

Introduction

MARGARET LEVI AND VALERIE BRAITHWAITE

ON THE walls of the *Sala della Pace*, Hall of Peace, of Siena's City Hall are some glorious fourteenth-century frescoes illustrating the effects of good and evil government. The first depicts a form of heaven; the other is clearly hell. These are not, however, religious paintings. The character of one's government is neither a consequence of fate nor a reward for a life well led. Rather, the quality of governance reflects the quality of one's leaders and one's laws. Both the people and the rulers of this city of good government appear serene, even happy; they exit and enter their walls without fear; they engage in exchange and cooperative ventures with ease. There is no evidence of either policing or venality, the images that dominate the paintings of evil government. The viewer can only assume that good governance implies a mutual trust between citizens and governors and among the citizens themselves.

It may seem intuitively obvious that good governance requires trust, but is this in fact the case? Is the social trust that occurs among individuals the cause or the effect of good government? If trust is indeed a necessary feature of good government, what kinds of trust are essential? When does good governance depend on strong laws strongly enforced, and when does it depend on trust? Are the two mutually exclusive? Does one drive the other out, or do they reinforce each other? For that matter, is trust even a goal worth seeking? Theorists often write of the healthy mistrust that maintains democracies; checks and balances are a major credo of democratic government.

These are among the questions that shape the essays in this volume. In particular, the authors provide arguments and evidence for several very different perspectives on trust, especially as it relates to

governance. Some of the differences reflect disagreements, but some are more reflections of the range of disciplines represented in the discussion. This book grows out of a workshop and two conferences held at the Research School of Social Sciences (RSSS) of the Australian National University under the combined auspices of the Program on Administration, Compliance and Governability, the Program in Social Theory, and the Reshaping Australian Institutions Project, with some additional support from the Russell Sage Foundation. Another conference, cosponsored by the Russell Sage Foundation and the Department of Political Science, University of Washington, was a further source of papers and comments. The participants in this collaborative book come from the fields of psychology, political science, philosophy, history, sociology, economics, and law. They bring to these papers the particularities—and often peculiarities—of their academic branches as well as their own personal approaches, perspectives, beliefs, and findings.

The book is organized around four questions crucial to an understanding of the relationship between trust and governance. The first concerns the grounds on which someone might trust government. Russell Hardin claims that the logic of rational choice reveals the impossibility of a meaningful account of trust in government since most citizens do not have the information they need to decide to trust. Hardin argues for institutional designs that encapsulate the self-interest of officials and thus safeguard citizens against enticements to malfeasance.

Simon Blackburn does not deny the importance of institutional structures, but he argues that trust is both essential and achievable. Blackburn claims that being trusting and trustworthy are socially valued attributes and that their very desirability motivates trusting and trustworthy behavior.

Valerie Braithwaite pursues the normative argument by demonstrating that the conditions for trusting government and its agents are expressions of shared social values. Braithwaite identifies two sets of trust norms that are brought into play in different institutional contexts, one concerned with the regularity and predictability of action, the other concerned with an awareness of and capacity to act in the interests of the other.

The second question has to do with the evidence for the effects of trustworthy governments on both governance and the economy. Margaret Levi provides an overview of the existing literature, details the institutional arrangements that make government agents trustworthy, and elaborates some of the implications for democracy. Instituting fair procedures and ensuring credible commitments enhance a government's trustworthiness, which in turn contributes to citizen compli-

ance and ethical reciprocity. Levi's model highlights the dynamic nature of trust and reveals the role of democratic institutions in providing corrections when breaches of trust occur.

Martin Daunton provides a historical account of how British politicians extended the extractive capacity of the state by means of rules, regulations, and institutions that assured citizens of the limits on government power. The British government won legitimacy for and compliance with its tax system by means of credible commitments to curtail government spending, bring equity into the tax system, and increase accountability and transparency.

John Scholz presents findings from three studies that demonstrate the limited utility of deterrence for tax compliance and the more significant role of trust and duty heuristics. Scholz offers empirical evidence for his claim that changes to the tax law that favor the taxpayer produce a higher sense of duty than changes that are unfavorable to the taxpayer.

Susan Whiting examines the relationship between trust and economic development in two provinces in China. Whiting uses the notion of encapsulated self-interest to explain why more private investment flourishes in the region with the weaker legacy of public enterprise development. Reliance on private capital for economic development means that local officials are motivated to work through the complexities posed by the political-legal framework of the central government to provide credible commitments to investors seeking security for their enterprises.

The third section of the book focuses more specifically on issues of democratic governance. Geoffrey Brennan explains how consideration of the subjective payoffs of guilt and loss of esteem over and above objective payoffs turns the reliance game into a trust game. Brennan argues that it is rational for us to adopt a trustworthy disposition when our guilt and shame exceed the benefits of defecting and when the other party communicates a judgment of us as trustworthy. Brennan concludes that when officials are elected for their trustworthiness, when expectations of trustworthiness are communicated, and when officials value the esteem in which they are held, rational actor theory offers a plausible account of how representative democracy can produce elected officials who are trustworthy and a citizenry that can trust its officials.

Kent Jennings and William Bianco explore the role that trust actually seems to play in U.S. democratic government. Jennings uses survey data over a thirty-year period to show how trust in the national government has been eroded through a failure to meet performance expectations. In contrast, trust in local and state governments has not suffered. He argues that on the subnational level trust is based less on

criteria of performance than on criteria of linkage—that is, the capacity to convince constituents that government officials care about and represent the concerns of ordinary people. Jennings concludes that loss of confidence in government at the national level has helped popularize the move toward devolution of responsibility for service provision to the local level.

Bianco models the interplay of constituent trust and legislator response with the Evaluation Game and finds that constituent trust and distrust of legislators may play a greater constraining role on representatives than current critics of democratic institutions seem to credit. Bianco shows the importance to legislators of having their constituents believe that they share the constituents' interests. Once beliefs of common interest are established, constituents will trust legislators, regardless of the extent of their own knowledge about particular issues.

The final section turns to the way in which trusting and trustworthiness are mutually reinforcing. Tom Tyler uses the findings from a series of studies to build a model of social as opposed to instrumental trust. Tyler argues that governments that are regarded as trustworthy, procedurally fair, and respectful of citizens generate social trust through establishing a social bond or a shared identity. Citizens derive a sense of pride and respect from their identification with their government. This sense in turn enhances the legitimacy of the authorities as well as a willingness to defer to the authorities.

Examining trust from a republican perspective, Philip Pettit points out that institutional constraints can go only so far to ensure freedom from the domination of others. Pettit argues that in addition to external constraints that institutionalize impersonal trust, a mechanism is required to reinvigorate trustworthiness as a civic virtue. The mechanism Pettit proposes is trust responsiveness, triggering trustworthiness by trusting. For the nonvirtuous reasons of esteem and love of glory, individuals will desire to be seen as trustworthy. Communicating personal trust in another who desires to be thought trustworthy gives that person a powerful incentive to act in a trustworthy way in the republican state where vigilance through impersonal trust is high.

Mark Peel uses case studies of four disadvantaged Australian communities to tell the reverse story of spirals of reciprocal distrust. Peel details the way in which the imposition of control mechanisms of accountability and surveillance by government has communicated lack of confidence in both the competence and integrity of citizens to design community services to meet their needs. Peel describes a citizenry that has disengaged from government and views government assistance with cynicism and distrust.

Finally, John Braithwaite presents a defense of the proposition that

trust is a virtue and is the most important resource available for combating breaches of trust. Braithwaite argues that trust as confidence increases efficiency, while trust as obligation protects against the abuse of power, and that both types of trust are mutually reinforcing. Institutional safeguards against exploitation of this culture of trust are provided by republican circles of guardianship in which each community of dialogue is accountable to each other, with draconian strategies of distrust waiting in the wings for use with rational calculators who persistently breach the trust that has been placed in them.

The chapters in this volume offer a variety of claims for the kind of work that trust can do for governance. Trust may ease coordination among citizens and with government actors, reduce transaction costs, increase the probability of citizen compliance with government demands, and contribute to political support of the government. Most of the authors concur that trust may do these things but disagree over the mechanisms by which trust brings about these desiderata and the extent to which trust is even necessary for their achievement. Underlying the claims of nearly all the authors, however, is the assumption that rules and institutions are necessary to protect citizens from the worst effects of misplaced trust. The best design of those rules and institutions remains a subject of scholarly and political debate.

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