

Varying Levels of Trust across Multi-Level Governance: a Sustainability Perspective

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Social sustainability, the third pillar of sustainability alongside ecological and economic dimensions, focuses on maintaining the well-being and viability of communities, as a healthy functioning society is a prerequisite for sustainable operation. Trust, a common measure of social sustainability, is a fundamental pillar of a sustainable, resilient, inclusive, transparent and accountable society. This research aims to analyse how trust as a measure of social sustainability interacts with different levels of governance and institutional performance in the Visegrád Four countries. The study found that although there is a significant correlation between various factors of institutional trust at the national level, there is no meaningful relationship between general and institutional trust across the examined countries (Czech Republic, Hungary, Slovakia, and Poland). The analysis found that institutional trust is influenced more by endogenous factors, such as perceived governance effectiveness and citizen satisfaction, than by general trust. However, no strong correlation could be shown between Word Governance Indicator and institutional trust. The findings show that trust does not progressively decline towards higher levels of institutions; instead, proximity and citizen engagement boost trust at the local level, while different mechanisms likely drive trust at higher government levels. Additionally, the research highlights that in post-communist societies, strong traditions of particular trust limit general trust in institutions, emphasizing the complexity of trust dynamics within different governance levels.

1. Introduction

Social sustainability is a critical component of a healthy functioning society and includes the ability to maintain and improve social well-being over time. Among the various operationalization options, trust is a crucial indicator of social sustainability, strengthening effective governance and community resilience. The aim of the study is to revisit the conceptual issues and contradictions surrounding institutional trust while highlighting its social aspects of sustainability and demonstrating the deviations found in the literature pertaining to post-socialist countries. The research question is how trust as a measure of social sustainability interacts with different levels of governance and institutional performance in the Visegrád Four countries and what external factors have a strong connection in the dynamics of trust and social sustainability. The study focuses on Hungary, Slovakia, the Czech Republic, and Poland due to their shared post-socialist history and membership in the Visegrád Group, which allows for meaningful comparisons of institutional trust in a similar socio-political context.

The novelty of this study lies in its focused examination of institutional trust within a comparative framework of four countries at different governance levels. By analyzing the interplay of endogenous and exogenous factors that influence institutional trust in the context of multi-level governance, the study contributes to a deeper understanding of how trust varies across local and national levels in a region characterized by unique historical and political dynamics. Furthermore, it fills a gap in the literature by investigating the specific impact of trust on social sustainability indicators, emphasizing the role of trust in enhancing effective governance and citizen engagement in these countries.

The importance of the research question is the focus on institutional trust within multi-level governance and its relevance for social sustainability, which depends heavily on citizens' trust in institutions (Boström, 2012). This research contributes to understanding how trust manifests at different levels of governance. Institutional trust is also crucial for effective governance. As Bouckaert and Van de Walle (2003) argue, trust influences government

legitimacy and the willingness of citizens to comply with regulations and support public policies as 'trust is insufficient but necessarily part of a set of indicators which are unnecessary but sufficient for good governance' (Bouckaert and Van de Walle, 2003, 329). By exploring how trust varies across governance levels, this research can help policymakers design strategies that enhance trust where it is most needed, improving both policy effectiveness and public engagement. This study's findings are highly relevant to Sustainable Development Goal 16, which promotes inclusive and accountable institutions at all levels (United Nations, 2015). Sustainability is explored across diverse sectors, including higher education (Németh et al., 2023) and the chemical industry (Meqdadi et al., 2019). Trust has been shown to significantly enhance engagement in sustainability practices, such as the adoption of green chemistry, which aims to minimize environmental impacts (Nuryanto and Pratiwi, 2024). The studies highlight that institutional trust plays a crucial role in motivating environmentally responsible behaviors, underscoring its importance in achieving sustainable development goals (Taniguchi and Marshall, 2018).

The study is structured as follows: The conceptual connection between social sustainability and trust is the basis for the understanding of the institutional trust theory presented. By introducing the paradigm of multi-level governance, the state of trust in the four countries is presented geographically, and the theoretical foundations are presented in the third section. The study uses Eurobarometer and European Social Survey data to test theories and draw conclusions that encourage further research regarding the Visegrád Four countries.

2. Literature review

In addition to ecological and economic trends, social sustainability is the third pillar of the sustainability discourse (Woodcraft, 2015), which requires a complex, interdisciplinary approach due to the lack of a universally accepted definition. However, it is now an axiom that social sustainability aims to foster a healthy society (Huete-Alcocer et al., 2024). Metrics and indicators play a crucial role in clarifying sustainability concepts and enhancing legitimacy in operations through reporting standards and external audits (Pizzi et al., 2024). While corporate sustainability reporting is widely accepted, tools for comparing countries, like the Environmental Performance Index, often focus primarily on environmental aspects (Cook et al., 2017).

Operationalizing social sustainability involves key terms like inequality, well-being, quality of life, and trust, which are tied to political processes. Trust between communities, government, and businesses is crucial for effective sustainability initiatives. Recognizing the proven strong connection between sustainability and quality of life is fundamentally a positive outcome of social sustainability, in which trust, safety, income, and accessibility play important roles (Huete-Alcocer et al., 2024). It is essential to emphasize that enhancing institutional trust can lead to greater public engagement and support for sustainability initiatives. There is no doubt about the need for practical consideration of these factors: in order to implement effective government policies necessary to achieve the UN Sustainable Development Goals and to sustainably manage shared resources (Dixon et al., 2024), trust in institutions must reach a higher level, which is greatly facilitated by accountability.

'Trust in government is a key element for the long-term survival of society' (Wenzel, 2006). As a consequence of the appreciation of trust and its interpretation in several disciplines (e.g., economics, sociology, law), conceptualization and operationalization of the phenomenon is difficult. This study uses one of the most cited definitions, according to which trust is 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party' (Mayer et al., 1995). Trust can be categorized into three main types based on the participants in the interaction: interpersonal (between individuals), inter-organizational (between organizations), and institutional (between individuals and organizations) (Ebert, 2009). Institutional trust is most commonly examined in the political sphere, indicating the extent to which citizens trust that public institutions act in the best interests of society (Kim and Lee, 2012).

Competing theories argue about whether institutional trust stems from cultural determinants (microinstitutional) or from institutional performance (macroinstitutional) (Mishler and Rose, 2001). While interpersonal trust affects institutional trust, institutional variables typically have greater explanatory power (Pálné Kovács, 2019).

Institutional trust contributes to legitimacy, which is a prerequisite for effective governance. 'Governance refers to complex governance and coordination structures that encompass formal and informal elements, state and non-state actors, as well as hierarchical, market and cooperative relations' (Benz, 2001, 55). The paradigm opens up another field for the analysis of trust. Trust in this system is an essential component that promotes smooth interactions, the free flow of information, the success of developing innovative solutions, and transparency in complex and unpredictable environments (Klijn, 2010). Not only does trust affect the functioning of governance, but citizens' perceived characteristics and criteria, such as transparency, accountability, participation, efficiency, and responsiveness, also increase trust (Beshi and Kaur, 2019).

Differentiating the concept by geographical scale, Multi-Level Governance (MLG) involves vertical cooperation between government levels and horizontal cooperation between sectors (Somlyódyne Pfeil, 2019). While the

The study suggests that institutional factors (e.g., government performance and policies) may exert a stronger influence on institutional trust than general trust, as evidenced by a lack of strong correlation between the two (Pálné Kovács, 2019). In post-communist societies, where trust is often confined to close family and friends, and there is significant distrust towards the state, it can be assumed that institutional trust relies more on institutional performance than on general trust (Mishler and Rose, 2001).

Social sustainability indicators chosen for this study further shade the picture, so general life satisfaction, happiness, and a sense of security (data available in the ESS dataset) were included in the analysis, as well as GDP per capita data for 2022, World Governance Indicator data for 2018 and Environmental Performance Index for 2018 as external factors. A joint analysis of the four countries (Table 2) shows that general trust is not significantly related to either factor (except for institutional trust on the national level due to the aggregation effect), although GDP and a sense of security increase trust moderately. Institutional trust at the national level is closely related to safety, but it is notable that there is a moderately strong negative correlation with happiness. Explaining the particularly strong negative correlation between institutional trust at the international level and GDP per capita would require further investigation, which goes beyond the purpose and scope of this study. The results thus do not support previous investigations stating that the qualities of governance perceived by citizens (in this study, the WGI scores) also enhance trust (Beshi and Kaur, 2019).

Table 2: Social sustainability components correlations analysis based on the four countries examined

	General trust	Satisfaction	Happiness	Safety	GDP per capita 2022	WGI 2018	EPI 2018	Inst. trust (nat.)	Inst. trust (supra-nat.)
General trust	1	0.160	-0.019	0.474	0.466	-0.048	-0.274	0.861	-0.065
Satisfaction		1	0.944	-0.633	0.434	0.205	-0.364	-0.335	-0.419
Happiness			1	-0.841	0.114	-0.066	-0.559	-0.428	-0.141
Safety				1	0.371	0.320	0.564	0.665	-0.197
GDP pc 2022					1	0.843	0.485	0.089	-0.913
WGI 2018						1	0.827	-0.310	-0.972*
EPI 2018							1	-0.235	-0.670
IT national								1	0.297
IT supranational									1

*. Correlation is significant at the 0.05 level (2-tailed).

Overall, institutional trust at the national level is more dependent on endogenous factors perceived by society (satisfaction, happiness, and safety can be interpreted as the result of well-performing governance). Environmental performance and sustainability do not have a strong connection with institutional trust on a national level, but they are a lot stronger on an international level. The observed weak connection between environmental performance and institutional trust at the national level, contrasted with a stronger connection at the international level, can be attributed to several factors supposedly citizens may perceive environmental policies and their implementation as less effective or as part of broader systemic issues within their country, or citizens might feel that international organizations have stronger mechanisms for accountability and enforcement of environmental policies, increasing their trust.

As for the WGI indicator, which measures the endogenous performance of national government institutions, it is notably that the Czech Republic, which has a higher GDP per capita, generates almost the same institutional trust as Hungary, which has the lowest GDP per capita and the lowest WGI index. Further research is needed to determine the reasons for the lack of an expected association. However, this currently goes beyond the basic purpose of the study. However, it can be assumed that an indicator based on expert interviews from an independent organization expresses the objective performance of institutions, while trust refers more to the performance as assessed by citizens.

Regarding the different levels of trust based on the multi-level governance paradigm, the literature suggests that not only performance, usefulness, and civic perception are important to the endogenous factors of institutions, but trust in institutions is also equally determined by their proximity to citizens. This led to the conclusion that the lower the level of government, the higher the institutional trust is. Deloitte (O'Leary, 2021), analyzing the United States, found that institutional trust gradually declines from lower to higher levels. The study compared trust in local and regional authorities, the national government and a supranational level, the European Union, for the four countries (Table 3).

A fundamental finding in the literature is that citizen trust tends to be greater at more localized institutional levels (O'Leary, 2021). In decentralized systems, higher levels of trust are generally linked to local governance. However, Hungary presents a paradox: despite the ongoing reduction in the role of local governments, trust

levels have not decreased and remain significantly higher than at the national level. Similar anomalies are observed in other countries, such as China (Liu & Raine, 2015) and Sweden (Erlingsson, 2022).

Table 3: Institutional trust at different levels of governance

	Local and regional authorities		National government		European Union		Institutional trust average	
	2017	2022	2017	2022	2017	2022	2017	2022
Hungary	55	63	39	48	46	56	46,7	55,7
Slovakia	42	51	26	18	43	44	37,0	37,7
Czech Republic	49	57	18	30	30	43	32,3	43,3
Poland	45	52	33	26	44	64	40,7	47,3

It is clear that in most cases, trust is highest at the local level, but it invariably exceeds trust in national government everywhere. Remarkably, in some cases, trust in the European Union even exceeds trust at the local level (Slovakia in 2017, Poland in 2022). As a result of multi-level trust, proximity to citizens only has a limited positive effect, but at a higher level, other mechanisms influence the perception of trust as an institution. One explanation for this trend may be that citizens view national governments as accountable during times of crisis. Alternatively, Sztompka's (1999) concept of the externalization of trust suggests that in situations of low trust, citizens may place their faith in external, supranational institutions.

5. Conclusion

The issue of trust is complex, with no consensus in the literature regarding the relationship between interpersonal and institutional trust. The study's correlation analysis indicated a weak relationship between the two trust factors, with the highest correlation of only 0.273 between general trust and the legal system, suggesting that citizens rely on different mechanisms for trusting institutions compared to interpersonal relationships. Institutional trust may be more volatile and influenced by governance practices that emphasize transparency, citizen engagement, and collaboration. The issues of institutional trust and governance are closely linked, as higher trust is thought to be associated with governance that operates transparently, engages and informs citizens, and enables collaboration. Using the Worldwide Governance Indicator (WGI), the study finds an unexpected negative correlation of -0.31 between governance performance and institutional trust at the national level, indicating that citizens' trust may be shaped more by subjective perceptions and historical or cultural factors rather than objective governance metrics. Further research would be needed to fully understand why this inverse relationship occurs. Interestingly, institutional trust correlates more closely with national security indicators (0.665) than with governance performance data. The governance paradigm is closely linked to a system of multi-level governance with horizontal and vertical collaboration. The result clearly outlined that the effect of proximity is likely to have a real impact on high trust at the local level through involvement and citizen engagement. However, this did not mean that this effect would lead to progressively lower levels of trust as they moved to higher levels of government; rather, other mechanisms would lead to higher levels of trust at higher levels of government. Exploring these mechanisms could be the subject of further investigation.

The study acknowledges several limitations that should be considered in future research. First, the reliance on cross-sectional data from the 2018 European Social Survey may limit the ability to capture dynamic changes in trust over time, particularly in response to significant social or political events. Longitudinal studies would provide deeper insights into the development of trust and its determinants.

Secondly, the focus on the Visegrád countries may limit the generalizability of the findings to other contexts. Comparative studies involving diverse cultural and political environments could provide a more comprehensive view of the factors influencing trust in institutions. By addressing these limitations, future studies can contribute to a more nuanced understanding of trust dynamics and inform effective policy interventions to strengthen institutional legitimacy and citizen engagement.

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