

Trust in Government: Understanding its Territorial Divides

Webinar Summary

7 July 2021, 13:00-14:30 (CEST)

Zoom Webinar



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Introduction

There is a growing interest among policy makers to understand and measure the factors behind trust in government. In this context, the OECD's Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) is developing a new line of work on the territorial dimension of trust in government and the geography of discontent. The work has two main objectives: 1) to build a stronger understanding of the forces behind regional divides in trust in government and the ability to measure these; and 2) to identify the local drivers of trust in government and build strategies that help address territorial divides in trust, notably among urban and rural areas.

To launch this work, on 7 July 2021 CFE organised the OECD Webinar "Trust in Government: Understanding its Territorial Divides", organised in partnership with the OECD Public Governance Directorate (GOV) as part of the broader OECD work on the drivers of trust in government and public institutions.

The webinar gathered OECD and international experts to build the knowledge base and promote international dialogue on the issue of trust in government. Panellists discussed whether and how local characteristics and socio-economic conditions influence trust in government, and the challenges in measuring these. They stressed the role of place-based policies and multi-level governance mechanisms in advancing the underlying determinants of trust and mitigating those that can generate distrust. The conversation highlighted a need to disentangle the drivers of trust in government in Australia, Europe and the United States, with a particular focus on their territorial particularities. It also revealed the current limitations in the ability to design and apply policy solutions for building trust in government, particularly in a place-sensitive manner, underscoring the need for more work in this area.

Invited International Speakers

- **Lewis Dijkstra**, Head of the Economic Analysis Sector, Directorate-General for Regional and Urban Policy, European Commission, Brussels, Belgium
- **Neil Lee**, Professor of Economic Geography, Department of Geography and Environment, London School of Economics, London, the United Kingdom
- **Anthony F. Pipa**, Senior Fellow in the Centre for Sustainable Development, the Global Economy and Development Program, Brookings Institution, Washington, D.C., the United States
- **Danielle Wood**, Chief Executive Officer, the Grattan Institute, Melbourne, Australia

Part 1: Opening Remarks & Setting the Scene

Dorothee Allain-Dupré, Head of Division of the Regional Development Policy and Multi-level Governance Division, CFE, OECD, opened the webinar, introducing the conversation by highlighting three relevant points, based on recent data:

1. Trust in government and its dynamic vary greatly across OECD countries;
2. Confidence in the national government varies significantly across TL2 regions¹;
3. In most countries trust in local governments is higher than trust in national governments.

¹ For administrative boundaries, the OECD has classified two levels of geographic units within each member country. The higher level, Territorial Level 2 (TL2), consist of large regions and correspond in most cases to the principal sub-national unit of government (states or provinces).

To illustrate the importance of trust in government, including at the regional and local levels, she drew the audience's attention to a recent OECD study – *The territorial impact of COVID-19: Managing the crisis and recovery across levels of government* (OECD, 2021). The work reveals the importance of trust in government and health authorities in generating compliance with government recommendations and policies, including vaccination campaigns. Vaccine acceptance rates are positively associated with trust and vary significantly across and within countries.

The disparities in trust between urban and rural areas were also presented. Recent studies have analysed the geographic dimension of trust in government, showing that trust tends to decrease as the distance to urban centre increases, as well as in areas with low population density and limited access to public services. However, in countries such as Austria, Spain and the United States, there is also evidence that confidence in the government has increased between 2017 and 2020, and in some regions is now higher in rural than in urban areas (WVS, 2021). The importance of long-term regional economic performance and local labour markets outcomes were also mentioned as important drivers of trust in government at the territorial level.

The analysis of these issues is still in an early stage of development due to the lack of reliable data and a greater focus on diagnosis rather than policy solutions. To address these challenges and improve the understanding of the territorial divides in trust in government, Dorothee Allain-Dupré suggested a number of possibilities. These included extending the geographic information retrieved through the OECD Trust Survey (depending on country willingness) by integrating the degree of urbanisation in the analysis; leveraging complementary sources of microdata; and focusing on potential policy solutions, particularly for regions in long-term economic decline.

Monica Brezzi, Head of Division of the Governance Indicators and Performance Evaluation Division in the OECD's Public Governance Directorate, shared some insights on the drivers of trust in government. These were based on the OECD framework on "Drivers of Trust in Government"² and data analysis carried out in some countries to refine the framework. The OECD Drivers of Trust survey aims to measure a series of drivers of trust in government in a nationally representative sample of population:

- Public governance:
 - Competence: responsiveness, reliability
 - Values: integrity, openness and fairness
- Political efficacy and satisfaction with services
- Evaluation of government action on key long-term policies
- Perception of global governance (in development)

Pilot results from six countries^{3 4} show that the percentage of people who trust that their governments are responsive, reliable, open, honest and fair varies significantly between countries, and that these percentages also vary across authorities and institutions.

Finally, Monica Brezzi commented on four emerging issues that were discussed in the webinar series "Building a new paradigm for public trust"⁵ that should be taken into account to better understand people's

² OECD (2017), *Trust and Public Policy: How Better Governance Can Help Rebuild Public Trust*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264268920-en>.

³ OECD Trust Survey for Finland (2020) and Korea (2018), and OECD Trustlab from Germany, Italy, Slovenia and the United States (2018).

⁴ Results of an iteration of the OECD Trust Survey in 20 OECD countries will be published in March 2022.

⁵ <https://www.oecd.org/fr/gov/webinar-series-building-a-new-paradigm-for-public-trust.htm>

trust in government and public institutions. First, the need to have more granular data, as trust in national and local government is very different and so the policies to address it should be, too. Second, the need to understand the relationship between trust in government and the sustainability of long-term policy choices. Third, enhancing citizen participation is crucial, as equal access to policy-making and representation are conditions for improving trust. Fourth, analysts, politicians and policy makers need to understand distrust (as opposed to low trust) as a challenge to democracy and the role that disinformation is playing to fuel it.

Part 2: Perspectives on the Geography of Trust in Government

In the second part of the seminar, four international experts presented their work on trust in regional levels of government in different parts of the world. The presentations focused on the Geography of Trust in the European Union, the differences in trust between urban and rural Europe, the territorial divisions of trust in Australia and the current situation of rural areas and trust in the United States.

Geography of Trust - Lewis Dijkstra, European Commission's Directorate-General for Regional and Urban Policy

Lewis Dijkstra, Head of the Economic Analysis Sector at the European Commission's Directorate-General for Regional and Urban Policy, opened the second part of the webinar with a presentation focusing on the geography of trust in the European Union (EU) and Euroscepticism. Studies from the European Commission find a marked increase in distrust towards the EU after the 2008 financial crisis, which peaked between 2015 and 2016. While this trend was present across the board, it was not equal in all countries. Nevertheless, trust in the EU has started recovering in the last years.

In a more detailed analysis, Euroscepticism, Lewis Dijkstra said, displays strong territorial divides and geographic patterns, with distrust of the EU being higher in rural than urban areas. According to the findings, the share of votes for anti-EU parties is significantly higher in rural areas than in cities, towns and suburbs. Distrust of the EU not only seems to have a strong urban-rural divide, but in some cases country-specific patterns, such as the East-West divide in Germany or North-South in Italy and Portugal.

Finally, Lewis Dijkstra presented some findings related to one of the most relevant questions discussed throughout the webinar: the drivers of distrust in government. He presented an analysis of eight possible drivers and how they influence the levels of electoral support for anti-EU parties across. The importance of these drivers differs depending on whether respondents live in cities, towns and suburbs, or rural areas (Figure 1).

Figure 1. Drivers of Euroscepticism in cities, towns and suburbs and rural areas

	Declining GDP	Increasing unemployment	High share migrants from EU	High share non-EU migrants	High share tertiary educated	High share of people aged			Higher Turnout	Neighbourhood density
						20-39	40-64	65+		
Cities		↑		↑				↑	↓	↓
Towns and suburbs		↑	↓	↑	↓	↓	↑		↓	↓
Rural areas	↑	↑	↓	↑	↓	↓	↑		↓	↓

↑ Increases
 ↓ Decreases

Anti-EU votes



Source: Dijkstra, L (2021), *The Geography of EU Trust and Euroscepticism*, PowerPoint presentation at the OECD webinar “Trust in Government: Understanding its Territorial Divides”, 7 July 2021, held virtually (Zoom), https://www.oecd.org/regional/multi-level-governance/Dijkstra_OECD%20CFE%20Webinar_Trust.pdf

Overall, Eurosceptic voting is highest in rural areas with low economic growth, rising unemployment, a higher share of non-EU migrants and middle-aged residents, lower voter turnout and low neighbourhood density.

Faith no more? The divergence of political trust between urban and rural Europe – Neil Lee, London School of Economics

Neil Lee, Professor in the Department of Geography and Environment at the London School of Economics (LSE), presented the findings of his paper “Faith no more? The divergence of political trust between urban and rural Europe” co-authored with Frieder Mitsch (LSE) and Elizabeth Morrow (Kings College). Motivated by events such as Brexit and the *Gilet Jaunes* protests in France, Lee, Mitsch and Morrow explore the political divergence between urban and rural areas, and the “loss of faith” in national governments among rural dwellers.

Using data from the European Social Survey’s (ESS) seven trust variables⁶ applied to 18 countries⁷, Neil Lee presented findings that people in rural areas have lower political trust than urban or peri-urban dwellers. This trend has been increasing since 2008, and is driven by Southern Europe.

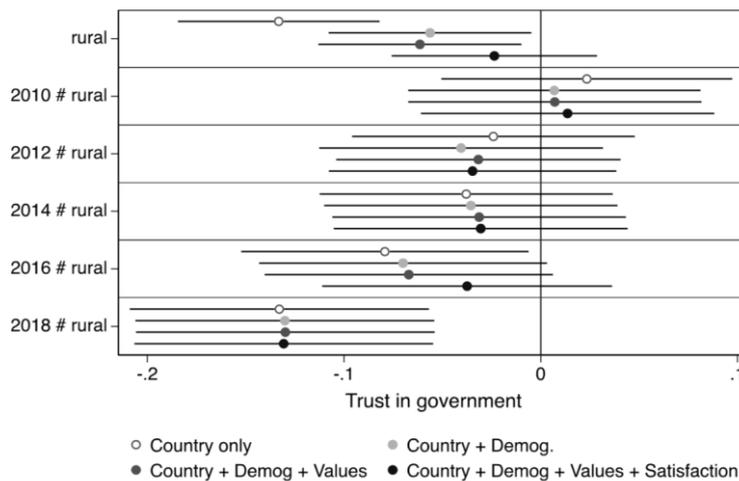
While controlling for country fixed effects – demographics, values and satisfaction with public services – it was found that rural trust diverges and that there is a marked difference with levels of trust in urban settlements (Figure 2). A recent resurgence in trust is evident in urban areas, but not in rural ones.

Figure 2. Rural trust diverges, even controlling for other characteristics

Interaction plots from ordinal logit including various controls

⁶ The 7 trust variables are: Trust in the legal system, trust in the police, trust in the United Nations, trust in the country’s parliament, trust in politicians, trust in political parties, and trust in the European Parliament

⁷ Belgium, Czech Republic, Estonia, Finland, France, Germany, Hungary, Ireland, Lithuania, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland and the UK.



Note: Each line presents the interactions between each ESS round and rural residence in an ordinal logit regression where the dependent variable is the composite indicator of trust in government. Each coefficient is presented with four model specifications, with county dummies only, with country dummies along with controls for demographics and income (as in table 2), with country dummies, demographics, income and personal values. 95% Confidence intervals given by line either side of beta estimate.

Source: Mitsch, Lee & Morrow (2021), *Faith no more? The divergence of political trust between urban and rural Europe*

<https://doi.org/10.1016/j.polgeo.2021.102426>

Rural trust divergence seems to be driven by public service delivery and the effects of the Eurozone crisis. The uneven recovery of the 2008 financial crisis appears to have triggered this divergence, which persists today. Consideration of policies intended to support recovery from the financial crisis might shed some light on how the management of the current crisis could affect the levels of trust in different levels of governments and across different territories.

Trust in government: understanding territorial divides in Australia – Danielle Wood, Grattan Institute

In the third round of presentations, **Danielle Wood**, the Chief Executive Officer of the Grattan Institute, shared extensive data from several sources to highlight now how trust in government has changed in Australia, and the extent to which it can be explained by variables such as economic performance, crisis responsiveness, and regional cultural characteristics.

Trust in government in Australia was at its lowest levels before the COVID-19 crisis. During the pandemic, trust in state governments has picked up, particularly in those that have played a strong and successful role in the COVID-19 response. This has interrupted a long trend of declining trust in government characterised by a sustained decrease in those who believe that *“people in government can be trusted to do the right thing”* and an increase in the belief among Australians that there are not enough checks and balances (Cameron & McAllister, 2019).

Over the last decade, minor party and populist votes have grown faster in the rural areas of Australia. Economic explanations, Danielle Wood said, do not seem to be convincing, as wage and wealth levels have not diverged between urban and rural areas. Furthermore, between 2002 and 2016, the share of minor party votes in the Senate increased in line with the increase in salaries (Figure 3).

Figure 3. Economic explanations are unconvincing: minor party vote jumped after income rose



Note: Nominal wages deflated using RBA's trimmed mean measure of underlying inflation. Minor party = not LNP, Labor, Greens.
Source: ABS 6345.0, 6401.0; Grattan Institute, A crisis of trust.

On the other hand, recent increases in urbanisation (linked to increases in migration) and strong state-based cultural identities could possibly better explain the downward trend in trust in governments. Data cited by Danielle Wood show that in 2016, around 60% of respondents in Australian rural areas believed that the number of immigrants should be reduced in their region, while this proportion was only 20% in cities. In addition, in 2017, although throughout the Australian territory more than 50% of those surveyed believed “traditional values should be upheld”, in remote and rural areas this percentage exceeded 70% (Wood, 2021).

Some possible causes behind declining trust in Australia include:

- Policy failure (e.g. affordable housing)
- Influence of “vested interests” (e.g. political donations, lobbying, transparency)
- Fewer authoritative voices (e.g. media is increasingly fragmented)
- Un-representative democracy (e.g. politics as a “job for life”)
- Leadership changes (e.g. “not the prime minister I voted for”, personal ambition over public good)
- Self-interest of politicians (e.g. abuse of entitlements feeds cynicism / “jobs for mates”)

Finally, she shared some ideas on how governments can address the challenge to trust. Among these were to focus on policies that can actually make a difference in people’s lives; to curb bad practices by rebuilding institutions; to increase the presence of institutions and improve regional services; to incorporate cities and regions in a broader national identity emphasising shared values.

Case study of distrust in the United States – Anthony F. Pipa, Brookings Institution

The final presentation was given by **Tony Pipa**, Senior Fellow in the Centre for Sustainable Development, the Global Economy and Development Program at the Brookings Institution, who shared a number of insights related to the situation of trust in government in rural areas in the United States.

Tony Pipa began by focusing on the current situation of rural areas in the US, and the unique vulnerabilities they face. These include employment rates that had not recovered to pre-2008 levels before the COVID-19 pandemic hit. In addition, they have poorer counties, weaker labour markets and an underdeveloped

rural start-up scene. Public services in these areas have also been affected. There has been a steep decline in the number of rural hospitals and community banks, and rural residents often face lower access to high-speed internet. In addition, eligibility and funding requirements for federal grants often disadvantage rural institutions. He noted that “Many (rural) places are worse off today than a generation ago”.

The situation in rural areas contrasts with that in urban and metropolitan areas. For example, rural areas have not seen a rapid growth in employment, as has happened in most cities. Rural areas are also affected by the lack of a place-based federal rural development policy. This translates in a feeling of abandonment for rural dwellers. According to survey results shared by Pipa, rural area residents feel like they provide and contribute to the country’s economic performance, but that economic growth does not benefit them in return. They are also sceptical of government assistance; some perceive their communities to be victims of government decisions that ignore their needs and policies that disproportionately use rural resources to help more privileged urban areas. Major shifts in voting patterns seen in the 2016 presidential election occurred in places that are not necessarily worse-off, but that are in long-term decline. The voting shift can, in part, be explained by these feelings of distrust towards the government.

Although there is no federal strategy for rural development in the US, the current administration has committed to rebuilding the rural middle class by appointing a rural outreach director in White House Public Affairs. The American Rescue Plan (passed in March 2021) contains several elements focused on rural America, such as funds for farmers and ranchers, stimulus for local governments, and USD 500 million in emergency rural healthcare grants. The American Jobs Plan also includes measures such as a USD 5 billion package for a Rural Partnership Program.

In closing, Tony Pipa noted that it will be interesting to see if these investment packages and resource injections in rural communities will make a difference in the level of trust in government.

After the presentations, there was time for an exchange of ideas and a short Q&A between presenters and attendants. Among the points discussed were the need to deepen the analysis by combining survey data with other sources of information; the correlation between trust and the Eurosceptic vote; the need to pay attention to the practical implications of increasing divergence in trust in government in rural and urban areas; and how governments should approach these issues. Some key takeaways:

- Governments and policy-makers need to be humble on what they can deliver
- National governments could approach the trust issue by investing in other levels of government, allowing greater margin for local leadership to deliver (policy and services) as appropriate to their territory
- Greater local voice and local input into policy making could make a difference

Wrap-up and Closing Remarks

Paolo Veneri, Deputy Head of Division of the Economic Analysis, Data and Statistics Division in CFE, shared some final ideas on measuring the drivers of trust in regional and local government. He stressed the need to start looking differently at measurement, to use different measurement methods and the importance of triangulation. In addition, he remarked that for those of interested in analysing trust in governments, relying on surveys alone is insufficient – it is important to talk to people.

Finally, **Enrique Garcilazo**, Deputy Head of Division of the Regional Development and Multi-level Governance Division in CFE, closed the webinar sharing some thoughts on the next steps for understanding and addressing the territorial divides in trust in government. Given that the drivers of trust are complex and can be linked both to government’s performance indicators (GDP, unemployment, service delivery), as well as to structural issues (vested interests, policy failures, cultural or leadership changes),

it is necessary that policy-makers work to disentangle these drivers, identify them clearly and thus design holistic policies that can anticipate the trends we are seeing, especially in rural areas.

Agenda

7 July 2021	
13:00 – 13:25	<p>Opening Remarks & Setting the Scene: OECD new work stream on the territorial divides of trust in government</p> <p><i>Territorial divides of trust in government</i> Dorothee Allain-Dupré, Head of Division, Regional Development Policy and Multi-level Governance Division, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD</p> <p><i>Measuring and reinforcing the drivers of trust in government</i> Monica Brezzi, Head of Division, Governance Indicators and Performance Evaluation Division, Public Governance Directorate, OECD</p>
13:25 – 14:05	<p>Perspectives on the Geography of Trust in Government</p> <p>Varinia Michalun, Senior Project Manager, Regional Development Policy and Multi-level Governance Division, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD</p> <p>Lewis Dijkstra, Head of the Economic Analysis Sector, Directorate General for Regional and Urban Policy, European Commission</p> <p>Neil Lee, Professor of Economic Geography, Department of Geography and Environment, London School of Economics</p> <p>Danielle Wood, Chief Executive Officer, the Grattan Institute</p> <p>Anthony F. Pipa, Senior Fellow in the Center for Sustainable Development, Global Economy and Development Program at Brookings Institution</p>
14:05 – 14:25	<p>Open Discussion with all Workshop Participants</p>
14:25 – 14:30	<p>Closing Remarks</p> <p><i>On measuring the drivers of trust in regional and local government:</i> Paolo Veneri, Deputy Head of Division, Economic Analysis, Data and Statistics Division, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD</p> <p><i>On next steps for understanding the territorial divides in trust in government:</i> Enrique Garcilazo, Deputy Head of Division, Regional Development and Multi-level Governance Division, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD</p>



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