# THE TRUSTLAB PROJECT:

## FROM TRUST MEASUREMENT TO POLICY

**Fabrice Murtin**
OECD Statistics Directorate

NAEC Seminar
Paris, 23rd January 2017

OCDE
DES POLITIQUES MEILLEURES POUR UNE VIE MEILLEURE

# TRUSTLAB: OVERVIEW

OCDE
DES POLITIQUES MEILLEURES
POUR UNE VIE MEILLEURE

# Why is trust a crucial issue?

- **History offers a simple answer (and a warning)** as a parallel can be drawn between the contemporary period and the early 20th century
- **There are strong similitudes:** among high-income countries, two periods of intense globalisation **with rising income inequality…**
- **…growing social tensions,** as strong migration pressures have backlashed (US Immigration Quotas, 1920, Brexit, 2016)…
- **…and economic catastrophes:** WWI, hyperinflation, the Great Depression, the Great Recession
- **A warning**: strong social tensions, rising economic inequality and insecurity, have derailed democracies in the past
- **Reducing social tensions, fixing the discontent of globalisation, restoring trust among citizens and trust in government, are today's most crucial policy objectives**

# How to Restore Trust? The Proposed Research Agenda

- **Trustlab proposes a research agenda on the policy drivers of trust**
- This research is confronted with two key problems:

1. **The measurement of trust is contentious, as trust is intangible**: in practice, existing measures drawn from behavioural economics and from surveys are poorly related

   **-> New approaches are needed to better understand trust measures**

2. **The key drivers of trust are *subjective perceptions of policies and government's actions*** (e.g. satisfaction with public services, perceived government transparency, perceived fairness of welfare system, desirability of trade integration…) **on which there is only limited and scattered evidence**

   **-> New data need to be collected to better document subjective policy perceptions across *all* relevant fields**

# The Two Key Contributions of Trustlab

- Trustlab takes a **NAEC perspective** as it cuts across different fields: in practice, Trustlab collects **experimental measures from behavioural economics *as well as* self-reported (survey) measures for both trust in others and trust in institutions** in order to compare them and better understand them

  -> "**what do trust measures capture?**"

- Trustlab is currently building **a comprehensive survey on policy perceptions as drivers of trust**

  -> "**where is policy action most needed to rebuild trust?**"

# Trustlab: Links with OECD agenda

- The two contributions of Trustlab link well to the OECD agenda:

1. **Advancement of the Statistical Agenda on Trust :**

-> A pillar of the « **OECD Guidelines on the Measurement of Trust** »

-> Related to **SDG 16** (« Peace, Justice and Strong Institutions... »)

2. **Informing the policy agenda** :

-> The **OECD Trust Strategy**

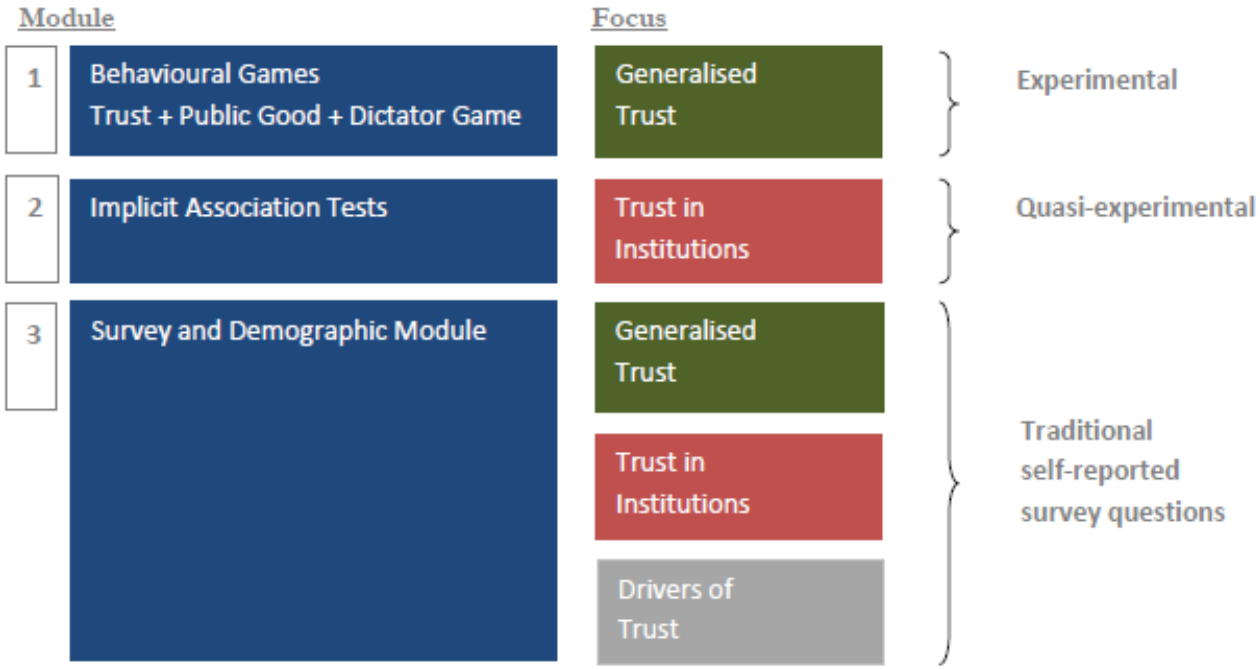
-> Related to specific national initiatives that put trust at the centre-stage, e.g. the **Slovenian Development Strategy**

# Trustlab: Partners and Timeframe

- 2016 Q4
  - FRA: Sciences-Po/Medialab (measurement)
- 2017: **Pilot phase (partly funded through CPF)**
  - KOR: KDI (measurement)
  - SVN: Slovenia Development Strategy (measurement+policy)
  - USA: Brown University (measurement+policy)
  - DEU: Kiehl Institute (measurement+policy)
  - Ongoing discussions with ISR (Prime Minister Cabinet Office)
- 2017/2018: **Development phase**
  - Raise funds to cover all OECD countries

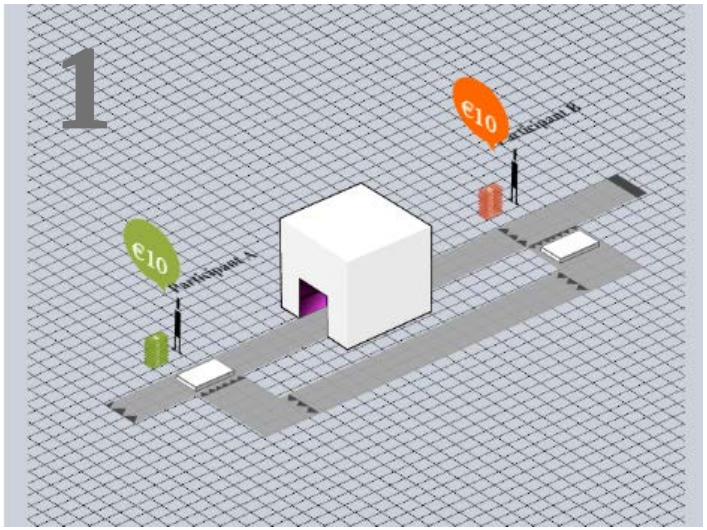
# Trustlab: Overview

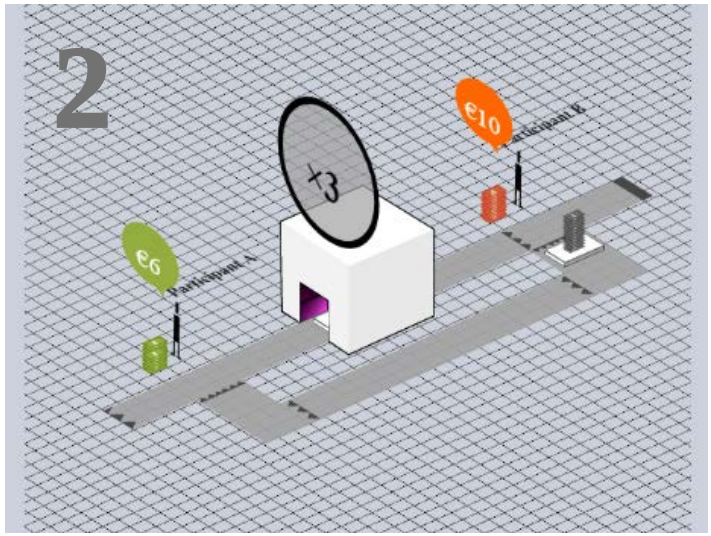
- Trustlab is an online platform run on a nationally representative sample of n=1000
- It combines experimental games (played with real resources) with traditional survey questions, providing both behavioural and self-reported measures of trust in others and trust in institutions



# Behavioural Game I: Trust Game

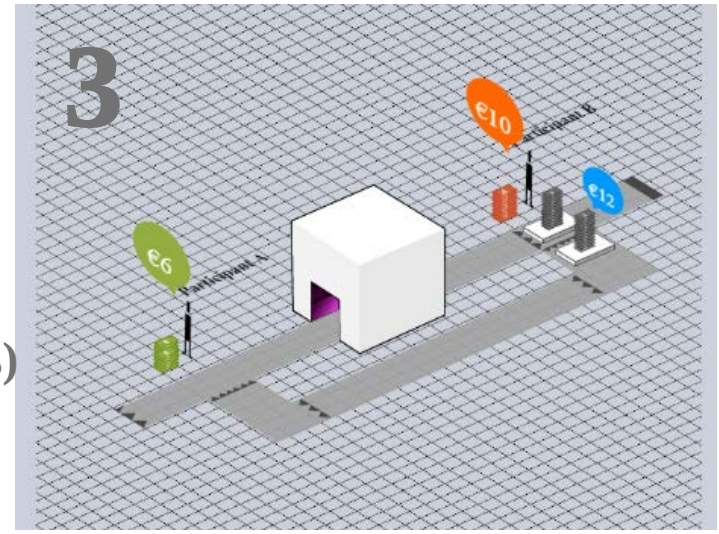
Both players start with €10

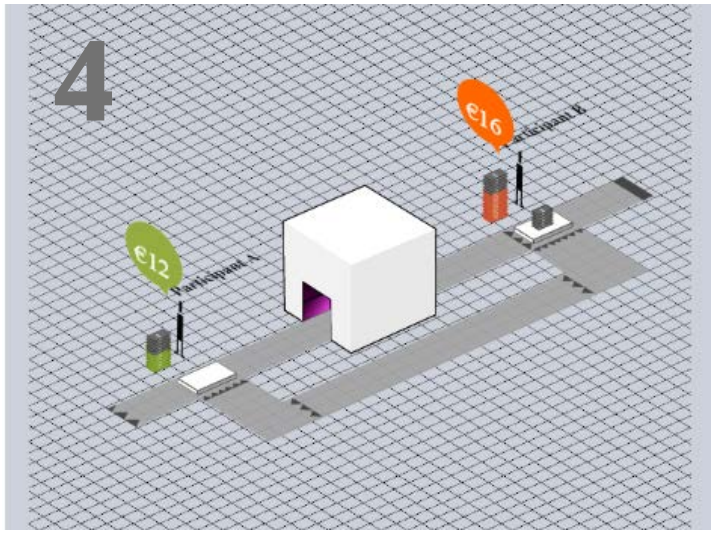



Player A's transfer (**trust**) to player B is multiplied by 3

Player B transfers back some money **(trust-worthiness)**

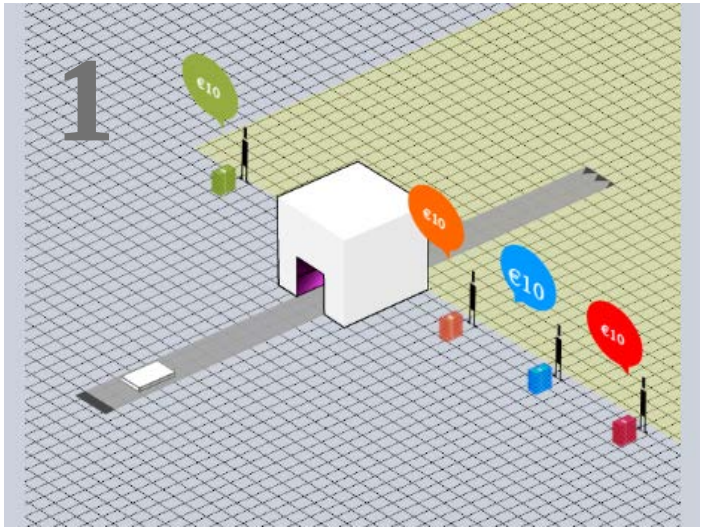


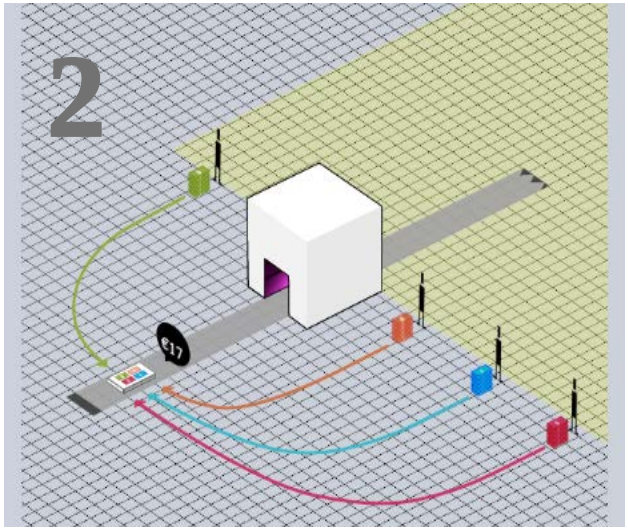




Player A's payoff depends on decision by Player B

# Behavioural Game II: Public Goods Game

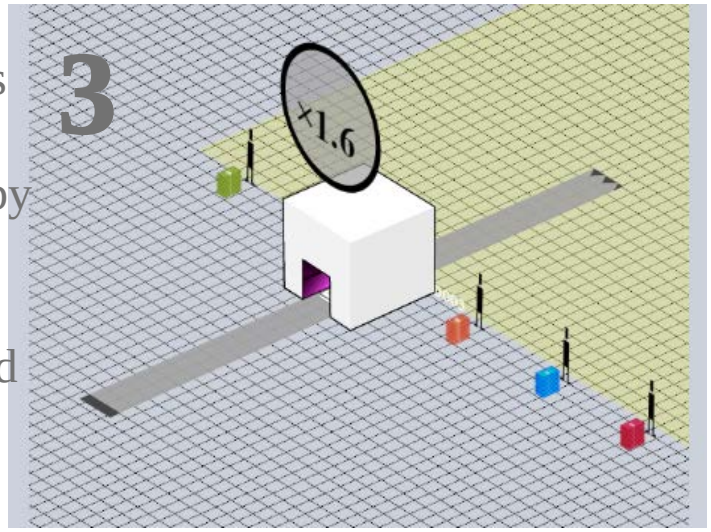
All players start with €10

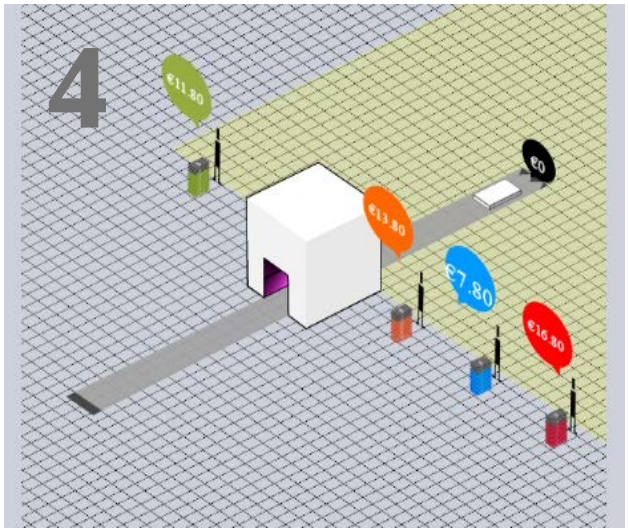



Players make decision to invest in a joint project

Investments are multiplied by 1.6 and equally redistributed




Player A's payoff depends on own investment (**cooperation**) and on other players' investment

# Behavioural Game III: Dictator Game

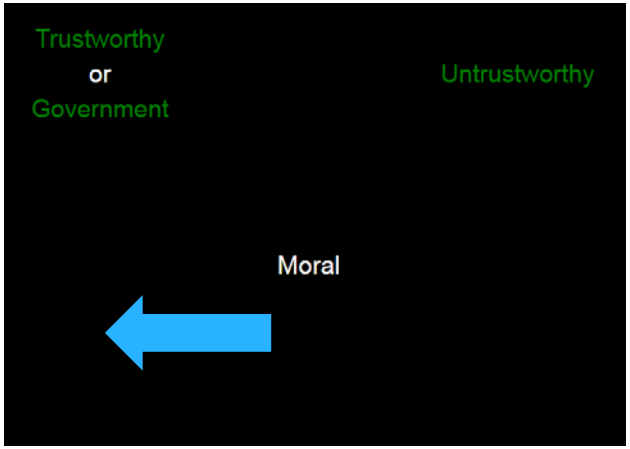
- Participant A receives €10, participant B receives €0
- Participant A can share some of her endowment with B who cannot react
- This game yields a measure of **altruism** for participant A

# Quasi-experimental measures of trust in institutions: the Implicit Association Test (IAT)

- Implicit attitudes (i.e. hidden and unconscious bias) can differ from explicit declarations when dealing with sensitive issues
- IAT is a well-established method to investigate implicit attitudes towards race, sexual orientation, gender (e.g. Greenwald et al. 2008)
- Due to political correctness, bias towards race are often implicit: Banaji and Greenwald (2013) show that 75% of white participants implicitly prefer white over black in IAT; IAT predicts discriminatory behaviour by participants who explicitly describe themselves as racially egalitarian
- Conversely, distrust towards government may be overstated in self-reported measures due to explicit political cynism (Easton 1975)
- How does IAT work? IAT exploits the cognitive bug that takes place when two concepts, subject to conflicting implicit attitudes, are associated

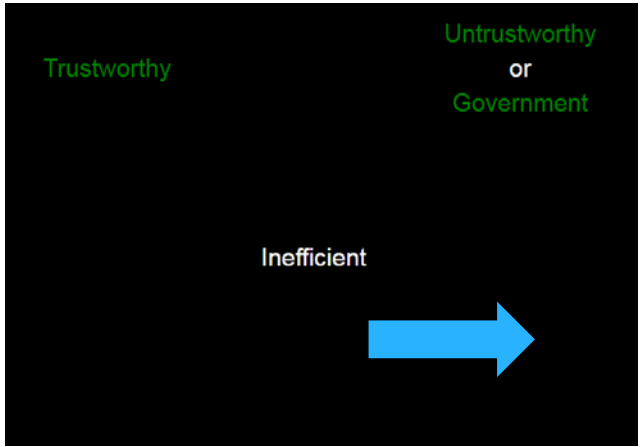
# Implicit Association Test (IAT)

1st step: government associated with ‘Trustworthy’ when stimulus ‘Moral’ appears




**Quick sorting reveals high trust**
(*small positive latency*)

2nd step: government associated with Untrustworthy when stimulus ‘Inefficient’ appears




**Slow sorting reveals high trust**
(*long negative latency*)

Trust score: normalized average difference between negative and positive latencies

# Trustlab Content: Implicit Association Test (IAT)

## IAT Modules

| IAT | Category | Attribute |
|---|---|---|
| 1 | Government | Trustworthy//Untrustworthy |
| 2 | Judicial system | Trustworthy//Untrustworthy |
| 3 | Media | Trustworthy//Untrustworthy |
| 4 | Government | Competent//Incompetent |
| 5 | Government | Honest//Dishonest |

Trust across types of institutions

Dimensions driving trust

Each respondent takes either the first three or the second two IATs in the 15 minutes allocated to this section

# Trustlab Content: Survey and Demographic Module

| Mod | Theme | Example of questions included |
|---|---|---|
| 1 | Trust and trusting behaviour | • Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?<br>• If you lost a wallet or a purse that contained items of great value to you, and it was found by a stranger, do you think it would be returned with its contents, or not? |
| 2 | Trust in institutions | • How much confidence do you have in (*list of institutions*) to act in the best interest of society?<br>• Do you agree with the following statements:<br>- Public institutions deliver public services in the best possible way.<br>- Public institutions pursue long term objectives<br>- People working in public institutions behave according to ethical standards aimed at avoiding corruption<br>- Public institutions are transparent<br>- Public institutions treat all citizens fairly regardless of their gender, race, age or economic condition |
| 3 | Demographics | Age, sex, nationality, HH income, educational attainment |

# MEASURING TRUST IN OTHERS

OCDE
DES POLITIQUES MEILLEURES POUR UNE VIE MEILLEURE

# WHAT IS TRUST IN OTHERS?

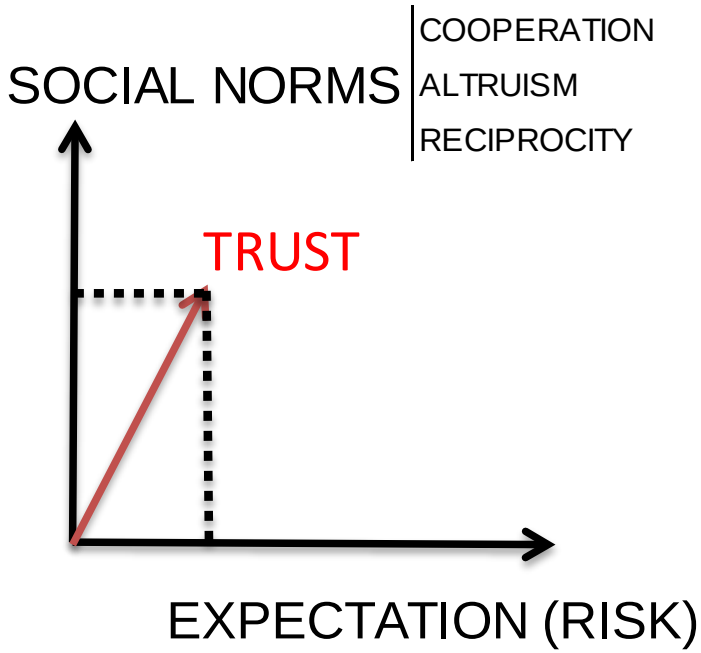
- A trust interaction between two people involves two behaviours: trusting others and being trustworthy, Trustlab looks at both

- The *OECD Guidelines on Measuring Trust* define Trust as:

*a person's belief or expectation that another person or institution will act in favour of one's well-being*

- Trust is multi-dimensional as it depends on:
  1. Expectations: Personal anticipation and attitudes towards risk under uncertainty
  2. Social norms: Social interactions involve notions of cooperation, fairness and altruism (Thaler, 2015), a concern for reciprocity (Falk and Fishbacher, 2006) or betrayal aversion (Bohnet et al. 2008).

# Drivers of Trust in Others




- An empirical question: how much social norms and expectations contribute to trust might depend on whether it is measured via survey questions or experimental games

# The Measurement of Trust : two different approaches…

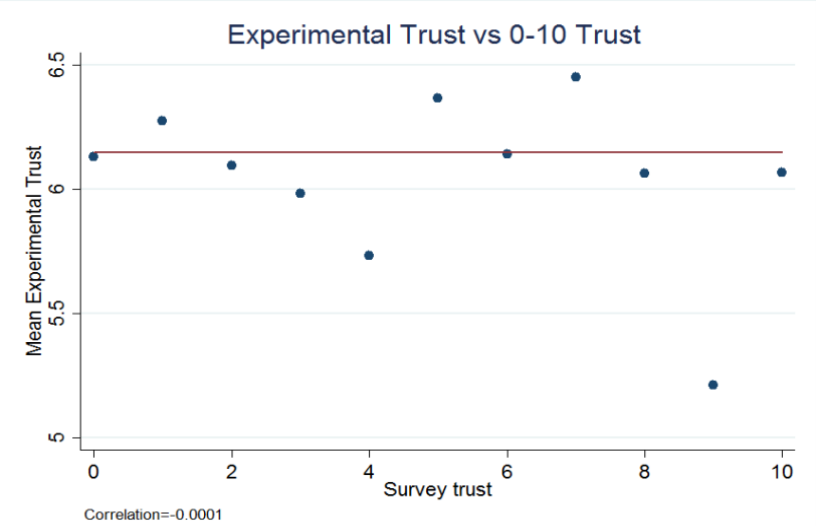
- Macro studies have used **self-reported trust from surveys** highlighting its importance for economic performance (Algan and Cahuc, 2014) :
  - Generalised Trust question in WVS: «Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?»
  - Based on representative samples at national level and easy to implement

- Micro/behavioural studies have derived **experimental measures of trust** from economic games (Glaeser et al., 2000) :
  - There is growing evidence that despite limitations, what happens in the lab also happens in the field (Fehr, 2016)
  - Algan et al. (2014): altruistic behaviour in the field is predicted by experimental measures rather than survey questions
  - But all experimental studies are run on small selected samples

# The Measurement of Trust : …a puzzle?

- Glaeser et al. (2000) and others find:
  - no or weak correlation between self-reported and experimental measures of trust in others
  - Some correlation between self-reported trust and experimental measures of trustworthiness

**Average Experimental vs. Self-reported Trust – France 2016**




- Trustlab reaches the same conclusion**:** What explains the zero correlation between self-reported and experimental trust ?

# Trustlab provides a solution to the puzzle

- Because trustlab collects a lot of measures on behavioural characteristics, it can identify the drivers of both trust measures
- Preliminary findings (based on French and Korean data):
  - Self-reported trust captures risk attitudes and altruism, but it is not correlated with willingness to cooperate
  - On the contrary, experimental trust is strongly related to cooperation, but only poorly to risk attitudes
- Interpretation:
  - Experimental trust is based on a game where cooperation is central
  - Self-reported trust is measured in a context where the degree of uncertainty is very large due to the question (trusting whom for doing what?)
- Trustworthiness predicts self-reported trust, as the latter can be understood as a belief on others' trustworthiness derived from introspection of one's own likely behaviour (Fehr, 2009)

# A statistical recommendation

- The wording of the Generalised trust question emphasises the risk component:

«Generally speaking, would you say that most people can be trusted *or that you can't be too careful in dealing with people*?»

- In the Guidelines on the Measurement of Trust, the OECD will recommend a more neutral wording (plus 0-10 scale):

«Generally speaking, would you say that most people can be trusted ?»

- This is based on ONS evidence (as well as Smith, 1997, and Helliwell et al. 2006) that the sentence « *you can't be too careful in dealing with people*» lowers trust among more risk-averse groups (e.g. women)

# External validation: How do we know the measures predict behaviour in the real world?

- External validation of trust measures is difficult to obtain
- For altruism, both experimental and self-reported measures of altruism correlate with donations to UNICEF at the end of Trustlab (% of amount gained)

-> limited evidence on external validation of trust implies that experimental and self-reported measures should be viewed as complementary (cf. *Trust Guidelines*)

# Extension: Bilateral Trust ('Bonds and Bridges')

- Generalised trust in others is less meaningful in countries with deep social tensions between groups (across ethnicity, income etc...)
- Possible development: Assess « bonds and bridges » i.e. trust between and within ethnic groups (US) or immigrants/natives (DEU)
- Technically, one can use a 'priming' in repeated Trust Games (i.e. tell people with whom they can be matched)
- Desired outcome:

**Hypothetical Matrix of Bilateral Trust Between Ethnic Groups in the US**

| Ethnic group B / Ethnic group A | African-American | Hispanic | White and Others |
|---|---|---|---|
| African-American | 6 | 5 | 4 |
| Hispanic | 5 | 7 | 6 |
| White and Others | 4 | 6 | 8 |

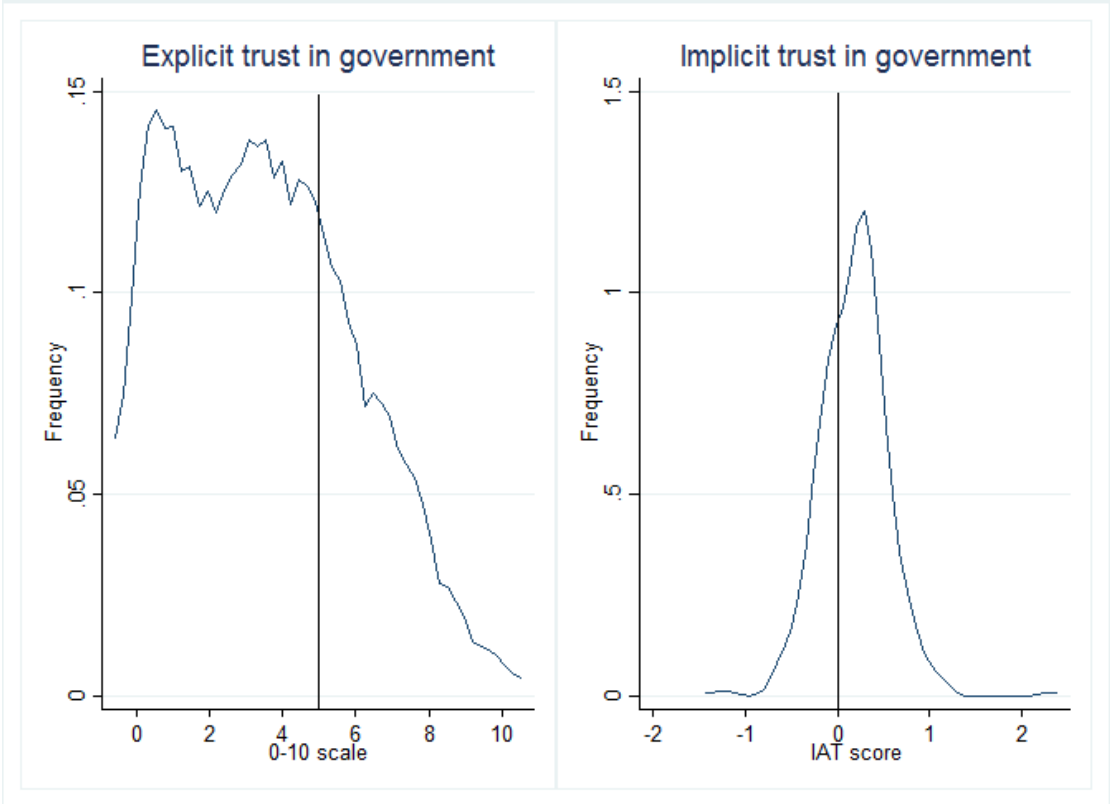
# TRUST IN INSTITUTIONS

OCDE
DES POLITIQUES MEILLEURES POUR UNE VIE MEILLEURE

# What are the levels of explicit and implicit trust in government?

- **Implicit trust in government is higher than explicit trust**:
  - 70% of French people record positive implicit trust, versus 35% declaring a trust score larger or equal to 5 on a 0-10 scale
  - Explicit trust is skewed to the left, while implicit trust is normally distributed

**Distributions of trust in government – France 2016**



# What is the relationship between experimental and self-reported trust in government?

- Key preliminary finding: despite their difference in levels, there are **robust correlations between 'implicit' and 'explicit' measures of trust in government** (less so for judicial system and media)
- Digging deeper, experimental and self-reported measures trust in government *integrity* and *competence/responsiveness* correlate as well

**-> despite limitations, self-reported measures appear to be credible as they capture a deeply ingrained sentiment**

## Dimensions of trust in government – France 2016

| Dependent variable: Self-reported trust in | Government integrity | | | Government responsiveness | | |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Trust in government integrity (IAT) | 0.088** | 0.089*** | 0.069** | | | |
| | (0.035) | (0.034) | (0.034) | | | |
| Trust in government competence (IAT) | | | | 0.062** | 0.061** | 0.053* |
| | | | | (0.031) | (0.031) | (0.031) |
| Behavioural characteristics | No | Yes | Yes | No | Yes | Yes |
| Individual characteristics | No | No | Yes | No | No | Yes |
| N | 393 | 384 | 384 | 405 | 395 | 395 |
| Adj. R2 | 0.014 | 0.076 | 0.120 | 0.007 | 0.035 | 0.071 |

# External validation: Self-reported trust in government correlates with voting

- If both measures are correlated, which one should be the main focus of analysis?

-> external validation

- Self-reported trust predicts 'Voting at the last election', IAT trust measure may or may not...but evidence remains fragile

-> Self-reported trust in government appears to be a credible measure as it is positively correlated with both experimental measures (IAT) and an objective outcome (voting)

# The subjective drivers of self-reported trust in government (1)

- **The strongest subjective predictors of trust in government are:**
  - **perceived government responsiveness in the provision of public goods (« Public institutions deliver public services in the best possible way »)**
  - **government openness ("public institutions are transparent")**
  - **government fairness ("public institutions treat all citizens fairly")**

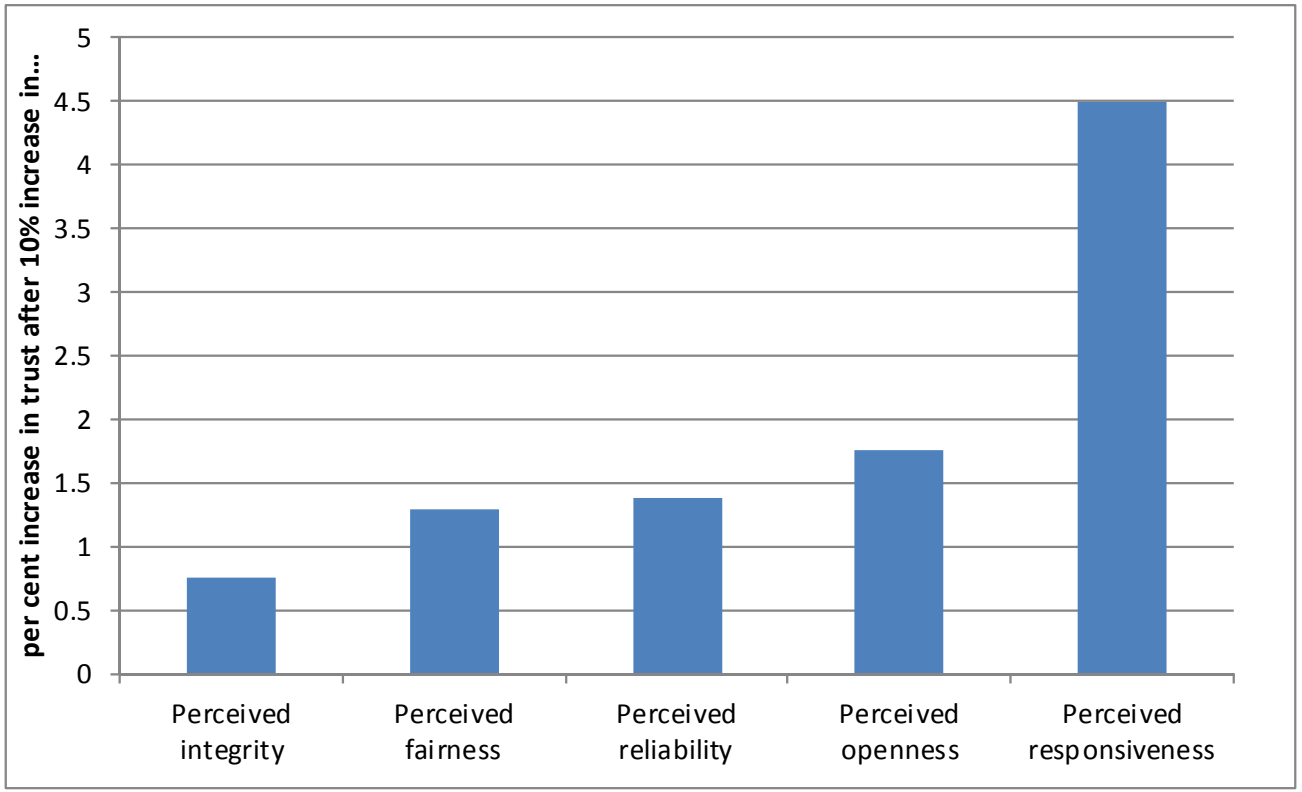
**Subjective drivers of self-reported trust in government**

| | (1) | (2) | (3) |
|---|---|---|---|
| Perceived responsiveness in provision of public goods | 0.288*** (0.053) | 0.299*** (0.054) | 0.295*** (0.054) |
| Perceived reliability in pursuing long-term objectives | 0.079* (0.047) | 0.076 (0.048) | 0.086* (0.048) |
| Perceived integrity | 0.052 (0.056) | 0.057 (0.057) | 0.052 (0.057) |
| Perceived openness and transparency | 0.168*** (0.056) | 0.133** (0.057) | 0.141** (0.057) |
| Perceived fairness | 0.100** (0.046) | 0.099** (0.046) | 0.098** (0.046) |
| Behavioural characteristics | No | Yes | Yes |
| Individual characteristics | No | No | Yes |
| N | 801 | 780 | 780 |
| Adj. R2 | 0.310 | 0.318 | 0.325 |

# The subjective determinants of trust in government (2)

- **Better public services delivery is key to restore trust**

## Increase in government trust after 10% increase in...



# Extension: Specific policy perceptions

- **No existing survey covers a large range of policy perceptions**
- Trustlab Slovenia (Development Strategy) will include an extended questionnaire (drawing from many surveys: GOV, EQLS, EQWC, ESS, DB, CEVIPOF, Gallup etc...) covering specific policy areas :
  - Responsiveness of public services (GOV, EQLS): national (health, education, transportation...) and local ones (safety, environment...)
  - Openness-Integrity (GOV): perceived transparency of law-making, degree of public consultation, perceived corruption
  - Reliability (GOV, DB): perceived degree of business regulation
  - Fairness (Alesina): desired tax-benefit system, perceived social mobility
  - Economic and job security (EQLS,EQWC)
  - International trade and globalisation (CEVIPOF, Mansfield&Mutz)
  - Social cohesion and diversity (ESS, Gallup, Koopmans&Schaeffer)

# CONCLUSION

OCDE
DES POLITIQUES MEILLEURES
POUR UNE VIE MEILLEURE

# Conclusion

- Trustlab is an innovative platform that allows comparing experimental and self-reported measures of trust over large samples and across countries (mid-2017: FRA-KOR-SVN-USA-DEU-...)
- Trustlab shows that surveys and experiments capture different aspects of trust in others, providing a complementary picture
- Experimental measures and external validation support self-reported measures of trust in government
- Two platform developments are considered to shed further insights on the policy implications of Trustlab:
  1. Assess bilateral trust between/within ethnic groups
  2. Assess policy perceptions as subjective drivers of trust in government

# Partnering with Trustlab

- Trustlab welcomes new partners for the pilot phase (2017)
  - Run a Trust survey with a strong policy content at a small cost
  - Possibility to tailor the survey according to country needs
  - Possibility to commission a report
- A statistical architecture: in the longer run, the platform could be used to run surveys on other aspects
- Trustlab needs funding for the development phase

***Thank you!***

# Annex: Trust in government and objective policy indicators

- Trust in government is negatively related with several policies thought to be growth-enhancing : LM and PM deregulation, UB replacement rate reduction, extension of legal age of retirement, freedom to trade internationally
- No trade-off: control of corruption and legal enforcement of contracts, tax wedge (but positive correlation of public spending in health)