Social Trust and Quality of State Institutions: Evidence from East Asia

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Abstract

In this paper we examine the sources of generalized trust as a key component of social capital. We contrast two competing accounts of the sources of generalized trust and explore individual-level implications of both macro-level accounts in the context of East Asia. The analysis shows that social interactions and state institutions played a varying role in the generalization of trust. Contrary to the social capital theory association membership had limited effects. In contrast, key features of “good government” such as abidingness and transparency consistently contributed to generalized trust. Yet, not every state institution mattered equally. Especially, institutions of accountability which ultimately assure “good government” had no direct influence on generalized trust. East Asian evidence suggests that a law-abiding, transparent and effective law-enforcing government is one of the important institutional conditions for the development of generalized trust.
How does one extend trust to strangers he has never met before and whose trustworthiness he has little information on? This is an important question because trust in strangers constitutes a key component of social capital essential for the health of society. It is this type of trust that facilitates voluntary cooperation for common problems (Putnam 1993; Fukuyama 1995). Theorists of social capital consider voluntary associations as a major source of generalized trust. In civil society-centered accounts, associations and other types of social interaction are said to teach participants the “habits of the heart” of social behavior such as trust, tolerance and reciprocity (Newton 2001). In contrast, proponents of state-centered accounts emphasize an independent role of “good” state institutions in fostering generalized trust (Hooghe and Stolle 2003). In this paper we examine individual-level implications of both macro-level accounts of generalized trust and compare the potential role of social interactions and state institutions in generating trust in strangers in the context of East Asia.

This paper is organized into six sections. The first section distinguishes generalized trust from particularized trust. The second section compares both associational and institutional accounts of generalized trust and highlights micro-level mechanisms by which social interactions and state institutions make individuals generalize trust to strangers. The third section discusses data and measures. The fourth section analyzes and compares the impact of various forms of social interaction and different dimensions of quality of state institutions on generalized trust. The sixth section discusses theoretical implications of the findings. The last section concludes with a brief summary.

**Generalized Trust**

In this study generalized trust refers to trust in unspecified people. In this regard, it is not based on “encapsulated interest” (Hardin 2001). It may be defined as one’s belief that most people will not deliberately do anything harm to him. It implies that most people will be trustworthy. In terms of the objects of trust generalized trust should be distinguished from particularized trust which is targeted to identifiable objects. It is this type of trust that constitutes an essential component of social capital. Putnam (1993, 167) defines social capital as “features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated action.” The kind of trust he emphasizes is based on a norm of generalized reciprocity and mutuality which develops through voluntary associations and social interactions. Generalized trust is directed to people in general whereas particularized trust, identifiable objects such as friends, neighbors and acquaintances, on whose trustworthiness one can have more or less information. The radius of both types of trust greatly differs. In this study, generalized trust refers to one’s belief or expectation that people he does not know will not knowingly or intentionally do him harm.

Prior theory and research propose different types of trust. Among others, Yamagish and Yamagish (1994: 139) distinguish between general trust and knowledge-based trust. The latter is directed toward particular objects (persons or organizations) whereas the former refers to “a belief in the benevolence of human nature in general and thus is not limited to particular objects.” Knowledge-based trust is similar to particularized trust whereas general trust, generalized trust.

Newton (1999) distinguishes between thick trust and thin trust. Thick trust develops between people of the same tribe, class or ethnicity through frequent interactions. In
contrast, thin trust develops between people with different backgrounds through intermittent interactions. The former is based on strong ties whereas the latter, weak ties (Granovetter 1973). Thick trust is comparable to particularized trust whereas thin trust, generalized trust.

Sztompka (1996; 1999) distinguishes between primary trust and secondary trust. Primary trust depends on the trustworthiness of trust objects. The grounds of judging trustworthiness may include reputation, performance, and appearance, namely the properties of trust objects. Secondary trust is related to the external contexts within which trust objects behave, not the properties possessed by trust objects. It depends on contextual conditions which render trust objects more trustworthy. Primary trust resembles particularized trust whereas secondary trust, generalized trust.

Uslaner (2000) distinguishes between strategic trust and moralistic trust. Strategic trust is produced through evaluating trust objects. It is based on information about and experience with particular persons. In contrast, moralistic trust does not depend on the evaluation of trust objects. It is based on a fundamental belief in the benevolence of human nature. Strategic trust is close to particularized trust whereas moralistic trust, generalized trust.

Rose-Ackerman (2001) distinguishes between types of trust in terms of interpersonal relationships as well as the origin of trust. First, in terms of the interpersonal dimension, three types are proposed: generalized trust, one-sided reliability, and reciprocal trust. In terms of the origin of trust, five types are proposed: interest-based, expert-based, rule-based, affect-based, and morality-based. Among them two types of trust attract our attention for the present study - “generalized trust” and rule-based trust. “Generalized trust” or trust in others is considered “part of a general attitude, not an evaluation of the particular, interpersonal situation.” It is shaped by one’s past experiences of one-sided reliability or reciprocal trust. In contrast, rule-based trust pertains to trust in institutions which keep their promises not to deviate from norms and procedures. It has important implications for trust in strangers because trustworthy state institutions could make people more willing to trust anonymous others.

As these examples show, generalized trust or trust in people in general needs to be distinguished from particularized trust, knowledge-based trust, thick trust or strategic trust. Generalized trust is the type of trust extended to people one does not know personally or is not acquainted with. It is directed to unspecified people whose trustworthiness one has little information on. It is this type of trust that plays a role of lubricator in facilitating voluntary social cooperation. The kind of trust produced through interaction with friends and acquaintances is not the same thing as generalized trust extended to unknown people. Although one’s trust in people in general may be shaped by his past direct or indirect experiences, it cannot be directly based on his judgment of their trustworthiness. Hence, the generation mechanisms of generalized trust should be different from those of particularized trust. In the next section we present two competing macro-level accounts for the origins of generalized trust.

Sources of Generalized Trust

After reviewing empirical work on determinants of generalized trust, Nannestad (2008) identifies four types of explanations – the civil society explanation focusing on voluntary associations and social interactions, the institutional explanation focusing on “good”
state institutions, the cultural-values explanation emphasizing certain worldviews and values, and the social structural explanation focusing on ethnic and/or linguistic heterogeneity. Due to data availability we primarily focus on the first two accounts, social interactions-based and state institutions-based.

**Interactions-based accounts**

The civil society explanation emphasizes the importance of voluntary associations and other types of social interaction in producing generalized trust. Drawing upon Tocqueville’s early work on American democracy, the civil society-centered approach highlights the role of civil society in producing faith in fellow citizens (Tocqueville 1956; Almond and Verba 1963). Putnam (1993) relates civil society to democratic governance through the concept of social capital. He argues that a dense network of voluntary associations generates social capital by cultivating norms of reciprocity and trust and providing networks of social interaction for civic action, which ultimately contribute to the effective performance of democratic institutions. Social interactions and voluntary associations are seen as important mechanisms for the production of norms of reciprocity and trust. In the civil society-centered accounts generalized trust is the product of face-to-face interactions within voluntary associations and other types of social networks. Social networks and associations should increase face-to-face interactions between people and serve as socializing settings for the development of trust. More importantly, this in-group trust has spillover effects. It is argued that interpersonal trust between members tends to be generalized to non-members or strangers.

However, it is pointed out that the mechanisms by which particularized trust is translated into generalized trust remains unclear. As Cohen (1999) argues, there is no reason to expect that interpersonal trust between members is extended to non-members. Moreover, it is not yet well understood which aspects of associational life or social interaction are related to the production of generalized trust. Nonetheless, it is claimed that as one learns the benefits of trust through social interactions and voluntary associations, one finds it beneficial to give strangers the benefit of the doubt until one’s judgment of their trustworthiness proves to be wrong. As Gambetta (1988) argues, trust may be seen as “a rational pursuit even by moderately forward-looking egoists” and “it can be rewarding to behave as if we trusted even in unpromising situations.” In that sense, egoist non-joiners may be no less likely to be trusting than egoist joiners. Nonetheless, we can expect that those involved in various social interactions are more likely to choose a strategy of trust than those uninvolved because the former have more experiences of mutuality and reciprocity than the latter.

**Institutions-based accounts**

The institutions-based approach searches for the source of generalized trust in the behavior of state institutions (Levi & Stoker 2000). There exists disagreement about the extent to which state institutions contribute to generalized trust. Some argue that any form of state intervention discourages voluntary associations and thus generalized trust. Yet, others point out that some, if not all, state institutions, especially law and order and welfare institutions may facilitate the development of generalized trust (Stolle 2003).

Among them, Offe (1999) argues that when institutions function according to a set of
norms, trust would be generated. He considers both truth and justice key norms of institutions and claims that institutions produce trust to the extent that they realize such norms. More specifically, institutions produce trust to the extent they commit agents to “the virtue of truth-telling and to the extent they monitor and effectively detect violations of that norm.” Second, institutions generate trust to the extent they commit agents to “the virtue of honoring contracts.” Third, trust can be generalized to the extent that institutions reflect “the values of fairness, impartiality and neutrality.” Lastly, institutions produce trust to the extent they commit agents to the virtue of solidarity through improving inequality of condition and opportunity. He argues that “institutions generate trust among strangers if they are seen as conforming to and embodying these criteria and are believed to motivate agents accordingly, while at the same time maintaining the capacity to enforce these standards upon agents in cases where they are tempted to violate them.”

Similarly, Cohen (1999) points out that “there is no reason to expect that the forms of reciprocity or trust generated within small groups would extend beyond the group.” What is required for the production of generalized trust, according to her, is that particularistic trust and solidarity is replaced by laws and institutions. When state institutions embody especially legal norms of procedural fairness, impartiality and justice controlling favoritism and arbitrariness, generalized trust would be produced.

Rothstein (2005) links some features of good government, especially control of corruption, to social trust. He proposes three micro causal mechanisms by which government corruption lowers generalized trust. The first reflects the inference from public officials. That is, when public officials are corrupt, one believes that if even public officials who are supposed to abide by rules are corrupt, it is needless to say that most other people cannot be trusted either. The second reflects the inference from people in general. That is, when public officials are corrupt, one regards it as evidence that most people take part in corruption and hence concludes that most other people cannot be trusted. The last reflects the inference from oneself. That is, when public officials are corrupt, one feels compelled to take part in corruption even if one considers it morally wrong and hence concludes that since one cannot believe in oneself, other people cannot be trusted either.

Levi (1998) also emphasizes the role of fair and transparent government, especially “the capacity to monitor laws, bring sanctions against lawbreakers, and provide information and guarantees about those seeking to be trusted.” When people believe that “the institutions that are responsible for handling ‘treacherous’ behavior act in a fair, just and effective manner,” they consider state institutions trustworthy, which in turn facilitate generalized trust (Stolle 2003). The institutions-based account argues that when state institutions enforce law and order and guarantee credibility of commitment, people become assured that even unknown others are trustworthy and can be trusted. Hence, experiences with honest and impartial government can be converted into trust in people who are not necessarily known.

**A micro-level model**

Considering both accounts, we propose an analytic model of generalized trust at the individual level. The model includes four clusters of variables. The first cluster reflects the interactions-based accounts and includes three variables — association membership,
personal contacts and support connections. The second cluster reflects the institutions-based accounts and includes five variables – law-abidingness, impartiality, transparency, accountability, and responsiveness. The third cluster is related to aspects of the community (national and local) one lives in and includes three variables – national identity, public safety, and civic activism. The last cluster constitutes demographic controls and includes four variables – gender, age, education and income. Since the “winners” in society are more trusting of people than the “losers,” some demographic controls also serve as explanatory variables (Newton 2001).

Data and Measures

The data analyzed here are drawn from the third round of the Asian Barometer Survey (ABS III hereafter) conducted between 2010 and 2012: Japan in 2011 (N=1,880), South Korea in 2011 (N=1,207), Mongolia in 2010 (N=1,210), the Philippines in 2010 (N=1,200), Taiwan in 2010 (N=1,592), Thailand in 2010 (N=1,512), Indonesia in 2011 (N=1,550), Malaysia in 2012 (N=1,214), and Singapore in 2010 (N=1,000).

Our dependent variable is generalized trust. To measure it we selected two questions: one forced-choice question reads: “Would you say that most people can be trusted or that you must be very careful in dealing with people?” and the other agree-disagree question reads “Most people are trustworthy.” Since trust in people implies that people will be trustworthy, we combined responses to both questions to construct a three-point index of generalized trust. Hence, a score of 3 indicates choosing that “Most people are trustworthy” and agreeing that “Most people are trustworthy.” In contrast, a score of 1 indicates choosing that “You must be very careful in dealing with people” and disagreeing that “Most people are trustworthy.”

As discussed above, we have four clusters of explanatory variables. The first cluster pertains to voluntary associations and social interactions and includes three variables - association membership, personal contacts and support connections. First, to measure association membership, we asked respondents to identify three most important organizations or formal groups they belonged to. We create three dummies: one for non-joiners, one for joiners with single membership and one for joiners with multiple memberships. Second, to measure personal contacts we asked respondents “How many people do you have contact with in a typical week day?” We asked them to include only those people they know personally. Third, to measure support connections we selected two items: one reads “If you have a difficult problem to manage, are there people outside your household you can ask for help?” and the other reads “When people outside your household have problems, do they come to you for help?” Instead of constructing a single index, however, we create two variables to distinguish between different aspects of support connections – one for connections with “patrons” (those who are asked by respondents for help) and the other for connections with “clients” (those who ask respondents for help) (cf. Eisenstadt and Roniger 1984).

The second cluster is related to various dimensions of the quality of state institutions and includes five variables – law-abidingness, impartiality, transparency, accountability,
and responsiveness (cf. Diamond & Morlino 2004). First, to measure perceived government law-abidingness we selected two questions: one reads “How often do you think government leaders break the law or abuse their power?” and the other reads “How widespread do you think corruption and bribe-taking are in the national government?” We combined responses to them to construct a three-index of law-abidingness. Second, to measure perceived government impartiality we chose two agree-disagree questions: one reads “Rich and poor are treated equally by the government” and the other reads “All citizens from different ethnic communities are treated equally by the government.” We combined responses to them to construct a three-point index of impartiality. Third, to measure perceived government transparency we selected two questions: one reads “How often do government officials withhold important information from the public view?” and the other “People are free to speak what they think without fear.” We combined responses to them to construct a three-point index of transparency. Fourth, to measure perceived government accountability, we selected two questions: one reads “Do officials who commit crimes go unpunished?” and the other agree-disagree question reads “When government leaders break the laws, there is nothing the court can do.” We combined responses to them to construct a three-point index of accountability. Lastly, to measure perceived government responsiveness, we chose two questions: one reads “How well do you think the government responds to what people want?” and the other reads “How much do you feel that having elections makes the government pay attention to what the people think?” We combined responses to them to construct a three-point index of responsiveness.

The third cluster pertains to aspects of the community one lives in and includes three variables – national identity, public safety, and civic activism. First, to measure a sense of membership in the national community we chose two questions: one reads “How proud are you to be a citizen of your country?” and other reads “Given the chance, how willing would you be able to go and live in another country?” We combined responses to them to construct a three-point index of national identity. Second, to measure the public safety of the local community we selected a single question which reads “How safe is living in this city, town or village—very safe, safe, unsafe or very unsafe?” Although the protection of life and property and public order constitutes one of the important components of governmental performance, we consider neighborhood safety to reflect the condition of social environments (Roller 2005). Lastly, to measure the civic vitality of the community we chose two questions: one agree-disagree question reads “Most citizens in our country don’t make much efforts to influence government decisions’ and the other reads “In your neighborhood or community, do people voice their interests and concerns in local affairs?” We combined responses to them to construct a three-point index of civic activism. These three variables reflect the perceived quality of one’s community, national and local.

The last cluster of variables represents demographic controls – gender, age, educational attainment, and income. Instead of objective income, we used subjective

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2 Since government transparency is related to freedom of communication and press, we included freedom of speech as one of its indicators.

3 Although this question specifically measures the efficacy of elections in rendering the government responsive, it may be viewed as reflecting diffuse regime responsiveness.
income, which was measured by the following question: “Does the total income of your household allow you to satisfactorily cover your needs?”

**Levels of Generalized Trust**

Table 1 presents levels of generalized trust across the sample countries. As regards the trustworthiness of people Japan displayed the highest level. More than three-quarters (77%) agreed that “Most people are trustworthy.” It was followed by Taiwan, South Korea, Mongolia, and Singapore. In these countries more than three-fifths (61-68%) agreed the statement. In contrast, Malaysia displayed the lowest: only two-fifths (38%) considered most people trustworthy. In other Southeast Asian countries such as Indonesia, the Philippines, and Thailand about half (49-52%) agreed the statement.

A somewhat different pattern was found for the stronger statement on interpersonal trust. Japan, South Korea, and Taiwan showed the highest frequencies of trustfulness. In these countries about two-fifths (38-40%) chose “Most people can be trusted” rather than “You must be very careful in dealing with people.” They were followed by Indonesia, Singapore, and Thailand where about three-tenths (26-33%) chose “Most people can be trusted.” The Philippines, Malaysia, and Mongolia were sharply distinguished from others: only about one-tenth (7-14%) chose that “Most people can be trusted.”

Notable is that in every sample country those agreeing that “Most people are trustworthy” were far more numerous than those choosing that “Most people can be trusted.” This finding shows that the trustworthiness of people does not necessarily contradict the desirability of caution in dealing with others. Even if one holds a belief that most people are trustworthy, one still considers it desirable to be cautious in interacting with others. The finding suggests that one’s trust in others depends upon not only the trustworthiness of others but also the external contexts within which one interacts with them.

Nonetheless, the association between trustworthiness of people and trust in people was significant across the sample countries. Yet, the strength varied from county to country. For instance, the relationship was fairly strong in South Korea (Kendall’s tau-b = 0.442), Taiwan (0.411), Indonesia (0.394), Singapore (0.391), Thailand (0.344), and Japan (0.335). Yet, the relationship was weak in Malaysia (0.088), the Philippines (0.143) and Mongolia (0.195). Especially in the latter group of countries a belief in the trustworthiness of people does not deter individuals from being cautious in dealing with people.

As shown in Table 1, Japan, South Korea and Taiwan were evidently distinguished from the rest of the sample countries in the percent of those giving affirmative responses to both questions. In these liberal democracies in East Asia about one-third (35-36%) replied both questions affirmatively. In Singapore, Indonesia and Thailand a smaller minority (21-26%) answered them affirmatively. In Mongolia, the Philippines and Malaysia only a tiny minority (7-14%) replied the same way.

To ascertain the level of generalized trust more succinctly, we compute percentage difference index (PDI) scores by subtracting the percent of those offering no affirmative

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4 “Our income covers the needs well, we can save”=4, “Our income covers the needs all right, without much difficulty”=3, “Our income does not cover the needs, there are difficulties”=2, and “Our income does not cover the needs, there are great difficulties”=1.
responses to both questions from the percent of those offering affirmative responses. The PDI scores range from -100 to +100. The magnitude of a positive score indicates a higher degree of generalized trust while a negative score, a lower degree. Only three countries, namely Japan, South Korea and Taiwan, had PDI scores higher than zero, indicating that trustful people were more numerous than distrustful people. In other countries, trustful people were fewer than distrustful people. The level of generalized trust greatly varied from one country to another. Japan displayed the highest level: trustful people outnumbered distrustful people by two to one. Malaysia displayed the lowest level. It was followed by the Philippines. In these countries distrustful people were ten times more numerous than trustful people. In Mongolia and Thailand distrustful people outnumbered trustful people by two or three to one.

The level of generalized trust distinguished between three groups of East Asian societies: Japan, South Korea and Taiwan; Indonesia, Singapore and Thailand; and Mongolia, Malaysia and the Philippines. Neither the level of democracy nor that of socioeconomic development seems to account adequately for cross-national differences in the level of generalized trust.

Generalized Trust, Interactions and Institutions

In this section we explore the potential role of two alleged creators of generalized trust – social interactions and state institutions. We first perform simple correlation analysis to examine the bivariate relationships between generalized trust and each aspect of social interaction and state institutions and then perform multivariate analysis to ascertain their effects on generalized trust.

Bivariate analysis

Table 2 shows the results of simple correlation analysis. We first turn to the cluster of variables which pertains to different types of social interaction. First, only in four of nine countries surveyed generalized trust was linked, albeit weakly, to the number of association memberships. Moreover, one of the relationships was even in the opposition direction. Second, only in two of nine countries generalized trust was related to the size of personal contacts. Lastly, generalized trust was more often linked to two aspects of support connections: in eight of nine countries the size of connections with patrons was linked to generalized trust whereas in five of nine countries the size of connection with clients was linked to generalized trust. Overall, involvement in social networks played a limited role in fostering trust in people. Noteworthy is that support connections mattered more than association membership or contacts with acquaintances.

More specifically, Taiwan was the only country where trust in people was related to all four aspects of social interactions. In Japan, Mongolia and Thailand trust in people was related to three aspects. In South Korea and Singapore trust in people was related to two aspects, although in Singapore one of them was in the opposite direction. In Indonesia and the Philippines trust in people was related to only one aspect. A notable exception was Malaysia where trust in people was unrelated to any aspect of social interactions. Anomalies abound and the generality of interactions-based accounts appears to be limited. It seems that neither the degree of freedom nor the level of
socioeconomic development seems to reflect cross-national differences in the relationship between social interactions and generalized trust.

Next, we turn to the cluster of variables which pertain to the quality of state institutions. First, in eight of nine counties generalized trust was linked to government transparency. Second, in seven of nine countries generalized trust was related to government law-abidingness, impartiality and responsiveness, respectively. By contrast, only in three of nine countries generalized trust was related to accountability and one of them was even in the opposite direction. Overall, trust in people turned out to be more often associated with most features of good government examined.

Specifically, in Japan and Taiwan trust in people was linked to all five features of good government. In Mongolia, Indonesia, the Philippines and Malaysia trust in people was related to four features while in Singapore, three features. Notable anomalies were South Korea and Thailand where trust in people was linked to only one feature. Overall, the generality of institutions-based accounts appears to be less limited than that of interactions-based ones. It seems that neither the level of democracy nor that of socioeconomic development reflects cross-national differences in the relationship between the quality of state institutions and generalized trust.

Finally, we turn to the cluster of variables which pertain to the condition of the community. First, in seven of nine countries generalized trust was linked to neighborhood safety. Second, only in two of nine countries generalized trust was related to national identity or civic activism.

More specifically, in none of the sample countries trust in people was related to all three aspects of the community. In Japan, South Korea, and Mongolia trust in people was linked to two aspects. In Taiwan, the Philippines, Thailand, Malaysia and Singapore trust in people was related to only one aspect. In Indonesia trust in people was related to none of aspects. The generality of community-based accounts appears to be most limited. It seems that neither the level of democracy nor that of socioeconomic development reflects cross-national differences in the relationship between aspects of community and generalized trust.

Notable is that neighborhood safety was consistently related to generalized trust across most sample countries. Since public safety was closely related to the performance of law and order institutions, the finding suggests that state institutions could encourage trust in people by assuring the safety of social environments within which social interactions take place. It is sharply contrasting to the finding that state institutions of accountability were unlinked to generalized trust across most sample countries. These findings seem to indicate that state institutions may produce generalized trust by punishing lawbreakers and criminals and thus assuring the safety of social environments rather than punishing offending officials and holding government leaders responsible for their wrongdoings.

Overall, the analysis revealed that some aspects of social interactions, state institutions and community were generally related to trust in people. They included one aspect of social interactions (connections with patrons), four aspects of state institutions (law-abidingness, transparency, impartiality and responsiveness) and one aspect of community (public safety). The more one has connections with patrons, the more likely one is to be trusting. The more one sees the government as law-abiding, transparent, impartial and responsive, the more likely one is to be trusting. The more one considers
the community protected from crimes, the more likely one is to be trusting.

**Multivariate analysis**

To assess the impact of each aspect of social interactions and state institutions on generalized trust, we employed pooled cross-sectional data drawn from ABS III and performed OLS analysis separately for each regime type. Although it is questionable, the model assumes that generalized trust is determined by our explanatory variables, not determines any of them. Bearing endogeneity problems in mind, we present the results (see Table 3). Our micro-model accounts for 8.6% of the variance in generalized trust for liberal democracies, 6.5% for electoral democracies and 10.4% for competitive authoritarian regimes. Much of individual variance in generalized trust remains unexplained. This suggests that social interactions as well as state institutions played a limited role in facilitating the production of generalized trust.

We first turn to liberal democracies. Three of five aspects of social interactions had significant effects. Notable is that being single joiners instead of non-joiners had no effects: those who belonged to only one group were no more likely to be trusting than those who stayed away from any groups. In contrast, being multiple joiners instead of non-joiners had significant effects: those who belonged to more than one group were more likely to be trusting than those who belonged to none. To the extent that multiple joiners are more likely to have bridging interactions than single joiners, the finding may be taken to confirm that bridging networks would be more important in creating generalized trust than boding networks (Putnam 2000; Putnam and Goss 2002). Notable is that the size of personal contacts has no effects, suggesting that more communication between acquaintances does not lead to more trust in people. Reciprocity created through personal contacts had no spillover into unknown others perhaps because personal contacts reflect interactions with people like themselves, which would constitute bonding networks. In contrast, both aspects of support connections had significant effects. Notable is that connections with patrons had larger effects than connections with clients, suggesting that experience of receiving help would encourage trust in people than experience of giving help.

Three of five aspects of state institution had significant effects. Law-abidingness (as measured by no abuse of power and control of corruption), transparency (as measured by information disclosure and freedom of speech) and responsiveness facilitated trust in people. The more one considers the government honest and responsive, the more likely one is to be trusting. In contrast, impartiality (equality of treatment) and accountability (by monitoring institutions such as courts) had no independent effects. This finding suggests that not every aspect of state institutions would contribute to the production of generalized trust. It is the quality of government, not the quality of monitoring institutions that mattered to generalized trust.

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5 Since the level of democracy is closely related to freedom of association and quality of governance, we divided our sample countries into three regime types and ran OLS separately. Japan, South Korea and Taiwan were regarded as liberal democracies; Mongolia, Indonesia, the Philippines and Thailand, electoral democracies; and Malaysia and Singapore, competitive authoritarian regimes (Diamond 2012; Levitsky and Way 2010).
All three aspects of the community had significant effects but their direction turned out to be mixed. National identity, reflecting a sense of belongingness to the national community, had significant, albeit weak, effects. Those proud of the national country and unwilling to emigrate are more trusting of fellow citizens. Neighborhood safety had notable effects, suggesting that the contexts within which social interactions take place shape trust in fellow citizens. To the extent that public safety is closely related to performance of law and order institutions, the finding suggests that state institutions can facilitate generalized trust by protecting life and property and maintaining public order. Surprisingly, a core feature of civic community - citizen activism - had negative effects, indicating that civic activism often aggravated political conflict and civil strife, which weakened trust in people in general.

Of the demographic controls only two had effects. Older people and the educated were more likely to be trusting than younger people and the uneducated. In contrast, men and the better-off were no more likely to be trusting than women and the worse-off. The “social winners” thesis seemed to receive mixed empirical support.

Next, we turn to electoral democracies. Two of five aspects of social interactions had significant effects. Again, being single joiners instead of non-joiners had no effects. Yet, being multiple joiners instead of non-joiners had significant effects, again suggesting the bridging interactions tend to encourage trust in people. The size of personal contacts had no effects, suggesting that interactions with known people would not encourage the generalization of trust. Two aspects of support connections had differing effects: connections with patrons had effects whereas connections with clients, no effects. It is experience of receiving help rather than that of giving help that contributed to trust in people.

All five aspects of state institutions had significant effects. Except for accountability they all had positive effects. The more one considers the government law-abiding, impartial, transparent and responsive, the more likely one is to be trusting. Oddly, however, accountability had negative effects: the more one considered the government to be accountable for its wrongdoing, the less likely one is to be trusting. Notice that our accountability measure reflected the effectiveness of punishing offending officials and the efficacy of judicial control of law-breaking government leaders. Although institutions of horizontal accountability such as courts facilitate law-based governance, they can be distinguishable from “good government” itself. Even if institutions of accountability are working, that does not necessarily mean that there are no government leaders who break the laws or public official who commit crimes. Perhaps what matters immediately to generalized trust is not whether courts are able to punish those public officials but whether public officials abusing their power or breaking the laws are there.

Only one of three aspects of the community – neighborhood safety - had significant effects. The more one considers the community protected from crimes, the more likely one is to be trusting. In contrast, neither national identity nor civic activism had significant effects. Those more proud of the national community and unwilling to emigrate or those considering their neighbors politically active are no more trusting of fellow citizens.

Of four demographic factors only one –gender – had significant effects: women are less likely to be trusting than men. In contrast, age had no effects. Education and income also had no effects, suggesting the trust in people may not be the exclusive
property of “social winners.”

Finally, we turn to pseudo-democracies or competitive authoritarian regimes where freedom of association is limited. Three of five aspects of social interactions had significant effects. Yet, their direction turned out to be mixed. As in liberal and electoral democracies, being single joiners instead of non-joiners had no significant effects, although single joiners appear to be less trusting than non-joiners. Unlike in liberal and electoral democracies, however, being multiple joiners instead of non-joiners had significant, albeit negative, effects: those joining more than one group are less likely to be trusting than those staying away from any groups. This finding suggests that in non-democracies where associational life is monitored by the state, associations hardly serve as schools teaching mutuality and reciprocity. As in liberal and electoral democracies, the size of personal contacts had no significant effects, again suggesting that interactions with acquaintances do not lead to the generalization of trust. Two aspects of support connections had significant effects. Yet, they are in the opposite direction. Connections with patrons had positive effects whereas connections with clients negative effects. More experience of asking outside help encouraged trust in people while more experience of being asked for help undermined it.

Three of five aspects of state institutions had significant effects. The more one considers the government law-abiding, impartial and transparent, the more likely one is to be trusting. In contrast, not only accountability but also responsiveness had no effects. The quality of state institutions more responsible for generalized trust seemed to be related to norms of truth and justice.

Two of three aspects of the community had significant effects. Yet, they were in the opposite direction. The more one considers the community protected from crimes, the more likely one is to be trusting. Surprisingly, however, the more one is proud of the national community and unwilling to emigrate, the less likely one is to be trusting. The vibrancy of civic community did not encourage trust in fellow citizens.

Two of four demographic controls – gender and age – had significant effects. Women were less likely to be trusting. Older people were more likely to be trusting than younger people. As in electoral democracies, education and income had no effects, challenging the thesis that “social winners” are more trusting than “social losers.”

Discussion

Micro-level evidence from East Asia gives a mixed verdict on two accounts of generalized trust. Social capital theorists highlight the role of voluntary associations and social interactions in the development of generalized trust. But it was found that the role of association membership is limited. Especially, single membership had no effects regardless of regime types. Only multiple memberships had positive effects in democracies where freedom of association is protected. This finding suggests that multiple memberships tend to provide bridging interactions whereas single membership, largely bonding interactions. More notable is that even multiple memberships are not beneficial everywhere. In competitive authoritarian regimes where associational life is monitored by the state, even multiple memberships tend to discourage the extension of trust to strangers.

The size of personal contacts reflects the extent of informal socializing with known people. Since people spend less time in formal associations, informal socializing may
be considered more relevant to the development of generalized trust (Newton 1999). Contrary to such expectations, interactions with acquaintances had no effects regardless of regime types. The finding confirms skeptical views of a simplistic “transmission belt” theory of civil society (Rosenblum 1998). Interactions with people one knows personally hardly produce trust in strangers.

Support connections may provide experience of mutuality and reciprocity. In this study we distinguished between two modes of support connections: one with patrons and the other with clients. The size of connections with patrons had significant effects regardless of regime types. Not unexpectedly, those who have more patrons to ask for help are more trusting of people more generally. In contrast, the impact of the size of connections with clients is weak or inconsistent. The finding suggests that experience of receiving help from others is more relevant to the development of generalized trust than experience of giving help to others.

As proponents of the institutions-based approach emphasize, state institutions seem to play a more robust role in facilitating generalized trust regardless of regime types. Yet, not every state institution matters equally. A law-abiding and transparent government consistently encourages generalized trust regardless of regime types. The more one considers government leaders not to break the law and not to take bribes, the more likely one is to be trusting of people. Similarly, the more one consider the government transparent and open to the public, the more likely one is to be trusting of people. It seems that government law-abidingness and transparency tends to assure the trustworthiness of fellow citizens. Although the influence of impartiality and responsiveness was not found everywhere, those considering the government responsive and even-handed tend to be more trusting of fellow citizens. Quite unexpectedly, however, accountability had no or even negative influence. It is puzzling because state institutions responsible for detecting and punishing offending officials can be considered essential for the rule of law. The finding shows that it was not institutions of accountability per se that mattered. Although monitoring institutions increase government honesty and transparency, it does not indicate that no dishonest and untrustworthy public officials are there. Since accountability reflects ex post facto control of official wrongdoings, it needs to be distinguished from the trustworthiness of public officials itself although trustworthiness is ultimately derived from accountability (Sztompka 1996). Even if government leaders are held accountable for their wrongdoings, they may be still seen as dishonest and untrustworthy.

Aspects of the community one lives in appear to play a mixed role in facilitating generalized trust. National identity, reflecting a general feeling one shares with fellow citizens, had positive influence only in liberal democracies. It had no effects in electoral democracies and even negative effects in competitive authoritarian regimes. Interesting is that in competitive authoritarian regimes individuals feeling estrangement from the national community were more trusting of fellow citizens. More notable is that

6 Perhaps the degree of ethnic homogeneity brings out some differences among the sample countries. Two countries (Malaysia and Singapore) classified here as competitive authoritarian regimes had higher ethnic fractionalization than most sample countries except for Indonesia and Thailand. In contrast, three counties (Japan, South Korea and Taiwan) classified here as liberal democracies had lowest ethnic fractionalization than most sample countries.
neighborhood safety contributed to generalized trust regardless of regime types. To the extent that public safety is associated with law enforcement state agencies, the finding suggests that the state would contribute to the formation of generalized trust by protecting life and property and maintaining public order. Surprisingly, the civic vitality of the community had no or even negative influence. In liberal democracies citizen activism undermined generalized trust. Although it was not significant, it appeared to have negative influence in electoral democracies and competitive authoritarian regimes. These findings suggest that citizen mobilization fosters political conflict and civic strife which weakens a sense of belongingness to the common political community and thus undermines trust in fellow citizens.

Conclusion

In this paper we examine the sources of generalized trust as a key component of social capital. We contrast two competing accounts of the sources of generalized trust and explore individual-level implications of both macro-level accounts in the context of East Asia. According to the most popular associational accounts, individuals tend to develop trust in members of their groups through regular face-to-face interactions. It has spillover effects, suggesting that individuals extend trust produced within groups to people outside the groups. This logic also applies to other types of social interactions. The experience with mutuality and reciprocity in social interactions allow them to generalize trust to strangers. By contrast, the institutional accounts point out the ambiguity of causal mechanisms linking trust in group members to trust in strangers outside the groups and advocate the role of state institutions. According to such accounts, state institutions create safe social environments and provide credible social intelligence, which facilitates the generalization of trust to strangers. Focusing on such individual-level implications we treat individuals as units of analysis and analyze the impact of social interactions and state institutions on generalized trust. Despite the complexity of causal arrows, we simply assume that the causal direction goes from social interactions and state institutions to generalized trust.

The analysis shows that social interactions and state institutions played a varying role in the generalization of trust. Contrary to the social capital theory association membership had limited effects. Single membership had no influence whereas multiple memberships some influence. Multiple joiners tend to experience bridging interactions and thus more likely to be trusting. In contrast, single joiners tend to experience bonding interactions and thus more likely to confine trust to group members and less likely to extend trust to non-members. On the other hand, key features of “good government” such as law-abidingness and transparency consistently contributed to generalized trust. Yet, institutions of accountability which ultimately assure “good government” had no direct influence on generalized trust.

The finding shows that the presence of “good government” itself matters to generalized trust. Law-abidingness and transparency are associated with the rule of law. Moreover, public safety is closely related to law enforcement agencies. In this respect, state institutions embodying the rule of law tend to play a notable role in facilitating trust in fellow citizens. East Asian evidence suggests that a law-abiding, transparent and effective law-enforcing government is one of the important institutional conditions for the development of generalized trust.
References


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Entries are Kendall’s tau-b
*p<0.05 **p<0.01
Source: ABS III
Table 3 Multivariate Analysis of Generalized Trust

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*p<0.05  **p<0.01  ***p<0.001
Source: ABS III