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## The Relation between Interpersonal and Institutional Trust in European Countries: Which Came First?

*Abstract:* Numerous studies into the links between interpersonal trust and confidence in state institutions have been conducted since Putnam made the study of trust popular in the early 1990s. As might be expected, both interpersonal and institutional trust tend to be strongly correlated at the individual and the aggregate country level. However, there have been no attempts to determine whether (i) interpersonal trust results from trust in political institutions, (ii) whether the reverse is the case—confidence in government is a precondition for the development of individual trust, or (iii) there are purely reciprocal associations between these attitudes that would appear empirically as a lack of causality. Using data from the European Social Survey 2010 we test these three possibilities using a recursive model.

*Keywords:* confidence in the government, causal relations, institutional trust, interpersonal trust, ESS

Generally, social trust relates to beliefs held by individuals about the moral orientation of vague, unknown “others,” and may be defined as “an expectation that alleviates the fear that one’s exchange partner will act opportunistically” (Bradach and Eccles 1989: 104). Our analysis refers to the debate on generative processes of trust, which is defined as either institutional trust, that is, in public institutions, or interpersonal, social trust, which concerns other people. We emphasize that these attitudes develop in reciprocal relations. Using the term “generative processes” seems to be more descriptive than to speak simply of “causation.” We will focus on the mutual connections between interpersonal trust and trust in core institutions of state (defined in terms of the government, politicians, and law). Although many empirical studies have explored the relationships between these attitudes (e.g., Kaase 1999; Newton and Norris 2000; Delhey and Newton 2005), and discussion of such relations is common to many theories (Levi 1998; Stolle and Rothstein 2014), the links between interpersonal and institutional trust are not clear. What is especially unknown concerns the causal connection. Several authors who have explored this relationship have noted that it remains rather uncertain which of these attitudes is the forerunner in terms of cause and effect processes (e.g., Brehm and Rahn 1997; Armony 2004).

In this analysis, we address the question using data from the European Social Survey, as it allows casting light on the more general rules of generative processes of trust. Our basic aim was as follows: we wanted to discover whether (i) trust in the authorities is generic

for interpersonal trust, (ii) whether the reverse is the case, or whether (iii) we are dealing with a mutual relation where the primary element can hardly be distinguished. All three hypotheses seemed realistic, and intuitively it would seem that in some countries trust might be built from the bottom, and in others it might be a top-down process, and there might also be countries with reciprocal causation. While such a diversity of patterns is intuitively convincing, it does not exclude the possibility that some might be more prevalent.

In the next section, we will discuss the previous results of studies on how interpersonal trust is related to political trust. Subsequently, we will present our hypotheses to be tested. Having described the data, we will provide a structural equation model (SEM) fitted in order to determine the relationship between individual and political trust, and proceed to examine how it varies across countries. The results show that only the hypothesis about the dominant role of institutional trust, without any correspondence between the pattern of this relationship and the type of political system defined in terms of division into post-communist, Nordic, Mediterranean, and other Western societies, is supported. Finally, we will consider the implications of our findings for formative processes of trust.

### Social and Institutional Trust: Mixed Results

Historically speaking, in reflecting on relations between interpersonal and institutional trust, the primary concern was for the former. For example, Aristotle (1984) reflected in *Eudemian Ethics* on social trust in the context of friendship. Systematic reflection on the linkage between political and individual trust began with the development of liberal theory. Prominent representatives of liberalism such as Montesquieu, Hobbes, Locke, and Hume agreed that government needs to be controlled by the people in order to prevent its intrusion into the economy and public life. They accordingly postulated that the authorities and ruling elites should be distrusted and, by surveillance of their activities, abuses could be avoided and private property and individual freedoms could be protected. A more explicit explanation of the connections between individual and political trust in this regard was provided by J. Madison in *The Federalist Papers* (Hamilton et al. 1787), and, with respect to economic outcomes, by A. Smith (1776) in *An Inquiry into the Nature and Causes of the Wealth of Nations*.

In short, liberal theories recognized the role of this linkage in maintaining social cohesion and stability, but more importantly they emphasized that for the sake of efficiency in a democratic society, the government should be distrusted. With modernization and the development of democratic elections, there has been a clear shift from an emphasis on the control functions of trust to its more positive role in the efficiency of the state. In a certain contradiction of the liberal view, it has become obvious that government must appear to be fair, impartial, and just to all citizens, and in order for the law to be obeyed and bureaucratic procedures to be observed some critical level of support and loyalty for state agencies has to be maintained (Nye et al. 1997; Dalton 2004).<sup>1</sup> Under these new circumstances, polit-

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<sup>1</sup> This may be taken as a kind of response to Rousseau's (1984) assertion that throughout the course of human history, development has improved human understanding, while at the same time depriving man of many good qualities and making him wicked by making him sociable.

ical leaders have to elicit support from the masses, proving themselves in their normative functions in the eyes of the public. The legitimacy and durability of democratic systems, in other words, depend in large part on the extent to which the electorate trusts the government to do what is right and perceives the government as efficient and fair (Feldman 1983; Hetherington 1998; Lawrence 1997; Keele 2004). Following the transition to democracy, the liberal principle of “limited trust” in political power faltered and was applied more as a constitutional formula than a directive for action, replaced by the requirements of civil society, and legitimacy based on trust from the bottom.

From the beginning it was assumed that individual trust relates closely to institutional trust. An apparently widely shared view is that the emergence of interpersonal trust requires political and public institutions to provide a fair and efficient environment in which trust is rewarded. Therefore, the source of social trust should be found in the performance of public institutions in the political system (Rothstein and Stolle 2016). However, much less is known about the causality of the relationship. Robert Putnam (1993) convincingly argued that a civic culture of “generalized trust” and social solidarity between citizens who are willing to cooperate with one another is an important societal prerequisite of a working democracy. It may be speculated—since no one has quantitatively tested the association—that willingness to cooperate and positive experience of mutual aid are transmitted to the level of the relationship between the citizens and the state. Nonetheless, in regard to the extensive illustration of this claim provided by Putnam’s community studies on civil culture, an important, critical point is addressed by Jean Cohen (1999). Insisting on the two-sided nature of the effect, she admits that democracy coincides with personalized trust but writes that the latter has to be reinforced by procedural fairness, impartiality, and justice on the part of the state.

The problem is that this explanation has suffered a number of setbacks. The first is that even if collectives are carriers of interpersonal trust, states are diverse in nature and encompass many different institutions, politicians, officials, and organizations. Ervasti et al. (2019), for example, have tried to disentangle the causality between social trust and trust in impartial institutions (such as the police and the legal system) and political institutions (such as the national parliament and politicians). Using ESS 2002–2011 survey data, they found that growing distrust in political institutions in Greece paralleled a slight improvement in social trust, thus suggesting that although—due to economic turmoil—trust in institutions might have diminished, people did not seem to lose their trust in one another. The second problem is that in addition to state institutions, many other factors also seem to correlate strongly with the level of general social trust, such as the degree of economic inequality (Rothstein and Uslander 2005a), the nation’s wealth, ethnic homogeneity (Delhey and Newton 2005), the legitimization of the political system, and the type of welfare state. The capacity of citizens to develop social trust is in this account heavily influenced by the performance of government institutions and policies. Though the levels of all types of trust tend to be highest in the most developed welfare states, which are equipped with generous social policies, governments can fulfill their capacity to generate trust between people if citizens consider the state itself to be trustworthy (Levi 1998: 86).

The results of empirical research unequivocally lend support to the conviction that there is a substantial correlation between these attitudes. In addition to the studies that have ex-

amined relationships between interpersonal and political trust at the individual level, strong relationships between these variables were displayed at the aggregate level, when defined on the level of countries. Patterson (1999) found a positive relationship between trust and confidence in the executive branch of government in the US. Using the US General Social Survey (GSS) data from consecutive years, Paxton (1999) discovered a positive association between social trust and political performance, noting how trust levels fluctuated with political scandals (such as Watergate, Iran-Contra, etc.). Schiffman et al. (2010) arrived at a similar conclusion using data from a random sample of 4,000 American households. La Porta et al. (1997) extended these findings in regard to European countries, using the World Values Survey (WVS) and other international data sets. Positive associations were demonstrated between individual trust and governmental efficiency, measured by factors such as the efficiency of the judiciary, bureaucratic quality, tax compliance, and corruption. Rothstein and Uslaner (2005b) confirmed that government corruption is negatively correlated with individual trust across countries. Based on the ESS data, Allum et al. (2010) fitted structural equation models to establish that individual and political trust were closely related depending on sex, age, education, and other individual-level characteristics that could be considered common causes of both kinds of trust. Finally, the linkage between individual trust and confidence in government was documented by Delhey and Newton (2005) using ISSP data, and Hall (2002) indicated that political trust and generalized trust are correlated in Britain.

However, the interpretations of this correlation vary. The results of many studies have shown that individual trust serves mostly as a predictor of political trust, in which case social capital becomes a source for institutional outcomes (Lipset and Schneider 1983). Using data from the WVS, Newton and Norris (2000) find a strong correlation between social and political trust in seventeen democracies. According to their account, social relationships shape the experience of governmental institutions and ultimately their performance. Analyzing social and political trust in Australia, Job (2005) concluded that if people are trusting of their familiar circle, they will have trust in their local and national representatives and government.

According to another group of scholars, social trust is produced by factors in politics or government and not primarily in the realm of individual relations. Using GSS survey data from the US, Brehm and Rahn (1997) found that confidence in institutions has a larger effect on interpersonal trust than the other way around, even though they consider that both types of trust influence each other. The central idea of the institution-centered approach is that political institutions do more to create the amount and type of social capital in their respective societies. According to this theory, citizens are systematically affected by the behavior of politicians: the existence of effective legal and administrative institutions makes a person less likely to believe that most other citizens engage in behavior perceived as unfair. The reverse is then, of course, also the case. Kaase (1999) conducted an analysis using the Eurobarometer and European/World Values Studies in nine European countries to prove that interpersonal trust cannot be regarded as an important antecedent or consequence of political trust—the statistical relationship between them was small, though generally positive.

All the findings suggest that the implicit part of every institution-building project must include the building of both political trust and a trustworthy society. Having now estab-

lished the substantive context for research, we will present an analysis of how individual and political trust relate to each other. There is mixed evidence on whether individual trust produces political trust or whether it is rather the state, and the political trust it embodies, that promote social trust. In regard to policy, the question arises as to which of them should be “installed” first to secure democratic governance, a productive economy, and a cooperative society.

### Hypotheses

To reiterate, our goal is to reveal which of these attitudes came first. We address these questions on an international basis, utilizing data from the European Social Survey. More specifically, three hypotheses may be formed.

The first hypothesis—which contains the seemingly most common view—is that social trust is produced at the individual level. Thus, in order for people to feel confident in their government and other agencies of the state, trust needs to be generated from the bottom. Such a belief may be argued on the ground that interpersonal trust is a critical mass fostering political trust, and democratic governance cannot come to fruition in a society where there is a dearth of confidence on the individual level. Only after people start to trust each other, will they choose to engage in meaningful activities in networks of societal associations that bring legitimacy to the government and its representatives (Parry 1976). When people trust each other, they are also more receptive and better able to harness the institutional reforms introduced by the state. This perspective is close to psychological conceptions that state that trust is a norm inculcated at an early age, mostly as a result of the mother-baby feeding experience (Newton and Norris 2000). The logic is that early interactions precede the development of political ideas that come at later stages of the lifecycle. According to more specific arguments, excessive state activity is detrimental to the creation of social trust, because social expenditures and generous social programs “crowd out” informal social networks and thus reduce citizens’ ability to benefit from face-to-face “social capital” (Fukuyama 2001).

The second hypothesis posits that the generation of trust is a top-down phenomenon. Confidence in the government is a precondition for the development of individual trust; the implication is that civic participation and harmonious relations stem from the belief that state agencies conduct public affairs efficiently, in a manner essentially free of abuse, and with due regard for the rule of law. Although this view is not antithetical to the argument that emphasizes the role of trust gained in early socialization, it can be argued that governments today have many tools for stimulating individual trust, such as decentralization, friendly and efficient policy-making, anti-crime policies, and anti-corruption laws. The rule of law and a well-functioning court system contribute to reducing uncertainty by enforcing contracts and securing property rights. The rule of law facilitates cooperation and fosters norms of reciprocity, which are ingredients of social trust (Grootaert 2001). Institutional trust is also crucial in that it creates cognitive maps that allow people to define the nature of their interactions, which are the constitutive areas of interpersonal trust (Hardin 2002; Montinola 2004). It seems quite reasonable to expect that the existence of effective legal and

administrative institutions will make a person less likely to believe that most other citizens engage in illegal behavior such as gaining special advantages or obtaining unfair access to government benefits. Contrarily, if the legal and administrative institutions are generally seen as unfair or engaging in practices such as discrimination or clientelism, individuals will also feel compelled to engage in such practices in order to get what they deem necessary in life. The top-down hypothesis is also supported by certain events of recent history. According to Almond and Verba (1965), this was the case in Germany and Italy just after the Second World War, where a relatively high level of institutional-based trust (in the government) existed, coinciding with low trust on the interpersonal basis.

There is also a third possibility, namely, that there is a purely reciprocal association between these attitudes, which would empirically display in lack of causal direction: individual trust does not forge political trust, nor the other way around. They influence each other and neither of them is “prior.”<sup>2</sup> Rothstein (2000), for instance, maintains that in Russia low social trust results mainly from lack of confidence in the legal system, but this, in turn, is produced by the deficit in trustworthy social networks in daily life. While the literature on trust does not include any adequate scrutiny of the mechanisms underlying reciprocal associations, most of the findings (cited above) that show a strong positive correlation between political and individual trust are interpreted in a spirit of reciprocity, that is, trust without exclusionary group boundaries (see Stolle 2002; Uslaner 2002 for a discussion of various types of trust). Another reason for the absence of a possible causal order between different forms of trust is that many groups are of a religious, political, or ethnic nature and their existence is partially justified through a logic of separation or division, that is, they involve distrust vis-à-vis competing associations, networks, or societal groups (Rothstein and Stolle 2014).

We have tested these hypotheses using international survey data from European countries that differ in regard to their degree of economic development, political systems, historical traditions, degree of democratization, and other features that may affect interpersonal and political trust. Thus the same pattern of association between these attitudes across countries can hardly be expected. It is rather that all three are displayed, although they may be more or less salient depending on various contextual factors, and, for example, the primary role of individual trust may exhibit more strongly in Hungary, institutional-based trust in Norway, and the reciprocal relation in Germany or France.

It may preliminarily be assumed that since the inhabitants of Western European societies have had the longest and most durable experience of successful civic engagement and have been most exposed to legitimate practices of government institutions, they would be the most fertile ground for a reciprocal association between institutional and individual trust. Apparently, political leaders in post-communist societies have failed to elicit support from the masses. Leaders originating from the former anti-communist opposition and representatives of the former regime have both been blamed for the reproduction and entrenchment of informal ties. They have also been accused of indulgence, corruption, cynicism, and of promoting special interests to the detriment of the interests of the state (Offe

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<sup>2</sup> Certainly, the lack of unidirectional causal effect detected in a statistical model does not mean that such causality does not take place in the case of individuals. The parameters showing reciprocal effects are an aggregate picture of micro-level relations.

1999). Changing property and taxation rights have triggered regressive phenomena that have inflicted further damages and provided evidence that institutions have failed to inculcate their real meaning and mission in their agents. The transformation to a market society has to a great extent been an elite-driven project. Since the institutionalization of the political order in post-communist societies was not given time to solidify into routine patterns of legitimacy and to produce standard operating procedures to which administrators and citizens would be bound, it seems more realistic to expect that individual trust is the forerunner for the development of social trust in society at large. While there is some evidence that institutional trust in the former communist countries depends on how much individuals trust other people (Luhiste 2006), a causal flow from interpersonal to institutional trust is nowhere to be found.

### Data and Measures

This study utilizes data from the fifth edition of the *European Social Survey* conducted in 2010. Only this dataset offers the possibility of combining indicators of trust in an equivalent way across countries. The ESS 2010 involved 27 countries, including Israel and Turkey. In each country, the surveys were based on probability samples of men and women (with N varying between 1800 and 2500), representing the adult population in age range above 14. As the ESS was designed to capture matters of relevance to an integrating Europe, respondents were asked many questions about their socio-political attitudes. To assess individual trust, we employed a summary scale based on responses to three questions: (i) "Using this card, generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people? Please tell me on a score of 0 to 10, where 0 means you can't be too careful and 10 means that most people can be trusted (pplf)," (ii) "Do you think that most people would try to take advantage of you if they got the chance, or would they try to be fair? (pplf)," (iii) "Would you say that most of the time people try to be helpful or that they are mostly looking out for themselves? (pplh)" Responses were coded on a scale from 0 to 10. We also selected three items measuring institutional trust, namely, trust in parliament (trstpr), in the legal system (trstl), and in political parties (trstpl). Respondents were asked three questions in particular about it, as follows: "Using this card, please tell me on a score of 0–10 how much you personally trust each of the institutions I read. 0 means you do not trust an institution at all, and 10 means you have complete trust."

Assessing causal relations necessitates multivariate analyses with emphasis on the temporal sequence of variables. Since the ESS is designed as a cross-sectional study, causality cannot be tested for in this way. To do so, we used a CFA recursive model with instrumental variables in order to separate confounding effects involved in the relationship between individual and institutional trust (see Pokropek 2016 for an overview). Specifically, I1 may be called an instrumental variable for individual trust (let us say X) if it is a direct cause of X and is not a direct cause of institutional trust (let us say Y). Respectively, I2 would serve as an instrument for institutional trust Y if it is a direct cause of Y and is not a direct cause of individual trust X. For the instruments we used two indicators: "Security (Scr)" and "Corruption (Crr)." To construct "Security" we selected the following three items,

which were ordinal variables, with four discrete points: (i) “How safe do you—or would you—feel walking alone in this area after dark? (asf),” (ii) “How often, if at all, do you worry about your home being burgled? (bgr),” (iii) “How often, if at all, do you worry about becoming a victim of violent crime? (crv).” Variables used to construct the second instrument, namely “Corruption,” included: (i) “How often do police in your country take bribes? (plc),” (ii) “How often do judges in your country take bribes? (jdg),” (iii) “Courts protect the rich and powerful over ordinary people (ctp).” The first two items were coded on a scale of 1–10 while the last item was recorded on a Likert-type scale ranging from 1 to 5. Descriptive statistics are included in [Table A1](#) of Appendix.

It should be remembered that instrumental variables (I) should affect dependent variables (Y) only through their effect on the independent variable (X). Consequently, instruments should be unrelated to the outcomes (Y) but related to the predictor or predictors (X) and should not be causally affected (directly or indirectly) by X, Y, or the error term. The most problematic aspect of using IVs is that most of these assumptions are not testable and should be theoretically supported. It might appear that even if an empirical association between the instrument (or instruments) and the outcome (or outcomes) are detected after conditioning the predictor, the selected instruments are invalid ([Morgan and Winship 2014: 197](#)). For the assessment of the validity of our instruments, we tested them for the empirical conditional relations. They were shown to be weak. While this may seem unsatisfactory, using them can be justified in so far as one is inclined to believe that the specified relation (see [Figure 1](#)) is theoretically plausible. We believe that it is, because individual trust is correlated with security and institutional trust with corruption. We argue that it is plausible to assume that having controlled for institutional trust, the level of perceived corruption does not directly affect individual trust (although indirect effects are at stake). Finally, we assume that after controlling for institutional trust, corruption (as it is measured) has no direct effect on individual trust. This relation is only indirect through an institutional trust that affects individual trust because corruption, depicted in the series of questions used for constructing the index, refers only to institutions (i.e., judges, the police, the courts).

Our study uses confirmatory factor analysis (CFA) and structural equation modeling (SEM). The CFA model confirmed that both sets of measures appeared internally coherent, which allowed for the creation of summary scales of interpersonal and political trust. The level of different sample sizes weights was rescaled in such a way as to ensure that each country was represented by the same number of respondents and thus the total number of respondents from all countries remained unchanged.

The most important problem in comparative research is to establish the cross-national validity of indicators. Attitudes are by their very nature context-dependent, and thus there is an immanent danger of producing research artifacts instead of comparing and explaining substantive findings. Several techniques have been developed to assess the comparability of concepts. To test for measurement equivalence, we use *multi-group confirmatory factor analysis* (MGCFA), which allows testing for configurational, metric, and scalar invariance. When measurement models for different countries have the same structure, the scale is said to be *configural invariant*. This means that the same indicators measure the same theoretical constructs across categories or points of time. However, configurational equivalence does not allow any comparison of scores. It is permitted if metric equivalence is obtained, that



is, when the loading of indicators on the factors are equal across categories/time points: in other words, the respondents interpret intervals on a response scale in the same way and the constructs tap the same content (Davidov et al. 2012: 150; Pokropek et al. 2019). Full-score comparability is obtained in the case of scalar invariance, which requires that the intercepts of each item be the same across categories/time points (thus indicating that respondents in different contexts use the same scale origin). To check whether the criteria of measurement invariance were met we investigated the fit of the models with subsequential constraints and compared them against the prior model. A small decrease of model fit provides an indicator of measurement invariance. A large decrease indicates a violation of measurement invariance and makes accurate comparisons problematic. To judge whether the decrease was small enough to assume measurement invariance Chen (2007) criteria were applied of .01 change in CFI, paired with changes in RMSEA of .015. We focused here on CFI and RMSEA, as for those measures testing for measurement invariance has been repeatedly analyzed and well-established criteria exist.

Table 1

**Configural, metric, and scalar invariance fit measures for groups considered in the analysis**

Invariance	CFI	RMSEA	$\Delta$ CFI	$\Delta$ RMSEA
Configural	0.958	0.054	NA	NA
Metric	0.947	0.056	0.011	0.002
Scalar	0.829	0.095	0.118	0.038

The results presented in Table 1 indicate that metric invariance criteria were met while the scalar model fit substantially worst. Therefore, we will concentrate on investigating relations between selected latent variables, not its means as it is allowed by metric invariance.

### Analysis

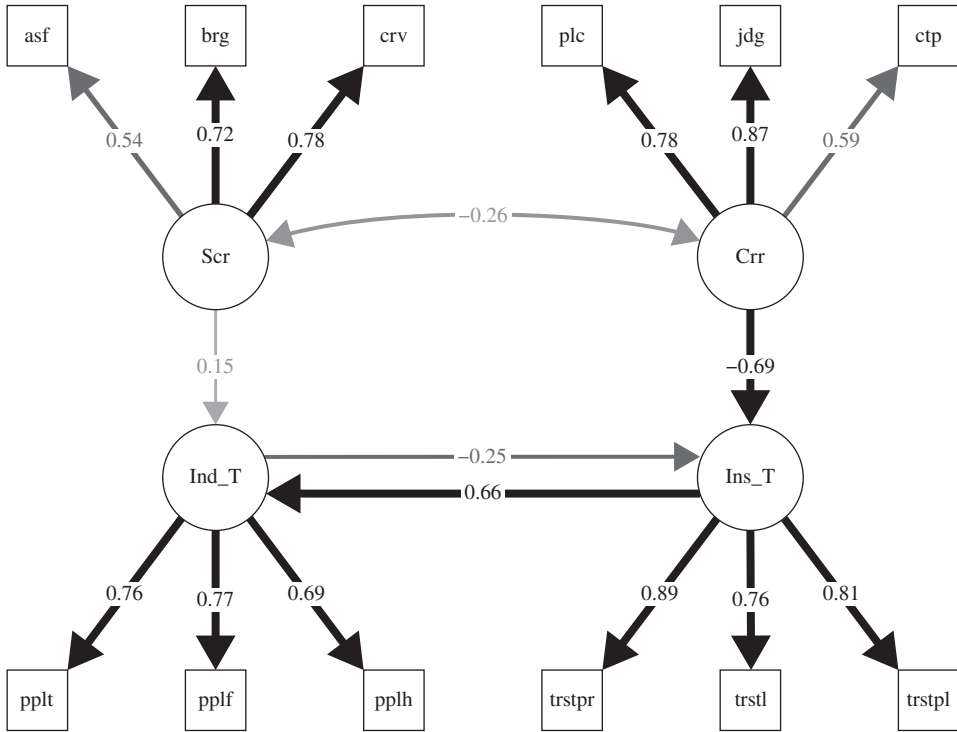
Figure 1 depicts the best fitting model from this study, which was calculated using structural equation modeling software MPLUS8 (Muthén and Muthén 1998–2017). The results are obtained using a pooled sample where each country contributes equally to the estimation regardless of the sample size or population. The fit of the model is good with RMSA = 0.049, CFI = 0.958 and TLI = 0.944.

The estimated results are reported in a standardized metric. It is clear that with our model institutional trust is a strong predictor of individual trust while the reverse is not necessarily true in the standardized metric 0.66. The relation from individual to institutional trust is smaller than in the opposite direction. The higher the individual trust the lower the institutional trust, with a standardized coefficient of  $-0.25$ . Corruption (Crr) is a much stronger instrument for Institutional trust (Ins.T), with a standardized beta  $-0.59$ , than Security (Scr) for Individual trust (Ind.T), with a standardized beta of 0.15.

We could conclude that the models fit reasonably well in all analyzed countries (Table 2). The worst fit was obtained for Finland (FI) and Sweden (SE) with RMSEA of 0.054 for both countries, and CFI of 0.940 and 0.937 respectively for Finland and Sweden. The

Figure 1

Recursive structural model. ESS 2010 estimated on all countries on pooled data



Note: Scr—Security; Crr—Corruption; Ind\_T—Individual trust; Ins\_T—Institutional Trust.

corruption instrument works well, with a strong negative relation in all countries, while the Security instrument works slightly less well, and is not statistically significant for three countries (Croatia, Ireland, and Slovenia). For those countries, extra caution should be taken in interpreting the results.

With a few exceptions, the pattern revealed in Table 2 is clear. Institutional trust is strongly and positively related with individual trust, and this suggests a causal relation in this direction, while the reverse relation is either not statistically significant or negative in some settings (Bulgaria, the Czech Republic, Croatia, Iceland, and Slovenia) where higher individual trust causes lower institutional trust. Most of these countries are Eastern European societies that lived in the recent past under totalitarian regimes, which prevented the development of trust in political institutions. The transition of post-communist societies to democracy produced aspirations for civil, political, and economic rights. These new demands have led to higher standards in evaluating government performance; however, the basic needs of vast segments of the population have not been met and this failing may have increased people’s skepticism and caused an erosion of political trust.

Nonetheless, our findings are consistent with studies showing that the ability to trust others is a product of citizens’ confidence in political institutions, that is, political trust

Table 2  
Path coefficients country by country

Country	Fit measures		Ins_T ← Ind_T		Ind_T ← Ins_T		Ins_T ← Crr		Ind_T ← Scr	
	RMSEA	CFI	B	se	B	se	B	se	B	se
BE	0.049	0.945	0.15	0.08	<b>0.37*</b>	0.07	<b>-0.33*</b>	0.04	<b>0.31*</b>	0.04
BG	0.041	0.965	<b>-0.21*</b>	0.09	<b>0.49*</b>	0.07	<b>-0.52*</b>	0.04	<b>0.07*</b>	0.03
CH	0.047	0.948	-0.20	0.12	<b>0.57*</b>	0.08	<b>-0.44*</b>	0.05	<b>0.24*</b>	0.04
CY	0.045	0.965	<b>0.34*</b>	0.16	-0.12	0.18	<b>-0.29*</b>	0.06	<b>0.23*</b>	0.07
CZ	0.040	0.974	<b>-0.23*</b>	0.10	<b>0.53*</b>	0.08	<b>-0.48*</b>	0.05	<b>0.21*</b>	0.03
DE	0.048	0.944	0.11	0.07	<b>0.40*</b>	0.06	<b>-0.37*</b>	0.03	<b>0.28*</b>	0.03
DK	0.053	0.930	-0.12	0.17	<b>0.50*</b>	0.13	<b>-0.32*</b>	0.06	<b>0.25*</b>	0.05
EE	0.044	0.960	-0.08	0.12	<b>0.52*</b>	0.09	<b>-0.50*</b>	0.07	<b>0.16*</b>	0.04
ES	0.045	0.950	-0.06	0.17	<b>0.41*</b>	0.14	<b>-0.33*</b>	0.06	<b>0.18*</b>	0.05
FI	0.054	0.940	-0.13	0.14	<b>0.60*</b>	0.09	<b>-0.36*</b>	0.05	<b>0.20*</b>	0.04
FR	0.042	0.947	0.19	0.10	<b>0.34*</b>	0.09	<b>-0.27*</b>	0.04	<b>0.29*</b>	0.04
GB	0.040	0.961	-0.04	0.10	<b>0.47*</b>	0.08	<b>-0.39*</b>	0.04	<b>0.22*</b>	0.04
GR	0.051	0.951	-0.06	0.09	<b>0.36*</b>	0.07	<b>-0.41*</b>	0.04	<b>0.23*</b>	0.03
HR	0.039	0.968	<b>-0.31*</b>	0.15	<b>0.50*</b>	0.13	<b>-0.45*</b>	0.05	-0.02	0.05
HU	0.042	0.968	-0.05	0.12	<b>0.40*</b>	0.11	<b>-0.23*</b>	0.05	<b>0.25*</b>	0.03
IE	0.046	0.944	<b>-0.55*</b>	0.22	<b>0.74*</b>	0.14	<b>-0.50*</b>	0.08	<b>0.17*</b>	0.04
IL	0.056	0.921	-0.06	0.13	<b>0.35*</b>	0.12	<b>-0.35*</b>	0.04	0.05	0.03
LT	0.030	0.960	-0.17	0.17	<b>0.51*</b>	0.13	<b>-0.45*</b>	0.07	<b>0.19*</b>	0.05
NL	0.040	0.956	0.11	0.09	<b>0.46*</b>	0.07	<b>-0.38*</b>	0.04	<b>0.31*</b>	0.04
NO	0.051	0.934	-0.30	0.27	<b>0.60*</b>	0.19	<b>-0.43*</b>	0.09	<b>0.18*</b>	0.08
PL	0.041	0.966	0.03	0.13	<b>0.41*</b>	0.11	<b>-0.34*</b>	0.05	<b>0.15*</b>	0.04
PT	0.044	0.955	0.04	0.16	<b>0.39*</b>	0.14	<b>-0.38*</b>	0.06	<b>0.19*</b>	0.05
RU	0.029	0.979	0.12	0.08	<b>0.22*</b>	0.07	<b>-0.34*</b>	0.03	<b>0.25*</b>	0.03
SE	0.054	0.937	0.01	0.14	<b>0.45*</b>	0.11	<b>-0.33*</b>	0.05	<b>0.19*</b>	0.04
SI	0.047	0.963	<b>-1.23*</b>	0.43	<b>1.08*</b>	0.14	<b>-0.72*</b>	0.16	0.06	0.04
SK	0.038	0.971	0.20	0.11	0.04	0.12	<b>-0.36*</b>	0.04	<b>0.09*</b>	0.04
UA	0.019	0.987	-0.26	0.14	<b>0.50*</b>	0.12	<b>-0.36*</b>	0.05	<b>0.17*</b>	0.04

Note: \*p < 0.05

or trust produced “from above” (Rothstein 2002; Fukuyama 2001; Hardin 2001). This is in accord with the second hypothesis, which points to the predominant role of the top-down generation of trust. According to this perspective, people will trust each other as long as their institutional setting is perceived to be fair, just, and efficient, and opportunistic activity such as stealing is sanctioned. There is no clear geopolitical pattern behind this direction—it prevails mostly in stable democracies where institutional characteristics such as the efficiency and trustworthiness of state institutions function as an important factor in the development and maintenance of generalized trust. Therefore, the source of social trust could be found in the design of public institutions and governing policies. Building political trust for good governance implies, by definition, a legitimacy link between trust and a good welfare state. If citizens think that a government rightfully holds and exercises power, then that government enjoys political legitimacy. As such, it furthers norms and moral principles that support fairness and make people more open-minded in regard to accepting others.

It cannot be argued that the fact of living under totalitarian and military regimes in the recent past—as was the case for Eastern European and some Mediterranean societies—has prevented the development of trust in political institutions. The transition of communist societies to democracy has not resulted in skepticism and low levels of political trust.

### Conclusion

This article sought to fill the existing gaps in the study of how trust is formed by focusing on associations between interpersonal trust and trust for core institutions of the state, defined in terms of government, politicians, and law. We attempted to determine which precedes the other, in a causal sense, or whether we are dealing with a mutual association where the primary link can hardly be elicited.

According to our findings, based on the European Social Survey for 27 countries, only the hypothesis on the generic role of institutional trust was reflected in the data. This may be explained by the legitimization of the political system, even though in coping with the transformation to democratic systems many countries have faced challenges that have created obstacles to the development of trust in state agencies. Such diversity is hardly surprising. Notwithstanding some universal determinants of trust—that is, that on an individual level it increases with higher education and socio-economic position (Vergolini 2011)—it seems to be shaped by contextual factors, related to historical conditions, the type of welfare regime, and the standard of living. Given the variety of these patterns, it would be unrealistic to consider that the implementation of some universal strategy of trust-building, to promote good governance, would be effective. The analyses presented in our article show that political leaders can forge and keep trust by using different strategies in various institutional and societal settings. Intuitively, this appears rational. Our findings make clear that individual trust is inseparable from institutional trust, regardless of the causal effects. Political trust transcends partisan and cultural/historical attachments. As a result, trust in government policies in themselves has now become an important and independent predictor of generalized trust. People will trust one another for as long as they perceive that their political institutions guarantee a reliable environment where people find trustworthiness and sincerity. Neither of the other two predictions—which emphasized primarily the role of individual trust and reciprocal causation—is supported by the data.

Two issues challenge our analysis of the association between individual trust and trust in state institutions. First, our analyses were limited to 2010. Trying to understand the development of these attitudes is a real challenge for further research, based on the longer period of time. Future analyses may need to clarify whether the findings are stable or change, and in which direction. Second, our results bring us back to the question of measurement. The classical regression approach or correlation analysis is not appropriate and only the instrumental variable approach could be considered valid at all. For the reasons outlined, we considered it so with some degree of hesitation—which we overcame only on account of the importance of the question—because the instrumental variable approach is not a perfect solution and has some limitations. Of course, the best method would be a controlled experiment. However, with this topic, experimental studies are almost impossible. The as-

sumptions behind the models we presented might be debatable and not entirely convincing to some readers. Still, we believe that our results deserve discussion, and we are happy to offer them for scholarly critique and new analysis.

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## Appendix

Table A1

**Descriptive statistics of items used in the analysis. Pooled sample**

Description of the variable	Variable (ESS)	Obs	Mean	Std. Dev.	Min	Max
Most people can be trusted, or is it that you can't be too careful in dealing with people?	ppltrst	52,243	4.86	2.46	0	10
Would most people try to take advantage of you if they had the chance, or would they try to be fair?	pplfair	51,932	5.40	2.33	0	10
Would you say that most of the time people try to be helpful or that they are mostly looking out for themselves?	pplhlp	52,097	4.72	2.36	0	10
Trust in parliament	trstprl	50,901	3.84	2.60	0	10
Trust in the legal system	trstlgl	50,739	4.68	2.73	0	10
Trust in political parties	trstplt	50,884	3.14	2.37	0	10
How safe do you—or would you—feel walking alone in this area after dark?	aesfdrk	51,807	2.94	0.81	1	4
How often, if at all, do you worry about your home being burgled?	brghmwr	52,027	3.03	0.93	1	4
How often, if at all, do you worry about becoming a victim of violent crime?	crvctwr	51,777	3.24	0.84	1	4
How often do police in your country take bribes?	plccbrb	44,631	4.22	2.70	0	10
How often do judges in your country take bribes?	jdgcbrb	43,731	3.93	2.84	0	10
Courts protect the rich and powerful over ordinary people.	ctprpwr	50,594	3.45	1.11	1	5