

2. Confidence in social institutions

Definition and measurement

Data on confidence in social institutions comes from the Gallup World Poll. The Gallup World Poll is conducted in over 140 countries around the world based on a common questionnaire, translated into the predominant languages of each country. With few exceptions, all samples are probability based and nationally representative of the resident population aged 15 years and over in the entire country, including rural areas. While this ensures a high degree of comparability across countries, results may be affected by sampling and non-sampling error. Sample sizes vary between around 1 000 and 4 000, depending on the country. Data on institutional confidence is a composite indicator on corruption and a composite indicator on national institutions, created by Gallup. The corruption index is based on a binary question of whether corruption is widespread in business and government and the confidence in national institutions index is based on questions regarding confidence in the military, the judiciary and the national government. The Gallup corruption index correlated strongly and inversely with the Transparency International Corruption Perceptions Index, based on experts' rankings for the OECD countries, providing evidence of validity.

A cohesive society is one where citizens have confidence in national-level institutions and believe that social and economic institutions are not prey to corruption. Confidence and corruption issues are dimensions relating strongly to societal trust.

Low perceived corruption was a feature of Denmark, Finland and Sweden in 2010 (Panel A, CO2.1). Iceland was a Nordic outlier, being somewhat above average for corruption. Anglophone countries had average or better perceived

corruption, with the exception of the United States. Higher than average rates of perceived corruption was found in the Mediterranean and Southern Europe – Greece, Israel, Italy, Portugal, Spain and Turkey. Many eastern European countries, such as the Czech Republic, Hungary, the Slovak Republic, Slovenia and Poland, were also all above average for perceived corruption.

High confidence in national institutions was also a feature of the Nordic countries (Panel B, CO2.1). Mexico, Hungary and Korea were at the other end of the scale, with low confidence in their national institutions. As anticipated, the relationship between perceived corruption and confidence in national institutions was negative. The correlation was high – about -0.83 . In Belgium, Estonia, Korea and Mexico, perceived corruption was relatively low, given the level of confidence in national institutions. On the other hand, Israel has high perceived corruption for its average level of confidence in national institutions.

Lower corruption was found in higher income countries (CO2.2). The income-corruption relationship was quite strong. Notable outliers include Greece, and the United States, who had considerably higher corruption than anticipated on the basis of their income, and Denmark, Finland, Sweden and New Zealand had considerably lower corruption than anticipated on the basis of their income.

Again, confidence in national institutions was higher in higher income countries (CO2.3). As with corruption, this relationship was quite strong. Finland, Denmark and Turkey have much higher confidence than anticipated on the basis of their income, whilst Korea and Belgium have much lower confidence than warranted by their income. In both cases, it is plausible that that causality runs in both directions: high income is both a cause and a consequence of high confidence and low corruption.

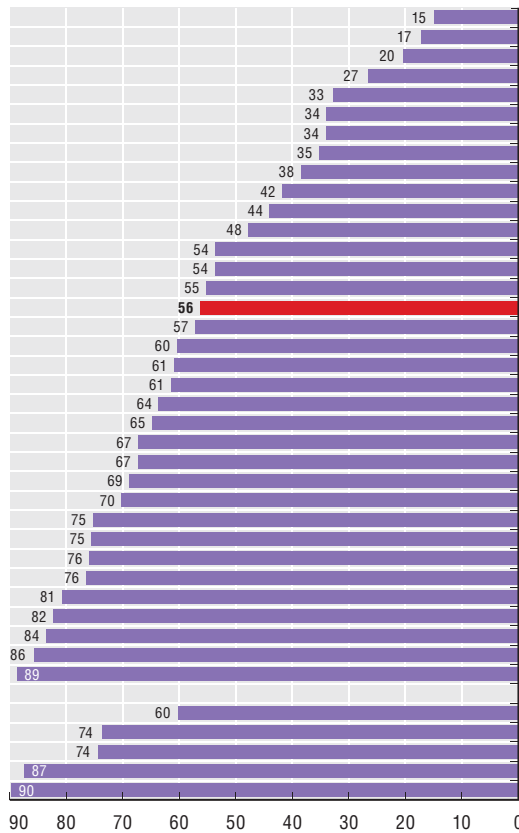
Figure note

Figure CO2.1: 2006: Switzerland; 2008: Finland, Iceland, Norway; 2009: Estonia, Hungary, Israel and South Africa.

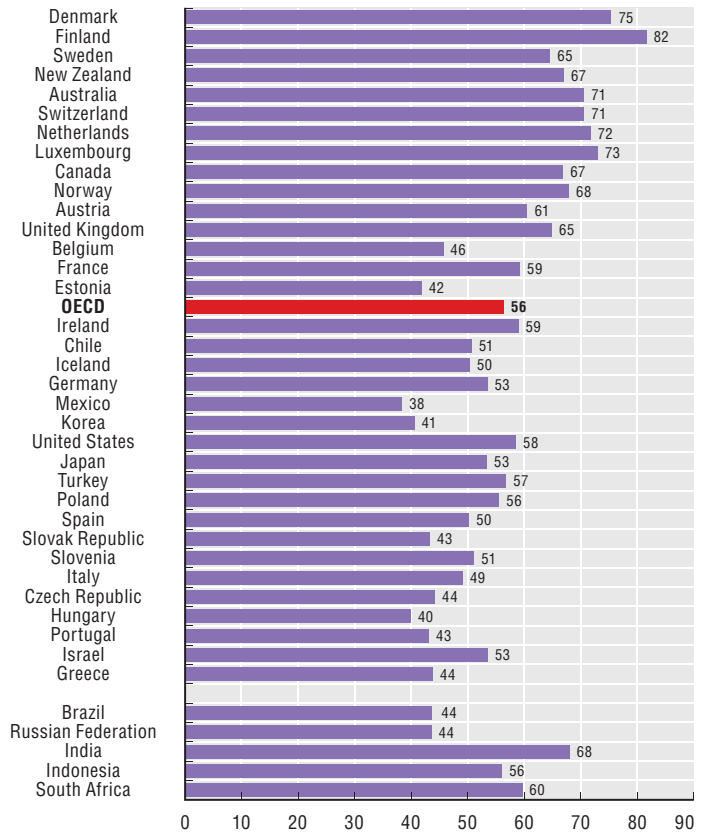
Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

CO2.1. Nordic countries perceive low levels of corruption and are confident in their social institutions

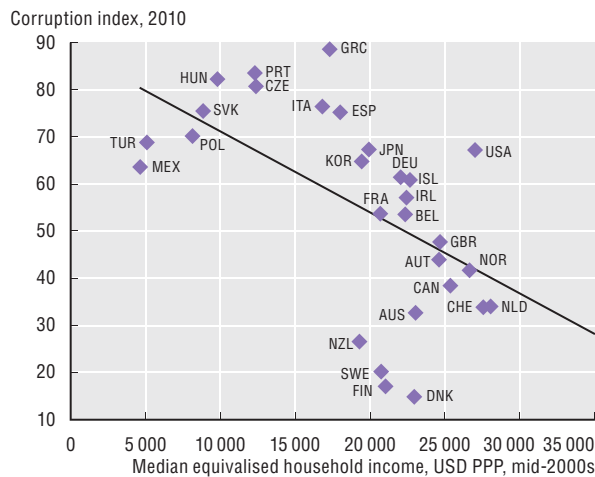
Panel A. Corruption index, 2010 (↗)



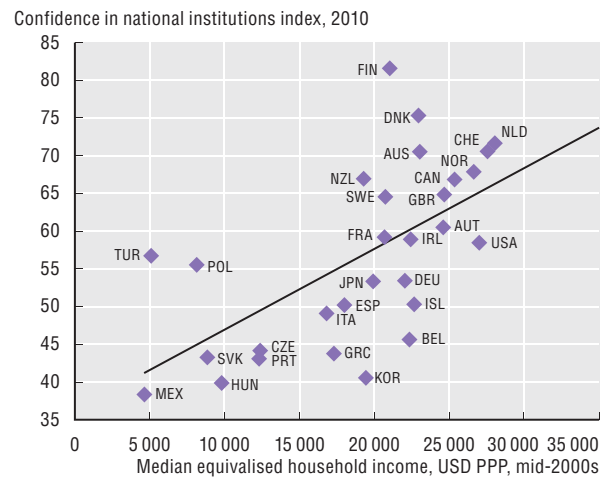
Panel B. Confidence in national institutions index, 2010



CO2.2. Corruption is lower in higher income countries



CO2.3. Confidence in national institutions is higher in higher income countries



Source: Gallup World Poll (www.gallup.com); OECD (2008), *Growing Unequal? Income Distribution and Poverty in OECD Countries* (www.oecd.org/els/social/inequality).

StatLink <http://dx.doi.org/10.1787/888932382083>