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# **TRUST IN A CHANGING WORLD: SOCIAL COHESION AND THE SOCIAL CONTRACT IN UNCERTAIN TIMES**

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## Abstract

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This paper examines the erosion of trust as a global phenomenon, highlighting its implications for social cohesion and governance. Using data from the World Values Survey and regional barometers, the analysis focuses on trust's dual dimensions – interpersonal and institutional – within different socio-economic and geopolitical contexts. Results show a sharp decline in institutional trust worldwide, coupled with a mixed trajectory for interpersonal trust. Trust erosion is particularly acute in low-income countries and younger generations, exacerbated by inequality, corruption, and political instability. Trust levels are shown to significantly impact social cohesion, civic engagement, and perceptions of governance. A positive correlation is observed between institutional trust and economic redistribution, underscoring the role of effective governance in trust-building. The paper concludes by emphasizing the need for institutional reform and global cooperation to restore trust, particularly in fragile states, to strengthen social contracts and foster sustainable development.

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*“Increasingly, people are turning their backs on the values of trust and solidarity in one another – the very values we need to rebuild our world and secure a better, more sustainable future for our people and our planet”.*  
Our Common Agenda, United Nations Secretary-General

## **1. Introduction**

Over the last two decades, the world has experienced significant social, economic, and political challenges driven by pivotal events, such as the 2007-2008 global financial crisis, the COVID-19 pandemic, Ukraine’s invasion by Russia, and renewed conflicts in Africa and the Middle East. Longer term systemic shifts in technological advances, media landscapes, labor markets, and the acceleration of climate change have further intensified these challenges. Overall, societies are becoming increasingly uncertain, unequal, and polarized, which is eroding social cohesion and the strength of the social contract between citizens and states.

There is widespread consensus that the world is experiencing a ‘trust crisis’ across both developed and developing countries. Enduring inequalities, perceived injustices, and economic uncertainty have led to a widespread decline in citizens’ trust in their governments and in each other (UNDP, 2022). The possibility of this decline becoming persistent is deeply concerning. Trust is a central element in how societies, polities, and markets operate and are organized. It is a key pillar in building and maintaining social cohesion over time, and between different people. Internationally, trust is fundamental to successfully achieving the Sustainable Development Goals (SDGs) and fostering international cooperation in providing global public goods. Nationally, trust is the glue that binds cooperation and solidarity within and between social groups and between citizens and state institutions. When trust declines, so does social cohesion and the strength of the social contract.

How much has trust declined globally, and what are the consequences of this ‘trust crisis’? This paper offers a broad, macro-level view of changes in global and regional patterns of trust over the last two decades. It documents how different dimensions of trust have shifted within regions and amongst specific groups of countries, identifying where declines in trust have been most acute in recent years. The paper examines how

persistent inequalities and economic uncertainties over the last two decades may explain the observed trends in trust and explores the relationship between changes in trust and four factors that shape social cohesion and the strength of the social contract: political participation and civic engagement, perceived levels of corruption, socio-political stability, and media transparency.

The paper offers a unique perspective by focusing on both developed and developing countries. Much of the evidence on the links between economic conditions, trust, and social and political outcomes comes from a handful of developed countries. We have to date limited knowledge and evidence on how trust manifests and develops differently between high-income and low-income nations, across various regions, and among different societal segments within these contexts. However, notwithstanding some exceptions, governments in low-income countries typically face challenges in providing adequate public goods to their populations, including basic services, protection of property rights, and security, which are not generally a concern in higher income countries. Strengthening social cohesion and social contracts in countries with weak institutions is particularly critical since, according to the World Bank, fragile countries are expected to host over 60 percent of the world's people living in poverty by 2030, with marked consequences for regional and global stability (Chrimes et al., 2024). This paper makes a significant stride in addressing these questions and their implications for maintaining solidarity and cooperation amid the growing development challenges and uncertainties the world faces today.

## **2. Trust, social cohesion, and the social contract: a conceptual framework**

Trust is typically defined as the expectation that others will act in ways that are beneficial, or at least not harmful, to us (Gambetta, 1988; Hardin, 2002; Rothstein and Stolle, 2008), and has two important dimensions: institutional and interpersonal. Institutional trust captures vertical interactions between an individual and a superior entity and relates to how citizens perceive the legitimacy, fairness, and efficiency of institutions and governments. Interpersonal trust captures horizontal interactions across individuals and refers to the extent to which a person believes other individuals have their interests at heart. Interpersonal trust denotes both in-groups of immediate networks (family, friends and other close relations) and wider social out-group relationships with 'unknown others' (often also referred to as generalized trust).

Both dimensions of trust have strong impacts on the social organization of societies and on social cohesion more broadly (Gambetta, 1988; Putnam, 2001; Algan and Cahuc, 2013), on economic prosperity and growth (Arrow, 1972; Fukuyama, 1995; Knack and Keefer, 1997), and on political outcomes (Putnam, 1994; Greif, 1994; Nannicini et al., 2013; Padro-i-Miquel et al., 2013). Trust is a fundamental factor in ensuring effective collective action at local, national, and global levels to achieve common societal goals, such as reducing the impact of climate change, addressing pandemics, mitigating economic shocks, and sustaining peace. People who distrust state institutions and their fellow citizens are less likely to comply with government regulations, pay taxes, accept the rule of law, adhere to contracts, act in altruistic ways, cooperate with others, engage in forms of collective action, or respect property rights (Levi and Stoker, 2000).

Interpersonal and institutional trust are often mutually dependent and reinforce each other (Putnam, 1994; Rothstein and Stolle, 2008). Those who exhibit high levels of interpersonal trust are more likely to cooperate with one another and engage in political and civic affairs. Interpersonal trust, especially between 'unknown others', often predicts institutional trust as increased levels of interpersonal trust can cultivate an individual sense of civic mindedness and willingness to participate in politics and public life. Widespread willingness to cooperate with others fosters the formation of organizations, mutual social relationships, and political communities that ultimately work to strengthen solidarity and bolster social cohesion and economic exchange. At the same time, confidence in governments and institutions can promote greater levels of interpersonal trust (Rothstein, 2000; Rothstein, 2011). Governments able to ensure enforceable contracts and rules and secure rights are more likely to foster trust among citizens due to increased expectations that others will behave in trustworthy ways (Rothstein and Stolle, 2008; Martinangeli et al., 2024). Social cohesion is, thus, more likely to emerge in contexts of high institutional trust because trust helps cultivate the networks and frameworks through which communities can cooperate more effectively.

There are circumstances in which the two dimensions of trust may not work together (Gambetta, 1988; Alesina and Giuliano, 2011). In some contexts, interpersonal trust may occur at the expense of institutional trust. For instance, societies with strong family ties but weak institutional settings may exhibit high levels of distrust towards outsiders and lower trust in institutions (Putnam, 1994). In other settings, high levels of interpersonal trust may compensate for low levels of institutional capacity by acting as a mechanism

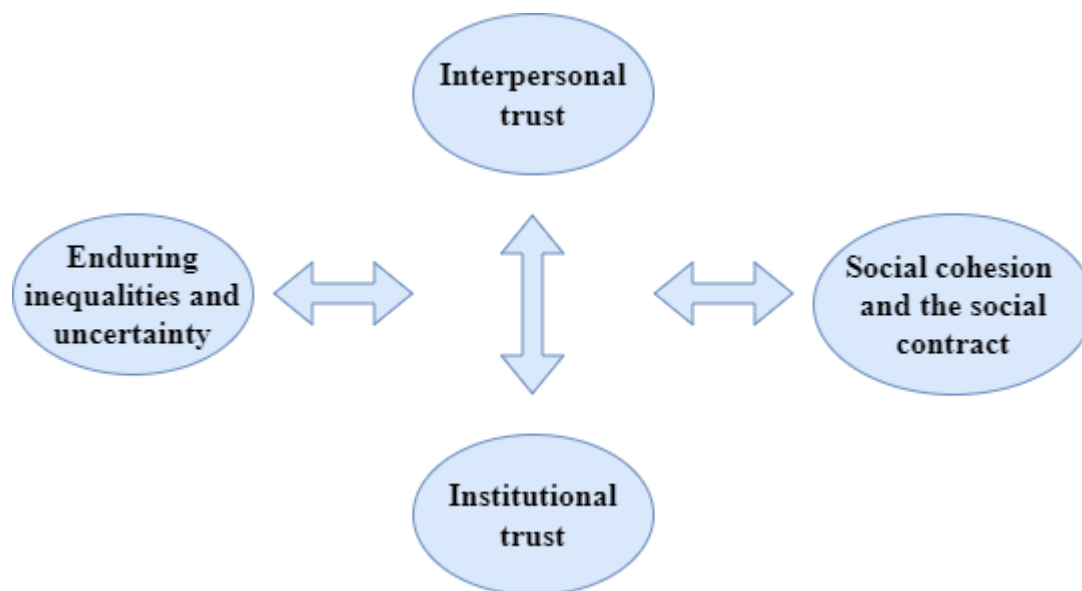
to ensure the monitoring and enforcing of contracts and reducing the likelihood of harmful social behaviors in contexts where formal institutions are weak or non-existent (La Porta et al., 1997; Ostrom, 2005; Min, 2020). People may also have positive perspectives about the trustworthiness of their fellow citizens but may distrust institutions of governance (parliament, courts, and police) and those who manage them (politicians, police, and judges). When either interpersonal or institutional trust declines in these contexts, social cohesion and the social contract are weakened.

The determinants of trust and the consequences of changes in trust on social cohesion and the social contract are the focus of large debates in the social sciences. Enduring inequalities, social and economic distances between individuals and groups, and increased socio-economic uncertainties have been widely recognized as some of the most significant determinants of trust over the last decades (Algan et al., 2017). According to the 'winner hypothesis' of trust, those who are most politically, economically, and socially successful are also, in principle, more likely to exhibit high levels of trust (Newton and Zmerli, 2013). Greater socio-economic attainment is first associated with greater interpersonal trust, which subsequently increases levels of institutional trust. Relative socio-economic success establishes a basis of confidence for interacting with others, which then emboldens engagement with institutions. Shifts in how individuals and groups see themselves in relation to others, perceptions of inequality, social justice, and fairness, and assessments about life prospects are likely to affect how much people trust each other and their governments. Both dimensions of trust are thus influenced by shifts in perceptions that alter how individuals and groups perceive themselves in relation to others and reinterpret their surrounding environment accordingly.

Changes in trust, in turn, affect levels of social cohesion and the strength of the social contract because they shape political behavior, attitudes, and perceptions, as well as how individuals and social groups cooperate and mobilize around certain narratives and beliefs (Gambetta, 1988; Hardin, 2002). This paper focuses on four factors that over the last two decades have shaped social cohesion and the strength of social contracts worldwide: political participation and civic engagement, perceived corruption, socio-political stability, and media transparency. Trust affects all these factors. High levels of institutional trust support political participation, political stability and perceptions about effective and legitimate governance practices. Institutional trust, participation, and good governance, in turn, reinforce one another. Politically engaged citizens motivate more effective, accountable, responsive, and transparent governance practices, are more

likely to confer greater legitimacy to the institutions and authorities with which they engage, and display greater levels of solidarity towards fellow citizens (Verba et al., 1993; Tyler, 2006). The political, economic, and social landscape, in turn, shapes trust (Chanley et al., 2000; Tyler, 2001; Citrin and Stoker, 2018). Political factors – such as performance, policies, partisanship, and polarization – impact individual levels of trust, as they reflect more or less cooperative social and political environments within which individuals may be more or less willing to trust fellow citizens and state institutions. These interactions are depicted in the figure below, which illustrates the conceptual framework that underpins this paper.

**Figure 1: Trust, social cohesion, and the social contract: a framework**



The framework above may be affected by specific country characteristics. It is well-established that more stable economic environments and higher levels of economic development are likely to induce higher levels of interpersonal and institutional trust by fostering certainty in social and economic exchanges (Gambetta, 1988; Rothstein, 2011). Trust, in turn, facilitates economic development because it reduces transaction costs, minimizes uncertainties, increases perceptions of fairness, and reduces risks in economic markets and social interactions (Arrow, 1972; Gambetta, 1988; Fukuyama, 1995; Knack and Keefer, 1997; Putnam, 2001; Algan and Cahuc, 2013; OECD, 2022). Countries with greater concentrations of wealth, well-being, and egalitarianism exhibit, in general, greater trust, which in turn is reflected in stronger social contracts, generating

a virtuous cycle of economic prosperity, high trust, and strong social cohesion. In contrast, crises and external shocks tend to exert a negative impact on trust, especially institutional trust (Roth, 2009; Uslaner, 2010), maintaining trust in governments and institutions of governance. States prone to uncertain socio-economic and political conditions and susceptible to disruptive shocks and crises are more likely to experience declines in trust over time.

Governance and economic outcomes are important in establishing trust, but so too are citizen perceptions of government performance and of each other, especially regarding societal issues like distributional justice, economic security, or inequality. Conditions of relative economic and social prosperity tend to induce trust-building. Thus, countries that more easily offer conditions for individuals to feel that they are economically and socially stable are likely to experience higher levels of interpersonal trust. Positive assessments of effective governance and institutional competency by citizens in turn lead to greater institutional trust.<sup>1</sup>

### **3. How has trust changed over the last two decades?**

One of the most widely used tools to measure levels and changes in interpersonal and institutional trust across the world is the World Values Survey (WVS) (Inglehart et al., 2014a, 2014b; Haerpfer, 2022). The WVS is an international research project that has conducted standardized, nationally representative surveys on political, social, economic, and cultural values and attitudes of individuals around the world since 1981. In addition to the WVS, regional datasets have also documented values and attitudes of individuals in the Americas (the AmericasBarometer),<sup>2</sup> Africa (the Afrobarometer),<sup>3</sup> and

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<sup>1</sup> However, we might also expect less politically open environments – where information to make assessments on government performance may be biased in favor of the state – to also have higher levels of institutional trust. On this issue see Pop-Eleches and Tucker (2017) and Tannenber (2017).

<sup>2</sup> The AmericasBarometer is conducted by LAPOP, a survey research lab at Vanderbilt University: <https://www.vanderbilt.edu/lapop/about-americasbarometer.php>.

<sup>3</sup> The Afrobarometer is a pan-African survey research network that has been conducting public attitude surveys on democracy, governance, the economy, and society of African countries since 1999: <https://www.afrobarometer.org/data/>.



Europe (the European Social Survey).<sup>4</sup> Questions about institutional trust and interpersonal trust are relatively well aligned with those in the WVS.<sup>5</sup>

The WVS elicits information about institutional trust by asking respondents whether they have ‘a great deal’, ‘quite a lot’, ‘not very much’ and ‘none at all’ confidence in government institutions and international bodies, such as the United Nations. Questions about interpersonal trust are based on the question: “Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?” Possible answers include “Most people can be trusted”, “Do not know”, and “Need to be very careful”<sup>6</sup>.

The questions used to measure interpersonal trust have been widely adopted in the literature and are generally viewed as reflecting overall trusting attitudes (Glaeser et al., 2000; Alesina and La Ferrara, 2005). Measures of institutional trust are more difficult to interpret given the more subjective scales and phrasing used in the WVS and barometer surveys.<sup>7</sup> Distinguishing between ‘a great deal’ and ‘quite a lot’ can be challenging as it may reflect specific cultural values and norms, while it is sometimes unclear whether ‘confidence’ and ‘trust’ reflect the same concept across all contexts. It is also well-established that survey respondents in non-democratic regimes are prone to high amounts of social desirability bias – the tendency to express opinions that are socially favorable – especially over sensitive questions. Often, citizens in non-democratic states tend to express higher support for the incumbent regime and thus manifest higher political trust, a pattern identified across several country contexts (Frye et al., 2017; Pop-Eleches and Tucker, 2017; Tannenber, 2017; Robinson and Tannenber, 2019). Notwithstanding these caveats, the next sections examine global and regional trends in institutional and interpersonal trust over the last two decades.

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<sup>4</sup> The European Social Survey is a set of cross-national surveys conducted every two years across Europe since 2001: <https://www.europeansocialsurvey.org/data-portal>. OECD (2022) also conducts its survey on trust but focus only on institutional trust, and on links between institutional trust and democracy.

<sup>5</sup> Barometer data is also collected in Asia and the Middle East, but it was challenging to compare those datasets with the datasets used in this paper due to differences in survey methodologies. Gallup also collects data on trust but the raw data are not publicly available.

<sup>6</sup> More detail on how these questions are used in the paper is provided in the Appendix.

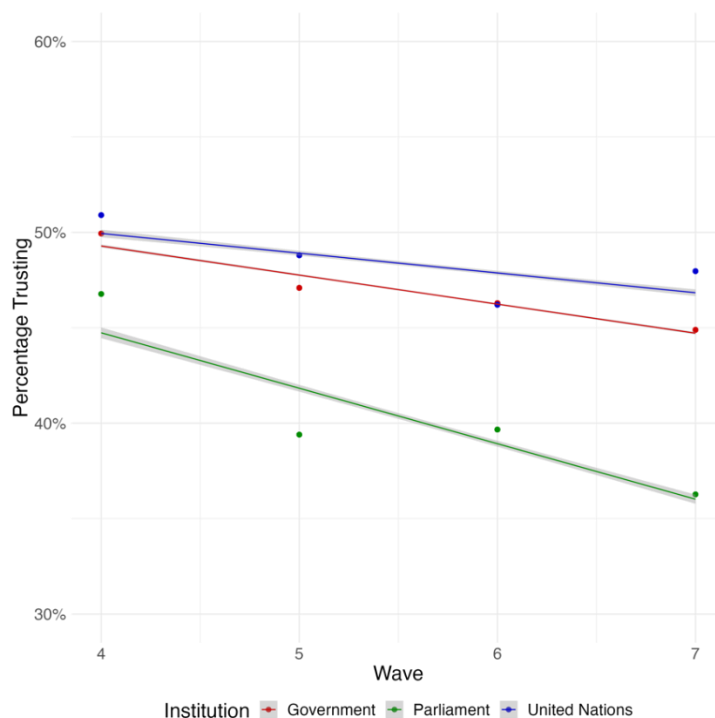
<sup>7</sup> See Citrin and Stoker (2018) for a review of these measurement challenges.

### 3.1. The global decline in institutional trust since 2000

Global data from the WVS reveals that individuals in both developed and developing societies are increasingly expressing lower levels of trust in governing institutions. Since 1999, average levels of trust in governments and parliaments have steadily declined across the globe [Figure 2]. Levels of trust in supranational institutions, such as the United Nations (UN), have also weakened, even though, globally, trust in the UN supersedes trust in national level political institutions.

Alongside the decline in institutional trust, there has also been a sharp rise in respondents who express no trust at all in governments and parliaments since 2005. Almost one-quarter of respondents in the last round of the WVS (2017-2022) declared they did not trust their governments and parliaments at all, in comparison to just over 16 percent in 2005.<sup>8</sup> Variations across countries can be substantial. For example, in the last wave of the WVS, less than three percent of respondents in China, Vietnam, Tajikistan, Philippines, Singapore, and Indonesia reported having no trust at all in their government, whereas this figure is over 50 percent in Peru, Tunisia, Brazil, Iraq, Mexico, and Venezuela over the same period.

**Figure 2. Global levels of institutional trust, 1999-2022**

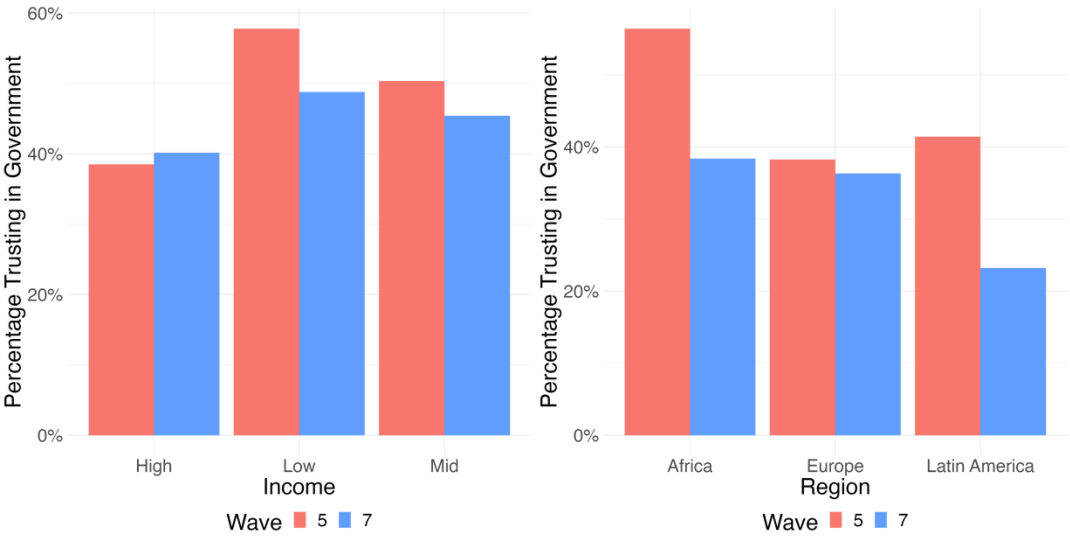


<sup>8</sup> Estimates based on authors' calculations using the World Values Survey dataset.

**Source:** World Values Survey, waves 4 (1999-2004), 5 (2005-2009), 6 (2010-2014) and 7 (2017-2022).  
**Notes:** The sample includes 97 countries, representing over 93 percent of the world population (see Appendix A). Each point represents the average percentage of respondents who reported trusting each institution either ‘a great deal’ or ‘quite a lot’ across all countries in each wave. The line of best fit was added.

Contrary to expectations, low-income countries appear to be generally more trusting of their governments than high- or middle-income states, especially in Africa [Figure 3]. On average, 58 percent of all respondents in low-income countries declared they trusted their governments ‘a great deal’ or ‘quite a lot’ in 2005-09, and 50 percent did so in 2017-22. In high-income countries, average percentages are, respectively, 39 percent and 40 percent, indicating stable levels of trust in these countries. However, low-income countries are also the group of countries with the greatest collective declines in institutional trust, perhaps as a reflection of exposure to crises that create political and economic uncertainties. Levels of institutional trust declined by 32 percent in Africa and by 44 percent in Latin America between 2005 and 2022, in contrast with a 5 percent decline in Europe [Figure 3].

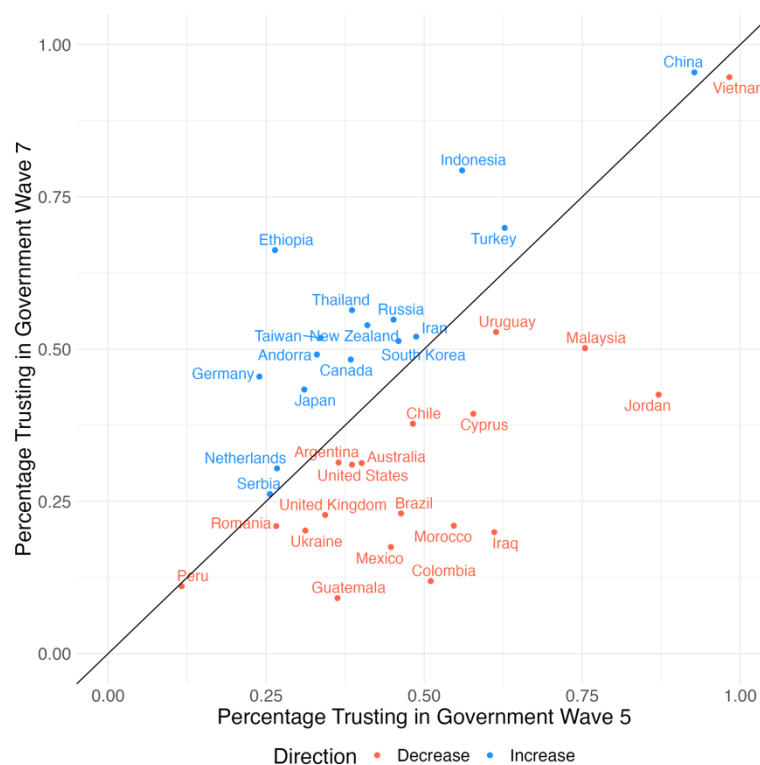
**Figure 3. Institutional trust by income levels and selected regions, 2005-2007 and 2017-2022**



**Source:** World Values Survey, waves 5 (2005-2009) and 7 (2017-2022); World Bank, PIP database, various years.  
**Notes:** The sample includes 79 countries. Each point represents the average percentage of respondents who reported trusting institutions either ‘a great deal’ or ‘quite a lot’ across all countries in each wave. Countries were grouped into income levels according to World Bank categories.

Among the 35 countries sampled in both wave 5 (2005-2009) and wave 7 (2017-2022) of the WVS,<sup>9</sup> 19 countries experienced a reduction in institutional trust (expressed as the percentage of respondents who have ‘a great deal’ or ‘quite a lot’ of trust in government) between 2005 and 2022, whilst 16 countries reported an increase in the same period [Figure 4]. Some declines were large. For instance, Jordan and Iraq both experienced over a 40 percent reduction in institutional trust, followed by over 30 percent decreases in Morocco and Colombia and a 27 percent reduction in trust in Mexico and Guatemala.

**Figure 4. Changes in institutional trust between 2005-2009 and 2017-2022**



**Source:** World Values Survey, waves 5 (2005-2009) and 7 (2017-2022).

**Notes:** The sample includes 35 countries surveyed in both waves. Confidence in government is ranked on a 4-point scale. Each point represents the average percentage of respondents who reported trusting institutions either ‘a great deal’ or ‘quite a lot’ across all countries in each wave.

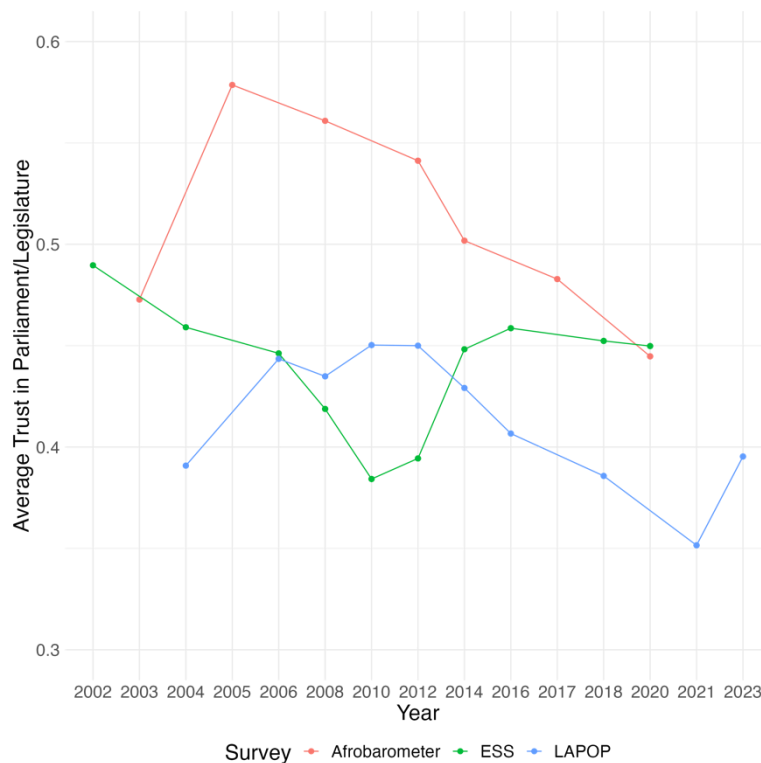
These trends are supported by regional data [Figure 5]. Estimates for the Americas illustrate the significant impact of the 2007-08 global financial crisis and the Covid-19 pandemic on institutional trust. Trust levels in the Americas recovered in 2023, but the data still shows a gradual decline in trust over time. The Afrobarometer data follows a similar pattern. Although, historically, institutional trust has been highest in Africa, when compared to other regions, institutional trust across African countries has been in a

<sup>9</sup> Wave 5 (2005-2009) and wave 7 (2017-2022) were selected for this analysis as they represent information collected before and after two major events: the global financial crisis of 2007-2008 and the Covid-19 pandemic.

steady decline since 2005. Such erosion of institutional trust may have important implications in a region with nascent political institutions. In Europe, most institutions have remained trustworthy amongst survey respondents, with some experiencing growth in trustworthiness over time. Institutional trust in Europe declined around 2010, ostensibly due to the global financial crisis of 2007-08 (Aghajanian et al., 2023; Algan et al., 2017; OECD, 2022), but has for the most part recovered.

It is not immediately clear what factors or combination of factors may be driving the steady decline in institutional trust in Latin America and Africa. One plausible explanation may be related to economic uncertainties and political instability. Inequality and the size of informal markets remain large in Latin America and Africa, limiting the fiscal space available to governments to address pressing challenges (Keefer and Scartascini, 2022). The pandemic exposed vulnerabilities in the social welfare and political systems, and this may have become more sharply apparent in less developed contexts, which may have especially altered trust amongst populations in these environments. For instance, in Latin America where social programs and cash transfer benefits have been historically effective, the unprecedented impact of the Covid-19 pandemic limited the state's capabilities to continue delivering services at previous levels, which may have reduced trust levels. Trust started then to recover in the aftermath of the pandemic (Blofield et al., 2020; Bird et al., 2023). Another plausible explanation is that trust outcomes may reflect worsened quality of governance, institutional performance, and leadership (Mishler and Rose, 2001; Lavalley et al., 2008; Citrin and Stoker, 2018), and individual perceptions regarding these recent outcomes may equally play an important role.

**Figure 5. Regional average levels of institutional trust, 2002-2023**



**Source:** Latin America Public Opinion Project (LAPOP), waves 2008-2023; Afrobarometer, waves 3 (2005-2006), 4 (2008-2009), 5 (2011-2013), 6 (2014-2015), 7 (2016-2018), and 8 (2019-2021); European Social Survey (ESS), waves 1 (2002), 2 (2004), 3 (2006), 4 (2008), 5 (2010), 6 (2012), 8 (2014), and 10 (2020).

**Notes:** The samples include 28 countries in the Americas, 39 countries in Africa and 39 countries in Europe. Trust in each institution is ranked on a 7-point scale in the LAPOP surveys, on a 4-point scale in the Afrobarometer, and on a 10-point scale in the ESS. These measures were rescaled to a 0-1 range. Each point in the graph above represents the average of all responses for all countries in the respective survey for each year.

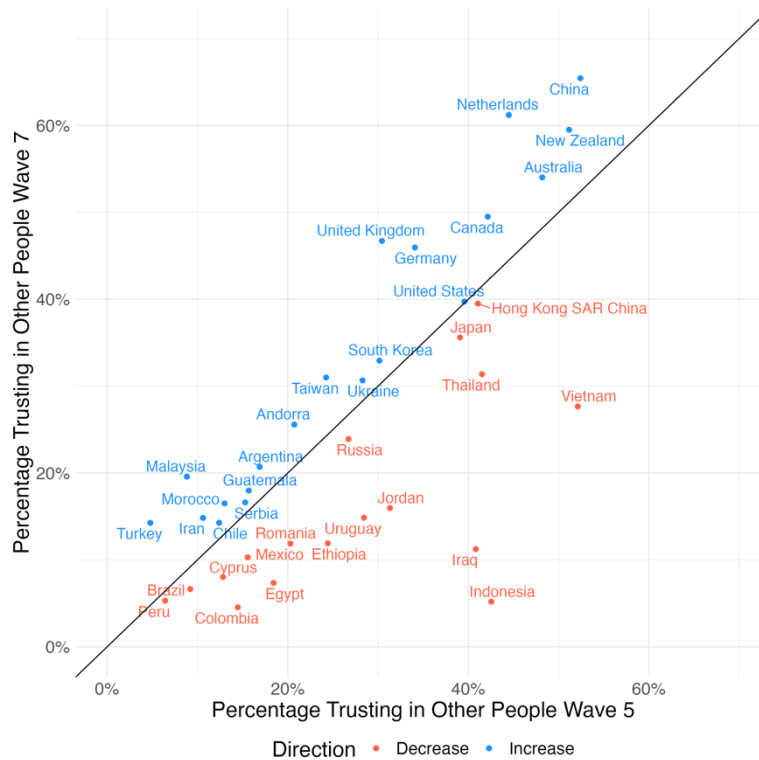
### 3.2. Stable global interpersonal trust since 2000 but we trust more those closer to us

While institutional trust has been on a somewhat downward trajectory in the last two decades, levels of interpersonal trust have been relatively more resilient. Globally, 27 percent of respondents reported that most people in their countries could be trusted in 2005, whilst 24 percent did so in 2022.<sup>10</sup> This resilience is especially true for high-income states, which have consistently maintained a steady level of interpersonal trust. Several high-income countries – the United States, United Kingdom, Germany, Canada, Australia, New Zealand, South Korea, and the Netherlands – have become more trusting of others over this period [Figure 6]. It is to note that, in some of these countries – the United States, United Kingdom, and Australia – trust in others has risen, while trust in the

<sup>10</sup> Estimates based on authors' calculations using the World Values Survey dataset.

government has simultaneously declined. Nearly all the countries that experienced declines in interpersonal trust are low- or middle-income countries. Regional survey data confirms this global trend of relatively stable interpersonal trust across time in Europe and the Americas, with a small declining level of trust in others in Africa.<sup>11</sup>

**Figure 6. Changes in interpersonal trust between 2005-2009 and 2017-2022**



**Source:** World Values Survey, waves 5 (2005-2009) and 7 (2017-2022).

**Notes:** The sample includes 36 countries surveyed in both waves. Trust in others is a binary variable ranked on a dichotomous scale. Each data point represents the average of all responses for each country in both waves.

Four categories emerge when comparing the directionality of both institutional and interpersonal trust between waves 5 and 7 in the WVS [Figure 4 and Figure 6]. The first category includes countries that experienced a simultaneous decline in interpersonal and institutional trust: Vietnam, Iraq, Jordan, Uruguay, Cyprus, Brazil, Colombia, Mexico, Romania, and Peru. Many states in which this occurred are low- or middle-income states. The second category includes states that experienced increases along both dimensions of trust: China, Turkey, South Korea, New Zealand, Canada, Taiwan, Andorra, Germany, and the Netherlands. Most of these states are high-income societies.

<sup>11</sup> The data on interpersonal trust from the Afrobarometer is sparse so care must be taken to not overinterpret these results.

The third category are cases where interpersonal trust increased despite reductions in institutional trust: Malaysia, Chile, Morocco, Australia, United States, Argentina, United Kingdom, Ukraine, Serbia, Iran, and Guatemala. This pattern occurs in countries with different income levels. The fourth category includes a small number of countries (Indonesia, Russia, Thailand, Ethiopia, and Japan) where institutional trust increased without any accompanying change in interpersonal trust.

Although descriptive, these categories highlight the heterogeneous nature of declines in trust and the fact that different country-level dynamics shape trust erosion. This categorization shows, nonetheless, that a substantial number of low- and middle-income have experienced a loss of institutional and interpersonal trust, whilst several other countries across the full income spectrum report a loss in institutional trust accompanied by an increase in interpersonal trust (largely in-group trust). Both trends are concerning. Simultaneous declines in institutional and interpersonal trust indicate an erosion of citizens' confidence in governments accompanied by losses in social cohesion and cooperation, weakening the foundations upon which civil society is built. Declines in institutional trust alongside greater in-group trust suggest a potential strengthening of parochialism, with likely corresponding increases in political polarization, partisanship, identity-based politics, disincentives for collective action, and lower social and civic exchanges as distances between social groups increase (Carlin and Love, 2018; Iyengar et al., 2019; Martini and Torcal, 2019). Both these trends require close attention given possible implications for national and global solidarity and cooperation across both developed and developing countries.

In the last three waves, the WVS disaggregated interpersonal trust into several dimensions: trust in family, trust in neighbors, trust in people you know personally, trust in people you meet for the first time, trust in people of another nationality, and trust in people from another religion. Average levels of trust in these categories have remained relatively stable across time.<sup>12</sup> There is, however, a hierarchy of interpersonal trust by group. Respondents are more trusting of family members, followed by people known personally and one's neighbors. Average trust reduces considerably with respect to those belonging to another religion or having another nationality [Figure 7]. As a general pattern, respondents are more trusting of those they know better and more distrusting of those further outside their social circle, revealing a bias towards in-group trust at the

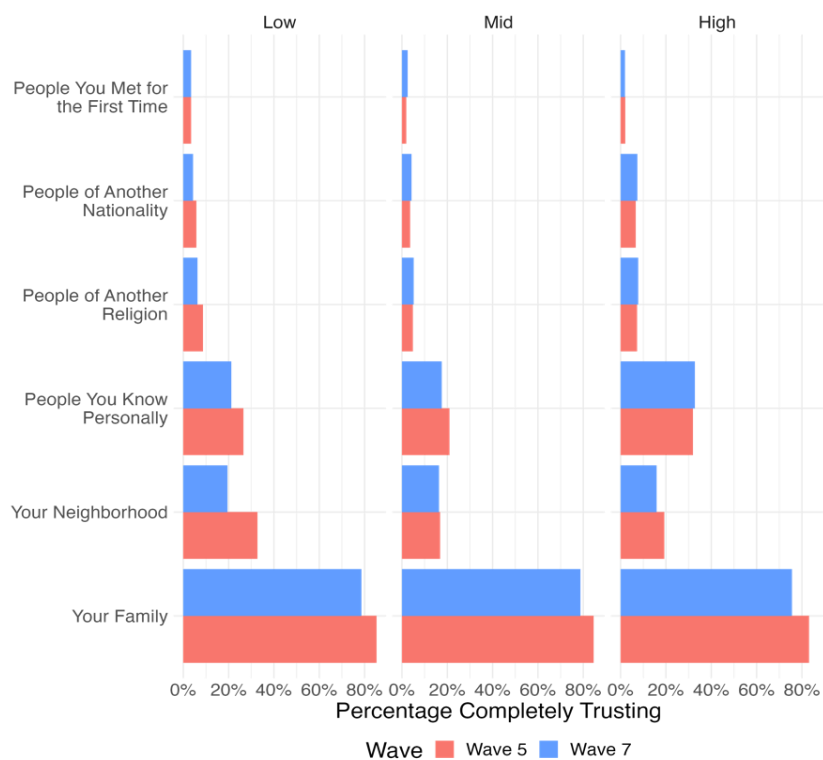
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<sup>12</sup> Estimates based on authors' calculations using the World Values Survey dataset.



expense of out-group trust. That bias has been slightly reduced across time in high- and middle-income countries but has increased in low-income countries.

**Figure 7. Average levels of interpersonal trust, 2005-2009 and 2017-2022**



**Source:** World Values Survey, waves 5 (2005-2009) and 7 (2017-2022). World Bank, PIP database, various years.

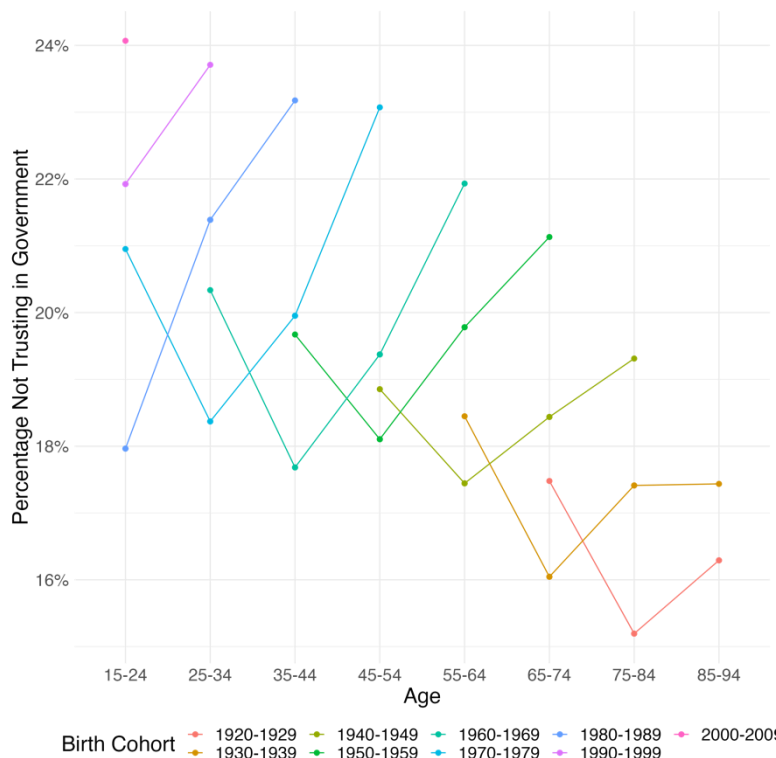
**Notes:** The sample includes 81 countries surveyed in both waves (53 countries in wave 5 and 60 countries in wave 7, with 32 overlapping countries). Trust in others is a binary variable ranked on a dichotomous scale. Each data point represents the average of respondents who answered that ‘most people can be trusted’.

### 3.3. A generational gap in trust?

Levels of trust tend to vary substantially by age cohorts. At the global level, younger generations exhibit less institutional trust than older generations.<sup>13</sup> This age differentiation is most notable when comparing the average of all respondents that reported not trusting their governments at all across different cohorts [Figure 8]: those born in the 1980s and 1990s report the highest levels of institutional distrust and have experienced the sharpest increase in institutional distrust among all age cohorts.

<sup>13</sup> Regional data confirms this gap for the Americas and Africa. The gap is reversed in Europe but only until the latest survey.

**Figure 8: Institutional distrust per cohort**



**Source:** World Values Survey, waves 4 (1999-2004), 5 (2005-2009), 6 (2010-2014) and 7 (2017-2022).

**Notes:** The sample includes 95 countries. Each point represents the average percentage of respondents who reported not trusting their government at all across all countries in each wave.

These patterns are replicated at the country level. Most countries report a negative generational gap in institutional trust with younger groups far less trusting than older cohorts. In Montenegro, Belarus, Lithuania, the Maldives, and Japan – the countries with the largest divide – the difference between old and young respondents is well over 30 percentage points. A similar gap exists for interpersonal trust, which has widened over time especially after wave 4 of the WVS (1999-2022).<sup>14</sup>

Some have interpreted this intergenerational gap in trust as a possible driver of a democracy backslide. Others argue that the fact that younger generations express less trust than older generations may simply indicate that, as people age, values and attitudes change.<sup>15</sup> The generational gap is, however, growing, and cohort analysis

<sup>14</sup> Estimates based on authors' calculations using the World Values Survey dataset.

<sup>15</sup> Trust in institutions is usually strongly correlated with preferences for democracy. In a debate published in the *Journal of Democracy*, Foa and Mounk (2016, 2017) have shown an increase in the intergenerational gap in trust and public support for democracy. Alexander and Welzel (2017) and Norris (2017) argue that the interpretation of a democratic backslide due to an intergenerational gap in attitudes may be overstated

illustrates that each subsequent generation has remained less trusting than those born a decade before. This is a trend that needs monitoring in order to better understand whether and why lack of trust in institutions persists among younger generations and whether this pattern remains as today's young age.

#### **4. Enduring inequality, economic uncertainty, and the erosion of trust**

Trust is shaped by historical legacies, personal beliefs, characteristics and behaviors, and structural frameworks and institutions (Gambetta, 1988; Mishler and Rose, 2001; Tabellini, 2010; Verhaegen et al., 2017; Citrin and Stoker, 2018). Among the latter set of factors, a direct relationship between trust and economic equality, performance, and growth has long been identified, with economic inequality often cited as a major explanation for declines in trust, particularly interpersonal trust (Knack and Keefer, 1997; Whiteley, 2000; Beugelsdijk et al., 2004; Bjørnskov, 2006; Wilkinson and Pickett, 2009). This is because enduring forms of economic inequality increase social distances between different social groups and increase perceptions of injustice and unfairness in society. These factors, in turn, hinder the ability of groups to resolve conflicts, cooperate towards common causes, or act with empathy and in altruistic ways – thus reducing trust (Bowles and Gintis, 2011; Fernández et al., 2024). Countries with the lowest levels of economic inequality, measured by the Gini coefficient, also tend to be those with higher levels of economic development and more efficient and transparent governance practices. Trust will thrive in these contexts as institutions are perceived as being fair arbiters of social disputes and promoters of cooperation.

Estimates from the WVS illustrate these patterns, showing a negative correlation between income inequality and the two dimensions of trust across countries included in wave 7 (2017-2022) [Figure 9].<sup>16</sup> The distribution of countries is broader and the correlation between income inequality and trust is slightly weaker for institutional trust, plausibly because a variety of mediating factors may obscure the impact of inequality on institutional trust, including external crises, regime type, media access, and relative perceptions of government performance. The correlation between income inequality and interpersonal trust is sharper, showing that countries with the lowest Gini coefficients

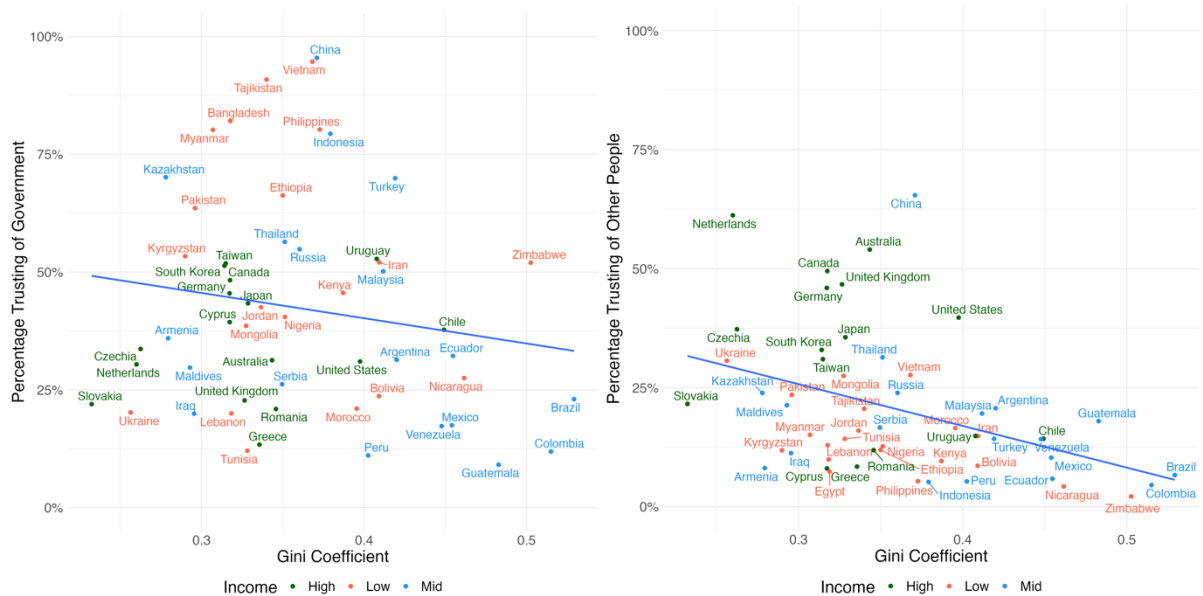
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and other factors, such as accumulated life experiences and evolving values and cultural attitudes, may instead be at play.

<sup>16</sup> In this and the next section, institutional trust is measured as 'trust in government'. This variable is used as a general proxy for institutional trust following Hooghe (2011), who shows that this measure is consistent with other proxies for institutional trust.

(and therefore the least amount of inequality) report higher levels of interpersonal trust. A large part of this group includes high-income countries (represented in green in Figure 9).

**Figure 9. Trust and income inequality, 2017-2022**



**Source:** World Values Survey, wave 7 (2017-2022) and World Bank, PIP database, various years.

**Notes:** The sample includes 56 countries for interpersonal trust for which both variables were available, and 55 countries for institutional trust, as Egypt records no response for this measure in wave 7. The latest available data was used from each dataset. Confidence in government is measured on a 4-point scale. The percentage of responses indicating 'a great deal' and 'quite a lot' of trust is reflected on the y-axis. Trust in others is a binary variable ranked on a dichotomous scale. The average percentage of respondents who answered that 'most people can be trusted' is reflected on the y-axis. Countries were grouped into income levels according to World Bank categories using data for the latest available year. A line of best fit was added.

Recent research suggests the relationship between trust and inequality may be mediated by specific within-country characteristics, including quality of life and well-being (Elgar, 2010; Fairbrother and Martin, 2013; Helliwell et al., 2016; Rözer and Volker, 2016; Graafland and Lous, 2019; Kanitsar, 2022; Kim et al., 2022). Economic uncertainty and perceptions of future economic conditions appear to have a particularly strong effect on trust outcomes. As documented elsewhere in the World Social Report, households who live on the verge of poverty and in unstable economic circumstances experience significant uncertainties in their lives. Uncertainty, in turn, undermines people's ability to trust others and their governments. For instance, in the United States, perceptions of financial stability at the household level play a key role in trust formation, with more economically unstable households being less trusting (Wroe, 2016). High levels of economic uncertainty and deprivation, especially accumulated over time, can erode trust and produce feelings of vulnerability that affect trust-building between social

groups and towards institutions, due to increased perceptions of risk in economic exchanges and in social interactions and beliefs that governments do not work for them (Simpson, 2007).

One important dimension of economic uncertainty in recent years has been rises in poverty. As discussed in Part I of the World Social Report, poverty was on a steady decline globally until 2021, when the Covid-19 pandemic reversed years of this progress, especially in low-income countries. Such trends may be conducive to eroding trust within these societies when social distances increase and institutions fail to improve the living standards of those at the bottom of the income distribution. The most recent WVS data shows that higher poverty rates are indeed associated with below average institutional and interpersonal trust.<sup>17</sup> Nearly every country with above average poverty rates also experiences below average trust levels.

Taken together, the current trends we observe today of persistent inequalities, increasing poverty, and declining trust are of great policy concern, particularly as those at the bottom of the distribution who do not trust social networks and institutions may be less motivated to invest in their future human and social capital, thereby creating enduring poverty and social traps (Rothstein, 2005; Fernández et al., 2024).

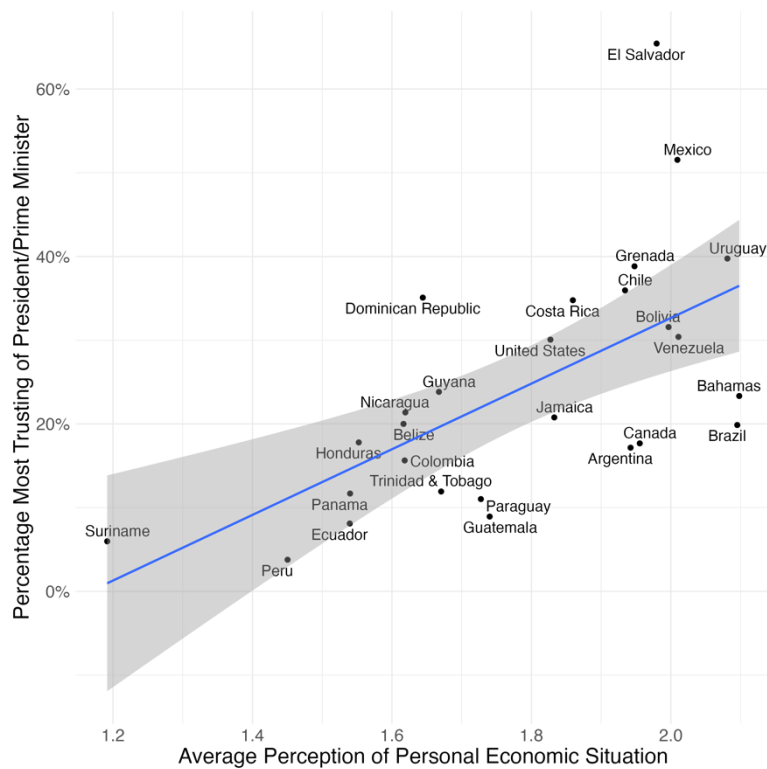
Trust may respond not just to inequality and poverty directly, but also to how people perceive their own economic situation and how governments address economic vulnerabilities. As an example, in the Americas, countries exhibit on average a strong positive correlation between perceptions of personal economic situation and institutional trust [Figure 10]. Countries like El Salvador and Mexico report strongly positive economic perceptions alongside high levels of institutional trust in the latest wave of the survey, with over 50 percent of respondents in these countries reporting trusting their president a lot.<sup>18</sup> That percentage is reduced to well below 10 percent in Suriname, Peru and Ecuador, where people are generally pessimistic about their economic situation.

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<sup>17</sup> Among these, only Pakistan is characterized by above average levels of interpersonal trust. We observe similar patterns for poverty severity.

<sup>18</sup> The results remain the same when other measures of institutional trust are used.

**Figure 10. Institutional trust and economic perceptions in the Americas**

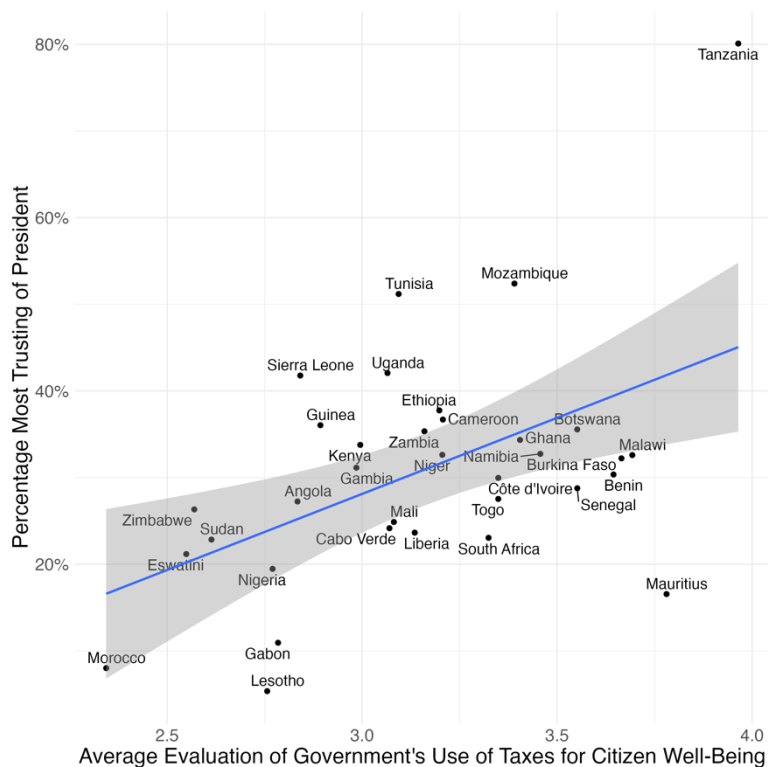


**Source:** Latin America Public Opinion Project, waves 2008-2023.

**Notes:** The sample includes 28 countries for which both variables were available. The latest wave of available data for each variable was used. Trust in the president/prime minister is ranked on a 7-point scale. The percentage of 6 or 7 responses on the scale by country is represented on the y-axis. The perception variable is ranked on a 3-point scale from 'worse' to 'better'. The average of all responses by country is reflected on the x-axis. The line of best fit was added.

In the Afrobarometer data, institutional trust (but not interpersonal trust) also holds a positive relationship with outcomes related to how governments address economic vulnerabilities through distributive and poverty-reducing initiatives. Figure 11 shows that more positive views of how states use taxes for the benefit of the wellbeing of citizens is positively related to greater trust in the executive. Similar positive correlations exist for evaluations by African citizens of state-provided social services, and of government efforts to improve the living standards of the poor. These findings are consistent with predictions that evaluations of government performance are linked to institutional trust-building, an argument that appears particularly salient for redistributive policies (Martinangeli et al., 2024). These correlations also suggest a potential in the long run for such policies to generate greater legitimacy for the executive and further bolster institutional trust amongst the population.

**Figure 11. Institutional trust and perceptions of government’s redistributive concerns in Africa**



**Source:** Afrobarometer, wave 8 (2019-2021).

**Notes:** The sample includes 34 countries for which both variables were available. The latest wave of data for each variable was used. Trust in the president is ranked on a 4-point scale. The percentage of responses coded as ‘a lot’ for each country is reflected on the y-axis. The evaluation of government variable is ranked on a 5-point scale. The average of all responses by country to this question is reflected on the x-axis. The line of best fit was added.

## 5. Why declines in social trust matter: social cohesion and the strength of the social contract

Trust has long been understood to be a fundamental factor in shaping social cohesion among different groups, as well as the strength of the social contract between states and citizens. How citizens participate and engage in society and perceive the legitimacy and fairness of institutions of governance are influenced by how trusting they are. Trust can affect the levels of social cohesion and cooperation among citizens by shaping how individuals assess the trustworthiness of others. High levels of trust between social groups foster cooperation and collective action (such as safeguarding common resources or joining social movements), raises levels of empathy and solidarity, and helps managing social tensions and conflicts of interest. When trust between groups is low, antagonism rises, and social instability is more likely to take hold of societies (Verba et

al., 1993; Ostrom, 2005; Bowles and Gintis, 2011; Justino, 2022b; Fernández et al., 2024). Institutional trust can reinforce trust between groups and stronger forms of social cohesion, by providing confidence that legal and regulatory frameworks ensure that contracts are monitored and enforced, property rights are protected, security and public goods are provided, and different voices are heard in decision-making processes.

Levels of trust also affect how willing citizens are to comply with the terms of the social contract, such as paying taxes and participating in politics. Citizens who do not trust the ability of government institutions to protect their lives and livelihoods are less likely to pay taxes and engage in political processes. Those who are untrusting at the top of the income distribution are more able to disengage from society due to their ability to pay for private security and services. The more these groups pay their own way, the less willing they may be to pay taxes, express solidarity, and engage in forms of collective action, leaving the poorest at the mercy of low-quality government provision – thus perpetuating weak institutions, low institutional trust and mistrust between social groups.

Four important factors have been in recent decades indicative of the strength of social cohesion and the social contract the world over: political participation and civic engagement, perceptions of corruption (which generally correlate broadly with perceptions about rule of law and the legitimacy of state institutions), socio-political stability, and media transparency. Civic and political participation, including engagement in collective organizations, voting, and other forms of collective action, is the cornerstone of how citizens engage in the political process, convey legitimacy to institutions of governance, and establish a vibrant civil society – all key dimensions of the social contract.

Political participation is closely affected by perceptions about the legitimacy and corruption of institutions. Perceptions that the institutions and rules that shape distributions in society are corrupt may intensify social frustrations (Runciman, 1966; Gurr, 1970; Fehr and Schmidt, 1999) and mistrust in political institutions (Acemoglu and Robinson, 2005). These outcomes can subsequently increase political and social instability.

Discontent with state institutions may drive citizens to collectively attempt to change the social and political status quo, either through the electoral process, civic organizations, peaceful mobilization, or through more aggressive forms of social mobilization (Kalyvas,



2006; Justino, 2009; Sangnier and Zylberberg, 2017; De Juan and Wegner, 2019). Increases in political instability generally indicate an erosion of social contracts.

In addition, the role of the media has become an important indicator of the strength of the social contract in recent years and a determinant of social cohesion in different societies. Even though a strong media facilitates the transmission of information (Acemoglu et al., 2018), reinforces accountability and transparency (Keefer and Scartascini, 2022; OECD, 2022), and strengthens social coordination and cooperation (Yanagizawa-Drott, 2014), in recent years several mainstream and social media outlets have instead facilitated the spread of misinformation and fostered polarization (Courchesne et al., 2021). The next sections delve into these complex relationships in more detail.

### **5.1. Trust, political participation and civic engagement**

The relationship among trust, political participation, and civic engagement is well-established. In general, trust in public institutions increases the willingness of citizens to engage with them and to participate in political processes, such as voting. However, very high levels of institutional trust may also depress political participation when citizens believe governance institutions may not need to be monitored, whereas mistrust may be associated with heightened levels of protests and demonstrations.<sup>19</sup> Interpersonal trust fosters social solidarity and greater willingness to cooperate with other individuals in forms of collective action and tends to increase forms of civic engagement (Sønderskov, 2011; Iacoella et al., 2021). Political and civic participation are both a determinant and a consequence of trust (Gastil and Xenos, 2010; Quintelier and Van Deth, 2014). Regular engagement in politics can increase citizens' positive views of institutions and authorities by bringing them in close contact with each other. Those who participate in politics also tend to confer greater legitimacy towards the institutions and practices in which they engage, by embedding them within the political system.

The last decade has been characterized by increased levels of political polarization and partisanship. The debate on the withdrawal of the UK from the European Union and the rise of far-right parties and populism across many parts of the world are examples of these trends, which have been largely attributed to declines in trust (even if temporary) following the 2007-08 global financial crisis (Algan et al., 2017; Guriev and Papaioannou,

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<sup>19</sup> See discussion in Citrin and Stoker (2018) for the case of the United States.

2020). Rises in political polarization have also been accompanied by increased levels of protests and demonstrations across the world. Mass protests increased at an average of 11.5 percent globally between 2009 and 2019 (Brannen et al., 2020), and accelerated further from 2020, due to the Covid-19 pandemic and the rise of identity- and race-based tensions and political partisanship, as those represented by movements such as MeToo and Black Lives Matter (Iacoella et al., 2021).

The Varieties of Democracy project (V-Dem) collects data on mass mobilizations and citizen engagement in collective associations based on information coded from expert interviews. V-Dem conceptualizes mass mobilization as both large-scale and small-scale cases of demonstrations, strikes, protests, riots, and sit-ins. According to V-Dem data, both engagement in organizations and mass mobilizations have been growing across the world over the last two decades.<sup>20</sup> Global patterns of mobilization vary by country income levels. Mass mobilization has been concentrated in middle-income countries over the last two decades, although these levels of political and civic participation have recently been declining. High-income states have been historically the least active in mass mobilizations but have experienced sharp increases in mobilization since the 2010s,<sup>21</sup> likely as a response to the 2007-08 financial crisis and, subsequently, during and after the Covid-19 pandemic.

Social mobilization is correlated with trust [Figure 12], with considerable differences along levels of development, and between the two dimensions of trust. The left-hand side of Figure 12 shows that lower levels of institutional trust are associated with higher levels of mass mobilization. This trend is driven by countries where institutional trust decreased since 2005,<sup>22</sup> suggesting that the decline we observe in levels of institutional trust since 2005 is associated with greater level of collective action to demand political action. This may indicate an increase in mass mobilization for change as a result of reduced trust in institutions. This interpretation is reinforced by the positive (albeit much weaker) correlation between mass mobilization and interpersonal trust shown on the right-hand side of Figure 12. This positive correlation reflects the fact that political action requires social coordination, which is highest in contexts of high interpersonal trust. This

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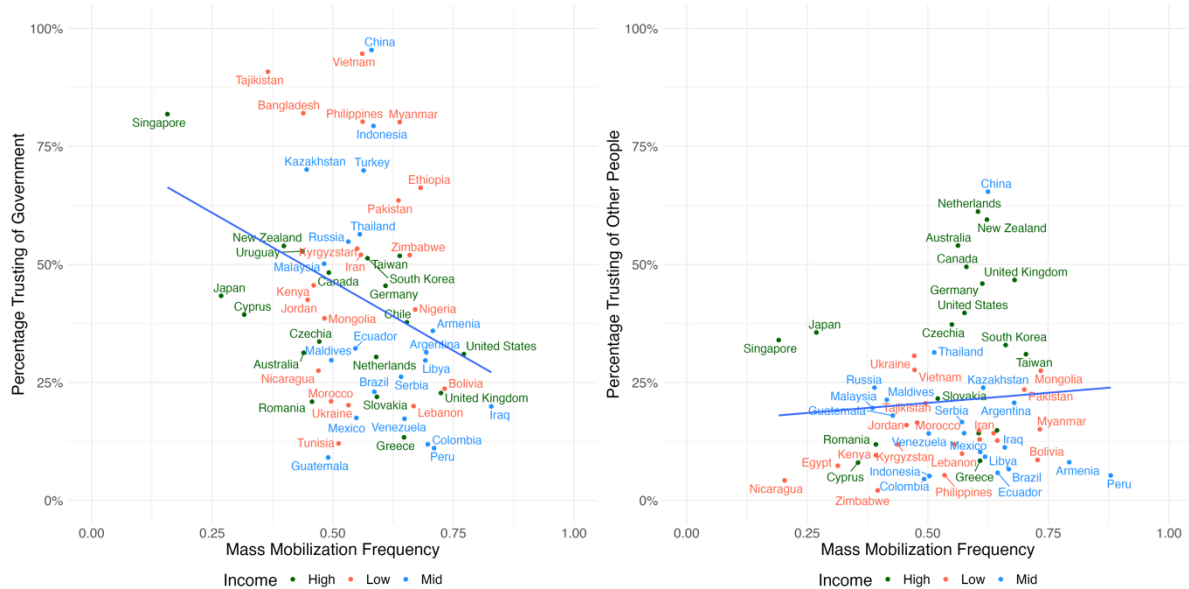
<sup>20</sup> Estimates based on authors' calculations using the V-Dem dataset.

<sup>21</sup> Estimates based on authors' calculations using the V-Dem dataset. See also Algan et al. (2017); Guriev and Papaioannou (2020).

<sup>22</sup> Estimates based on authors' calculations using the V-Dem dataset. The countries are (in alphabetical order) Argentina, Australia, Brazil, Chile, Colombia, Cyprus, Guatemala, Iraq, Jordan, Malaysia, Mexico, Morocco, Peru, Romania, Ukraine, United Kingdom, United States, Uruguay, and Vietnam.

relationship is strongest in high-income countries, with a more mixed pattern among other countries.

**Figure 12: Trust and mass mobilization, 2017-2022**



**Source:** World Values Survey wave 7 (2017-2022); V-Dem (2022); World Bank, PIP database, various years.

**Notes:** The sample includes 59 countries for interpersonal trust for which both variables were available, and 58 countries for institutional trust, as Egypt records no response for this measure in wave 7. Confidence in government is measured on a 4-point scale. The percentage of responses indicating ‘a great deal’ and ‘quite a lot’ of trust is reflected on the y-axis. Trust in other people is measured as a binary variable ranked on a dichotomous scale. The average percentage of respondents who answered that ‘most people can be trusted’ is reflected on the y-axis. Mass mobilization frequency was rescaled to a 0-1 value and is reflected on the x-axis. Countries were grouped into income levels according to World Bank categories using data for the latest available year. A line of best fit was added.

## 5.2. Trust, perceived corruption and the legitimacy of institutions

The concepts of trust and corruption are closely linked. High corruption levels contribute to the erosion of trust – both institutional and interpersonal – on an individual level and within society at large (Anderson and Tverdova, 2003; Catterberg and Moreno, 2006; Rothstein and Eek, 2009; Algan et al., 2017). Continued corruption contributes to maintaining low levels of trust.<sup>23</sup> The consequences of systemic corruption are wide ranging and effect other processes also linked to trust, including reducing economic growth and economic performance (Knack and Keefer, 1997; Zak and Knack, 2001; Beugelsdijk et al., 2004), hindering democratic processes, diminishing the strength of rule of law, and weakening the bureaucratic capacity, such as the provision of basic services (Bjørnskov, 2011). Although the relationship between trust and corruption is

<sup>23</sup> Putnam (1994); Richey (2010); Uslaner (2018).

mostly studied within European or developed countries, the same inverse relationship between trust and corruption appears to hold in Latin America, where embedded corruption is inextricably linked to reduced trust (Seligson, 2006; Morris and Klesner, 2010; Beesley and Hawkins, 2022). In Africa, corruption has also been shown to be negatively associated with trust, regardless of the quality of public service delivery or government performance (Lavalley et al., 2008; Bratton and Gyimah-Boadi, 2016).

According to Transparency International,<sup>24</sup> over two-thirds of all countries recorded a Corruption Perceptions Index (CPI) lower than 50 in 2023 (where 0 represents full corruption and 100 represents complete absence of corruption). The global average is 43 and most countries have either made no progress in reducing the perceptions of corruption or have registered deteriorating scores. Since 2017, the ten countries which have seen the largest percentage decline in their CPI scores include four high-income states: Luxembourg, the United Kingdom, Austria, and Canada. Malaysia, Mongolia, Pakistan, Honduras, Nicaragua, and Haiti experienced the greatest spikes in perceived corruption levels since 2017. Comparing these trends to WVS data, several of these states – including Malaysia, the United Kingdom, and Nicaragua – rank relatively low on levels of institutional trust and/or have recently experienced some of the largest percentage declines in institutional trust in recent years.<sup>25</sup>

The relationship between the CPI and levels of trust in the latest wave of the WVS (2017-2022) is shown in Figure 13. Countries with the highest levels of institutional trust have also the highest CPI (i.e. the lowest levels of perceived corruption), but this correlation is weak, except for high-income countries. The positive correlation between trust and the CPI index – meaning that high trust is observed in countries with high CPI (or low corruption) – is especially strong in countries where institutional trust has declined since 2005: perceptions of corruption increased the most where trust declined the most between waves 5 and 7 of the WVS.<sup>26</sup>

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<sup>24</sup> The Corruption Perceptions Index (CPI) by Transparency International ranks corruption levels in 180 countries on a scale from 0-100, where 0 is a fully corrupt society and 100 is a fully transparent one. Countries/territories are ranked based on how corrupt the public sector is perceived to be by experts and business executives. Further details are provided in the Appendix to this paper and in <https://www.transparency.org/en/cpi/2023>.

<sup>25</sup> Estimates based on authors' calculations using the World Values Survey dataset.

<sup>26</sup> Estimates based on authors' calculations using the World Values Survey dataset. These countries are (in alphabetical order) Argentina, Australia, Brazil, Chile, Colombia, Cyprus, Guatemala, Iraq, Jordan, Malaysia, Mexico, Morocco, Peru, Romania, Ukraine, United Kingdom, United States, Uruguay, and Vietnam. These results remain the same when we use instead average individual assessments of corruption and average levels of trust reported in the WVS.

The relationship between interpersonal trust and corruption is also positive and much sharper: countries that enjoy higher levels of interpersonal trust are also those in which citizens perceive their societies to be less corrupt (and thus have a higher CPI score). Most countries that experience higher interpersonal trust and lower perceived corruption are high-income democracies. In this regard, corruption serves as a good proxy for gauging the openness of a society, and this relationship supports the principle that more transparent socio-political environments correspond to a greater willingness and ability to trust other people (Martinangeli et al., 2024).

**Figure 13. Trust and corruption perception index, 2017-2022**



**Source:** World Values Survey wave 7 (2017-2022); Corruption Perceptions Index (CPI) by Transparency International (2023); World Bank, PIP database, various years.

**Notes:** The sample includes 59 countries for interpersonal trust for which both variables were available, and 58 countries for institutional trust, as Egypt records no response for this measure in wave 7. Confidence in government is measured on a 4-point scale. The percentage of responses indicating ‘a great deal’ and ‘quite a lot’ of trust is reflected on the y-axis. Trust in other people is measured as a binary variable ranked on a dichotomous scale. The average percentage of respondents who answered that ‘most people can be trusted’ is reflected on the y-axis. CPI is ranked on a scale of 0-100, which was normalized to a 0-1 value, whereby a 1 reflects complete transparency and 0 reflects complete lack of transparency. Countries were grouped into income levels according to World Bank categories using data for the latest available year. A line of best fit was added.

### 5.3. Trust and socio-political instability

Trust is fundamental to political stability. Institutional trust underpins citizens’ perceptions of state legitimacy, while interpersonal trust contributes to building social solidarity, social cooperation, and ultimately political stability. Conversely, the absence of trust is highly detrimental to political stability. Mistrust can contribute to instability,

conflict, and violence, both directly and indirectly, as citizens challenge the legitimacy of governments or view other groups suspiciously, fostering social tensions and antagonistic behaviors. Reduced trust may serve as a direct catalyst in developing social cleavages or heightening the salience of existing cleavages, especially in polarized societies, which may make a society more vulnerable to conflict. Reduced trust may also indirectly open opportunities for political instability to emerge when different social groups cannot solve conflicts using non-violent means due to weak judicial and security institutions.

At the same time, war and conflict affect trust-building processes. Outbreaks of violent conflict are the strongest signs of a breakdown of social cohesion and the social contract as they reflect the failure of governments to maintain the monopoly of violence and protect citizens. In many cases, governments exercise high levels of violence towards their own citizens. Exposure to armed conflict has thus, unsurprisingly, been found to decrease both institutional and interpersonal trust (Hutchison and Johnson, 2011; Rohner, 2013; De Juan and Pierskalla, 2014; De Luca and Verpoorten, 2015; Kijewski and Freitag, 2018; Gates and Justesen, 2020). In Nepal and Uganda, for instance, the largest declines in trust occurred in the immediate aftermath of the civil war when new institutions had not yet replaced wartime organizations (De Juan and Pierskalla, 2014; De Luca and Verpoorten, 2015). Levels of trust in the immediate post-conflict period have, in turn, consequences for how citizens comply with their side of the social contract, how peace agreements are sustained and what state-building trajectories and civil society structures are adopted by new governments (Justino, 2022a). Declined trust in post-conflict countries may also result in renewed conflicts if people do not have confidence in newly formed governance institutions, and social tensions between groups remain unresolved.<sup>27</sup> There is some evidence, however, that exposure to violence and conflict can increase pro-social behavior, including trust in institutions and among people (Bellows and Miguel, 2009; Sacks and Larizza, 2012; Gilligan et al., 2014; Bauer et al., 2016), but this shift is often in favor of in-group individuals, increasing parochial attitudes (Cassar et al., 2013).

Regardless of the impact of violence on trust, evidence shows that higher levels of trust are more likely to prevent instances of conflict. Greater levels of trust, both interpersonal and institutional, are positively associated with supportive attitudes toward and successful implementation of wholesale reconciliation (De Tezanos-Pinto et al., 2017;

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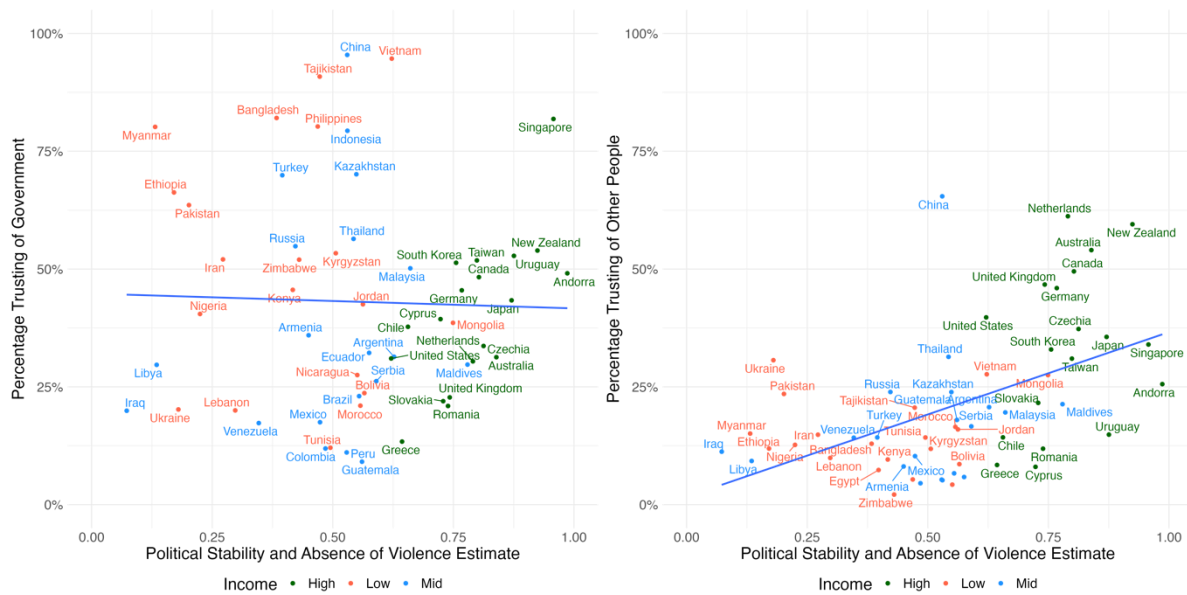
<sup>27</sup> Exposure to criminal violence has similar deteriorating impacts on institutional trust (Carreras 2013).

Casas-Casas et al., 2020). Trust is also considered a prerequisite for successful peacebuilding and statebuilding initiatives and a factor in determining their success and longevity (De Luca and Verpoorten, 2015) .

The World Bank's World Governance Indicators (WGI) data measures political stability and the absence of violence or terrorism as a dimension of governance. This variable assesses the likelihood that political instability or politically motivated violence will not occur. This variable has declined steadily since 2000, indicating a rise in political instability and violence across the world in the last two decades. The correlation (but not necessarily causation) between trust and the WGI indicator for political stability and absence of violence illustrates this relationship [Figure 14]. In general, countries with the highest levels of trust are also more politically stable. The correlation is strongest for interpersonal trust, highlighting the importance of social cohesion for political stability in recent years. High-income countries (illustrated in green at the far-right end of both graphs in Figure 14) tend to exhibit the strongest positive relationship between trust and political stability. Countries at the other extreme tend to be low-income countries with ongoing violent conflicts and/or high levels of political violence, including Ethiopia, Myanmar, Lebanon, Nigeria, Pakistan, Ukraine, and Iran.

The incidence of violent conflicts has increased in the last decade. The highest number of armed conflicts since the start of the Cold War was recorded in 2023. The period between 2020 and 2023 was the most violent in the last thirty years. There are currently 59 active conflicts in 34 countries, the highest since the end of the Cold War (Rustad, 2024). Global increases in political violence over the last decades, combined with global declines in trust, may have large consequences for how social contracts, solidarity, and social cohesion are maintained over the long term across the world.

**Figure 14. Trust and political stability, 2017-2022**



**Source:** World Values Survey wave 7 (2017-2022); World Bank, World Governance Indicators (2022); World Bank, PIP database, various years.

**Notes:** The sample includes 59 countries for interpersonal trust for which both variables were available, and 58 countries for institutional trust, as Egypt records no response for this measure in wave 7. Confidence in government is measured on a 4-point scale. The percentage of responses indicating ‘a great deal’ and ‘quite a lot’ of trust is reflected on the y-axis. Trust in other people is measured as a binary variable ranked on a dichotomous scale. The average percentage of respondents who answered that ‘most people can be trusted’ is reflected on the y-axis. The political stability variable was rescaled to 0-1 and is reflected on the x-axis. Countries were grouped into income levels according to World Bank categories using data for the latest available year. A line of best fit was added.

#### 4.4. Trust amidst a new media landscape

The role of media in politics and subsequently on trust formation has become an increasingly important topic of research (Yanagizawa-Drott, 2014; Acemoglu et al., 2018). Mass media can help facilitate the transmission of information and strengthen social coordination within society. Media can also support collective action movements, link social groups together, and provide critical assessments of government practices and accountability, all of which can induce institutional and interpersonal trust-building. Media freedom is a critical component of a functioning democratic system. A free mass media can magnify democratic preferences and objectives and engender greater plurality within society. It is also a fundamental mechanism in promoting political participation and generating political trust, especially in democracies.

However, recently, mass media has come under scrutiny for its role in undermining the democratic political process (Citrin and Stoker, 2018; Tucker et al., 2018; Kubin and von Sikorski, 2021). The rise of social media outlets and fragmented news media have been directly linked to political polarization and the dissemination of ‘disinformation’.



Constrained, polarized, or underperforming media infrastructures may serve to counteract political openness. Biased or unbalanced messages can significantly sway public opinion, thus undermining political trust on a wider scale. Given how important the perception of political performance and policies are in the formation of trust attitudes, how news media portrays these factors can have significant impact on how people trust institutions and each other.

Global media trends reveal that since around 2011-2012, the media landscape has changed dramatically. The V-Dem dataset measures several media-related variables. These measures indicate that, globally, mass media has become more censored, biased, and less transparent over the last decade.<sup>28</sup> Recent years have seen some of the highest rates of internet and government censorship over media, a trend which seems to be on the rise. These levels of media bias may affect trust-building, as consumers of media across the globe are increasingly not being exposed to fully accurate accounts of socio-political affairs. Media bias and lack of transparency in media outlets have been shown to be important tools for strengthening institutional trust in non-democratic contexts, but they may also be significant determinants in generating fractious and distrusting societies (Pop-Eleches and Tucker, 2017).

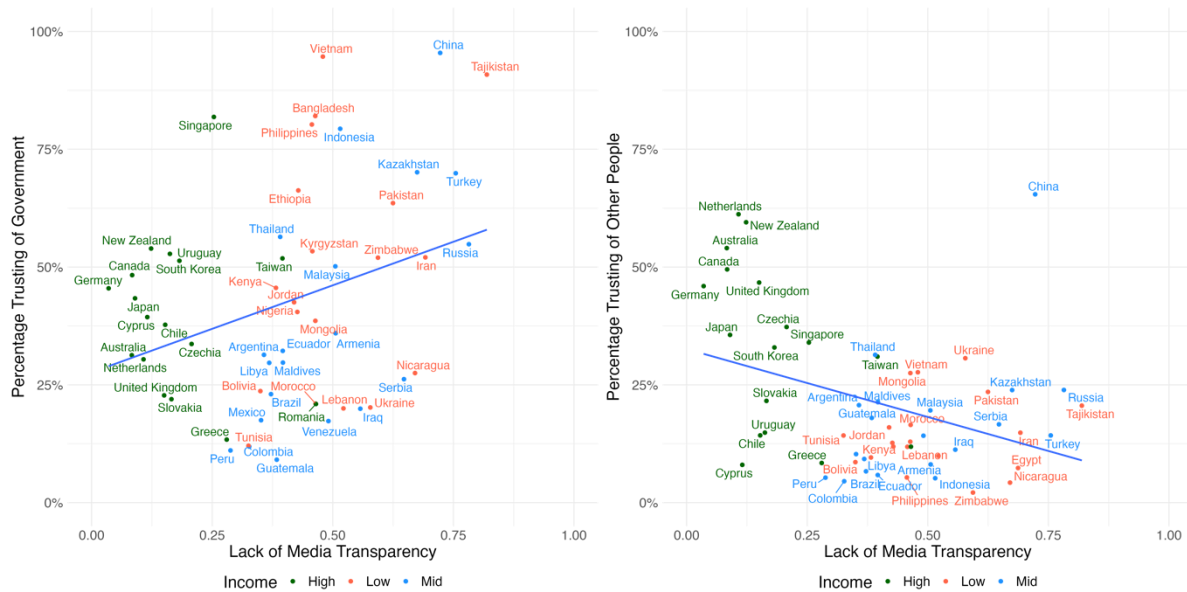
Correlations between interpersonal trust and several media variables are overall positive, with higher levels of media freedom, transparency and independence in countries with high levels of interpersonal trust. Figure 15 illustrates this relationship for media transparency, a variable that measures corruption in the media landscape and how susceptible media outlets in a country are to bribery and altering news stories in exchange for payment.<sup>29</sup> The opposite relationship appears to hold for institutional trust, where we observe high levels of institutional trust alongside high levels of media corruption. This trend is, however, driven by a number of countries where the media is highly controlled. This may well reflect the fact that a media landscape with low transparency and high bias may work in favor of incumbent non-democratic governments. Media news which consistently portray the government administration in a positive light may impact how their consumers perceive political institutions. Meanwhile, countries with lower media transparency exhibit reduced levels of interpersonal trust, which speaks to the strength of social cohesion in these societies.

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<sup>28</sup> Estimates based on authors' calculations using the World Values Survey dataset.

<sup>29</sup> This variable was chosen purely for illustrative purposes and constraints about space and the number of figures that can be accommodated in the paper. All other variables follow a similar pattern.

**Figure 15. Trust and absence of media transparency, 2017-2022**



**Source:** WVS wave 7 (2017-2022); V-Dem (2022); World Bank, PIP database, various years.

**Notes:** The sample includes 59 countries for interpersonal trust for which both variables were available, and 58 countries for institutional trust, as Egypt records no response for this measure in wave 7). Confidence in government is measured on a 4-point scale. The percentage of responses indicating ‘a great deal’ and ‘quite a lot’ of trust is reflected on the y-axis. Trust in other people is measured as a binary variable ranked on a dichotomous scale. The average percentage of respondents who answered that ‘most people can be trusted’ is reflected on the y-axis. Lack of media transparency was rescaled to a 0-1 value and is represented on the x-axis. A line of best fit was added.

## 6. Key messages and conclusion

This paper quantified recent widespread changes and patterns in trust. This is important because documenting how much trust has changed, as well as patterns of change in trust, is central to identifying the potential impacts it may have on societies, economies, and political systems, as well as policy solutions. The paper documents four key results:

***There has been a global decline in institutional trust since 2005, with only slight changes in intergenerational trust – but people trust more those closer to them.***

Trust in government institutions has declined over the last two decades worldwide, with different country-level dynamics shaping changes in trust. Interpersonal trust has declined too in some countries but has remained more resilient overall than institutional trust, especially trust towards those in more immediate social circles. A global decline in institutional trust combined with strong levels of in-group trust may explain several phenomena we observe in many countries across the world, including rises in political polarization, partisanship, and nationalism, as forms of expression of in-group favoritism and parochialism.

***Trust has declined more in developing countries and among younger generations.***

The trend in declining trust is most pronounced in low-income countries and among younger generations, where the erosion of both institutional and interpersonal trust has been more acute. Latin America and Africa have seen more substantial declines in institutional trust compared to Europe. Some European countries experienced improvements in trust. High-income countries, such as the United States, the United Kingdom, and Germany, have maintained or increased interpersonal trust, even as institutional trust declined. Many developing countries have experienced significant decreases in institutional trust over the last 20 years, alongside simultaneous drops in interpersonal trust, indicating widespread potential for a more comprehensive weakening of civil society and social cohesion as a result. Many developing states continue also to experience high levels of corruption and political instability, which may further intensify this downward trend in trust.

***The decline in trust is closely related to economic uncertainties the world has faced over the last two decades.***

Identifying the specific causes of trust erosion is difficult because of its endogenous nature. However, recent declines in trust have coincided with the onset of several global crises – including wars and conflicts, pandemics and epidemics, the acceleration of climate change, and financial crises. These crises have both contributed to and been compounded by growing income inequality and economic vulnerability across the globe. Enduring inequalities, uneven progress in poverty reduction, and rises in economic vulnerability are likely to exacerbate distrust, especially when institutions fail to improve living standards, potentially leading to poverty and social traps.

***Declines in trust are likely to have adversely affected social cohesion and weakened the social contract along several dimensions.***

Declines in trust have occurred alongside increased collective mobilization in the form of protests and demonstrations, which may be both a reflection of levels of social discontent, as well as rising demand for change. At the same time, reduced trust is correlated with worse perceptions of the effectiveness and transparency of governance institutions and the media and with increased political instability and socio-political polarization. Declines in trust are associated with higher levels of corruption and greater political violence. Rising levels of corruption across the world and the outbreak of new

conflicts over the last three years suggest that social cohesion and social contracts may continue weakening into the foreseeable future unless the decline in trust is halted.

Reversing trends of declining trust is a critical global policy issue. The results discussed in the paper indicate that the roles of media and civil society are central to helping reestablish trust, and so too are institutions. In the African and Latin American contexts at least, a positive correlation emerged between institutional trust and perceptions of economic well-being and government redistributive efforts. The relationship between these two indicators and trust highlights that public institutions can play a role in reversing, or at least halting, the recent growth of distrust. Ensuring institutions remain transparent, accountable and effective to the populations they serve is critical and investing in institutional integrity, accountability and quality, including that of public services, particularly within states with weak or weakening institutional capacity, may be fundamental in reinstating trust. Strengthening institutions may have cascading positive impacts on all dimensions of trust, as well as on political participation, civil society, and perceptions of government performance. Stronger institutions will subsequently better equip states to promote well-being, inclusivity, and equality, and weather future crises and uncertainties in ways that mitigate the impact of crises on social solidarity and cohesion.

The call for national institutional reform to halt the decline in trust is, however, not a new proposition and many efforts to enact institutional change in countries as varied as Afghanistan, Colombia, or Bangladesh, just to name a few, have faced serious setbacks. This is, in part, because the many crises affecting countries across the world today cannot be addressed by national institutional reform alone. Governments can work to strengthen institutions in terms of their effectiveness to react to crises, their transparency in addressing tensions, and their legitimacy to represent citizens. However, national institutions may not be able to address alone the root causes of global crises, such as wars, pandemics, and climate change – despite their effect on declining levels of trust at the national level. Sustainable solutions to the ongoing ‘trust crisis’ will require global efforts to engender greater solidarity and cooperation between countries to address global crises and provide more inclusive public goods.

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## APPENDIX

### A. Main data sources

The main data sources used in this paper are as follows:

- Afrobarometer Data (2022): All Rounds. Edition. <http://www.afrobarometer.org>.
- AmericasBarometer by the LAPOP Lab (2023): All Rounds. Edition 2023. [www.vanderbilt.edu/lapop](http://www.vanderbilt.edu/lapop).
- European Social Survey (2023): All Rounds. Bergen, European Social Survey Data Archive, Sikt - Norwegian Agency for Shared Services in Education and Research, Norway for ESS ERIC. Edition 3.0. [doi:10.21338/NSD-ESS10-2020](https://doi.org/10.21338/NSD-ESS10-2020).
- Transparency International (2023). Corruption Perception Index. <http://www.transparency.org/cpi>.
- World Bank (2024), Poverty and Inequality Platform Dataset. Version 20240326\_2017\_01\_02\_PROD. [pip.worldbank.org](http://pip.worldbank.org).
- World Bank (2024), World Governance Indicators. Kaufmann, D. & Kraay, A. Version [www.govindicators.org](http://www.govindicators.org).
- World Values Survey (2022): All Rounds – Country-Pooled Datafile. Inglehart, R., C. Haerpfer, A. Moreno, C. Welzel, K. Kizilova, J. Diez-Medrano, M. Lagos, P. Norris, E. Ponarin & B. Puranen [eds]. Madrid, Spain & Vienna, Austria: JD Systems Institute & WWSA Secretariat. Version 3.0.0. [doi:10.14281/18241.17](https://doi.org/10.14281/18241.17).

The quantitative analysis in this paper was derived from two types of datasets: direct survey data and compiled indices data. Survey data was drawn primarily from the World Values Survey (WVS), which collects data from nearly 120 different countries and societies, around 95% of the world's population, on a variety of social measures on individual beliefs, values, and attitudes. The data spans 7 waves, from 1981-2020. Most data analysis in the paper uses data from waves 4 to 7.

The WVS was supplemented with regionally collected survey data from the Afrobarometer, Latin American Public Opinion Project (LAPOP), and the European Social Survey (ESS). Afrobarometer data includes responses from over 40 African countries and the analysis in the paper uses 8 rounds of the survey, spanning from 2002 to 2021. LAPOP data includes 34 countries from North, Central, and South America, as well as the Caribbean region. The analysis in this paper uses 15 waves of survey data from 2004 to

2023. ESS data covers 39 European countries. The analysis in this paper includes 10 rounds of data from 2000 to 2022. Each survey uses probability sampling at national and/or regional levels. Survey data was downloaded directly from the source.

Compiled datasets were also used in this paper. These include the Varieties of Democracy project (V-Dem); the World Bank's Poverty and Inequality Platform (PIP); the World Bank's World Governance Indicators (WGI); and the Corruption Perceptions Index (CPI) compiled by Transparency International.

The V-Dem data is based on coded evaluations from country-specific experts for each country-year observation, aggregated using a measurement model to account for potential bias. This dataset includes both contemporary and historic data that spans 200 countries from 1789 to 2022. The analysis in this paper uses data from 2000 onwards.

The World Bank's WGI dataset collects aggregated measures of variables from various global data sources, estimates, and organizations and covers over 200 countries from 1996-2022. The World Bank's PIP data is collected primarily from National Statistics Offices from across the world, as well as from the World Bank's Global Monitoring Database. The PIP data spans from 1990-2022 and covers over 160 countries and economies.

The CPI is compiled by Transparency International and ranks countries using a series of independent expert surveys and assessments of corruption between 2012 and 2023.

The variables used in this paper were selected from each of these time-series datasets. When feasible (and unless indicated otherwise), all countries in the datasets considered were included to represent the most accurate global trends. In the correlation analyses, the most recent data was used for each variable. Only countries for which both measures were available (in each of the correlation analyses) were included in the analysis. Individual territories – Puerto Rico, Hong Kong, Macao, Palestinian Territories, and Northern Ireland – were excluded from the analysis in this paper, in order to reflect country-driven trends.

## **B. Construction of main variables**

Survey questions vary across datasets and sometimes across waves in each dataset. Therefore, we selected questions for the analysis that have the closest equivalence across datasets. In relevant cases, index measures were used for additional support or clarity. For each survey question, missing responses or nonresponses were removed from the data. When appropriate, survey responses were rescaled or normalized for ease of legibility.

### **World Values Survey (WVS)**

**Interpersonal trust** was coded as the percentage of individuals that responded ‘Most people can be trusted’ to the following question:

- *Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people? (Possible answers: most people can be trusted; need to be very careful).*

**Interpersonal trust** towards different social groups was coded as the percentage of respondents that answered ‘trust completely’ to the following question, for each of the categories available:

- *Could you tell me for each whether you trust people from this group completely, somewhat, not very much or not at all? (Possible answers: trust completely; trust somewhat; do not trust very much; do not trust at all)*
  - *Your family; Your neighborhood; People you know personally; People you meet for the first time; People of another religion; People of another nationality*

**Institutional trust** was coded as the percentage of respondents that answered ‘a great deal’ or ‘quite a lot’ to the question below for each of the categories below. In some cases, when specified, the percentage who responded ‘none at all’ was also used in the analysis. Confidence in the government was used as a proxy for institutional trust throughout the analysis.

- *I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all? (Possible answers: a great deal; quite a lot; not very much; none at all).*
  - *The Government; Parliament; The United Nations (UN)*

## **Afrobarometer**

**Institutional trust** was coded as the percentage of respondents who answered ‘a lot’ to the question below. When specified, the mean of responses was also used in the analysis. Trust in the president or trust in parliament were used as proxies for regional institutional trust.

- *How much do you trust each of the following, or haven’t you heard enough about them to say: (Possible answers: a lot; somewhat; just a little; not at all).*
  - *The President*
  - *Parliament/National Assembly*

**Average evaluation of taxes used by government for the well-being of citizens** was coded as the average of all responses to the following question:

- *Do you agree or disagree with the following statement: The government usually uses the tax revenues it collects for the well-being of citizens. (Possible answers: strongly agree; agree; neither agree or disagree; disagree; strongly disagree).*

## **AmericasBarometer**

**Institutional trust** was coded as responses 6 and 7 to the question below. When specified, the mean of responses was also used in the analysis. Trust in the executive or in national legislature were used as proxies for regional institutional trust.

- *“To what extent do you trust:”* Ranked on a scale of 1-7 where 7 equals ‘A lot’ and 1 equals ‘None at all’.
  - *The Executive (President/Prime Minister); National Legislature*

**Average evaluation of one’s personal economic financial situation** was coded as the average of all responses to the following question:

- *Perception of personal economic situation (in relation to the last 12 months)* (Possible answers: better, equal; worse).

## **European Social Survey (ESS)**

**Institutional trust** was coded as the average of all responses to the question below with respect to parliaments. Trust in parliament was used as the proxy for overall regional institutional trust.

- *Please tell me on a score of 0-10 how much you personally trust each of the institutions I read out [Parliament]:* (Ranked on a scale of 0-10, where 10 equals ‘completely trust’ and 0 equals ‘do not at all trust’).

### **Varieties of Democracy (V-Dem)**

**Media corruption.** This variable is coded by experts on an ordinal 0-4 scale, applied to a measurement model on an interval scale that produces discrete values from -4 to 4. The question asked and possible answers are as follows:

- *Do journalists, publishers, or broadcasters accept payments in exchange for altering news coverage?*
  - The media are so closely directed by the government that any such payments would be either unnecessary to ensure pro-government coverage or ineffective in producing anti-government coverage.
  - Journalists, publishers, and broadcasters routinely alter news coverage in exchange for payments.
  - It is common, but not routine, for journalists, publishers, and broadcasters to alter news coverage in exchange for payments.
  - It is not normal for journalists, publishers, and broadcasters to alter news coverage in exchange for payments, but it happens occasionally, without anyone being punished.
  - Journalists, publishers, and broadcasters rarely alter news coverage in exchange for payments, and if it becomes known, someone is punished for it.

**Mass mobilization.** This variable is coded by experts on an ordinal 0-4 scale, applied to a measurement model on an interval scale that produces discrete values from -4 to 4. This question concerns the mobilization of citizens for mass events such as demonstrations, strikes and sit-ins. These events are typically organized by non-state actors, but the question also concerns state-orchestrated rallies.

- *In this year, how frequent and large have events of mass mobilization been?*
  - There have been virtually no events.
  - There have been several small-scale events.
  - There have been many small-scale events.
  - There have been several large-scale and small-scale events.
  - There have been many large-scale and small-scale events.

### **World Bank: Poverty and Inequality Platform (PIP)**

**GINI Index (scale of 0-100).** The Gini index measures the extent to which the distribution of income or consumption among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

**Poverty Headcount Ratio based on \$2.15 national poverty line (2017 PPP).** National poverty headcount ratio is the percentage of the population living below the national poverty line(s). National estimates are based on population-weighted subgroup estimates from household surveys, compiled from official government sources and computed by World Bank staff.

**GDP Per Capita (constant LCU).** GDP per capita is the gross domestic product divided by midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in constant local currency. Data are based on World Bank national accounts data and OECD National Accounts data files.

### **World Bank: World Governance Indicators (WGI)**

**Political Stability and Absence of Violence/Terrorism.** This variable measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism. This aggregate measure is constructed by averaging data from underlying corresponding sources, rescaling the individual source data to run from 0 to 1, and using an Unobserved Components Model (UCM) to construct a weighted average of the individual indicators for each source. The composite measures of governance generated by the UCM are in units of a standard normal distribution, with mean zero, and standard deviation of one. The measures range from approximately -2.5 to 2.5, with higher values corresponding to better governance.

## **Transparency International**

***Corruption Perception Index (CPI) (scale of 0-100)***. Countries/territories are ranked based on how corrupt the public sector is perceived to be by experts and business executives. It is a composite index, which combines assessments of corruption and 13 surveys from 12 different institutions that capture perceptions of corruption. A country's rank indicates its position relative to the other countries/territories included in the index. A country/territory's score indicates the perceived level of public sector corruption on a scale of 0-100, where a 0 equals the highest level of perceived corruption and 100 equals the lowest level of perceived corruption.