

## **Trust in the Local Administration: A Comparative Study between Capitals and Non-Capital Cities in Europe**

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### **Abstract**

Often a distinction is made between interpersonal and institutional trust, as the former is defined in terms of encapsulated interests, that is the idea that somebody will take your interests into account. Scholars have argued that this cannot be applied to institutions and that generalized institutional trust is therefore not a meaningful concept. This article disputes this reasoning by distinguishing this kind of trust in the governance of capital cities from such trust in non-capital cities. It argues that it can be doubted especially for the local administration in capital cities that they predominantly have the interests of their residents in mind when making decisions. The resulting hypothesis that residents of capital cities have less trust in their local administration than residents of non-capital cities is tested and confirmed through a secondary analysis of Urban Audit data. The analysis shows a significant effect in the predicted direction, which remains strong when controlling for the satisfaction with public issues, the respective region, and poverty of the respondent. The conclusion is that citizens in municipalities do know whether or not local institutions have their interests in mind when making decisions, which makes institutional trust equally meaningful a concept as interpersonal trust.

### **Key words:**

interpersonal trust, institutional trust, trust in local administration, governance, capital cities, non-capital cities

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## 1. Introduction

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Living in a big city has benefits as ample facilities can be expected to be available. It has, of course, also its downsides, as there might be nuisances, such as a lot of noise, a bad quality of air, expensive housing, traffic congestion, safety issues et cetera. So, on the one hand, living in such a city involves high expectations about having a pleasant life, while on the other hand there are low expectations, about all the nuisances involved in living in such a city (Slack and Chattopadhyay 2009; Rossman 2016; van der Wusten 2000; Rowat 1973; Gottmann and Harper 1990; Mäeltsemees 2010).

In capital cities, the nuisances as well as available facilities are often even more extreme than in other big cities. The reasons, to be elaborated upon in this article, refer to the symbolic function of the capital for the country as a whole, its proximity to national government and the relative multitude of functions it therefore has to take care of. This could imply that capital cities act less on the behalf of their own residents and more on behalf of the country as a whole and its national government. If that is the case, its residents might have less trust in their local administration, as such trust is based on perceived encapsulated interests, that is the idea that the local administration will take its residents' interests into account and is capable of meeting the high and low expectations of its residents. For all of the mentioned issues, local government has a responsibility of taking care thereof, and if local government does indeed take adequate care of them, residents might be inclined to trust that local government. The reasoning is that when your expectations are met, this implies that you judge the one responsible, that is the local administration, to have acted on your behalf and to be capable of doing so, which are the two main ingredients of trust.

Notwithstanding the inherent logic of such reasoning, it is a disputed kind of reasoning, as scholars have repeatedly argued that it is not meaningful to talk about such institutional trust. The late Russell Hardin (2000, 2002, 2013) has been the strongest proponent of that argument. His claim was that trust has to be seen in terms of encapsulated interests, that is, it being in the interest of the trusted one to act on the trustee's behalf. As it is generally not known for government and its officials whether they "act on my behalf", such institutional trust cannot be a meaningful concept (Hardin 2002, 156). At most one could talk about confidence in, or the trustworthiness of, government, which are rather different concepts.

This article aims to combine Hardin's reasoning about the nature of trust with an analysis showing that generalized trust is still a meaningful concept. We agree with Hardin that trust is about encapsulated interests and also about capabilities, as it is a three-way relation of A trusting B to do X. Regarding institutional trust, we argue that it is possible to distinguish between the local administration of different cities, based on the doubts their residents can have that these local administrations

are inclined to act on their behalf. These reasonable doubts are reflected in the actual level of the local residents' trust in the respective local administrations. Secondly, we will argue that citizens are aware of, i.e. "have knowledge of", the extent to which their expectations of living in their city are fulfilled, and that they infer from this knowledge whether the local administration is capable to accomplish what is desired. This is also reflected in their trust in the local administration.

This article, therefore, asks whether the outcomes of an analysis on the trust in the local administration of big cities, distinguishing between capitals and non-capitals, point to the meaningfulness of the use of institutional trust. as comparable to interpersonal trust. In order to answer that question, the following sub-questions are consecutively addressed:

1. What does the distinction between interpersonal and institutional trust entail?
2. What is so special about capital cities compared to non-capital cities that one might expect the trust in its administration to be lower?
3. Is the trust in the local administration of capital cities indeed lower than in non-capital cities?
4. Does this relation hold when controlled for the satisfaction with the meeting of high and low expectations?
5. What does this imply for the meaningfulness of institutional trust?

We structure this article as follows. First, we give a short theoretical exposé on the discussion about the meaning of trust and the comparability of interpersonal and institutional trust. The article continues with an elaboration on the high and low expectations of living in European cities and capital cities in particular. This part of the article is based on existing literature, regarding the merits of living in (capital) cities. The methods section presents the data used – the Urban Audit – and the survey questions involved and reflects on their validity and reliability to answer the research question. All this is the prelude for the presentation of the outcomes of testing the hypothesis that trust in the local administration is a function of its capabilities and encapsulated interests.

This kind of research is not only relevant because of its theoretical implications regarding institutional trust, but also because there is a growing concern about the distrust in government as "citizens' trust in government is currently at a record low" (OECD 2017, 34). The World Bank in its 2017 yearly report notices that "Trust is a central aspect of strengthening governance and delivering on development. As such trust is said to be related to positive outcomes in terms of economic growth, as well as government performance" (World Bank 2017, 55), and if such institutional trust is indeed a meaningful concept, the task is to find out what enhances and what decreases such institutional trust.

## **2. Theory**

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### **2.1 Interpersonal and institutional trust**

In the scholarly literature, a distinction is made between interpersonal trust and institutional trust. The former is often defined as a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviors of another. It is in the words of Seligman (2000, 43) “some sort of belief in the goodwill of the other, given the opaqueness of other’s intentions and calculations” or, as Russel Hardin defined it, the expectation of “encapsulated interest”, that is, the knowledge that it is in the interest of the trusted to act on my behalf (Hardin in Warren 1999, 24).

Such interpersonal trust is assumed to be based on three factors. First of all, on the reliance that – regarding a person’s intentions and capabilities – the extent to which future expectations are met is not different from past experiences. Trust in this sense is about building a reputation, involving the promise of fulfilling obligations. Secondly, interpersonal trust can be based on common characteristics of the trustee and the trusted, as given in familiarity, background, gender, age, and ethnicity. You trust somebody, because he or she is like yourself, because you share strong basic evaluations and a set of moral values (Seligman 2000, 69). As you are most likely inclined to trust yourself, you are also inclined to trust somebody else if that person is like you. In that case, it will be more likely that it is in the interest of that other to act in your interest. Thirdly, trust can be based on institutional arrangements, such as the existence of guarantees, rules and regulations, that ensure that others will do what they promise to do. It is not necessary that you trust the person as such to have an interest to act in your interest, but you accept the vulnerability of trusting him or her anyway, because you are assured that the person will have the right intentions and behavior, as he or she will otherwise be sanctioned (Costa 2000, 11).

As argued in the introduction it has been disputed whether the same kind of trust can be shown to institutions (cf. Luhmann 2017; Hardin 2000). We don’t know the intentions of institutions; if they are working in favor of government or citizens. Hence, all that is needed to warrant relations of trust with government is absent, and we cannot reasonably judge through experience whether it is in the interest of government to encapsulate our interests (cf. Warren 1999, 5).

This reasoning assumes that citizens hardly have any knowledge about the workings of the institution at stake. However, one can expect at least some knowledge on the citizen’s part about the workings of government. After all, in many countries, schools are encouraged, and sometimes even obligated, to teach subjects under such varying names as public affairs, citizenship, humanities, social sciences, politics and economy. There are newspapers, television and radio programs, nowadays supplemented with social media, that continuously inform us about the inter-

nal and external workings of government. Citizens experience the quality of public life in their cities or rural areas and are able to judge the quality of the surroundings. Furthermore, public officials continuously inform citizens why certain policies are needed, they account for their actions and provide arguments for their decisions in parliaments, local councils and through other channels. Talking about trust in public institutions, we may not be talking about interests that encapsulate one's personal interests – in that regard the distance between the resident and its government might be too large, but we could talk about the extent to which it is in the interest of government to encapsulate the public interest. Do the interests of the local administration encapsulate the interests of the city? Can we be assured that local administrations make decisions that are in the interest of the municipality, and is it in the interest of local administrations to do so? Institutional trust is about the confidence that the local administration's prime concern is the well-being of the local residents and that it is capable of taking care thereof. Such trust is partly based on knowledge of the basic idea or "good" of the institution (cf. Offe in Warren 1999), partly based on what becomes public knowledge through all kinds of media channels, and partly based on the satisfaction with the outcomes of their actions. In this sense, institutional trust in public organizations is comparable with interpersonal trust.

Such institutional trust is important as it results in compliance and support for the trusted institution, the ease with which difficult decisions are accepted, and the willingness of citizens to coproduce policies together with that government. Research points to outcomes that people believing government to be competent are more likely to provide the critical resources to government and less inclined to evade taxes; generalized high-level trust is expected to encourage sociability, participation with others and to enrich social networks, because it makes people cooperate instead of fighting, makes them active, and encourages them to behave morally (Offe 1999, 122). Yamamura showed for Japan that institutionalized trust makes people more likely to express preferences for income redistribution and to perceive their tax burden as low (Yamamura 2012). On the other hand, lacking trust as a sign of no confidence in the institutional arrangement of a system does in the end make the system collapse (Luhmann 2017), and if it does not collapse, it does at least need costlier ways of cooperation, namely through formal rules and regulations, resulting in high transaction costs. Therefore, distrust in society imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay (Fukuyama 1995, 27–28).

## **2.2 The functions of capital cities and the implications for trust in their local administration**

This subsection argues that it is possible to distinguish (local) public administrations according to the degree to which they can be expected to act predominantly in the interest of their (local) residents, and to the degree to which they are able to meet their (local) residents' high and low expectations, for which

they are at least partly held responsible. This distinction made is between capital and non-capital cities.

What makes a capital city special in terms of trusting its local administration is that, according to Mäeltsemees, “Each capital city has a certain symbolic meaning to its state; the whole state is assessed based on its capital city ... the capital city generally differs from the rest of the local governments of the state” (2010, 25). This symbolic function of capital cities is, first of all, seen in their history, often with still existing remnants of the country’s ancient glorious times. Such remnants can refer to palaces; a cathedral or temple as a symbol of the location of the dominant religion in the country, with the (previous) head of the dominant denomination located there; and the place itself even seen as being the bridge between heaven and earth. Another historical vestige might be a large square or plaza, often named after the nation or a famous historical national hero, being symbolic and still in use for national manifestations. It is also seen in the location of cultural institutions such as (national) universities, national theatres, and national museums embodying the supra-local even national cultural heritage. Thirdly, capital cities are typically the location for political institutes. The government as the executive power often resides in the capital city, as do national assemblies, parliaments, senates and other legislative powers. Both executive and legislative powers share the fact that they symbolize the concentration of political power in that specific locality.

The capital city is, therefore, the symbol of national unity, of political power, and of the level of development of a country. As Gottman and Harper (1990) indicated:

*The capital is by definition a seat of power and a place of decision-making processes that affect the lives and the future of the nation ruled, and that may influence trends and events beyond its borders. Capitals differ from other cities, as the capital function secures strong and lasting centrality; it calls for a special hosting environment to provide what is required for the safe and efficient performance of the functions of government and decision-making characteristics of the place (63).*

The few scholars who analyzed life in capital cities all emphasized the additional functions and challenges of such localities, because of their triple role in maintaining livability for residents, being the principal locus of national economic success, and acting as the window of the country to the outside world to attract foreign investments. These multiple priorities result in a spread of concrete policy areas to address.

Logan (2005) argued, “Such cities perform functions at three levels ... a capital city is a city for all of the nation’s citizens and performs functions for the whole nation. These functions are at both the national level ... and international level” (560). The consequences are also clear, as Douglas (2005) notes:

*Capital cities invariably acquire higher per capita shares of the national public purse than other cities. This would seem to give great advantage to the residents of these cities. However, how these resources are allocated, whether they are sufficient in the face of stresses on these cities, and who actually benefits are essential questions in need of answers before such a sanguine conclusion can be reached (543).*

The multiplicity of goals results in specific issues for capital cities. Often mentioned are the population growth, the resulting excessive housing prices, traffic congestion, air-pollution, the continuous noise, and the resulting need to maintain and increase divertissements. House prices are generally highest – for most EU Member States – in their capital city. This is particularly true in the Czech Republic, where the average price of a house in Praha is almost five times as high as the national average. It is also true elsewhere, with house prices in London, Paris, Amsterdam and Stockholm far exceeding those in the rest of the respective countries. In other countries, it is typical to find house prices in capital cities around twice as high as national averages (Statistics on European Cities 2017).

Capital cities have the potential to play a crucial role in urban developments; they are often hubs for competitiveness and employment and may be seen as drivers of innovation and growth, as well as centers for education, science, social, cultural and ethnic diversity. This is supported by their having an advantage in profiting from new developments, such as primary nodes in networks of (high speed) railways, Internet, and international airports. Scholars have also argued that this increases the attractiveness of capital cities (European Cities Monitor 2002, 159). They continue by arguing that the performance of capital cities is supported by the quality of the workforce, access to markets and external transport links, and they conclude by stating; “[O]ut of the 30 top performers, 20 are capital cities” (European Cities Monitor 2002, 159).

The above implies that positive (high) expectations about cultural facilities, infrastructure, public spaces, employment opportunities et cetera might be more extreme in capital cities than in non-capital cities, and that negative (low) expectations about nuisances involved in living in a city might also be more extreme in a capital city than in a non-capital city.

The implications of having the national government and political power within one’s borders could also be huge for the trust in the local administration of capital cities. As van der Wusten (2000) explained:

*Nowadays capital cities have a considerable segment of civil servants in their resident population ... All these functions in their turn attract other service providers that then become relevant for different purposes (museum quarters as part of the general tourist attraction, the hosting environment as an asset in the interna-*

*tional conference business, the presence of political authority to attract functions from a different system of governance) (130).*

Hence, the composition of a capital city will differ from the population elsewhere in the country and on a micro administrative level the relations among public officials working at different levels might be closer. This might impact the turnover of individual public officials between the national and local levels. As remuneration at the national level is mostly higher than at the local level, the probability might increase that the brightest local politicians and civil servants are transferred to the higher level, leaving the municipality with mediocre civil servants. In terms of trusting the local administration all this could have a negative effect, as it is not self-evident that the local administrators have the interest of the residents of the capital city in mind, or their own interests in becoming an administrator at the national level.

The proximity to national governments could also result in conflicts. As Rowat indicated in 1973 regarding capital cities in federal systems, “The federal government wants to control and develop the national capital in the interest of the nation as a whole, while the people of the capital naturally wish to govern themselves to the greatest extent possible” (Rowat 1973, xi).

The proximity to national government might also influence the opinions of local officials regarding core issues, such as centralization, decentralization, and intergovernmental relations in general. Where decentralization is said to be beneficial for citizens, centralization is advantageous for capital cities, thus distinguishing them from other municipalities. As the OECD (2005) noted, decentralization often comes at the cost of the capital city, as infrastructure tends to become more decentralized in terms of hubs for airports and high-speed trains.

Furthermore, one can ask who is governing the capital city. Are the locally elected or appointed politicians in charge, or is it national government that makes the decisions, and what does that imply for policy-making, public participation, and the residents? As van der Wusten (2000) argued:

*Capital cities are of necessity simultaneously places where national decisions are taken and executed, where international decisions are prepared and meetings for that purpose are often convened, and places showing to the domestic public and the outside world what the state is, what the national identity is, and how the polity imagines the rest of the world in light of its own position (131).*

This could make the residents doubtful about the prime interests of the local administration in their city and whether it is predominantly the national or local interest that is encapsulated in the local administration's interests.



The proximity of national government to the capital city is thus expected to diminish the generalized institutional trust of the residents of such cities in their local administration. Those residents are right in questioning the extent to which it is the local administration that runs the city, or whether it is national government. They also cannot be convinced of the capability of their local administration because of the turnover rate between local and national administration in capital cities.

Therefore, the residents of the capital city might worry about the interests that dominate the decisions made by their local administration. They cannot be sure that their own interests as citizens are encapsulated in those decisions.

This argument can be furthered as the economic development of the country as a whole is often heavily dependent on the development of its capital city. It was calculated for Greece that its GDP would be 19.9 % lower without Athens; the GDP in France would fall 15 % without Paris; the Czech GDP would diminish 4.2 % without Prague; and Poland would lose 9.6 % of its GDP without Warsaw. The only country in Europe which does not have an excessive GDP contribution from its capital city is Germany (IDW 2014).

Because of all this, the hypothesis is that residents of capital cities will have less trust in their local administration than the residents of non-capital cities, as there can be reasonable doubts whether the interests of the residents are encapsulated in the decisions made by local administrations in capital cities. This hypothesis is tested in the subsequent part of this paper.

### **3. Methods**

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We test this hypothesis first by comparing the opinions of citizens in pairs of cities within a country and do that for all pairs of cities for which information is available. The data used are derived from the Urban Audit. The Urban Audit conducted “a survey in June 2015 to measure the local perceptions of quality of life in 79 cities in the 28 Member States of the European Union and cities in Iceland, Norway, Switzerland and Turkey” (European Commission 2010). Earlier surveys were conducted in 2004, 2006, 2009 and 2012. For the survey in 2015, 41,000 people were interviewed. It includes a range of questions to citizens to express their views on various aspects of urban life. The survey exclusively focuses on quality of life, showing how satisfied people are with various aspects of urban life, such as employment opportunities, presence of foreigners, public transports and pollution in their cities. It is designed to allow cities to compare themselves on 30 criteria addressing social, economic, cultural and environmental issues. In each of the 79 cities approximately 500 citizens were interviewed. The Urban Audit does not incorporate multiple cities in all countries. This is, however, the case in the following 19 countries: Austria, Belgium, Bulgaria, the Czech Republic, Denmark, England, Finland, France, Germany, Hungary, Italy, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Spain,

Sweden and Turkey. In each of these countries we created pairs of cities of which one is the capital and one is a non-capital city. This results in the 19 pairs of cities are given in the table in the next section.

Opinions on trust between these pairs of cities are compared, and the consistency in the differences over all 19 pairs determines whether the differences are statistically significant. The significance is determined with a paired sample t-test. If the differences are consistently in the same direction and are large enough, the T-value will achieve a high value. Considering that  $n-1$  is 18 degrees of freedom, this results in either a p-value larger than 0.05, implying the difference is not significant, or a p-value smaller than 0.05, implying the differences are significant. The main difference is that one city in each pair is a capital city and the other not, and therefore differences found are due to that factor.

The indicators for residents' trust in the local administration are measured through their opinions to what extent they agree or disagree with the statements: "Generally speaking, the administration in this city can be trusted."

After this analysis, we present the outcomes of a logit model for dichotomous data aimed at explaining the trust in the local administration in all cities and including control factors, such as the satisfaction with positive and negative expectations, as well as two control variables indicative for the prosperity of the respondents, namely whether they have problems paying their bills, and the region in which the country is located (CEE country or Western European country).

Based on the survey of 2012, we constructed two scales, each consisting of six items. The first scale on the satisfaction with high-expectation issues was constructed around six items with a reliability of 0.60. It is based on the following question:

*Generally speaking, please tell me if you are very satisfied, rather satisfied, rather unsatisfied or not at all satisfied with each of the following issues in [CITY NAME]?*

- *Cultural facilities such as concert halls, theatres, museums and libraries*
- *Sports facilities such as sport fields and indoor sport halls*
- *Health care services, doctors and hospitals*
- *Public transport, for example the bus, tram or metro*
- *Schools and other educational facilities*
- *Public spaces such as markets, squares, pedestrian areas*

The second scale is on the satisfaction with low-expectation issues and was constructed around the following six items with a reliability of 0.66. It is based on the following question:

*Generally speaking, please tell me if you are very satisfied, rather satisfied, rather unsatisfied or not at all satisfied with each of the following issues in [CITY NAME]?*

- *The state of the streets and buildings in your neighborhood*

- *The quality of the air*
- *Cleanliness*
- *The noise level*
- *I feel safe in [CITY NAME]*
- *I feel safe in my neighborhood*

This modeling aims at finding direct and interaction effects on trust. The analysis asks whether living in a capital city intensifies or mitigates the effects of these factors and whether by including those factors still a significant direct effect of living in the capital city on trust in the local administration remains.

## 4. Outcomes of the analysis

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### 4.1 Trust in local administration

This section presents the outcomes of the research. Table 1 presents the outcomes on the opinions about the trust in the local administration comparing residents of capital cities with the next major city in the same country.

Table 1 shows that the trust in the administration varies among capital cities and among the opinions of residents living in capital and non-capital cities. In some capital cities, such as Rome, Madrid, Lisbon, Bucharest, Bratislava, and Sofia, all Southern European and CEE country capitals, trust in the administration is minimal. Opposite thereto, a vast majority of the residents of Berlin, Brussels, Paris, Stockholm, Amsterdam, Copenhagen, Helsinki, London, and Wien (all Northwest European capital cities) do trust the administration in their city. So, in this regard, there is a North-West South-East divide. However, the differences within countries are significant. This is especially seen in Bulgaria, Spain, Rumania, and Slovakia with more than 17 points differences. Over all 19 pairs, the pairwise comparison between capital and non-capital cities in the same country results in a statistically significant difference in trust levels to the detriment of the local administration in capital cities ( $T=-3.45$   $df=18$   $p=0.003$ ).

Hence, the generalized institutional trust in the local administration in capital cities is significantly less than the trust in the local administration in their partner city in the same country. On average, there is almost an eight-point difference. The main exceptions are Stockholm and Paris, which according to their residents have an even more trustworthy administration, than the ones in Malmö and Marseille, respectively.

**Table 1**  
Generalized institutional trust in the local administration

Capital city	The administration in this city can be trusted		Partner city	Point difference
Amsterdam	57*	65	Rotterdam	-8
Ankara	57	60	Diyarbakir	-3
Berlin	59	68	Dortmund	-9
Bratislava	27	44	Kosice	-17
Brussels	70	69	Antwerp	1
Bucharest	42	65	Cluj	-23
Budapest	63	58	Miskolc	5
Copenhagen	74	79	Aalborg	-5
Helsinki	73	72	Oulu	1
Lisbon	45	68	Braga	-23
London	65	68	Manchester	-3
Madrid	38	60	Oviedo	-22
Paris	63	57	Marseille	6
Prague	36	51	Ostrava	-15
Rome	26	29	Napoli	-3
Sofia	45	63	Burgas	-18
Stockholm	77	70	Malmö	7
Warsaw	49	60	Gdansk	-11
Wien	76	83	Graz	-7

\* 57% of the residents of Amsterdam say they trust the local administration as compared to 65% of the inhabitants of Rotterdam giving an 8-point difference

Does such trust also depend on the satisfaction with high and low expectation issues? Table 2a and 2b show that this is indeed the case.

Table 2a and 2b show that the two scales on satisfaction with high- and low-expectation issues both have an equally strong impact on the trust in the local administration. In general, 63.2% of the residents of big cities show trust in their local administration, but this rapidly declines when being dissatisfied with more *high*-expectation issues. Being dissatisfied with all high-expectation issues results in only a 21.3% probability that the respondent will trust the local administration, while being satisfied with all six high-expectation issues results in an 81.9% probability that the respondent will trust the local administration. The relation is strongly linear, as each point decrease in satisfaction with such issues results in approximately a 10% lower probability one will trust the local administration.

**Table 2a**  
Relation between satisfaction with low-expectation issues and trust

		Satisfaction with low-expectation issues						Total row percentage	N	
		0	1	2	3	4	5			6
Trust in local administration	(strongly disagree)	75.8%*	64.3%	54.6%	46.5%	37.4%	27.8%	17.4%	36.8%	14,462
	(Strongly agree)	24.2%	35.7%	45.4%	53.5%	62.6%	72.2%	82.6%	63.2%	24,794
Total N		1,387	2,439	4,297	5,852	7,496	8,450	9,335		39,256

\* 75.8% of all residents who are dissatisfied with all low expectation issues distrust the local administration

**Table 2b**  
Relation between satisfaction with high-expectation issues and trust

		Number of high-expectation issues one is satisfied with						Total row percentage	N	
		0	1	2	3	4	5			6
Trust in local administration	(strongly disagree)	78.7%	69.5%	60.7%	50.6%	40.1%	29.1%	18.1%	36.8%	14,462
	(Strongly agree)	21.3%	30.5%	39.3%	49.4%	59.9%	70.9%	81.9%*	63.2%	24,794
Total N		635	1,572	3,326	5,723	8,181	9,974	9,845		39,256

\* 81.9% of all residents who are satisfied with all six high expectation issues trusts the local administration

Exactly the same results are visible for the impact of satisfaction with *low*-expectation issues. For both scales, the relation with trust is equally strong ( $\gamma=0.45$  and  $0.46$  respectively, both highly significant with a  $p < 0.000$ ).

Both analyses already provide a preliminary answer to the question whether the concept of generalized institutional trust can be applied in a meaningful way to the trust in (local) governments. The satisfaction with positive and negative expectation issues as well as the varying doubts about the encapsulated interests of the local administration in capital and non-capital cities, have the expected and statistically significant effect on the (dis)trust in the local administrations of those cities.

#### 4.2 Trust in the local administration explained using a binary logit model

The question is whether these effects stay strong and significant if controlled for region, being a capital city, and wealth of the respondent. Table 3 gives the outcomes of a binary logistic regression with trust in the local administration as the dependent variable and the satisfaction with low- and high-expectation issues, living in a capital or non-capital city, the region, and wealth of the respondent as independent variables. In the first column, the effects are shown and in the last column the odds ratios are presented. All effects remain strong and significant.

**Table 3**  
Binary logistic regression on trust in the local administration

	<b>B</b>	<b>S. E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>
Satisfaction low-expectation issues	.303	.007	1,677.064	1	.000	1.353
Satisfaction high-expectation issues	.332	.008	1,594.234	1	.000	1.393
CEE countries	-.326	.027	147.523	1	.000	.722
Poor	-.194	.024	64.785	1	.000	.823
Capital city	-.216	.024	80.909	1	.000	.806
Constant	-.371	.028	170.386	1	.000	.690

<b>Model Summary</b>			
<b>Step</b>	<b>-2 Log likelihood</b>	<b>Cox &amp; Snell R Square</b>	<b>Nagelkerke R Square</b>
<b>1</b>	45,732.488 <sup>a</sup>	.124	.169

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Table 3 shows that all the direct effects of living in a capital or non-capital city have the expected effects on trust in local administration. The odds ratio that one trusts the local administration when one lives in a capital city instead of a non-capital city is 0.81. The odds ratio that one trusts the local administration when one is poor instead of having no problems paying the bills is 0.82; the odds of trusting

the local administration for persons living in a CEE country instead of a Western country is 0.72. All this implies that the probability of trusting the local administration is lower, when people are poor, live in a capital, and in a CEE-country. When people are satisfied with issues on which they have high expectations, the odds that they trust the local administration are 2.5 times as high as for people who are dissatisfied with such issues. Each additional issue one is satisfied with results in an increase of approximately 35–39% in the odds that one trusts the local administration compared to the situation in which one is dissatisfied with this issue. Regarding low-expectations issues, if they are still satisfied with them, the odds that they trust the local administration are also 2.5 times as high compared to residents who are dissatisfied with such issues. This implies that in general, trust in the local administration more than doubles when people are satisfied with either kind of social issues.

### 4.3 Interaction effects

A closer analysis shows that there are not only direct effects of these factors on trust, but also multiple interaction effects. Loglinear modeling shows that there are in total nine statistically significant interaction effects.

We are especially interested in the interaction effects involving trust and either high or low expectations. For instance, the probability of trusting the local administration in non-capital cities is on the whole higher than trusting the local administration in a capital city. The impact on trust of living in a capital or non-capital city in CEE-countries is much larger than in Western countries (odds ratios for distrust are 0.34 and 0.42 in Western countries for non-capital and capital cities respectively, and 0.35 and 0.63 respectively for residents in non-capital and capital cities in CEE countries).

A major example of interaction effects is also that the combination of dissatisfaction with high-expectation issues combined with living in a CEE country has an additional effect on increased distrust (Odds ratio = 2.31). In Western countries, it is especially the dissatisfaction with low-expectation issues that has such an additional effect (Odds ratio = 2.26).

A third example is the interaction effect found in the combination of being dissatisfied with high- and low-expectation issues and living in a Western capital. It makes the probability of distrusting the local administration increase significantly, compared to having the same dissatisfaction while living in a CEE country (Odds ratio = 3.38). The interaction effect between the two types of satisfaction on trust is also noticeable in CEE countries, but it is smaller in those countries (Odds ratio = 2.50).

Poverty in combination with dissatisfaction with low expectations also has a small, additional effect on increased distrust, but it is minor compared to the interaction effects discussed above (Odds ratio = 1.17).

This is illustrated in Table 4, where we give the effects of both kinds of satisfaction and poverty on trust in the local administration in four contexts, based on living in a capital city or not and living in a CEE country or not.

**Table 4**  
The influence of the context on the effects of satisfaction on trust in the local administration

Capital city?	Region	N	% trust in general	Effect of satisfaction regarding low-expectation issues Exp( $\beta$ )	Effect of satisfaction regarding high-expectation issues Exp( $\beta$ )	Effect of poverty Exp( $\beta$ )	R <sup>2</sup>	Correct estimation
No	Western	19,845	68.0	2.58	2.79	.71	.21	73%
No	CEE	4,314	59.9	2.59	2.40	.87 (ns)	.18	67%
Yes	Western	9,671	62.4	2.48	2.33	.68	.19	69%
Yes	CEE	4,779	46.9	2.22	2.15	1.01 (ns)	.14	63%

The first two columns in the table give the four distinct contexts, based on the respondent being resident in a capital city or not, and living in a Western or CEE country. The third column gives the number of respondents within each context, followed by the percentage of them trusting the local administration in general. This column shows that trust in local administrations is especially low for residents of capital cities in Central and Eastern European countries. The next three columns give the effects of the independent variables on trust. Given are the odds ratios (exp ( $\beta$ )), indicating the increase or decrease in the probability of trusting the local administration when the independent variable changes to the value as given. Thus, when respondents are satisfied with low-expectation issues, they are 2.58 times as likely to trust the local administration compared to those who are dissatisfied with low-expectation issues. When the odds ratio are below 1 – as is the case for the effect of poverty – the probability of trust decreases when the independent variable has the assigned value (sometimes/often having trouble paying the bills) compared to respondents having the opposite value (never problems to pay the bills). The last two columns give statistics about the model as a whole, that is, the variance explained, and the percentage of people that are correctly classified as trusting or distrusting the local administration based on their scores on the independent variables.

The effect of satisfaction with low-expectation issues on trust seems to be the most robust. It hardly varies over the distinguished contexts, although it is somewhat lower in capital cities in CEE countries. This is different for the effect of sat-



isfaction with high-expectation issues as well as for the effect of poverty on trust. The effect of poverty on trust in the local administration is significant and in the expected direction in Western countries, irrespective of living in a capital city or not. If a person is (sometimes) unable to pay the bills and lives in a Western country, it does impact on his/her trust in the local public administration. This effect is not visible in CEE countries, as its effect is insignificant in these countries. This might be explained by the more extended coverage of social benefits in Western countries as compared to those in CEE countries, making it understandable that individuals in Western countries are more inclined to blame the insufficient social benefits received from the local administration if one gets into payment deficits. As for the effect of satisfaction with high-expectation issues, although the effect is in the same direction in all four distinguished contexts, its effect within capital cities is smaller than in non-capital cities. This is the case in CEE countries as well as Western countries. These are illustrations of some of the interaction effects found through loglinear modeling.

## **5. Conclusions**

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This article compared the level of generalized institutional trust in local administration in capital and non-capital cities in Europe. Such institutional trust was conceived in similar terms as interpersonal trust, namely in terms of encapsulated interests and fulfilling expectations. This article first analyzed why there can be more doubt about the inclination of a capital city's local administration to act on behalf of its residents, than in non-capital cities. Especially the symbolic and economic functions of capital cities for the nation as a whole and issues related to the proximity of capital cities to national government were found to result in doubts whether decisions by the local administration are made mainly with the interests of its residents in mind, which is the first condition for trust. Secondly, it was argued that high as well as low expectations might be more extreme in capital cities than in non-capital cities and that the extent to which these expectations are met further impacts on the trust in the local administration.

This resulted in the hypothesis that generalized institutional trust in the local administration of capital cities is significantly lower than such trust in non-capital cities.

In our re-analysis of Urban Audit data (European Commission 2010), we compared the opinions of residents of capitals with those of residents in secondary cities in the same country. That secondary analysis shows that significant differences do emerge. Residents of capital cities do indeed have significantly less trust in their local administration than residents of secondary cities. It was also shown that satisfaction with the extent to which high and low expectations are met does significantly influence the trust in the local administration. If such satisfaction is completely absent, about 20% of the residents have trust in their local administra-

tion, whereas more than 80 % of the residents that are completely satisfied with the extent to which their expectations are met show institutional trust. These relations remain significant in a multivariate analysis, controlling for other relevant factors. Loglinear modeling showed the significance of several interaction effects, especially showing that the impact of satisfaction with expectations on the generalized institutional trust is stronger in non-capital cities than in capital cities, and stronger in CEE countries than in Western European countries.

The main conclusion is twofold. First, generalized institutional trust is comparable to interpersonal trust, as generalized trust also depends on the knowledge, or doubts, that it is in the interest of the trusted actor to encapsulate the interests of the trustee, and that such trust also depends on the presumed capacity of the trusted one to fulfil the expectations of the trustee. Second, living in a capital or non-capital city does make a significant difference in terms of expectations about public issues and being confident that the local administration is able to take care thereof. It does not make a difference whether we talk about the satisfaction with high- or low-expectation issues, e.g. whether it is about amenities or nuisances. The degree to which both kinds of expectations are satisfied has an equally strong effect on the trust in the local administration.

Of course, this study has its limitations as readers might judge the reasoning to be indirect, that citizens in capital cities have more doubts about the encapsulation of their interests in the decisions of their local administration than citizens in non-capital cities. We acknowledge this, although it is hard to find an alternative explanation for the differences in trust in the local administrations of capital and non-capital cities.

If the outcomes are accepted as valid, they have consequences for understanding trust in other levels of government as well. If institutionalized trust can indeed be conceived in terms of encapsulated interests and fulfilling expectations about public issues in the area for which such a public institution is primarily responsible, this has implications for the explanation of the decreasing trends in such generalized institutional trust at the national level, as well. If citizens start to doubt that national government acts on their behalf, and if they judge that their expectations about public issues are not met by the public institution they hold responsible, they will start to distrust that public institution. This could be the consequence of widespread corruption in government, making people doubt whether government officials act on their behalf. It could also be a consequence of – in itself benevolent – policies such as welcoming asylum seekers, aiding other countries, or signing international treaties, where national inhabitants do not see the benefits or are continuously told by the media that these are not to their benefit. This is especially the case if citizens lose trust that their government is able to solve the public issues that concern them, that is, when government does not live up to their expectations. In this regard, the globalization of governance, the hollowing out of government, the

failures in policies, and the ailing of public leadership might be causes for the low trust in government.

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