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Trust, the Pandemic, and Public Policies

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Abstract

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Keywords: Trust; public policy; tax compliance; experiments; pandemic.
JEL codes: A13; H50; H70.

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ABSTRACT

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I. INTRODUCTION

What is the role of trust in designing public policies, especially during the current pandemic? More specifically, how does trust affect the impacts of public policies, especially in the ways that people respond to public policies? And how can public policies be used to affect trust? It is these questions that I focus upon here.

The immediate starting point is the emergence of the SARS-CoV-2 pandemic, following on the even longer term emergence of a growing tribalism in American political life, what might be termed a pandemic of partisan distrust.¹ COVID-19 highlighted, for me and many others, the role that trust plays in so many dimensions of our lives, including its broad effects on how a society functions and its narrow effects on how public policies work. We know how to control COVID-19: we get tested, we wear masks, we socially distance, and we get vaccinated. Controlling the coronavirus mainly requires that individuals change their behavior. Yet many people failed to change their behavior by following these simple and basic strategies. There are many reasons for this failure, and I certainly recognize that a one-size-fits-all strategy is not appropriate – New York is different than (say) West Virginia. Even so, the result of this failure is that many people died, unnecessarily, and the “herd immunity” that was supposed to solve all of our COVID-19 problems remains far off.

Why has this happened? We can talk endlessly about “following the science”, about protecting yourself, about protecting others (and invoking the obvious notion of a negative externality). However, many people do not find this talk convincing. They have argued that: wearing a mask infringes upon their individual liberty; or they should be able to control what

¹ This polarization is well-documented in the political science literature. For example, see Mann and Ornstein (2018) for the U.S.; see also Carothers and O’Donahue (2019) and Boxell, Gentzkow, and Shapiro (2020) for broader and cross-national perspectives. Klein (2020) provides a more accessible discussion. I am grateful to Bill Gentry for making the connection between politics, trust, and the pandemic and for suggesting this term.

goes into their body; or they are not all that vulnerable; or the effects for most people are not that serious; or they have probably already gotten the virus; or the vaccine is still experimental and largely unproven with unknown side effects; or they have taken other mitigation steps to develop immunity; or their main concern must be for their own welfare and not the welfare of others; and so on. However, underlying most of these reasons for the vaccine-hesitant and vaccine-resistant is that a decision to follow advice requires a decision to trust this advice, and many people simply do not trust those who are recommending these actions – starting with the government and extending to the experts and the medical establishment and the media and beyond. The result is that many people do not obey the government’s directives. More broadly, the result is that we no longer seem to have what Alexis de Tocqueville called a “social body”, a coherent community capable of collective action. And it is, I believe, largely a lack of trust that is the proximate reason for our failure to develop this feeling of common enterprise.²

So why does trust matter? My basic conclusions draw heavily on an extraordinary recent essay by the late George Schultz, reflecting on what he had learned over his long life:

“December 13 marks my turning 100 years young. I’ve learned much over that time, but looking back, I’m struck that there is one lesson I learned early and then relearned over and over: *Trust is the coin of the realm*. When trust was in the room, whatever room that was — the family room, the schoolroom, the locker room, the office room, the government room or the military room — good things happened. When trust was not in the room, good things did not happen. Everything else is details... Trust is fundamental, reciprocal and, ideally, pervasive. If it is present, anything is possible. If it is absent, nothing is possible...”³

² Although hardly firm and scientific evidence, there are many popular bumper stickers that have appeared in recent years, all of which demonstrate a striking lack of trust in government:

- “Trust in God, not government.”
- “Sure you can trust government – just ask a Native American.”
- “I love my country – it’s the government I don’t trust.”
- “I trust the government – to lie about everything.”
- “If the government doesn’t trust the people, why should the people trust the government?”

There are many more examples.

³ See <https://www.washingtonpost.com/opinions/2020/12/11/10-most-important-things-ive-learned-about-trust-over-my-100-years/> (12 December 2020, *The Washington Post*).

It is in this spirit that I want to talk about what I have learned about the many dimensions and the many effects of trust.

Some of what I will talk about is based on my own research about the effects and the determinants of trust, and some reflects what I have learned from research by many others far more attuned to the role of trust in our lives than I am. Indeed, research on trust has exploded in the last twenty years or so, building upon the foundations established by political scientists, psychologists, sociologists, anthropologists, and economists, people like James Coleman, Francis Fukuyama, Edward Mansfield, Douglas North, Elinor Ostrom, Robert Putnam, and others. I will, I hope, bring some new perspectives to this work.

My main conclusions that emerge from all of this evidence are two. The first is perhaps an obvious one, but one that I believe still requires emphasis: *There is much emerging evidence that trust – and especially trust in government – is a major factor in shaping the effectiveness of public policies. In particular, when trust in government is weak, many government policies do not achieve their goals because people simply do not follow the government’s laws, regulations, and directives.* Now I do not believe that trust affects all government policies. After all, trust does not really affect government expenditures on national defense or an individual’s willingness to participate in many social safety net programs. I do believe that trust affects government policies that depend on people doing what government asks them to do, such as paying taxes, following laws, and, of course, getting tested and masked and distanced and vaccinated. Even areas where trust seems largely incidental may be affected by trust – for example, the incidence of a sales tax may depend in part on trust in government because remittance of the tax by sellers to government requires that sellers trust the government.⁴

⁴I am grateful to Stacy Dickert-Conlin and Bill Gentry for this observation on tax incidence.

The second is a conclusion that may seem less obvious: *There is also much emerging evidence that trust is not fixed and given and immutable, mainly determined by a country's history and culture and institutions, as was once believed. Instead, recent evidence indicates that trust can vary significantly, even over short periods of time. Relatedly and importantly, there is growing research that trust in government can be affected in systematic ways by systematic policy interventions.* I have some caveats here, and I am not so naïve as to believe that changing trust via policies will be easy or quick. Even so, I believe that there are ways out of the wilderness.

What is the basis of these two conclusions?

II. A BRIEF DIGRESSION ON DEFINITIONS, MEASUREMENTS, AND TRENDS

I begin with a brief digression on definitions, measurement, and trends.

On definitions, there are various definitions of “trust”.⁵ The definition that I start with is for “social trust”, often referred to as “generalized trust” or “moralistic trust”. This is trust in others – strangers, or people within your society with whom you have little personal familiarity. It is a belief in the honesty, integrity, and reliability of others. It is a belief that others share your fundamental values, that they will abide by recognized and shared social norms, that they should be treated by you as you would wish to be treated by them. It is a “faith in people”, a belief in the “Golden Rule”, a belief that people can (usually) be trusted to “do the right thing”.

Aside from social trust, we can also think about trust in specific institutions, such as government, the courts, the media, and the like. The basic notion of trust for these institutions

⁵ See Levi and Stoker (2000), Hardin (2002), and Uslaner (2002) for detailed discussions of the many definitions of trust. Also, see Organisation for Economic Co-operation and Development (OECD) (2017) for a useful summary of these definitions and the methods for the measurement of trust; the OECD website also provides links to its many studies of trust, along with its estimates of trust, available at <https://www.oecd.org/gov/trust-in-government.htm>.

mirrors the notion of social trust: It is the belief that these institutions can ultimately be trusted to “do the right thing”. Especially important here for my purposes is trust in government, or “political trust”.

As for measurement, there are two main approaches to measuring social trust: direct survey measures in which people are asked their opinions on trust,⁶ and indirect measures in which underlying notions of trust are revealed indirectly by individual choices, mainly in “trust game” experiments.⁷ Trust in government and trust in specific institutions are also measured by surveys. I will not go into the details of these two approaches, other than to mention that the relationship between direct and indirect measures is, surprisingly, not all that strong. For the rest of my discussion, I draw primarily from direct measures of trust because these measures are available both for a longer period of time and for more countries than indirect measures of trust.

⁶ Direct measures of social trust are based on people reporting their trust levels on surveys and questionnaires, such as: General Social Survey (GSS), Pew Research Center surveys, Gallup polls, World Values Survey (WVS), European Values Study (EVS), European Social Survey (ESS), American National Election Studies (ANES), Eurobarometer, Latinbarometer, Asianbarometer, and so on. The typical question is something like the following, from the GSS:

“Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?”

As for trust in government (and trust in other social institutions), a different set of questions asks individuals to report their level of trust in these institutions, like government (national and local), political parties, political officials, the courts, the media, the military, and the like. These surveys typically include questions with a structure like that found in the WVS: “Please tell me on a score of 0-10 how much you personally trust each of the institutions that I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust.” These responses are then used to form separate measures of trust in these specific institutions.

⁷ Indirect measures infer subjective trust expectations by observing actual individual decisions, most commonly in laboratory experiments, as pioneered by Berg, Dickhaut, and McCabe (1995) in what has become known as the “trust game”. In the trust game, two subjects (A and B) are each given an endowment, and they are randomly and anonymously paired with one another and given different jobs. The first mover (A) is asked whether s/he would be willing to send some part of the endowment to the second mover, where any amount chosen by A is tripled when sent to the second mover. The second mover (B) is then asked how much (if anything) s/he wishes to send back to the first mover. Once the second mover completes the task, the players are paid, and the experiment is over. Neither player knows the other, and they are paid in private. Player A’s move is based on “trust”, in that by sending a positive amount, s/he entrusts the payoffs to each player to Player B. The results of the players’ choices therefore can be used to measure – indirectly – the level of revealed trust of the first mover (A). (Player B’s move measures “trustworthiness” or “reciprocity”.) This game has generated a large experimental literature; for recent surveys of the trust game literature, see Wilson and Eckel (2011) and Alos-Ferrer and Farolfi (2020).

And what do these various measures of trust indicate about trends within and across countries over time? The dominant message of all of these surveys is simple: Social trust has been in significant decline for most (if not all) countries over the last 50 years or so, and political trust has been falling over time by even greater amounts for most (if not all) countries. As only one among many possible examples, Gallup International survey evidence for the U.S. shows that social trust has fallen from 83 percent in 1974 to 55 percent in 2021 (where this percentage measures the percent of respondents who say that they have a “great deal/fair amount” of trust in others). Similarly, Gallup International survey evidence indicates that the percent of respondents with a “great deal/fair amount” of trust in government has fallen from 68 percent to 37 percent over the same period. These percentages have risen in specific periods (after 9/11) and fallen in other periods (after Watergate), but the overall trend is clearly and largely downward. Of some note (and of some relevance for my later discussion), over this period political trust in the U.S. has always been significantly higher for state and local governments than for the federal government. For example, in 2021 only 39 percent of respondents have a “great deal/fair amount” of trust in the federal government; the corresponding percentage for state government is 57 percent and is 66 percent for local government. Note also that one institution with consistently high measures of trust over the years is the military.⁸

III. DOES TRUST MATTER? LOOKING FOR LINKS BETWEEN TRUST AND PUBLIC POLICIES

⁸ See <https://news.gallup.com/poll/355124/americans-trust-government-remains-low.aspx>. For other examples of estimates, see: <https://www.pewresearch.org/politics/2021/05/17/public-trust-in-government-1958-2021/>; <https://news.gallup.com/poll/355124/americans-trust-government-remains-low.aspx>; and <https://www.worldvaluessurvey.org/wvs.jsp>. This is far from an exhaustive list.

Now why should we care about trust? One major reason – my first conclusion – is because trust is a major factor in shaping the effectiveness of public policies. People who do not trust government will not obey government policies that require them to behave in particular, mandated ways, and, when this happens, government policies cannot achieve their goals.⁹

But why does this occur? Not surprisingly, I believe that the tax compliance literature helps us understand some of the reasons – this is after all a literature that examines why people do or do not obey government directives, in this case paying taxes. This literature demonstrates the crucial role of trust, both in others and in government, on individual behavior. Another emerging set of research comes from very recent work on the pandemic. I discuss both literatures.

In the tax compliance arena, there are several distinct if overlapping frameworks that consider the effects of trust. Here is a very brief sampler – there are other examples.

In one framework, Benno Torgler, Jorge Martinez-Vazquez, and I have argued that government policies toward tax compliance need to incorporate different approaches, or *paradigms*.¹⁰ One is the traditional *Enforcement* paradigm, where taxpayers are viewed and treated as potential criminals, and the emphasis is on repression of illegal behavior through frequent audits and stiff penalties. A second and newer approach is the *Service* paradigm, which views the tax administration as a facilitator and as a provider of services to taxpayer-citizens, and the emphasis is on making it easier for people to pay their taxes via simplification, education, and assistance. Of most relevance is an emerging *Trust* paradigm, whose premise is that

⁹ Note that there is a large (and fairly recent) empirical literature that attempts to show the economic effects of trust, on such outcomes as: trade, financial development, productivity, institutional performance, personal happiness, educational attainment, preferences for redistribution, fertility, political participation, voting behavior, crime, savings, and the like; see Guiso, Sapienza, and Zingales (2006, 2008) for discussions of much of this literature. One of the most investigated outcomes is economic growth; see Algan and Cahuc (2013) for a survey of this literature.

¹⁰ See Alm and Martinez-Vazquez (2003) and Alm and Torgler (2011).

individuals are more likely to respond either to enforcement or to services if they believe that other individuals and, especially, the government are honest; that is, “trust” in others and in the authorities can have a positive impact on compliance behavior. The World Bank has recently developed a framework (“Innovations in Tax Compliance”) that is largely the same, in which the paradigms are renamed to *Enforcement*, *Facilitation*, and *Trust*.¹¹

In a related but more formalized and developed framework, Erich Kirchler and his many collaborators have developed and tested the *slippery slope* framework, in which they argue that it is the interaction climate between taxpayers and authorities that shapes the willingness to cooperate, as based on “trust” and “power”.¹² In a synergistic and cooperative climate, characterized by high trust in authorities who act with high legitimization and professionalism, taxpayers are willing to cooperate voluntarily. In an antagonistic climate, characterized by low trust, poor legitimization, and questionable professionalism, taxpayers refuse to cooperate, unless compliance with the law is enforced via power. Thus, taxpayers’ compliance depends both on the *power* of the authority and on the *trust* in the authority, with both dimensions moderating each other and determining the level of compliance. An authority with a high level of power (determined by frequent and effective audits and heavy penalties) achieves enforced tax compliance. An authority that elicits strong trust from citizens (determined by fair procedures, favorable attitudes towards the government, and social norms that define compliance as the expected and prevalent behavior) achieves voluntary compliance. Once again, then, the effectiveness of government policies depends intimately on trust in government.

¹¹ See Prichard et al. (2019).

¹² See Kirchler, Hoelzl, and Wahl (2008) for the underlying theory. Since then, Kirchler and his colleagues have provided many tests of this framework, mainly using laboratory experiments. See Batrancea et al. (2019) for one especially ambitious study, as discussed later.

Still another similar framework has been developed by Lars Feld and Bruno Frey. They argue that there is a *psychological contract* between taxpayers and the government, a contract that implies responsibilities for both parties. They conclude that citizens are willing to honestly declare income as long as the political process is perceived to be fair and legitimate; when the political process is seen as unfair and illegitimate, citizens are more likely to cheat on their taxes. In their framework, honest taxpayers must believe that they will not be exploited by tax cheaters, which requires that major violations for tax evasion must be enforced by the government. However, even honest taxpayers may make mistakes, so that minor offences should be subject to minor fines. Indeed, the imposition of heavy penalties on (largely) honest taxpayers may crowd out their intrinsic motivation to pay their taxes; that is, deterrence can actually backfire.¹³

There is in fact much emerging evidence using different methods – evidence that is not always ironclad but more than suggestive – that supports all of these frameworks and so that also supports my first conclusion.

Some evidence comes from my own work on compliance, including especially my work using laboratory experiments conducted with Michael McKee, William Schulze, and others.¹⁴ One of our basic findings demonstrates that the social and institutional environment in which individuals live affects compliance, in ways that go well beyond any effects via purely financial incentives. In particular, there is strong evidence that there is a social norm of compliance, in which one's compliance behavior depends upon various factors that reflect the many aspects of one's environment, including trust in others (Alm, McClelland, and Schulze, 1992). Further, these social norms are affected by the institutions that individuals face and by individuals'

¹³ See Feld and Frey (2007).

¹⁴ See Alm (2019) for a comprehensive survey of the tax compliance literature. For a meta-analysis of laboratory experiments on tax compliance, see Alm and Malézieux (2021).

attitudes toward these institutions – such as trust in government (Alm, McClelland, and Schulze, 1999; Alm, Schulze, von Bose, and Yan, 2019). For example, individuals who do not exhibit trust in government tend to comply less, and trust in institutions affects the viability of government policies by affecting how individuals respond to government policies: when trust in government is greater, enforcement is more effective in deterring noncompliance, and service policies are also more effective in getting individuals to pay their taxes.

A related finding from my experimental work is that individual participation in the choice of institutions – the process as distinct from the outcome – has real effects, again independent of financial considerations driven by tax, audit, and fine rates. Subjects in laboratory experiments pay more when they choose the use of their taxes by voting than when the identical use is imposed upon them, their compliance is greater when the vote indicates a clear group consensus, and their compliance is significantly and dramatically lowered by the imposition without taxpayer choice of any program (especially an unpopular one) (Alm, Jackson, and McKee, 1993). We also have some work on how different forms of communication between the tax authorities and the taxpayers can increase the social norm of compliance (Alm and McKee, 2004; Alm, Jackson, and McKee, 2009; Alm, Bruner, and McKee, 2016; Alm, Bloomquist, and McKee, 2017). Once again, trust affects behavior, this time trust in the process.

There is also much experimental evidence for the *slippery slope* framework. Of special relevance here is recent work by Erich Kirchler and his many (58!) co-authors using data from multiple experimental studies conducted across 44 nations in five continents with nearly 15 thousand subjects (Batrancea et al., 2019). They find that the trust in authorities and the power of authorities each separately increases tax compliance, across societies that differ enormously in economic, sociodemographic, political, and cultural backgrounds. They also show that trust and

power foster compliance through different channels: trusted authorities register the highest voluntary compliance, while powerful authorities register the highest enforced compliance. Overall, compliance is higher when both power and trust are high (and vice versa), with power and trust interacting with each other in a complicated dance. Indeed, there is evidence that some power is necessary to maintain trust and to signal to the compliant that the government will protect them from free-riders. However, power can also backfire and crowd-out trust – audits by their very nature signal distrust, and there is evidence from other work that audits can be counterproductive if those who are audited turn out to be honest.¹⁵

There is finally some empirical evidence to support the *psychological contract* theory. Feld and Frey (2002) use data on Swiss cantons, and they find that the more strongly are political participation rights developed, the more important is this psychological contract between taxpayers and the government, and the higher is tax morale – and tax compliance.

In addition, there is supportive evidence consistent with all of these approaches that is just now emerging from field experiments on tax compliance. The World Bank, sometimes in partnership with other international organizations, has undertaken a range of innovative field experiments that test different strategies for improving tax compliance. The most relevant field experiments here are those that attempt to increase trust in government as a compliance strategy. Importantly, most all of these trust experiments occur at the local government level in developing countries, in Asia (e.g., Pakistan), Latin America (e.g., Argentina, Brazil, Colombia, Costa Rica, Guatemala, Mexico, Peru, Uruguay), and Africa (e.g., Ethiopia, Ghana, Kenya, Liberia, Malawi, Rwanda, Sierra Leone, South Africa, Tanzania, Uganda). These field experiments examine strategies like:

¹⁵ See also Wahl, Kastlunger, and Kircher (2010), Muehlbacher, Kirchler, and Schwarzenberger (2011), and Lisi (2012) for other empirical support of the slippery slope framework.

- Improving transparency and accountability in local government decisions by providing information to participants about local government behavior
- Providing information to participants about the compliance behavior of their neighbors
- Linking taxes with local services by informing participants about the use of their taxes or allowing participants to determine the use of their taxes
- Sending different types of messages to participants about government policies (e.g., enforcement messages, information messages, social norm messages)
- Providing educational services to participants to make it easier to pay taxes.

The results vary significantly by type of strategy, but they all rely at least in large part on providing more and better information to individuals. A common result is that these strategies often improve individuals' trust in their neighbors and in their local government, at least when this information is viewed by individuals as reliable – or trustworthy – and, through this trust channel, they also improve tax compliance. Once again, changing trust changes behavior in systematic and predictable ways.¹⁶

Will these results scale and generalize beyond tax compliance? The pandemic itself has presented an unprecedented opportunity to examine via natural experiments the effects of social trust on individual behavior, well beyond the tax compliance literature. There are many just emerging studies demonstrate that many of the effects of government policies during the pandemic have been intimately affected by citizen trust in government. For example, there is strong and consistent evidence that individuals have been far more likely to obey mask mandates, to stay at home, and to get vaccinated, when they live in areas with greater levels of social and political trust (as well as greater levels of social capital), with evidence coming from a varied set of countries, including Austria, Brazil, Denmark, Germany, Italy, the Netherlands, Sweden, Switzerland, United Kingdom, and the U.S. (admittedly with some confounding results). In short, government policies designed to reduce the spread of the coronavirus worked

¹⁶ Information on this work can be found online at <https://www.ictd.ac/theme/tax-administration-and-compliance/> and <https://www.worldbank.org/en/topic/macroeconomics/brief/innovations-in-tax-compliance>.

when people trusted government – and they did not work when people did not trust government.¹⁷

In many ways, then, all of this evidence indicates clearly that government policy is an expression of values. When government articulates policies that are counter to peoples’ values, peoples’ trust in government necessarily and inevitably declines.

In sum, there are solid reasons for believing my first conclusion: many government policies work best – and may only work at all – in changing behavioral responses when people trust government. The recent COVID-19 studies may be the most vivid such examples.

IV. WHAT CAN BE DONE TO IMPROVE TRUST?

As for my second conclusion – on the possibility of improving trust in government – there is also emerging evidence (again not ironclad but more than suggestive) that trust in government can be affected in systematic ways by systematic policy interventions. This evidence comes from laboratory experiments, from field studies, and from empirical work on the drivers of trust. The laboratory experiments and field studies mentioned above provide strong evidence that innovations of various types can improve trust. Empirical work on the drivers of trust suggests – if does not prove, given cause-and-effect concerns – that trust is greater when there is

¹⁷ This research is expanding quite quickly. Much of it is still in working papers. For example, see the VoxEU webpage on COVID-19 research, available at <https://voxeu.org/pages/covid-19-page>, and see also the CESifo webpage for all of their many studies, available at <https://www.cesifo.org/en/cesifo/publications>. Some studies are now being published in academic journals; for an especially timely and important of these published papers, see the recent (and ongoing) special issues of the *Journal of Public Economics*, available at <https://www.sciencedirect.com/journal/journal-of-public-economics/special-issue/10JWB645FT5>. Of particular relevance here are the papers by Bargain and Aminjonov (2020), Barrios et al. (2021), Durante, Guiso, and Gulino (2021), Egorov et al. (2021), Müller and Rau (2021), and Rafkin, Shreekumar, and Vautrey (2021).

more equality, less corruption/more competence, and a more generous social safety net, among other drivers.¹⁸

In many ways, the strategies available to government to improve trust reflect the standard self-help strategies that are suggested to improve trust in personal relationships. These interpersonal strategies include such standard bromides as: “Communicate effectively”, “Be transparent”, “Be honest”, “Honor your commitments”, “Admit when you are wrong”, and “Apologize”.¹⁹ Indeed, these interpersonal strategies overlap closely with governmental strategies that I and my co-authors – Kay Blaufas, Martin Fochman, Erich Kirchler, Peter Mohr, Nina Olson, and Benno Torgler – recently suggested as ways to increase citizen trust in government following the pandemic: “Communicate”, “Justify clearly and transparently”, and “Deliver on promises”.²⁰

So all of this evidence suggests that governments can do some positive things to improve trust in government (as well as social trust more broadly), even though these levers are unlikely to be either quick-acting or easy to implement. Indeed, destroying trust seems easy; building trust is much harder. Regardless, it is actual and enacted governmental policy that seems to matter the most. As argued by Eric Uslaner in his many writings, the area where a government probably has the greatest ability to generate trust is in the performance of its traditional responsibilities, and it

¹⁸ See especially Glaeser et al. (2002), Alesina and La Ferrara (2002), Fehr (2009), and Organisation for Economic Co-operation and Development (OECD) (2018). This research is complicated especially by the difficulty of determining cause-and-effect, making identification of the causal effect of some variable on trust quite difficult. With this qualifier, empirical work on the drivers of trust in government tends to find that trust is lower for individuals: who have a history of traumatic experiences (e.g., war, social upheaval); who belong to a group that feels historically discriminated against (e.g., Blacks, Hispanics, women); who have more exposure to the media; who have less education and less income; who live in a racially mixed community, a community with significant income disparities, and/or a community with greater immigration; who live in a society with more government corruption and/or less social safety net protection.. Individual and societal factors like age, openness, optimism, risk aversion, political affiliation, civic engagement, or religion have mixed and inconsistent impacts.

¹⁹ For a recent and representative example of these strategies and their rationales, see Ho (2021).

²⁰ See Alm et al. (2020).

is plausible that the public has lost trust in government mainly because they do not believe that government “contributes to the greater good”, that it does not deliver on its promises, that it is not transparent, and that it is not looking out for peoples’ interest. This provides government with an opportunity to act, to demonstrate it can support people in their desire to live better, more fulfilling, and healthier lives.²¹

What do these very general musings suggest? Some national government strategies include programs that:

- Reduce inequality: Economic inequality is one factor that shows up consistently as a driver of social and political trust – at the national and subnational levels in the U.S. and also across and within countries
- Reduce perceived governmental corruption or incompetence (another factor that shows up consistently)
- Reduce economic and racial segregation (via its effects on inequality)
- Improve the social safety net (also via its effects on inequality)
- Implement policies to increase economic growth – like infrastructure.

Note the last item: Infrastructure. The recent passage of the \$1.2 trillion bipartisan infrastructure bill presents an opportunity to increase trust, both in the federal government and, as argued below, in local governments, at least if the bill can actually deliver on its promises. The Build Back Better plan also has this potential, although its status remains very uncertain. Overall, these strategies try to make it obvious that the national government is working for people.

However, these strategies are easier said than done, they are unlikely to do much in the short run, and it is hard to be very optimistic that they can be implemented at the national level, fully or even in part, given the current political environment.

I am much more optimistic that there are local government strategies that can work, largely because of the success of the randomized field experiments that demonstrate that

²¹ See especially Rothstein and Uslaner (2005) and Uslaner (2008, 2012).

individuals respond to local government initiatives targeted at individual trust. Here are some of these initiatives:

- Increase government transparency
- Provide information on government operations
- Give individuals more control over the use of their taxes
- Improve the responsiveness of local government via improved voting systems
- Encourage the growth of community organizations
- Provide improved local infrastructure.

And note again the last item, on local infrastructure. All of these strategies attempt to make it clear that local government is working to improve the lives of its constituents.

Indeed, it is this basic strategy – improve local institutions, including local government and community organizations with strong local roots – that people like David Brooks have long advocated as a way of increasing trust, starting at the local level.²² Historical evidence indicates that this strategy was the foundation of the renewed trust in government that emerged in the Progressive Era right before WWI, as led by politicians like Theodore Roosevelt, William Howard Taft, and Woodrow Wilson, by writers like Upton Sinclair, Ida Tarvell, and Lincoln Steffens, by activists like Mother Jones and Jane Addams – and by economists like Henry George and Thorsten Veblen. And recall the earlier result from surveys on trust in local government – this strategy also builds upon the commonly observed finding that individuals have considerably more trust in local governments than in higher levels of government.

V. CONCLUSIONS

In conclusion, I remain convinced that the purpose of public policies – and our purpose as academics and practitioners – is improving peoples’ lives, and increasing trust is a way by which

²² See David Brooks, “America is having a moral convulsion” (5 October 2020, *The Atlantic*), available at [Collapsing Levels of Trust Are Devastating America - The Atlantic](#).

government can in fact improve lives, including via the direct effects of policies and also via its effects on enhancing the effectiveness of government policies. Indeed, the ultimate end is to build a fiscal system that is efficient, that reflects the demands of its constituents, and that works well for everyone, including those left behind by the economic changes of the last several decades. Such a system will, not incidentally, be seen as “trustworthy”. Such a system may, again not incidentally, help address the pandemic of partisan distrust.

Again, there are no quick and easy fixes. Still, I am hopeful that trust can be improved by the choices made by government, and that these choices can make government policies more effective by changing the ways in which individuals respond to government levers. Of course, I may be very pollyannaish here – I am after all a lifelong Chicago Cubs fan...

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