

# Governing by trust: sincerity as a procedural fairness norm

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The paper interprets sincerity of communication as a procedural fairness norm, and argues that as such, it is a condition of building trust. At the same time, trust is a condition of governing capacities. While politicians often seem to believe that disclosing too much information, or unveiling their true intentions might make them weaker, sometimes the opposite may be the case. Valid and fair communication can create trust that increases the allegiance towards political decisions. Trust also increases the citizens' willingness to cooperate with authorities and that makes policy implementation easier.

In the following I will first overview the literature on trust and governing capacity. Empirical findings demonstrate that the roots of trust towards political institutions are policy performance and the procedural fairness of institutional operation. However, since performance is itself depending on trust – as trust makes citizens more collaborative with institutions and policies – we must argue that procedural fairness is the most important factor shaping trusting attitudes. Therefore in the second section of the paper we will clarify the notion on procedural fairness. The third section deals with the role of political leadership in creating trust – a topic which is unfortunately only sparsely treated in the political science literature. Finally, a Hungarian case of political lies, falling trust and decreasing governing capacities is presented illustrating the arguments advanced in the paper.

## *Trust and governing*

Why do people obey the law? Why would they accept policy changes? How to make them cooperate with state institutions in order to render policy implementation and governing smoother? These, and similar questions, are of a paramount importance if we want to increase policy effectiveness, or governing capacities. The problem is to solve the many collective action problems that are present in society, and which put heavy constraints on governing capacities. A strong paradigm in social sciences, the rational choice theory suggests that institutions and rules should be designed in such a way that makes individual self-interested motivation work. A well-designed system of sanctions and rewards as well as market mechanisms put in place can ensure that free-riding behaviour become costly for the individuals.

However, the rational choice theory has been challenged on both theoretical and empirical grounds. It is analytically proven that it is not possible to design a perfect sanction and reward system in order to avoid all kinds of free riding (Miller, 1992). Moreover, human motivation is a sophisticated mechanism: more sanctions and more rewards in many situations have the paradoxical effect of actually lowering the quality of expected performance (Frey, 1997).

A different approach is based on trust. Trust in the government and in politicians is part of the concept of legitimacy and political legitimacy is a prerequisite of governing capacity, as all kinds of governing depends on the allegiance, acceptance, or support of the citizens (Beetham, 1991). Tom Tyler argues that people do not obey the law because they fear the sanctions, but because they put

trust in it. More specifically, if people believe that laws serve the common good, and that the judicial system is both effective and fair, then they are more willing to obey the law (Tyler, 1990, 2003, 2012).

Institutional trust can be defined as the expected utility of institutions performing satisfactorily (Mishler and Rose, 2001). In a similar vein, for Levi and Stokker (2000) institutional trust is the belief that the given institution produces positive outcomes for the given individual, and/or for the society as a whole. Now, there might be two possible problems with these definitions. First, they assume that people form evaluative opinions about individual institutions, rather than the political system as a whole - taken to the extreme, this approach implies that people evaluate institutions separately from each other and neglect general political, socio-economic, cultural or demographic variables that influence patterns of trust. Second, the above definitions very much reflect a consequentialist approach: they suggest that the performance of the institutions is the primary factor shaping people's confidence in them.

As for the first possible problem, the answer is that indeed, people in well established democracies do form evaluative opinions about separate political institutions, that is individual properties of institutions, like their (perceived) effectiveness, do shape people's trust towards them (Schweer, 1997). Data also prove that people, who in some ways are involved in a specific institution, are more strongly influenced by their perceptions on institutional performance (Hudson, 2006). But the issue is far from being obvious, especially in new democracies. Mishler and Rose (1997) formulate a provocative argument by claiming that people in Central and Eastern Europe are actually not capable of distinguishing between specific institutions as they do not make judgements about them on the basis of their individual performance or properties. People in these countries rather evaluate political institutions according to a general frame which is strongly determined by the economic situation. Mishler and Rose admit, however, that their data are from the beginning of the 1990s and that in the course of democratic development people may have become more aware of the differences between political institutions. In fact, in our recent analysis of European Social Survey data, we did not find sufficient evidence for CEE citizens being less capable of distinguishing between institutions along the dimension of trust than citizens of older democracies in Europe (Boda – Medve-Bálint, 2010). Moreover, both Campbell (2004) and Mishler – Rose (2001) argue that income is a strong predictor of trust in political institutions both at the individual and the aggregate levels in the CEE-region. Again, in our study we indeed found that per capita GDP is strongly correlated with institutional trust, but not only in the CEE countries: the correlation holds for Western European countries as well (Boda – Medve-Bálint, 2010). In sum, although exogenous factors (like income, social status, education etc.) may also influence patterns of institutional trust, data suggest that people are able and ready to evaluate individual institutions based on the institution's own properties and performance.

The second problem with the above definitions on institutional trust is that they follow a consequentialist logic: people will trust institutions if they produce positive outcomes to them. Indeed, there is a well established tradition in political science which stresses the importance of "output legitimacy": allegiance towards the political system and its institutions is shaped by the goods delivered to people. People "care about ends not means; they judge government by results and are . . . indifferent about the methods by which the results were obtained" (Popkin 1991: 99).

Indeed, there is empirical evidence supporting the performance-based trust hypothesis: for instance, a general observation is that trust in government is more volatile than trust in constitutional courts. Presumably the performance of governments is seen as being less stable than that of the courts, moreover, people also attribute certain social, economic and political problems to the government which they are less likely to attribute to the constitutional court (Grosskopf, 2003). Perceived institutional performance<sup>1</sup> certainly has an effect upon trust.

However, other findings prove that sometimes trust and performance show surprisingly weak relation to each other (see Smith et al. 2007: 288). Such findings lead della Porta to ask “why policy outputs . . . play such a minor role in shaping confidence in democratic institutions” (2000: 202) and Pharr to conclude that “policy performance . . . explains little when it comes to public trust” (2000: 199).

Tyler also challenges the consequentialist approach. He argues that besides institutional performance, normative evaluations also play an important role in shaping people’s trust or distrust in institutions. Those normative evaluations to a great extent concern the fairness of procedures used by the institutions, independent of the substance of the decision (Tyler, 1990, 2003, 2012). That is, people trust an institution based on perceptions on how they are treated by it and whether it makes decisions in a fair way. This might be even more important than institutional outcomes: fair procedures provide a protective cushion for certain political institutions even in times of hard decisions (like reforms or austerity measures). In a number of situations procedural fairness was indeed found to play a crucial role in shaping people’s trust and their readiness for cooperation with institutions. Many studies argue that for instance trust in police is first and foremost affected by perceived fairness and that trust produces both a readiness to cooperate with the police and a positive attitude in evaluating its performance (see the review by Hawdon, 2008). To put it differently, the effectiveness of the police improves, with increasing trust, and so does the degree of satisfaction with its performance. Murphy (2005) found that in Australia tax evasion was correlated with perceived unfairness of the tax authority. This explains why strict sanctions paradoxically did not have a positive effect on the willingness to pay tax. Instead, these measures triggered more tax evasion. Gangl (2003) argues that people’s perceptions about the legitimacy of the American Congress are more influenced by considerations of procedural fairness than by the distributive effects of the decisions. Breitmeier, Young and Zürn (2006) analysed the effectiveness of international regimes and concluded that it is largely influenced by the perceptions of participants on the fairness of regime formation. The above examples provide evidence that (1) legitimacy of, or trust in, institutions is a function of the perceived fairness of the procedures the institutions use; and (2) fair procedures may enhance the effectiveness of the given institutions (police, tax authority, etc.).

### *Procedural fairness, sincerity and leadership*

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<sup>1</sup> Note that institutional performance is not always easy to evaluate: it is a construct, and an interesting question is how this construct is created by personal experience, public opinion, the media etc.

But how to define procedural fairness? Philosophers have devoted much less work to the concept of procedural fairness as such, although some of its elements have been extensively studied. For instance, a number of classical human rights, like right to fair trial, right to non-discriminatory treatment, etc., clearly expresses norms of fair procedures, and are extensively treated in political philosophy. Participation in decision making has become the topic of an increasing body of literature (see, e.g., Dryzek, 2000).

Communicative ethics, by Karl-Otto Apel and Jürgen Habermas (Apel, 1990, Habermas, 1990), is an influential theory that developed the procedural norms for fair communication. Although the theory was initially elaborated in order to set the circumstances which may lead to the development and acceptance of legitimate ethical norms, it can be applied to more practical situations as it provides the criteria of valid speech. That is, it provides ethical criteria to judge the validity, acceptability and legitimacy of a communication. The communicative situation must be free of coercion, and undistorted by power relations, and the communication must use rational arguments to convince the other parties. The validity of speech lies in its *intelligibility* (valid meaning), *truthfulness* (subjective authenticity), factual *truth* and *correctness* (normative justifiability).<sup>2</sup> Now, sincerity can be interpreted in terms of both truth-telling, and truthfulness (subjective authenticity). Overtly lying is certainly against the norm of sincerity, and so it is to stand for something that one does not believe in. Actually, the frontiers between the lack of truth-telling and untruthfulness are not always easy to delineate, but they represent by any standards violations of the sincerity principle.

In general terms, Leventhal (1980) identified six criteria of procedural justice: representativeness (participation), suppression of bias (impartiality), consistency (equal treatment and consistency over time), accuracy (informed and high-quality decision making), correctability (of unfair or mistaken decisions), ethicality (conformity to general moral standards). This last criterion should not be interpreted as meaning that on a final account procedural fairness encompasses all kinds of ethical values – it only indicates that norms other than listed in the first five criteria may also influence the perception of procedural fairness. It is clear that procedural fairness is a complex phenomenon. Using results of psychological research Machura (1998) argues that throughout the socialization process we all internalize some kind of “procedural justice heuristics” which is difficult to define in very precise terms, but which is used in evaluating social settings. We can add that procedural fairness does certainly have different meanings for different political institutions, or, more precisely, different criteria of procedural justice are used in evaluating the fairness of different institutions.

But why procedural fairness – and why not, for instance, distributive justice? First, note that according to Leventhal’s above definition, the concept of procedural fairness to some extent embodies ethicality, normative justification as such. If so, than a fair distributional decision includes some reference to legitimate distributive principles.

Second, as Smith et al. (2007: 288) put it, “Much of the procedural justice literature offers no greater theoretical basis for the empirical results than the assertion that people simply desire procedural

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<sup>2</sup> Note that there is circular logic present in the theory: fair communication is needed for legitimate norms to be developed, however, the criteria of fair communication already include normative justifiability. But this is unavoidable: final foundation is possible only if we posit an axiom. Otherwise we are either caught in a circular argumentation, or in a *regressio ad infinitum*.

justice, and saying 'that is just the way people are' does not constitute a theory". The importance of procedural fairness thus has been observed, but not explained. They intend to fill this lacune and propose an approach based on evolutionary theory. They argue that evolutionary theory offers a theoretical account of people's sensitivity to strictly procedural, and other "nonoutcome" variables (which do not in any way reflect the substance of the decision outcome), such as the intention of the decision maker.

They relate the sensitivity to "nonoutcome" evaluative criteria to an evolutionary explanation of leadership. "Evolutionary pressures may have led to the predisposition of some human beings to be sensitive to nonoutcome factors because groups in which no one cares about group health are likely to find themselves at a disadvantage. In this sense, evolutionary theory helps to explain findings in the procedural justice literature as well as our findings on people's aversion to decision makers who desire power or who use power to benefit themselves at others' expense" (Smith et al., 2007: 296). That is, evolutionary pressures create a need for leadership in human groups in order to fulfil the role of organizing the community, but only a „good" leadership is valuable, the one which seeks to promote the general interest. Ethical sensitivity is needed to detect the real intentions and character of potential leaders.

This also implies that a mixed strategy of trusting and distrusting is the most useful for human communities. Although the literature on trust has a tendency to idealize it, and argue that the lack or the decline of public confidence is the main problem to address, some arguments challenge this view. In fact, democracy can be interpreted as a political system which institutionalizes distrust by separating the branches of power and establishing a sophisticated system of checks and balances (Cleary – Stokes, 2006). In this respect, exaggerated trust in one element of the system, either in the government or in the ruling party, can be interpreted as a potentially dangerous development that might lead to the decline of democratic culture and the erosion of the rule of law.

### *Trust and leadership*

The above argument advanced by Smith et al (2007) traces back the importance of procedural justice to the evolutionary pressure to scrutinize the "goodness" of potential leaders. That is, they suggest that the significance of procedural justice in relation to institutions is a phenomenon derived from the necessity of good leadership. Leadership in this context is defined as the main means to secure the collective good, or solve collective action problems. Procedural fairness acts as a proof that the collective good will indeed be promoted. The fairness expectations towards political institutions, *per analogiam*, also express the wish that the collective good be taken into account.

However, besides this theoretical approach, other, more practical, links also exist between trust and leadership. On the one hand, leadership certainly presupposes some trust from the followers, otherwise, it simply cannot work. In his classical study Burns defines leadership as a special relationship between the leader and the followers; it is a kind of power, but it differs from share coercion which is a failure of leadership (Burns, 1978). "Leadership over human beings is exercised when persons with certain motives and purposes mobilize, in competition or conflict with others, institutional, political, psychological, and other resources so as to arouse, engage, and satisfy the

motives of followers” (Burns, 1978: 18). Leadership is thus inseparable from the followers needs and goals – it can only work if followers believe in, or at least accept the leader.

Beyond the need for a minimum trust, it was demonstrated that a more trusted leader can expect more compliance, allegiance, cooperation from the members. For instance, experiments prove that high trust leads employees to believe the accuracy of information provided by the managers and accept the decisions of managers (Kramer, 1999). Establishing trust may help reduce the likelihood of employee retaliation following bad news (Holtz – Harold, 2008: 794).

On the other hand, a leader is not a passive receiver of trusting attitudes: she can actively contribute to the creation or destruction of confidence. In their empirical study Holtz and Harold (2008) demonstrate that indeed, perceptions of fairness influence trust in leaders and also the readiness to accept their explanations. That is, the relationship among fairness, trust and cooperation/allegiance is proven one more time. Moreover, Holtz and Harold (2008) show that leadership style has a direct effect on trust. They hold, in conformity with other studies, that transformational leadership style is the one which is more likely to create trust among organizational members. Transformational and transactional leadership were defined by Burns (1978) and are still among the most dominant perspectives of leadership behaviour (Holtz – Harold, 2008: 782). Transformational leaders increase subordinates’ understanding of the importance of organizational outcomes and help transform followers’ personal values to be congruent with the collective goals or mission of their organization. Transactional leadership, on the other hand, involves a negotiated exchange relationship between a leader and a subordinate. Some authors suggest that transactional leadership is based on economic exchange and transformational leadership is grounded in social exchange principles, and that only social exchange tends to engender feelings of personal obligation, gratitude, and trust; purely economic exchange as such does not (Holtz – Harold, 2008: 783).

The results of Holtz and Harold seem to support the thesis of Smith et al. (2007): a leader is more trusted if she is able to prove her commitment to the common good. For this, she should act in conformity with legitimate procedural fairness norms, under the scrutiny of sceptical subordinates.

Note that the above quoted studies on leadership focus on a business context. In political science no similar studies were conducted, to my knowledge. More generally, the whole leadership problematique is more deeply embedded in the field of management and organizational studies than in political science. The conditions, prerequisites, and roots of trust in political leaders have not been studied empirically.<sup>3</sup> The reasons for this phenomenon might be numerous, but one is that political scientists tend to focus on institutions and the political system. Although in political marketing and communication studies the phenomenon of personalisation has been extensively treated (see, e.g., Karvonen, 2010), the approach is generally very instrumental: how to make campaigns more effective, how to use the tools of political communication in the service of personalization of party leaders. Neither the normative roots of political leadership, nor their relation to the political system are analysed, assuming that political choices are more deeply rooted in ideological partisanship,

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<sup>3</sup> A relatively developed research field is that of collective identity and its importance in creating leadership and followership (see Tyler, 1999, Haslam – Platow, 2001, Simon – Klandermans, 2001, Haslam et al. 2011). But it is more about the psychological roots of leadership than the political and moral conditions of it.

interests etc. Although at the very practical level, in the election campaigns, the role of political leadership is acknowledged, the analysis of its relationship to creating or destroying allegiance towards the political system (that is, legitimacy) and of its embeddedness into political theory is lacking. One of the few exceptions is the empirical study of Levi et al (2009) which states that the supposed or perceived motives of political leaders are influencing the legitimacy beliefs of citizens: people obviously trust less leaders who do not seem to stand for the general interests of the community and this distrust influences the general legitimacy of the political system.

Bowler and Karp (2004) also argue that “(v)ery few researchers have examined whether scandalous behavior on the part of politicians and government officials influences how citizens view government and institutions”, and “(i)n part this oversight is due to the assumption that citizens evaluations of government and institutions are unrelated to their views of incumbent behavior and policy” (Bowler – Karp, 2004: 272). In their study they contend and prove that citizens attitudes toward political institutions may be influenced by the behaviour of politicians. Therefore the scandalous behaviour of politicians themselves may be partly to blame for the low levels of political support observed in recent years.

Lacking extensive empirical results on the role of political leaders in creating or destroying trust in the political institutions, in the following I assume that both Levi et al (2009) and Bowler and Karp (2004) are right, and such relationship does indeed exist. The last section of the paper deals with a case that may illustrate how the lack of sincerity destroys trust and, therefore, governing capacity.

#### *“We were lying noon and night”: A case of Hungarian politics*

I would argue that a lack of sincerity in political communication undermines the perception of fairness, which, in turn, has a negative impact on the leadership potential of a politician, and the governing capacity of the government. The argument needs refinement, because we cannot hold that violating the norm of sincerity always leads to the loss of governing capacity (see the Clinton case, Koven – Kunselman, 2003), or that communication which does not live up to the highest norm of truthfulness cannot be useful in politics. But serious norm violations have a good chance to provoke disastrous consequences on political leadership.

Hungarian politics, unfortunately, provide a number of cases when politicians were found to either undisclosed important information about themselves, or to overtly lie to the public. From 2002 to 2010 the Socialist Party was in power, winning two elections consecutively, and unfortunately their reign was accompanied by ethical scandals.<sup>4</sup> Already in 2002, just after the elections, Prime Minister Péter Medgyessy had to admit that he had served as a secret agent during communist times. In 2009 and 2010, just before the elections, several cases of corruption were discovered which meant extremely embarrassing situation to the politicians involved in those scandals and also the party

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<sup>4</sup> Note that I do not intend to suggest that the Socialist Party is more corrupted than other parties in Hungary. But the fact is they were involved in several scandals in the past ten years, and my empirical analysis relates to that specific period.

leaders to try to communicate the situation. But the most dramatic case is undeniably that of Prime Minister Ferenc Gyurcsány (2004-2008) who admitted in a secret speech to his fellow socialist politicians that in the Spring 2006 election campaign he had been lying about the economic prospects of the country, and reality was much bleaker. He said things like “we were lying noon and night”, “I made tremendous efforts to look as if I was governing”, “we did hundreds of tricks with János Veress (Minister of Finance) towards the EU”. He was trying to convince his fellow politicians that now that they won the elections, immediate austerity measures and reforms must be put in place.

Immediately after the disclosure of the speech a war of interpretations began. Gyurcsány himself, the Socialist Party, and their political allies, the Liberals made desperate efforts in the media to convince the public that the speech had a moral message: it was a call to end with self-deception and restore sincerity in politics. According to the argument, the Hungarian society has unrealistic expectations concerning welfare and the political class, caught in a desperate competition for power, instead of telling the truth, is fuelling those expectations. The alleged message of the speech thus was something like: “get real”. Politicians should stop lying and people should stop deceiving themselves.

True, the speech contained elements of a self-critique and launched an awakening call to the Socialist Party to support economic and social reforms. Nevertheless, polls proved that the majority of the public accepted the alternative interpretation, provided by the political opposition, which stressed that the Prime Minister admitted he had been lying to the Hungarian citizens, as well as to the EU. The President of the Republic, László Sólyom said that Hungary was in a “moral crisis” and that the Prime Minister should have resigned.

The disclosure of this speech was of a major importance both for the carrier of Gyurcsány, and for the development of Hungary in the upcoming years. Despite the street demonstrations and protests started in Fall 2006, Gyurcsány did not resign until 2008 when his own, and his party popularity attained historical negative records. More importantly from my perspective, Gyurcsány was unable to carry on the needed reforms and his own political programme. All the important policy reforms, like the privatization of the social security system, initiated by him, failed. The economic growth of Hungary has been the slowest in the Central and Eastern European region. The financial crisis hit hard Hungary, and only the rescue package of the IMF and the EU saved the economy from collapsing. As a consequence, Hungary’s external debt grew from the 52% of the GDP in 2002 to 85% in 2010. In the past ten years Hungary, which was a leader of economic reforms in the 1990’s, with relatively high economic growth, lost its good position in the region. This is reflected in many dimensions. For instance, Slovakia’s per capita GDP overtook the Hungarian per capita GDP, and unlike Hungary, Slovakia was able to join the Euro-zone.

It is far beyond the reach of the present study to analyze in detail the phenomena and possible causes of Hungary’s economic problems. Also, it is impossible to assess how much they are the effects of the Gyurcsány-government’s bad performance, and to what extent are they the product of long-lasting or external political, social and economic problems.<sup>5</sup> Even if we assume that bad

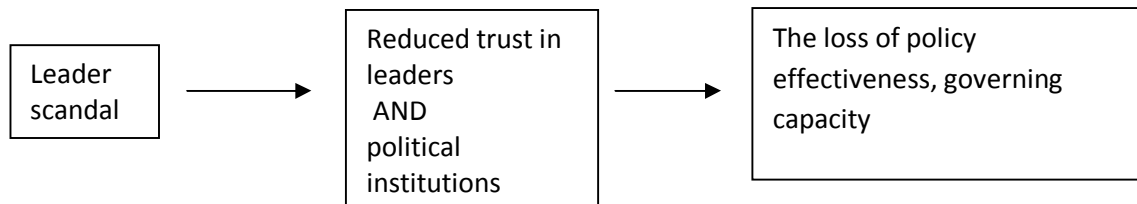
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<sup>5</sup> Some analysts, however, explain the bad economic performance of Hungary in terms of poor political leadership and a decline in trust towards economic policy making. See Gyórfy (2007 and 2009).



government performance had an effect, we cannot know how much the governing capacity of Gyurcsány was deteriorated by his scandal – we may think that he was a bad Prime Minister, anyway. But theoretically the case of Gyurcsány may illustrate the links between the violation of sincerity as a procedural norm and the loss of governing capacity. These links are established by declining trust in both politicians and political institutions.

The possible causal chain looks like as follows.



In order to prove the validity of the above model we should establish the causal chains between scandal and reduced trust on one hand, and between reduced trust and the loss of governing capacity. In the following I provide some evidence to the declining institutional trust in Hungary. Although the causal effect of Gyurcsány's scandal is not, by any means, proven, data show some interesting features which allow to draw some inferences.

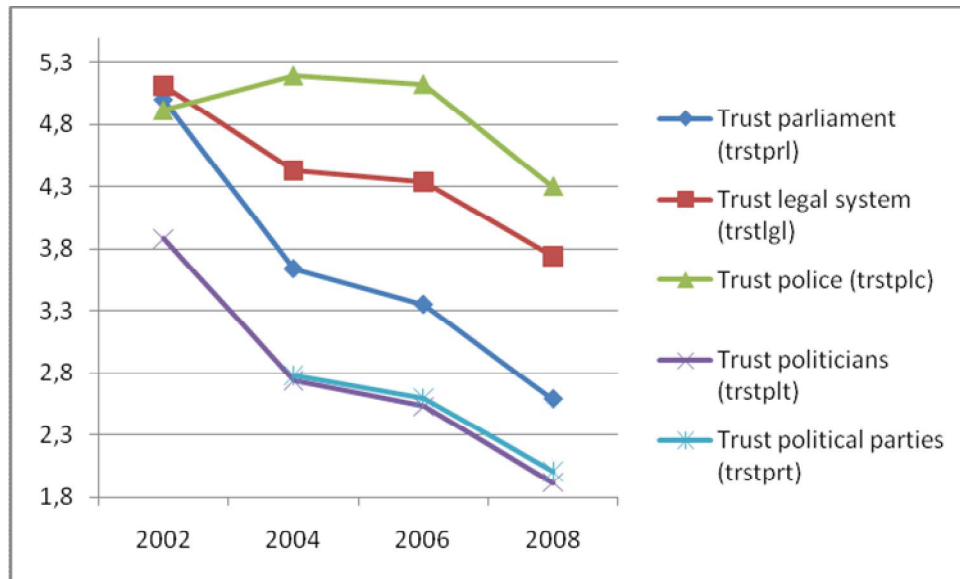
In a previous study (Boda – Medve-Bálint, 2010) we made an analysis of the European Social Survey data on institutional trust.<sup>6</sup> In the four consecutive ESS surveys (2002, 2004, 2006, 2008) the trust levels demonstrate remarkable stability as they tended to show little variation over time. However, the Central and Eastern European countries as a group are exceptions to this pattern as far as institutional trust is concerned: trust in the national parliaments, politicians and political parties have declined in Central and Eastern Europe since 2002<sup>7</sup>. Even within CEE, Hungary stands as a particularly negative example: all its institutional trust indicators have deteriorated over the period (Chart 1).

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<sup>6</sup> The advantage of ESS data is that they cover many – although not all – European countries, therefore they invite for international comparison. However, there are some limitations of the datasets as well. First, data come from four surveys only (2002, 2004, 2006, 2008) which does not allow for performing a time-series analysis. Second, the panel of data providers is not stable in the surveys, which is an important concern regarding our purposes. For instance, the Czech Republic was not covered in the last two rounds, while Slovakia was missing in 2002. Third, questions concerning institutional trust are quite limited in their number. We used the questions inquiring about trust in the given country's parliament, in its legal system, in politicians, in political parties and in the police. We did not include in each analysis the questions regarding trust in the United Nations (UN) and in the European Union (EU), because we considered them as potentially distorting the results. We used the questions on how much people can be trusted, how fair and how helpful they are as indicators of interpersonal (generalized) trust. At some point we also included in the analysis the questions about people's satisfaction with life as a whole, with the present state of the country's economy, with the national government, with the way democracy works in the given country, with the state of education, with the state of health services and with selected political and social institutions.

<sup>7</sup> Note that here we refer to average values calculated for country groups. Therefore some countries within each group may deviate from the tendency that appears at the aggregate (country group) level. A further complication is caused by the fact that not the same countries participated in all the survey rounds.

**Chart 1: Institutional trust indicators in Hungary (2002-2008)**



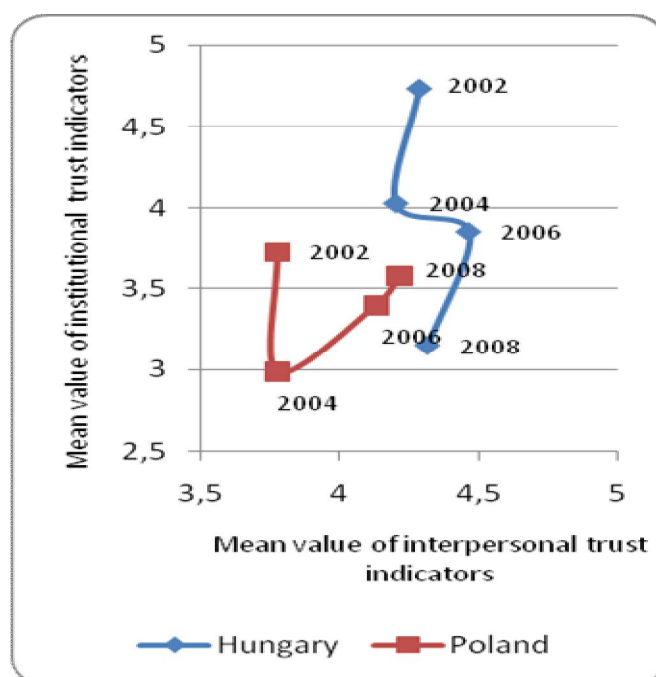
(Source: Boda – Medve-Bálint, 2010: 191)

The mean value of the combined institutional trust indicator declined by 1.59 points between 2002 and 2008 in Hungary, and this fall is measured on a 10-point scale. In contrast, Chart 2 also illustrates how stable the interpersonal trust (that is, trust towards one's fellow citizens, the people in general) indicator remained in Hungary over the same period (the maximum variation stayed within a range of 0.26 points). We also included Poland in the chart, which demonstrates a different "trust trajectory": while Hungary has moved further away from the general European trend line between 2004 and 2008, Poland has drawn closer to it. Although Poland suffered a sharp fall in institutional trust between 2002 and 2004, since then the value of this indicator has been incrementally increasing and by 2008 almost reached the level of 2002. Unlike in Hungary, change in institutional trust is not unidirectional in Poland but institutional trust still varies more (within the range of 0.74 points) in this period, while interpersonal trust remains relatively more stable (varying within the range of 0.44 points).

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Consequently, comparing data on the level of country groups across the different survey rounds becomes problematic.

Chart 2: Trust indicators in Hungary and Poland (2002-2008)



(Source: Boda – Medve-Bálint, 2010: 191)

The higher volatility of the institutional trust indicator seems to support the view that endogenous factors, related to the institutions themselves, also play a role in shaping them. The Hungarian case is, in fact, very telling: while trust in political institutions has been falling after 2002, trust in the police remained stable till 2006 (see Chart 1 above). The 2008 survey, however, shows a significant decrease in confidence towards the police. Although we can only guess the causes of this decline, it is difficult to discard the assumption that the controversial and in many respects unlawful, violent reaction of the police to the street demonstrations in fall 2006 had a significant effect upon attitudes towards the police. The demonstrations and protests in September and October 2006 followed the disclosure of Prime Minister Ferenc Gyurcsány's secret speech to his fellow socialist politicians. A series of demonstrations began, sometimes turning into violent street fights, like the assault against the seat of the national television. On the 50<sup>th</sup> anniversary of the 1956 revolution, on 23 October, extremists again threatened with violent protests. However, the police reacted in an unusually brutal way, which was never seen in Hungary since the change of regime in 1989. Several people - among them obviously innocent ones - suffered grave injuries, were beaten up and humiliated by the police. A number of lawsuits were launched against policemen, of which very few concluded with the imprisonment of the alleged offender.

If this is the case then we have an example where endogenous factors, that is, changing characteristics of the institution itself, influenced public trust. Moreover, this development also offers a case when the institution was not judged on the outcomes of its performance (criminal activity did not increase in this period in Hungary), but on the legality and fairness of its actions. In short, we may have identified a case in which fairness and value judgements determined the change in the level of institutional trust.

As for our model above, we can conclude that:

- Although institutional trust declined in several other CEE-countries as well, the phenomenon was not an “iron law” – see the example of Poland. Hungary may have had its particular reasons for declining trust.
- Trust in political institutions has been steadily declining in Hungary, but interpersonal trust remained stable. That is, declining institutional trust was not part of a general pattern of falling confidence. Presumably, it has its roots in the specificity of society – political system relations.
- Trust in other state institutions, like the police, was not an integral part of the trend. That is, citizens lost confidence in politics, not the state in general. However, controversial police actions probably contributed to the loss of confidence in the police.

The above arguments exclude some alternative explanations of falling institutional trust in Hungary. They, by no means, prove the validity of the above model. However, if literature on procedural fairness, leadership, trust and policy effectiveness is correct, the causal chains between scandal, declining institutional trust and loss of governing capacity are plausible. Further empirical research may find other justifications for the above model’s application to the Hungarian case.

### *Conclusion*

Researching institutional trust may have practical relevance because confidence in the political system is part of its legitimacy. Legitimacy is not necessary for its own sake but because it is a condition of effective governance. An extensive literature deals with the significance of procedural justice norms that institutions should use in their operations in order to establish trust.

An equally important bunch of studies proves that procedural justice is a condition of effective leadership. However, this research stream is a well established one only in management studies. The moral dimension of political leadership has been only sparsely studied. The effect of norm transgression as moral scandal by a political leader on institutional trust is intuitively plausible, however, empirical analyses do not abound on the issue. In the present paper I intended to establish the links between the violation of sincerity as fairness norm, the declining trust in political institutions and reduced governing capacity using a Hungarian case. I do not claim to prove the causal links, but in an empirical analysis I tried to argue for the plausibility of the model. Further research may shed more light on this disturbing case and test the validity of the model.

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