). This emerged concern led many researchers to examine outcomes of job insecurity. One of the repercussions of job insecurity is a decrease in trust in government.

It seems far-fetched to link job insecurity to trust in government because to a large extent job insecurity is determined by individual competence. Nonetheless, job insecurity is often accompanied by labor market adjustments (Rocha, Hause, Crowell, & McCarter, 2006). In the globalized economies, for instance, personal job insecurity is heavily embedded in macroeconomic conditions. No matter how hard employees work, if economies are in the recession, the level of job insecurity would rise sharply regardless of his or her competence. This is where citizens want government intervention in the economy. And government implements macroeconomic policy to regulate and tame volatile market capital (Hout et al., 2011). Moreover, citizens are likely to assign credit and blame for the state of the economy. It is plausible because citizens perceive government to be accountable for overall economic situations, and it is thus believed for government to have responsibilities for providing stable life of citizens. This is one of the reasons why citizens pay taxes.

Economic performance, experienced in areas such as household economies, has to do with public trust in government. This makes intuitive sense because citizens hold governments to account for ensuring their economic well-being (Bok, 1997; Dalton, 1988; Wroe, 2014). Lipset and Schneider (1983) find that unemployment and inflation rates coincide with a decline in trust in the executive branch of government. People who see the ability of their

government to cope with the pressing economic problems tend to exhibit higher levels of trust toward their government (Lee, 2021). Perceptions of economic circumstance influence the level of political trust among individuals (Citrin & Green, 1986). Moreover, low economic growth level raises discontents in public sector, and it eventually lowers trust in government (Nye, 1997). This means that low economic status has an adverse effect on trust in government.

There has been a substantial academic debate about how economic performance contributes to trust in government. Despite the importance, few studies have been conducted to look for the relationship between job insecurity and trust in government. Only exception is Wroe (2014)'s work. Using the European Social Survey 2004 and 2010, Wroe (2014) finds that job insecurity negatively affects trust in government. His work made considerable progress in providing some basis for speculation about the likely impact of job insecurity on trust in government. Wroe's work is based on 18 European countries. European countries have their own unique characteristics in terms of labor market, which limits the generalizability of the findings. The situation differs from place to place because context does matter in political trust (Kaasa & Andriani, 2021). To be sure, there are striking differences between the Latin American and European countries in many respects. Latin America is fertile soil for research because in general they enjoy relatively strong protection from dismissal (David, et al. 2020). Therefore, job insecurity may differently affect citizen trust in government in Latin American countries. However, not much research has been conducted in Latin American countries on the nexus between job insecurity and trust in government. Further insights into the relationship between job insecurity and trust in government can be acquired by analyzing Latin American countries. In this sense, this study will employ the Latin American data to enhance external validity.

The present study's aims are twofold. The main goal of this study is to unpack the impact of job insecurity on trust in government in Latin America. Furthermore, the second purpose is to assess the impact of job insecurity on trust in varying government institutions. Citizens may differentiate which government institution is mainly responsible for their job insecurity. If this is the case, the respondents will place differential weights on the evaluation when they express how much they trust the government. It is anticipated that job insecurity may attach a larger weight to trust in central government. On the contrary, the courts or police may carry low salience for managing economies. As such, for example, an impact of job insecurity on trust in the central government and the other government institutions will differ.

This paper is organized as follows. After introducing core research questions, Section 2 reviews performance theory and psychological democratic contract model to link job insecurity and trust in government. Section 3 presents a research methodology. Section 4 shows the main results from analyzing the panel data and examines robustness from findings with different analytic methods. Section 5 discusses implications and limitations of this study.

## THEORETICAL BACKGROUND

### **Performance theory**

Government performance has become the dominant explanation for understanding the formation of citizen trust in government. Performance theory holds that performance of government leads to citizen trust in government (Newton & Norris, 2000). Uslander (2002)

writes, “We trust government when it works well and produces results and policies that we like” (p.159). Also Keele (2005) states, “Trust is a reflection of government performance” (p.242). Fukuyama (2014, p.60) argues that the purpose of government is “to provide the population with basic services including education, defense, public safety, and legal access.” In this sense, it is of little surprise that a citizen has a confidence in the public authority that fulfills its purpose (Lee, 2017). Fundamentally, the reasoning of performance theory is persuasive because performance is a principal ingredient of public support for government (Easton, 1975). In this sense, trust is considered a barometer of how well government performs (Bovens & Wille, 2008).

Government performance largely consists of two types of performance: macro and micro performance (Bouckaert & Halligan, 2008). Macro performance is the national level government performance which calls for a central government’s action and responsibility such as national economic growth, diplomacy, and military (Lee, 2018; Yang & Holzer, 2006; Van Craen & Skogan, 2015). The fiscal and monetary policies set by the central government notably contribute to macroeconomic performance of national economies, measured by such things as the unemployment rates and the rate of economic growth (Pfeffer, 1998). Thus, citizens have more confidence in governments which demonstrate an ability to boost economic growth and stabilize political climate.

Micro performance pertains public services of frontline public sector institutions so that citizens experience it (Bouckaert & Halligan, 2008). The concrete examples of micro performance are how public social workers treats citizens and how public school teachers conduct a class so that an ordinary citizen can actually observe the results of what government performs (Porumbescu, 2017). As a well-performing state, government is expected to provide efficient service and operates programs (Schick, 2003). Citizens are likely to lose trust when government fails to provide “efficient, responsive, high-quality service” (Dilulio, et al., 1993, p.78). In this sense, micro performance theory maintains that the effective and equitable provision of public services is a main driver of citizen trust in government (Yang & Holzer, 2006). According this view, in a nutshell, a citizen is trustful of a government that delivers reliable public services.

Job insecurity has to be with macro-performance. Macro performance, in particular macroeconomic performance, wields a remarkable influence on most citizens. It is thought of as a crucial aspect in the lives of ordinary citizens, because the welfare of individual households is deeply ingrained as reflection of a condition of a national economy. All other things equal, job insecurity stems from low macro government performance. If government does not demonstrate competence in managing economy properly, then individuals’ jobs have higher likelihood of being threatened.

In addition to macro performance, job insecurity is also related to micro performance. Perceived job insecurity would not be high when social service is enough and a safety net is strong (Rocha et al., 2006). Responding to turbulent economies, at the micro level, government provides basic service to buffer repercussions of a draught economic situation. As a result, citizens tend to blame the government when they feel that they are faced with the risk of losing their jobs (Van Erkel & Van Der Meer, 2016). All these efforts take a significant amount of management bandwidth. According to performance theory, it is expected that job insecurity decreases trust in government.

### Psychological-democratic contract model

Social contract theory could help explain how job insecurity links trust in government. In the seventeenth and eighteenth century, philosophers such as Thomas Hobbes, John Locke, and Jean-Jacques Rousseau transformed the notion of the relationship between people and the state. Social contract theory maintains that citizens delegate their power to the state in the hope that the state maintains and guarantees their security. In this sense, trust arises when government fulfills an explicit or implicit agreement with citizens. Rotter (1980)'s definition of trust reflects social contract theory. He defined trust as "a generalized expectancy held by an individual that the word, promise, oral or written statement of another individual or group can be relied upon (p.1)." To stretch this definition further, Lee (2019, p.132) refers citizen trust in government as "a generalized expectancy held by citizens that the word, promise, oral or written statement of government can be relied upon."

The literature on psychological contract theory has provided a number of insights into the relationship between employees and organizations. According to psychological contract theory, employees and employers have unwritten psychological contract that workers do for the company, and then the company supports its members (Rousseau, 1989). In the organizational behavior field, it is discussed that employees expect their organizations to provide some levels of job security in the return for their hard works (Kim & Choi, 2010). In this sense, psychological contract breach often occurs in the context of organizational downsizing (Conway, Kiefer, Hartley, & Briner, 2014). Hence, Wong et al. (2005, p.1397) conceive job insecurity as "an employer violate the long-term obligation of providing stable and continuous employment for employees."

Pulling social contract and psychological contract concepts together, Wroe (2014, p.94) coins the term *psychological-democratic contract*, referring to "one aspect of citizens' expectation (security) and what happens when the state is perceived to have failed (distrust)." This is quite persuasive because trust in government stems from shared belief that government and its branches act in ways to uncover the needs of citizens, show concern for their well-being, foresee their difficulties, respect them, and treat them with dignity (Braithwaite, 1998). The public has "an implicit contract with government to develop programs, establish policy, and deliver services that are in the best interests of the public (Welch, 2012, p.98)."

Using psychological-democratic contract model, Mattila & Rapeli (2018) argue that citizens' health determines trust in government because citizen expect that public sector should offer high-quality health services or financial supports. They view poor health condition as a breach of the contract between a citizen and a state, and it erodes trust in government. Lee (2019) relies on psychological-democratic contract model in order to show that gender equity fosters citizen trust in government because citizens have underlying expectation that government fix gender inequity.

According to the logic of the psychological-democratic contract model, even though no specific article notes of the importance of taking care of citizens' job security in the constitution or any law, citizens will expect the state to provide some basic levels of public services so that government helps them achieve consistency of their lives. Citizens are willing to rely on government's programs and policies of what is best for them. Therefore, job insecurity makes citizens believe that government reneges on the agreement. Drawing on the existing literature on this the psychological-democratic contract model, it is argued that job insecurity accounts for the withdrawal of trust in government.

Unless a citizen is a firm believer of neo-liberal faith who thinks laissez-faire stance, regulating and restricting the market economy is deemed necessary (Wilkinson & Ladipo, 2002). To a certain degree, citizens can be safeguarded by laws on dismissal of employees. The purpose of government is to advance the interest and wellbeing of the public. It is also expected to extend the protection of the economically disadvantaged. Moreover, government may implement or expand expenditure on active labor market policies that facilitate job search or training in order to the anxiety of citizen stemmed from their job insecurity. Hence, citizens judge government by attributing credit or blame for their job insecurity. As such, citizens are likely to look more favorably upon government when they believe it is helpful in lessening job insecurity. On the contrary, distrust in government can be fed by greater job insecurity.

## METHODOLOGY

### Data

The data being analyzed in this study are Latinobarometer 2017. The focus of the Latinobarometer is on citizens' perceptions of various social issues. In particular, it asks respondents about their levels of trust in government as well as job insecurity. This provides an opportunity to examine the link between job insecurity and trust in government because research survey questions contains questionnaires for job insecurity and trust in government Latinobarómetro Corporation has been conducting a cross-sectional survey almost annually since 1995. For the analysis, available 18 Latin American countries were analyzed: Argentine, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

The population of Latinobarometer 2017 is residents of each Latin American country as of 2017. Samples are drawn by stratified two-stage cluster sampling methods. A simple random sampling is the best strategy when the characteristics of a population is unknown. If a few characteristics of a population is identified, however, stratified sample is strong because it reduces the risk that sample is different from a population (Fowler, 2014). Following Erlinghagen (2008), this study excluded non-paid workers because it is hard to compare with paid workers in terms of job insecurity. Unlike employed workers, non-paid workers, who include self-employed and family members, can feel differently to job insecurity because facing circumstances varies depending on their business types and sizes. The analysis is restricted to persons having jobs or being employed headed by working-age individuals.

### Measures

*Job insecurity.* When it comes to subjective job insecurity, respondents were asked to rate the factor on a four point Likert scale (1=very concerned; 5=not at all concerned) about "How concerned would you say you are that you will be left without work or unemployed during the next 12 months?" For ease of interpretation, the item is reversely coded so that 5 represents the highest job insecurity and 1 is the lowest job insecurity.

*Trust in government.* To measure trust in government, this study combines trust in the

national government, the Congress, the Courts, and police. The items were “Please look at this card and tell me how much trust you have in each of the following groups/institutions” Participants used a 4-point scale, ranging from ‘a lot’ to ‘no trust.’ Note that this item was rescaled in such a way that high values indicate a high degree of trust in government and low values the opposite. To tap into overall trust in government, a composite variable is created by averaging the individual scores across the four government institutions.

*Control variables.* A number of demographic factors are also influential in affecting trust in government. Other than job insecurity, explanatory variables served as controls. These included the respondent’s sex, age, education, income, political ideology, and national economic condition. Dummy variables for female were coded 1 and 0 male. Age was measured in years. By answering the question “What level of education do you have?” respondents placed their education level into one of six categories: (1) Illiterate ~ (6) Complete higher education. Income was measured by the following item: “Does the salary you receive and your total family income allow you to cover your needs in a satisfactory manner?” The respondents were asked to answer on four scales ranging from 1 (It’s sufficient and we can save) to 4 (It’s not sufficient and we have major problems). For ease of interpretation, this item was reversely recorded.

Political ideology is also included as a control variable. Political ideology often corresponds with individuals’ attitudes toward government’s role. Politically conservative citizens believe that government should spend less money on welfare or public assistance programs (Schneider & Jacoby, 2005). This is because economic distress should be solved by an individual citizen so that they do not wish to conserve the state interventions. Also, they are concerned with the growth of government. In contrast, politically progressive citizens feel that welfare spending should be greatly increased because governments need to take responsibility for various economic concerns. Political ideology does matter in preferences for government spending, especially government spending on welfare. As such, it should be included as a control variable because it can confound the influence of job insecurity on trust in government. The following measures are used: In politics, people normally speak of “left” and “right”. On a scale where 0 is left and 10 is right, where would you place yourself?”

Economic stewardship is the key criterion to judge how government performs (Torcal, 2014). On the contrary, someone who maintains an upbeat outlook is likely to trust in government. Therefore, it is essential to include the evaluation of national economic conditions. To assess the degree to which citizens evaluate socio-tropic economic conditions, the following question was asked: “In the next 12 months do you think that, in general, the economic situation of your country will be much better, a little better, the same, a little worse or much worse than now?” Respondents were asked to respond using a 5-point scale ‘much better’ (1) to ‘much worse’ (5). For ease of interpretation, the item was reversely coded.

In addition to the national economic conditions, pocketbook economic conditions are included. To examine the degree to which respondents evaluates their own personal economic condition, the following question was asked: In the next 12 months, do you think your economic situation and that of your family will be much better, a little better, about the same, a little worse or much worse than now? Respondents were asked to respond using a 5-point scale ‘much better’ (1) to ‘much worse’ (5). This item is reversely coded where higher values indicate better economic situation.



### Analytical strategy

Trust in government may be differently affected by job insecurity largely due to its characteristics because citizens assign their trust in government according to performance. Hence, trust in government is contingent upon several specific branches of government. As a dependent variable, each government branches will be separately considered. Previous literature shows that citizens differentiate what government does (Hetherington & Rudolph, 2015; Torcal, 2014). This finding chimes with the claim that trust in government is contingent on a clear understanding of their role and where their legitimate boundaries lie (Fieschi & Heywood, 2004). However, not many previous literature examined the difference between governments. If citizens care about what government mainly are responsible for maintaining their job insecurity, then trust in national government would be decreased. It is worthwhile to examine whether citizens care about government institutions. Therefore, the analysis is extended to examine trust in more detail. The dependent variables are divided into four types: trust in the central government, trust in Congress, the courts, and police. And separate regression analyses by various government institutions to uncover how job insecurity may operate differently for trust in government.

## RESULTS

### Descriptive information and correlation

The result shows that job insecurity was negatively correlated with trust in government ( $r=-.09, p<.01$ ). Perhaps, the most conspicuous finding within Table 1 is that national economic conditions are highly related to personal economic conditions ( $r=.51, p<.01$ ). This suggests that personal economic conditions are not separable from national economic conditions. Job insecurity is adversely associated with subjective evaluation of national economic conditions, indicating that individual job insecurity may go hand in hand with national economic condition. Personal economic condition is negatively correlated with job

**Table 1.** Descriptive information and correlations of data

	M	SD	1	2	3	4	5	6	7	8	9
1. Gender	.52	.50	1								
2. Age	40.35	16.39	.37**	1							
3. Education	4.10	1.76	-.10**	-.25**	1						
4. Income	2.54	.868	-.05**	-.10**	.21**	1					
5. Political ideology	5.26	2.95	-.01	.05**	-.07**	-.02**	1				
6. National Economy	2.96	1.10	-.03**	-.07**	.05**	.13**	.06**	1			
7. Personal Economy	3.40	1.03	-.07**	-.17**	.06**	.17**	.04**	.51**	1		
8. Job insecurity	2.74	1.10	-.03**	-.06**	-.08**	-.33**	-.001	-.08**	-.11**	1	
9. Trust	1.96	.72	-.01	.001	.05**	.11**	.08**	.33**	.23**	-.09**	1

Notes. \*  $p<.05$ , \*\*  $p<.01$

insecurity. Also, job insecurity is negatively associated with income. Details of correlation are shown in Table 1.

### **The impacts of job insecurity on trust in government**

Table 2 shows how job insecurity weakens trust in government, using overall and the four component parts of government as a dependent variable. Ordered logistic regression was conducted because the dependent variables is ordinal (Herian et al., 2012). In addition ordered logistic regression, ordinary least squared regression was conducted in order to ease interpretation of the coefficients (Grosso & Van Ryzin, 2011). All regressions are weighted.

Model 1 shows the result when the dependent variable is trust in overall government. This model explains 18.5% of the variation in trust. The coefficient on job insecurity is statistically significant and signed in the expected direction suggesting that job insecurity has the corrosive effect on trust in overall government. Regardless of types of governments, except for the police, job insecurity contributed variance to the prediction of trust in government. The result of the insignificant effects of job insecurity on police is understandable because police has nothing to do with job insecurity of the public. This suggests that citizens distinguish which government is responsible for what tasks.

Considering the magnitude of the coefficient, citizens do not differentiate which government is responsible for their job insecurity to a large extent. The standardized coefficient of job insecurity on trust in the national government is  $-.038$  and that of trust in Congress is  $-.023$ . Although the magnitude of coefficient on the national government is larger than that on the Congress, the difference is not remarkable. It indicates that citizens may perceive the Congress as an important public institution that take responsibility on job stability. As a decision-making institutions, the Congress allocates budgets and approves policies (Holmberg, Lindberg, & Svensson, 2017). Moreover, citizens demand the statutory protection (Wilkinson & Lapido, 2002). In this sense, the Congress has a critical role to play for job security of an ordinary citizen, leading to trust in the Congress. In addition to trust in the Congress, job insecurity diminishes trust in the court. Citizens may see the court as a bulwark against unfair layoffs.

When it comes to the control variables, gender has a statistically insignificant corrosive impact on trust in government. Older citizens tend to exhibit greater trust in government than younger. Education is positively associated with trust in the police. Affluent citizens are more likely to trust in government. Political ideology also shapes citizen trust in government as politically conservative citizen are more likely to trust in government. However, for central government, the regression yielded no statistically significant results.

Both estimates for the coefficients of evaluation of national and personal economic conditions are positive in every case, and are statistically significant at least at the 1 percent level. However, the magnitude of the two variables are different. The magnitude of national economic conditions is at least more than twice that of personal economic conditions. It indicates that citizens think that personal economic situations do not matter as much as national economic conditions to their trust in government.



**Table 2.** Regression on trust in government

	Model 1 Overall		Model 2 Central government		Model 3 Congress		Model 4 Court		Model 5 Police	
	Ordered Logit	OLS BETA	Ordered Logit	OLS BETA	Ordered Logit	OLS BETA	Ordered Logit	OLS BETA	Ordered Logit	OLS BETA
Job	-.071***	-.028***	-.088***	-.038***	-.054**	-.023**	-.064**	-.030**	-.035	-.017
Insecurity	(.018)	(.006)	(.019)	(.008)	(.019)	(.008)	(.019)	(.009)	(.019)	(.009)
Gender	-.074	-.016	.033	.003	-.050	-.020	-.057	-.012	-.083	-.035
	(.040)	(.014)	(.043)	(.018)	(.042)	(.018)	(.042)	(.019)	(.042)	(.020)
Age	.004***	.002***	.011***	.005***	.004***	.004***	-.003	-.001	.005**	.022**
	(.001)	(.001)	(.002)	(.001)	(.002)	(.001)	(.002)	(.001)	(.002)	(.001)
Education	.007	-.003	.007	-.002	-.042**	-.025***	.013	.002	.043**	.015**
	(.012)	(.004)	(.013)	(.006)	(.013)	(.005)	(.013)	(.006)	(.013)	(.006)
Income	.095***	.030**	.097***	.036**	.052*	.017	.070**	.027**	.098***	.040**
	(.025)	(.009)	(.027)	(.011)	(.026)	(.012)	(.026)	(.012)	(.026)	(.012)
Political Ideology	.044***	.015***	.004	.001	.063***	.028***	.027***	.012***	.038***	.017***
	(.007)	(.002)	(.007)	(.003)	(.007)	(.003)	(.007)	(.003)	(.007)	(.003)
National Economy	.478***	.168***	.570***	.237***	.306***	.125***	.370***	.162***	.322***	.147***
	(.021)	(.007)	(.024)	(.009)	(.024)	(.010)	(.023)	(.010)	(.022)	(.010)
Personal Economy	.196***	.073***	.195***	.087***	.090***	.041***	.167***	.079***	.171***	.080***
	(.023)	(.008)	(.025)	(.010)	(.025)	(.010)	(.024)	(.011)	(.025)	(.011)
Brazil (Reference)										
Argentina	.498***	.189***	1.175***	.479***	1.095***	.438***	-.292**	-.137**	-.067	-.024
	(.094)	(.034)	(.115)	(.045)	(.114)	(.048)	(.108)	(.050)	(.103)	(.051)
Bolivia	.498***	.202***	1.740***	.740***	1.251***	.522***	-.355***	-.168***	-.601***	-.293***
	(.093)	(.034)	(.109)	(.044)	(.106)	(.045)	(.101)	(.046)	(.097)	(.046)
Chile	.174	.066	.875***	.340***	.382**	.147**	-.691***	-.324***	.335*	.180*
	(.144)	(.047)	(.141)	(.056)	(.137)	(.052)	(.128)	(.054)	(.159)	(.074)
Colombia	.186	.074*	.642***	.233***	.346**	.119**	-.438***	-.199***	.270*	.144*
	(.097)	(.035)	(.118)	(.043)	(.118)	(.047)	(.108)	(.049)	(.109)	(.053)
Costa Rica	.673***	.246***	1.170***	.456***	.533***	.171***	.475***	.230***	.253*	.173*
	(.101)	(.036)	(.116)	(.046)	(.111)	(.045)	(.113)	(.054)	(.107)	(.054)
Dominican Republic	-.374***	-.087**	.818***	.351***	.303*	.120*	-.796***	-.338***	-.1162**	-.476**
	(.101)	(.035)	(.123)	(.046)	(.118)	(.046)	(.112)	(.049)	(.117)	(.050)
Ecuador	.864***	.330***	1.609***	.681***	1.168***	.475***	-.190	-.102	.510***	.271***
	(.890)	(.033)	(1.015)	(.040)	(.099)	(.042)	(.095)	(.045)	(.095)	(.047)
El Salvador	.390***	.143***	.947***	.335***	.975***	.355***	-.153	-.086	-.051	-.026
	(.097)	(.035)	(.113)	(.042)	(.107)	(.045)	(.108)	(.049)	(.101)	(.050)
Guatemala	.139	.097*	.904***	.376***	.460***	.181***	-.005	.019	-.504***	-.196***
	(.104)	(.039)	(.124)	(.049)	(.120)	(.049)	(.113)	(.054)	(.114)	(.055)
Honduras	.364**	.131***	.540***	.185***	.137	.029	-.932***	-.410***	-.838***	-.342***
	(.110)	(.037)	(.136)	(.051)	(.130)	(.054)	(.133)	(.058)	(.140)	(.062)
Mexico	-.001	.007	.490***	.171***	.891***	.334***	-.286**	-.145**	-.697***	-.331***
	(.091)	(.032)	(.113)	(.039)	(.105)	(.043)	(.102)	(.048)	(.100)	(.046)
Nicaragua	.817***	.318***	1.963***	.871***	.921***	.396***	-.074	-.001	-.049	-.002
	(.127)	(.045)	(.136)	(.056)	(.127)	(.056)	(.131)	(.061)	(.124)	(.059)
Panama	.269**	.103**	.646***	.222***	.791***	.310***	-.567***	-.266***	.286**	.147**
	(.100)	(.036)	(.120)	(.044)	(.120)	(.049)	(.117)	(.052)	(.106)	(.052)
Paraguay	.589***	.170***	.655***	.224***	.033	.048	-.963***	-.453***	-.890***	-.413***
	(.114)	(.036)	(.119)	(.044)	(.115)	(.042)	(.118)	(.052)	(.112)	(.051)
Peru	-.185*	-.060	.712***	.245***	.175	.042	-.675***	-.320***	-.441***	-.206***
	(.089)	(.032)	(.107)	(.040)	(.108)	(.042)	(.102)	(.047)	(.097)	(.048)
Uruguay	1.261***	.471***	1.625***	.683***	1.444***	.597***	.354**	.162**	.855***	.439***
	(.093)	(.034)	(.112)	(.045)	(.106)	(.045)	(.103)	(.049)	(.097)	(.048)
Venezuela	.666***	.273***	1.407***	.616	1.611***	.712***	-.107	-.017	-.589***	-.217***
	(.102)	(.037)	(.127)	(.047)	(.131)	(.054)	(.115)	(.051)	(.121)	(.053)
LR $\chi$ or F	1520.4***	89.93***	1697.18***	103.98***	540.84***	46.08***	790.52***	47.53***	845.38***	72.52***
n	10,540	10,540	10,483	10,483	10,408	10,408	10,418	10,418	10,503	10,503
Pseudo $R^2$ or $R^2$	.030	.185	.066	.203	.022	.107	.031	.108	.031	.142

Notes. \*p < .05, \*\* p < .01, \*\*\* p < .001

## Discussion

Trust in government cannot exist apart from personal well-being. Personal well-being cannot increase apart from the increase in job insecurity. However, there has been scant research assessing the link between job insecurity and trust in government. Job insecurity has a political aftermath because government is commonly held responsible for economic fortunes (Mugha & Lacy, 2002). What is more, citizens expect government to provide the basic necessities of life so as to guarantee the minimum standard of living and health (Lawrence, 1997). If citizens believe that government does not have competence to alleviate their job insecurity, they will lose confidence in government. Eventually, job insecurity will lead to reduce trust in government. Drawing on performance theory and psychological democratic contract model, the purpose of this study is to examine this hitherto somewhat neglected effect of job insecurity on trust in government.

The present study and its findings bear on three major points. First, this study corroborates performance theory by linking job insecurity and trust in government. The tenet of performance theory states that citizens do not trust in their government when it does not perform its tasks well (Bouckaert, Van de Walle, Maddens, & Kampen, 2002). To a large extent, the level of job insecurity of individual workers is determined by his or her personal capacity in a firm. However, macro economic conditions and social protection service provided by government also wields a substantial influence on job insecurity. Regardless of estimation method, the results provide unambiguous evidence that subjective job insecurity decreases trust in government. This finding demonstrates that individual job insecurity is not solely a personal matter. It is embedded in state's economic status and welfare system which government manages.

In addition, this article adds to the scholarly endeavor by linking job insecurity and trust in government in the Latin American sample. Drawing on the psychological democratic contract model, Wroe (2014) examines the link between the two variables in the European countries. This study increases the external validity of the relationship between job insecurity and trust in government by using the Latin American data because little research has been devoted to understanding the function of job insecurity on trust in the Latin American government.

Last but not least, this study find that citizens are sophisticated enough to differentiate which government institutions are responsible for job insecurity. When citizen may believe the police should take care of their job insecurity, the coefficient of job insecurity on trust in police should be statistically significant. As common sense holds, however, the finding shows that job insecurity is not associated with trust in police. It confirms Hetherington and Rudolph (2015)'s idea that citizens differentiate what government takes charge of task.

When it comes to the magnitude of impacts of job insecurity on the three branches of government, this study demonstrates that citizens do not differentiate the what government take care of job insecurity. The similar coefficients of job insecurity on trust in the three branches show that citizens perceive the three branches of government as equally important institutions. For instance, the Congress also plays an important role in passing a stimulus package proposed by the executive government. Bickering and game playing among political parties often holds the state back and blocks progress for economic and social welfare policies. Citizens want political parties to come together to pass a bill that stimulates business and strengthen a safety net. Hence, citizens may view that a legislative branch of government is important as much as an executive branch in terms of reducing job insecurity.

What are the policy implications of the results of this study? Job insecurity has gained increasing prominence within policy discourse. This study demonstrates that worsening job security has intensified the risk of distrust in government. Thus, particular care needs to be taken in restoring citizen trust in government. For example, at the practical level, it is important for government to implement proper policies regarding job insecurity. Bok (1997) suggests the policy on job insecurity can affect trust in government by protecting from arbitrary discharged, retraining in case of layoffs and giving unemployment insurance. When government manages macro economics well and offers a strong safety net for the unemployed, in other words the level of government performance is high, job insecurity would be alleviated. Government should implement legal and institutional process for employees in order not to be fired unfairly. Also, it should prepare retraining programs for employees and provide proper amount of pension with the unemployed.

The empirical results of this study suffers from a number of limitations. First, the present conclusion can only be generalized to the Latin American countries. There is a need to include other areas because the Latin American countries have unique regional characteristics. For instance, what is true for the Latin American countries may not equally true for the United States because the United States of America has fairly different culture toward working environments and a role of government. The American citizens may not expect as much as the Latin American or European citizen does. Thus, the issue of an impact of job insecurity is worthy of future studies for other countries.

Second, future research should employ broader measures of job insecurity than the single item used in this study. This paper is not the first one to use a single item of job insecurity. For instance, Erlinghagen (2008) uses an single item "My job is secure" for measuring job insecurity. However, some variables, such as subjective job insecurity, should be measured by multiple items in order to have better validity. Analyzing perceived job insecurity (subjective job insecurity), for instance, Arnold and Staffelbach (2012) categorize job insecurity as quantitative and qualitative aspect. According to them, quantitative job insecurity is about continuity of a job itself whereas qualitative job insecurity is about important aspect of job. Future research may be able to help validate an impact of job insecurity by using multiple items reflecting these aspects of job insecurity.

In addition, more detailed research is necessary to account for the effect of political aspects. Trust in government has been subjected to political shocks. For instance, political scandal may be partially affecting trust in government. Future research should seek to expand political scandal factors. The understanding of trust in government will fall short until researchers take steps to include political factors.

Last but not least, the understanding in the assertions of this paper has been limited by a reliance on cross-sectional research designs. Job insecurity decreases trust in government, while the converse may be true. Therefore, the findings of this study need to be treated with caution. Sorting out the causality with the panel data will have significant implications for public management.

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