



Public Governance Department

Contact: valtionihallinto@vm.fi

An introduction to the concept of trust and to the role of trust in public governance development.

The Role of Public Governance in Strengthening Trust

Finland is traditionally seen as a country with a high level of trust. Trust has been perceived as the force that keeps society together and as the backbone of a good and effective public administration, which is able to reform itself. The success of Finland and the other Nordic countries in trust comparisons has been explained by long democratic traditions, economic equality and low corruption levels.

In Finland, however, trust in different institutions varies and it is unevenly distributed among citizens. People in Finland trust the President of the Republic, the police, universities and research institutions, whereas Parliament, political parties and politicians are less trusted. There is a risk of decreasing political trust among the groups of population with the lowest socio-economic status. The Finnish elite is more divided than before, and trust between different elite groups is cracking. While the level of trust in Finland in administration is one of the highest among the EU member states and the OECD member countries, it has nevertheless diminished over the past ten years. The trust of citizens has been undermined by recessions and political scandals in particular.¹

Trust is a core value in the development of public governance in Finland. Building trust requires ongoing development, and one should not settle for previous successes. If Finland is to remain a society of trust, Finland needs long-range, evidence-based and cross-sectoral cooperation. It is not enough to examine citizens' trust in administration: Finland should pay more attention to how different citizen groups and societal, governmental and political actors trust each other.

WHAT IS TRUST?

Trust is an ambiguous concept. Trust is fundamentally about the individual's own perception, feeling or assessment that the actions of another person, group or institution meet the positive expectations of the individual. In a climate of trust, all actors have faith in each other's promises, goodwill and the consistency of action, which makes them ready to put themselves in a vulnerable position.

Research typically makes a distinction between *social* and *political* trust. Both of them can be broken down into *specific* and *general* trust. Specific social trust means trust in people we know, and it is grounded in personal interaction and perception. General social trust, in turn, denotes more abstract trust in other people in general. Specific political trust refers to assessment of certain political actors, institutions and decisions, or their implementation, whereas general political trust is more broadly directed at the political system and its principles.

Public administration (PA) is typically linked to political trust and viewed as part of government. Citizens come into contact with public administration more frequently than with political actors. Administration has an impact

Who is trusted? ► Who trusts? ▼	Citizen	Political actors	Administrative actors
Citizen	Social trust	Political trust	Trust in administration
Political actors	Political actors' trust in citizens	Trust between political actors	Political actors' trust in administration
Administrative actors	Administrative actors' trust in citizens	Administrative actors' trust in political actors	Trust between administrative actors

on citizens' political trust, as well as their social trust more generally. When developing public governance, we need more evidence-based information on and assessments of citizens' trust in the PA and vice versa. Similar assessments are needed of trust between administrative actors and trust between them and policy-makers.

FINLAND AND EUROPE IN THE LIGHT OF TRUST INDICATORS

There is more and more evidence available on the trust of citizens in public institutions. Typical research tools include questionnaires for the general public. Regular surveys with large sample sizes allow for international benchmarking and a follow-up of variations in the level of trust.

International studies have indicated a decline in citizens' trust especially after the onset of the financial crisis in 2007 and the ensuing recession. According to the 2018 Eurobarometer², trust in political institutions was still weak in the EU area. Less than half of Europeans trusted their national governments (34%), parliaments (34%) and the European Union (42%). Only 19% of EU citizens trusted political parties, and only 40% had trust in the media. In comparison, EU citizens had more trust in justice and the legal system (53%), the police (73%) or the army (74%). The 2018 Eurobarometer showed a slight increase in trust in public administration (50%) and regional or local authorities (54%) in the EU area compared with the preceding year.

The above figures include considerable variation among different countries. Finland has traditionally emerged from comparisons as a country with a high trust index. In the 2018 Eurobarometer, Finland ranked third in the entire EU in terms of trust shown by citizens in national public administration: 73% of citizens trust government, while 19% do not. The only countries excelling Finland in this respect are Luxembourg (84%) and Denmark (74%).

The 2018 Eurobarometer showed that also in terms of other indicators, the level of citizen trust in Finland was high or good by international comparison. Finland is among the top countries in the following indicators: trust in the national army (92%), the police (93%), justice/the legal system (83%) and regional and local authorities (72%). As for trust in the national government (47%, rank 10), the national parliament (57 %, rank 6) and political parties (26 %, rank 9), Finland counts among the top ten countries. The trust of Finnish people in the European Union has increased over the past five years, and it now appears in the Eurobarometer as higher than average (amounting to 53%).

According to the OECD surveys, however, Finnish people's trust in government has been in decline for a longer period already. The downturn during 2007–2016 was the sharpest among the reference countries.³ The OECD analysis builds on inquires about citizen confidence in the

entire political and administrative system, without making any distinction between policy-makers and administrative actors.

Yet we should be critical about international comparisons. Questionnaire-based comparisons are problematic because, among other things, respondents in different countries differ in their understanding of trust. Comparison is also blurred by differences in citizens' expectations for the institutions and actors under assessment and how their actions are perceived in different countries. Furthermore, comparisons assessing countries in their entirety do not bring out differences between groups of citizens or regions.

Evidence does not show unequivocally which factors explain trust or the lack of it and why trust emerges stronger in some countries than in others. Explanatory models for trust have been attempted using approaches that focus on both the individual and societal levels. While international comparisons suggest that trust is a feature of Finnish society, studies show that uneven distribution of trust in Finland has to do with the socio-economic status of citizens.

In present-day Finland, trust tends to accumulate in social groups whose members have a high level of education, enjoy good health, view future optimistically, participate actively and show a positive attitude towards executive institutions and the state of the economy. At the same time, there is a danger of declining trust among groups of citizens with a weaker social status. Unlike citizens in the other Nordic countries, especially those Finns who have a lower level of education feel that they have a poor understanding of politics and the functioning of society. At the same time, those with a low socio-economic status feel that decision-making fails to take adequate account of the wishes of citizens. These concerns are critical, and they should be taken into consideration when striving to preserve Finland as a society of trust.⁴

Research shows that trust in other people, public institutions and the entire society has a strong correlation with economic prosperity and its even distribution. It has been suggested that the best way of creating trust and social stability is to ensure high levels of employment, an even income distribution and equality in education.⁵

WHY IS TRUST IMPORTANT?

Trust has been observed to have a number of positive effects and functions. Social scientists see trust as a binding agent that keeps communities and societies together and as a kind of lubricant that facilitates interaction, cooperation and agreement between people. Meanwhile, political scientists point out that trust, combined with an appropriate degree of critical doubt, is a prerequisite for democracy

and the legitimacy of the political system. Economists have found that trust bolsters economic growth, boosts market economy, promotes effective targeting of resources and encourages exchanges and innovations. It has been estimated that trust improves the quality of life and the creation of human capital. People who live in high-trust communities are happier, healthier and more active as citizens.⁶

Trust seems to inspire more trust. Research shows that stronger specific trust in institutions and actors also consolidates general trust in the entire system and in other people. Greater trust by citizens in administration and administrative actors correlates with their trust in political actors, and conversely. Successful interaction between the government, administration and citizens can at best create circles of trust. The government and administration can win citizens' trust with their actions. This will, in turn, encourage political engagement and the use of public services by citizens, ultimately consolidating the legitimacy of the entire political-administrative system.

Conversely, crises of trust originating from individual cases have a tendency to spread. Scandals and crumbling trust in a single actor may erode trust in the entire system. In other words, a long-running lack of specific trust may result in an erosion of general trust. Corruption easily damages the trustworthiness of government and administration as a whole in the eyes of citizens. In corrupt systems, it is difficult for citizens to generalise their trust beyond their immediate circles and direct contacts. It is easy to lose trust, even quickly, but hard and time-consuming to regain it. As the Dutch saying goes: Trust arrives on foot but leaves on horseback.

Yet the importance of trust transcends state level. The functioning of the European Union, for instance, is grounded in mutual trust both horizontally – between the member states – and vertically – between the member states and the EU. Trust is key for the implementation of EU policies, the functioning of the single market and the effectiveness of the EU's external relations and its legal instruments. For a full and effective implementation of the rights and freedoms enshrined in the EU Treaties, EU citizens and companies also need to have trust in the other member states' public institutions.

Trust is indispensable for carrying out long-lasting reforms. Trust helps us find a common understanding, compromises and concrete solutions to shared problems. In a climate of trust, it is easier for all the actors involved to give up their immediate short-term interests and instead to start building long-term positive expectations and commit to joint goals. In that way, trust helps to combat free riding and opportunism. Trust also diminishes the need for formal and detailed agreements and repeated renegotiations in different situations of interaction. Trust thus serves to reduce transaction costs that arise from the implementation and

monitoring of agreements and contracts. With the help of trust, it is also easier to develop joint capabilities and a capacity to respond to complex challenges and situations that are difficult to foresee. In political and economic crises, trust works like a buffer, facilitating difficult decisions in hard times and improving their acceptance. Trust is needed particularly when other resources are lacking.

A lack of trust, by contrast, adds to uncertainty, complicates agreement and gives rise to objections, even if these go against the interests of the actors concerned. Moreover, a lack of trust encourages a shortsighted pursuit of self-interest and reduces willingness to respect agreements and rules. It also shortens the timespan for policy preparation, because long-term promises and goals lose their credibility. Strong trust between different actors in society is crucial in times of major public reforms. Reforms can only be carried out if citizens trust administration and vice versa, and political and administrative actors have trust in one another.

HOW CAN PUBLIC ADMINISTRATION STRENGTHEN TRUST?

The OECD has identified the following six key factors that enable public administrations to build and promote trust: Reliability, responsiveness, openness, better regulation, integrity and fairness, and inclusive policy-making. The OECD believes that administration should look after both its competence and values.⁷

Reliability is essential in terms of competence: public administrations must be able to carry out their tasks and meet citizens' expectations in changing circumstances. More than before, administrations are expected to anticipate and minimise the uncertainty experienced by citizens, which is due to changes in the economic, social and political environments. Services must be produced efficiently and uniformly, without compromising on quality expectations. Comparable data and evidence-based evaluation are key in securing the quality of services. It is important for administrations not to make empty promises or give a misleading picture of their competence. It is also crucial that public administration openly informs citizens about its failures and seeks actively to redress its mistakes. In the same way, administration should be able to communicate its successes and best practices and explain the reasons behind reforms in an understandable manner.

Responsiveness indicates how carefully administration listens to citizens, makes use of their knowhow and responds to their feedback. To be responsive, government should facilitate consultation practices, improving their timeliness and boosting their effectiveness, and reach out to marginalised and disadvantaged groups more effectively. Consultation should arise from a genuine desire to listen to

citizens, who should also be made aware of the concrete results of their engagement. Experiences of exclusion tend to erode trust in public institutions, which again diminishes willingness to become involved in society and participate in its development. Citizen participation in the preparation of reforms makes them more durable and the changes will be called into question less often. The challenge is to build a constructive and continuous dialogue that can be sustained even in swiftly progressing preparations.

Genuine consultation of citizens requires that government has trust in citizens. Distrust by public administration is often due to the officials' misconceptions regarding citizens' assumed inadequate knowledge and understanding, or assumptions of their negative approach to government. Distrust shown by governmental actors tends to provoke distrust for administration in citizens. It is important that governmental actors have trust in citizens in times when government has to save resources by reducing bureaucracy regarding control and supervision.

Building trust is, however, not only about the performance of government and the outcome of its actions but also about the values, principles and intentions that guide administration. The OECD has found that public administration can boost trust by adopting openness, integrity and fairness as guidelines for its work. As for openness, it is essential to provide citizens with easily accessible and understandable information on government activity. It is important that government makes citizens aware of its practices and procedures and how things are done and why. Openness gives citizens an opportunity to assess governmental action. Transparent and accessible structures, processes and practices and communicating them clearly will reduce citizen frustration, feelings of exclusion and the emergence of distrust with regard to public administration.

Integrity and fairness require that common administrative principles are clearly defined and followed at all levels of administration. Instead of just announcing its guiding principles, administration should actively use all opportunities to demonstrate their significance in practice. Good regulation can affect the realisation of administrative values and ensure competence.

Interaction, transparency and openness of activities, and defining common rules are essential for consolidating trust between governmental actors. Trust between public administration organisations improves their ability to respond to challenges that call for complex and multi-disciplinary solutions, by supporting cross-administrative cooperation and helping break down silos between different branches of government.⁸ Trust underpins the sharing and exchange of information between organisations, and it is also essential for the introduction and efficient use of new practices. Additionally, trust makes it easier to avoid duplicating work in different organisations and helps to target

resources more efficiently. Good and efficient governance also requires regular and trust-based interaction between policy-makers and senior management in government.

TRUST REQUIRES CONTINUOUS DEVELOPMENT

Carrying out sustainable reforms requires trust between different societal actors. Administration plays a key role here. Consolidating trust is a sustained process that builds on interaction between the different administrative branches and the rest of society, which should be backed up with academic research, scientific data and evaluations. When public administration is developed, the consolidation of trust should be seen as an ongoing, day-to-day process founded on reciprocity and mutual respect.

Trust has a complex role in democracy. In the same way as trust, distrust or mistrust can also be considered an integral part of a healthy and well-functioning democracy. Public administration and those in power should indeed be viewed critically. Highlighting problems is beneficial also for administration. It is essential, however, that a lack of trust will not persist and reach the system's core values and set goals. Trust cannot be just a catchword used whenever new, complex challenges prove difficult to handle. Public administration should strive to ensure a balanced distribution of trust and make sure that no social groups are excluded. In this way, public administration can do its part to ensure that the lack of trust will not become an obstacle to necessary reforms and that Finland will remain a society of trust.

A series of policy briefs published by the Ministry of Finance reviews concrete action and steps that have and can be taken to strengthen trust. To build trust, new approaches and new measures are needed, while upholding the fundamentals and core values of good governance.

REFERENCES

- 1 Maria Bäck and Elina Kestilä Kekkonen (eds.) 2019. [Poliittinen ja sosiaalinen luottamus: polut, trendit ja kuilut](#). (Political and Social Trust: Pathways, Trends and Gaps) (In Finnish)
- 2 Standard Eurobarometer 89. [Spring 2018. Public Opinion in the European Union](#).
- 3 OECD: [Government at a Glance 2017. Country Fact Sheet Finland](#).
- 4 [Poliittinen ja sosiaalinen luottamus: polut, trendit ja kuilut](#).
- 5 E.g. Hyssälä, Liisa & Backman, Jouni, 2018. [Kansanvallan peruskorjaus. Kaikki voimavarat käyttöön](#). (In Finnish)
- 6 For literature on trust, see e.g. Uslaner, Eric M. (ed.), 2018. *The Oxford Handbook of Social and Political Trust*. New York: Oxford University Press; Zmerli, Zmerli, Sonja & Van der Meer, Tom W.G. (eds.) 2017. *Handbook on Political Trust*. Cheltenham, UK: Edward Elgar Publishing. Sometimes it is difficult to tell whether trust actually is a cause for or a consequence of matters perceived as positive.
- 7 OECD's [Trust and public policy - How better governance can help rebuild public trust](#) (2017), [Understanding the drivers of trust in government institutions in Korea, a case study for policy action](#) (2018) and [Trust in government](#).
- 8 Sitra 2018. [Ilmiömainen julkinen hallinto. Keskustelualoite valtioneuvoston toimintatapojen uudistamiseksi](#). (In Finnish)