Social trust in the counties at the crossborder between Hungary and Romania¹

Adrian Hatos

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<u>Preamble</u>

The following pages explore the variations of generalized trust, one of the most important parts of the social capital in the populations investigated by the ENRI survey. I shall start by a theoretical discussion on the signification and the determinants of generalized trust and continue by introducing the results of some bi-varied comparisons and, finally, I shall pattern the trust, through multiple regression, apart from the two nations participating in the research.

Trust: theoretical plan

Trust is the most general factor which facilitates voluntary cooperation and a fundamental dimension of the social capital. Among many definitions of trust, Ostrom mentions the one of Gambetta, which he considers "a particular level of the subjective probability by which an actor assumes that another actor or group of actor shall perform a certain action" (Gambetta, 2000 p. 216). Therefore, trust allows the trusting individual to perform an action which involves the risk of a loss if the trusted individual does not do what he is expected to. Recent developments of the theories of social capital have indicated the necessity to distinguish the various types of interpersonal trust. An important issue of the specialists is to make the difference between the trust which is reducible in other forms of social capital and the irreducible trust in other forms of social capital.

In certain forms of trust, the trusting individual knows the structure of incentives where the transaction partner makes decisions either due to the repetitive nature of the interactions between them or due to the existence of other network members who monitor the actions of the trusted individual and/or due to the regulations or laws which punish or compensate the behavior of the trusted individual. The type of trust based on the interactions between actors is called **strategic trust** (Bãdescu, 2001 p. 130).

When we say that a society has high levels of trust, we actually say that its members are trustworthy, a characteristic which derives, as Collier (2002) notes, from social interactions. Consequently, trust, as a subjective belief, cannot be supported in the long run if not frequently verified

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by the behavior of the trusted individual. Trust also assumes the credibility of the trusting individual. It is possible that an untrustworthy individual trusts another individual. However, it seems quite reasonable to assume that those who are credible in their turn manifest higher levels of confidence, as a projection effect, so that a collectivity with a high level of trust does is not a larger group of naïf individuals, but a collectivity of individuals who, by repeated interactions, have built reciprocal trust beliefs.

Most of the positive expectations regarding the behavior of the other individuals are consequences of other forms of social capital, in other words being "rational" consequences of the repeated interactions, of the institutions or regulations in a certain context. Specialists have identified a much more important form of trust, irreducible to the dimensions of social capital and which can be assimilated, at the psycho-sociological level, to a certain type of social orientation. We can imagine the individuals as being disposed on a continuum of the extent to which they are willing to trust others, where, to an end are the individuals who always cooperate, even in the absence of those attributes of the situation which makes the partners more credible, and to the other end are those who never cooperate, irrespective of the context. Unconditionally cooperative social orientation seems to be the psycho-sociological term closest to the generalized trust, which is also the most used type of trust in the debates concerning the nature of social capital. Generalized trust is conceptualized as a "central value manifested through optimism and trust in the others and through the conviction the environment exterior to the individual can be controlled" (Bădescu, 2001, p.129). Empirical data suggest the fact that few individuals are unconditionally cooperative. On the contrary, besides networks and institutions, the equity and correctness reasons affect the probability that individuals adopt conditional cooperation in situations of collective actions. Generalized trust is the ingredient considered to be necessary for the competitive functioning of societies, able to solve their problems by producing collective goods. Its source is uncertain - recent studies indicate its rather exogenous source (Rothstein, 2000; Stolle, 1998) to the associative membership and repeated interactions - finding contrary to Putnam's famous hypotheses. In the same quoted material, Rothstein (op. cit.) formulates a daring hypothesis, eccentric as compared to the tradition of the reasonable selection theory: generalized trust has its origins in the group's identity marks, which orientate, through the content of "collective memory", the expectations of individuals regarding the behavior of others or of institutions. Uslaner has a similar conception which argues that the exogenous and stable nature of generalized trust suggests the fact that it may be assimilated to values, and that is why he proposes the term of moralist trust (Uslaner, 2002). Moralist trust is a moral commandment to treat individuals as if they were trustworthy. If Rothstein's hypothesis is real, the possibilities of intervention, through solutions such as community or education development, for stimulating generalized trust, are quite limited. Otherwise the average levels of generalized trust constitute an indicator of a society's moral standard (Rothstein & Stolle, 2007)which affects the transaction costs specific to the respective society.

According to Uslaner (2002, 2004), generalized trust does not depend as much on the adult experiences as on the socialization situations in the early years of life. It reflects a general perspective of optimism and control of life, while being correlated to low levels of economic inequality. As generalized trust is the best predictor for the implication into activities of support for unknown individuals, including for those who suffer or have suffered from certain forms of discrimination or marginalization – donations,

charity activities, organized voluntary work, Uslaner expects to find a strong connection between generalized trust and support politics in favor of minorities. By comparing the American states, in terms of generalized trust, social politics and other dimensions of the social capital, Uslaner finds that higher levels of the social trust are correlated to larger redistributive politics, on the one hand, and with higher levels of civic commitment, on the other hand, without involving any negative effects of generalized trust.

Cultural diversity is, according to the literature, in a complex relationship with generalized trust. On the one hand, as we have already seen, minorities may benefit from high levels of trust, through reducing politics of the inequalities which are more probable in societies with high values of social trust. On the other hand, the existence of a contrary effect has been suggested: the erosion of generalized trust in situations of ethnical and/or cultural diversity. Putnam (2007) supports the hypothesis according to which the ethno-cultural diversity increases social isolation and causes the decrease of community solidarity relationships, including that of generalized trust. Whereas Putnam's American data support his hypothesis. The series of international comparative empirical works of Hooghe, Reskens, Stolle and Trappers (2006, 2009) do not identify, for example, a negative relationship between diversity and social capital.

Generalized trust in Romania and Hungary

The various quantifications of generalized trust have constantly generated better values in Hungary than in Romania. In the World Value Survey of 1999, the percentage of Hungarian citizens who have declared that most individuals are trustworthy was almost double than in Romania (21.8% as compared to 10.1%). ² In the Eurobarometer of 2003-2004, the average of interpersonal trust measured by a 10 point scale was of 0.159 in Romania, whereas in Hungary it was of 0.251 (Gesthuizen, Van Der Meer, & Scheepers, 2009). These results make us anticipate higher levels of interpersonal trust in Hungary than in Romania.

Yet, the comparison regarding the levels of interpersonal trust between Hungarian ethnic individuals in Romania, Hungarian citizens (who have declared themselves as being 98% Hungarian) and Romanians, representing the majority in the Romanian subsample, is interesting. A significant difference in the levels of trust between the Hungarians and Romanians in Romania shall indicate the possibility of a cultural or religious determination of generalized trust or, the other way round, if the international differences can be reduced to differences of economic and social or institutional history composition, such as the minority statute of the Hungarians in Romania, a situation which should determine, according to the similar findings of other countries, a decrease of the level of interpersonal trust. The comparison is even more appropriate as similar studies have generated results difficult to be construed: the STRATSOC survey (2010)³, performed on a sample of 4500 individuals older than 25 years old in Romania, has generated smaller values of interpersonal trust for Hungarians than for Romanians. It is interesting that

² Comparison performed using the online analysis utility supplied by WVS and available at <u>http://www.wvsevsdb.com/wvs/WVSAnalize.jsp?Idioma=I</u>

³ Unreleased data.

the average of Hungarians is generated by very low levels of trust in the case of Hungarians from Szekely counties (among the smallest in the country), but with similar levels of trust between Romanians and Hungarians in the case of the inhabitants of border counties. Such results suggest the fact that theorizations regarding the effect of the minority statute upon generalized trust do not apply uniformly.

Trust quantification

Applying the recommendations of (Reeskens & Hooghe, 2008), for the quantification of generalized trust, three Likert type, 5 level answers items have been used:

- 1. One should be prudent in human relationships.
- 2. Most people would try to take advantage of others.
- 3. Most often, people follow their own interests.

One cannot be careful	16.1
enough with people	
2	18.3
3	35.3
4	21.6
Most people can be trusted.	8.8

Table1. What would you say about people in general: can they be trusted or one cannot be careful enough with them? (%)

 Table2. According to you "most people try to take advantage of you if they have the opportunity" or "people try to be fair"?

 (%)

Most people try to take	19.2
advantage of you	
2	15.3
3	34.5
4	23.9
Most people try to be fair	7.1
with you.	

Table3. Can we say that in most of the situations people try to help or they are mainly preoccupied with themselves? (%)

People are mainly	19.5
preoccupied with themselves	
2	15.2
3	33.7
4	22.4
People mostly try to help.	9.1

The summative scale built by adding the values obtained on the three questions has good consistency (alpha=0.809). Individual scores have been calculated following the replacement of the 10 missing values by multiple regression.



Average values of the social trust score are significantly higher in Hungary than in Romania. Moreover, the Hungarians in Romania have generalized trust scores significantly higher than their majority fellow citizens. In this case, one may assume that interpersonal trust is influenced by the individual's ethnical appurtenance.

Table 1. Trust by country and ethnicity

		Average of			
	interpersonal				
		trust			
Hungary	Hungarian	9.53			
Romania	Romanian	7.14			
	Hungarian	8.30			

In order to better understand the inter-individual variation of the levels of generalized trust, we have patterned this variable through multiple regression, using several predictors at the individual level and at the contextual level: ethnicity, age, gender, training level, civil status, occupation and type of residence. We have performed the patterning individually, on national samples.

Table 2. OLS model of trust by countries

Hungary					Romania				
В	Std. Error	Beta	t	Sig.	В	Std. Error	Beta	t	Sig.

				11.08						
(Constant)	6.983	0.630		0	0.000	3.347	0.577		5.801	0.000
Respondent's Age	0.007	0.007	0.040	0.950	0.342	0.026	0.011	0.124	2.408	0.016*
Gender (male=1)	- 0.067	0.157	- 0.014	-0.426	0.670	0.126	0.230	0.019	0.547	0.584
Education (university education=1)	0.353	0.275	0.041	1.287	0.198	0.763	0.272	0.100	2.799	0.005* *
Marital status (married or coabitation=1)	- 0.151	0.158	- 0.032	-0.953	0.341	- 0.013	0.238	- 0.002	- 0.057	0.955
Occupation (subject retired=1)	- 0.205	0.245	- 0.036	-0.834	0.404	- 0.540	0.386	- 0.072	- 1.401	0.162
Settlement type (urban=1)	0.314	0.157	0.063	2.001	0.046*	1.799	0.245	0.258	7.344	0.000* *
Ethnicity (Hungarian=1)	1.935	0.524	0.117	3.695	0.000* *	1.305	0.255	0.178	5.118	0.000* *
	R ² =0,014				R ² =0,09					

The regression model explains very little the dependent variable in Hungary while it explains almost 10% of the variance in Romania. This is due to much stronger effects in the case of settlement type and ethnicity in Romania, on the one hand, and to two additional positive influences: age (the higher the age, the stronger and the more trusting the individual) and education (people with higher education credentials in Romania are more trusting than the others – which is not the case in Hungary). The regression patterns above are not satisfying for explaining the variations of the generalized trust, first of all because the necessity of using multi-level regression has not been explored: provided that the literature highlights the importance of collectivities' ethnical composition upon our dependent variable, this approach is necessary.

Further analyses should begin from a better specification of the regression patterns, on the one hand, but should also apply more appropriate regression techniques for the type of available data. Considering the data grouped character, the inter-group variation of generalized trust should be verified and, depending on the ICC coefficient generated by the assessment, the decision of patterning trust through multi-level regression should be made.

Main findings

- Social trust is significantly higher in Hungary than in Romania.
- The level of trust is rather ethnically specific than nationally specific: in Romania, Hungarians have much higher levels of trust than Romanians.
- Simple regression patterns explain very little the variation of trust. The explained version is much larger in Romania than in Hungary.

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