



Mateus Meeting, 15th - 16th October

**Social Capital & Trust,
mobilization and demobilization in modern democracies**

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The State counts. State efficacy and social trust

Most analyses on the relation between state institutions and interpersonal trust claim either that the state crowds-out trust or that it helps to create trust acting as a third-party enforcer of agreements. Actually, the relationship between the state and trust is much more complex. In this paper, I present a theoretical model that predicts how trust will evolve in highly efficient and low-efficient states. Using as bases for priors about other people's trustworthiness two variables that, according to most of the literature, are related to social trust, education and ethnic background, the model claims that in low efficient states trust will tend to collapse, and education and ethnic background will not have effects on trust levels. In high efficient states, by contrast, variation in trust will depend on variables like educational levels and ethnic background. In other terms, in high-eficacious states trust can grow, whereas in low-eficacious one, there are no grounds for trust to flourish. The theoretical predictions are tested through a multilevel analysis of 36 countries using the World Value Surveys database. This analysis shows that there is an interaction between levels of state efficacy and individual-level variables generally associated to social trust as education and contextual-level variables as ethnic heterogeneity.