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# Exploring Determinants of Trust in Government: Empirical Evidence from Pakistan

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## ABSTRACT

**Purpose:** Trust in government differentiate between the authoritarian and democratic form of government. It is vital for the development of democracies and the successful implementation of public policies. This study aims to investigate the role of different cultural and institutional factors in framing citizens' trust in government.

**Design/Methodology/Approach:** Survey data of 1700 individuals were collected through multi-stage stratified random sampling from the Malakand and Gilgit-Baltistan regions of Pakistan. For empirical analysis of the data, Feasible Generalized Least Square was used to explore determinants of trust in government.

**Findings:** Our findings reveal that certain cultural and institutional factors have a significant and positive impact on developing trust in government. Among these factors, satisfaction with public services, economic performance, and social capital enhance trust in government. On contrary, unemployment, and corruption impede individuals' trust in government.

**Originality/value:** The significance of the determinants of trust in government varies across countries. This study contributes to the literature through the identification of determinants important to flourish trust in the government for Malakand and Gilgit-Baltistan regions of Pakistan.

**Implications:** Based on the findings of the paper, it is recommended that the focus of the government should be on the development of trust in government. After a decade-long war with militants in the Malakand region, improvement in the provision of public services, economic efficiency, and measure to eradicate corrupt practices can enhance citizens' trust in the government.

**Keywords:** Public services, Trust in Government, Feasible Generalized Least Square

## 1. INTRODUCTION

Two divergent views have emerged about the government five hundred back. On the one hand, Hobbes ((1651) 1962) states that humans by nature are cruel, disrespectful to one another, greedy, and lazy which gives rise to monarchy. In the contrast, Locke

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((1690) 1960) argue that government supports people to live in harmony. However, several studies argue that trust is an important factor that differentiates between both views about the nature of the state. Parry (1976), for instance, states that “mutual trust favors polyarchy and public contestation while extreme distrust favors hegemony” In the recent past, Hillman (2003), in the context of the prisoner dilemma argues that trust and cooperation emerge as the main difference between Hobbes and Locke thoughts. Less government is required, when Locke’s view is correct. The development of civilization implies the forming of bonds among individuals of different attitudes, and social norms, and the evolution of complex trust mechanisms which further integrate into the social system (Bluhm, 1987).

Democracy is a collective decision-making political system through a ‘social contract’(Olson, 1993). It is based on a set of economic and political rules/policies (Acemoglu & Robinson, 2012) within the boundaries of constitutional rule, and judicial regulations (Schuster, 2009) for the promotion of happiness and welfare of the general public (Kilpatrick, 2000; Ng, 2018) efficiently and effectively. In the modern democratic system trust that people vest in their fellows or institutions depends upon three factors namely the reflected trustworthiness of the target as perceived by individuals, the attitude as a result of socialization, and the overall culture of trust prevailing in society (Sztompka, 1996, 1998).

In contemporary political economy, the view that differentiates between Locke and Hobbes wide spreads with the working of Easton (1965), that developed a systems theory of political life which hypothesized that American gives two types of support to their government. First, specific support is based on the evaluation of political authorities and the policies they advanced. Second, diffuse support focuses on acceptance or rejection of the basics of the entire political system. Maintenance of specific support is important, but the existence of diffuse support is necessary, hence, trust is regarded as a key measure of diffuse support. Failure to generate diffuse support leads to in danger of extinction political system, and therefore demand for social and political change (Flanigan & Zingale, 1975), Political Violence (Muller, 1972), distrust of government, or political cynicism (Feldman, 1983), Political alienation (Gant & Luttbeg, 1991). Citizens’ distrust

of respective political and government institutions poses a threat to democratic politics (Bertsou, 2019).

At large two doctrines exist about the derivation of political trust namely cultural and institutional frameworks. The cultural theories consider trust as exogenous, a basic feature of a human being learning early years of or her life (Borum, 2010), whereas the institutional theories treat the trust as endogenous, consequences of institutional performance (Mishler & Rose, 2001). The dimensions in which these theories can be viewed are macro-oriented and micro-oriented theories. Macro theories of both types emphasize that trust is a collective and a shared value in a society that flourished through the country's prevailing economic performance. While micro-theories define trust as an individual phenomenon that varies among individuals in society based on their socialization, social background, political and economic evaluations, and perceptions (Geert Bouckaert & Walle, 2003a, 2003b).

Advocates of cultural theories believe that the roots of political trust can be traced out of the political environment. Moreover, they argue that trusting individuals are more likely to cooperate for the establishment of formal and informal networks and these features are distinctive of the functioning of the communities (Merzoni & Trombetta, 2012). Although recognized as exogenous, interpersonal trust helps in the working of political institutions as it "Spillover" into cooperation with people in local civic associations and then "spills up" to create a nationwide network of institutions necessary for the government (Helliwell & Putnam, 1995; E.M. Uslaner, 2018). Parry (1976) explains it as "Political trust is an epiphenomenon of social trust". Suh, Chang, and Lim (2012) argue that trust is a social reality that infiltrates into individuals' minds as well as the entire institutional structure holding the system together (Schyns & Koop, 2010).

In contrast, institutionalists take trust as endogenous to the institutional structure and argue that trust is a rational outcome of economic or institutional performance. Empirical studies came with findings that when the activities of government officials are perceived as being fairly for all citizens, people are more willing to cooperate with authorities in decision-making (Tyler, 2004; X. Wang & Wart, 2007). Yang and Holzer (2006) argue that a distinctive relationship exists between government performance and citizens' trust

in the government. Political trust varies across the lifespan of any individual that is shaped by both early and later experiences with institutions in society. Schoon and Cheng (2011), for instance, argue that people who have collected more socio-economic, instructive, and motivational assets for the duration of their life course convey higher levels of political trust than those who have lesser assets. The institutional approach appears to be much stronger than the cultural approach in explaining trust in the government in Ghana (Godefroidt, Langer, & Meuleman, 2016).

In the institutional framework, existing studies on the subject highlighted different types of factors that explain trust in government. For instance, Rothstein and Steinmo (2002) found that if personal and practical experiences with government institutions are largely positive, then the public is inclined toward more trust in the government (Kumlin, 2002; Rothstein & Stolle, 2008). Similarly, Liu and Raine (2016) argue that more is the more power available to the authority, the higher will be the level of public trust. Many studies maintain that citizens' satisfaction with the quality of public service is a major factor in citizens' trust in government (Akinboade, Kinfack, & Mokwena, 2012; Citrin & Green, 1986; OECD, 2021). Khan, Ferdous, and Bhuiyan (2021) finds delay in service delivery, dishonest and unfair practices, and disrespectful treatment by the service provider are among the reason for the low level of trust in Bangladesh.

Experiences with government differ across populations but providing equitable services to all will have the same positive effect in gaining public trust (Hitlin & Shutava, 2022). Perceptions of fair treatment are associated with a higher level of trust in political institutions (Marien & Werner, 2019). Li (2004) argue that the more people are satisfied with the services provided by the government at various level, the more they will put their trust in them. Citizens' unfavorable perceptions of their government and administration are believed to be the results of satisfaction with public services being provided by administrations as satisfied citizens successively increase trust in government and its institutions (Greet Bouckaert, Walle, Maddens, & Kampen, 2002; Brillantes & Fernandez, 2011; Salim, Peng, Alaktary, & Karmoshi, 2017; Stoyan, Niedzwiecki, Morgan, Hartlyn, & Espinal, 2016; Walle & Bouckaert, 2003). Z. Wang (2010) argues that citizens' satisfaction with the public services delivery they receive

such as, education, health care, and public safety matters most in their assessment of government performance (Ellinas & Lamprianou, 2014; Wong, Hsiao, & Wan, 2009; Zhao & Hu, 2015).

The principles that involve basic aspects of a democratic form of government assume that authorities are answerable to their people and that they dispense jurisprudence equally, fairly, and reasonably (Tyler, 2004). Citizens who perceive the existence of transparency and accountability in government reflect more trust in the government (Beshi & Kaur, 2020). One feature that undermines the legitimacy of a democratic regime is corruption which diminishes faith in the political process (Beesley & Hawkins, 2022). Anderson and Tverdova (2003) argue that countries having a higher level of corruption have individuals who are more negative evaluators of their performance of the political process and less trusting (Freitag & Buhlmann, 2009; Meer, 2010). Similarly, Liu and Raine (2016) analyze that the perception of the existence of corruption among public officials negatively influences the trust of citizens in the government in China (Hartanto & Siregar, 2021; Kim, 2010, 2016; C. Wang, 2016; Zhang et al., 2019).

Along with the experience of the public, institutional performance, public service satisfaction, and macroeconomic performance also pose an impact on public trust in government. Liu and Raine (2016) find that positive perceptions of economic performance are more important in affecting public trust. Economic insecurity and perceptions of corrupt government performance undermine social contracts and are linked with a decline in institutional trust (Perry, 2021). Political affiliation is also identified in existing studies that affect trust in government. Gershtenson, Ladewig, and Plane (2006) observe that citizens have more trust in the party with which they are politically associated and therefore more trusting of institutions when their respective political party controls the government (Anderson & Lotempio, 2002; Anderson & Tverdova, 2003; Ramesh, 2017).

The political regime is also playing a role in the determination of trust in government. Jamal and Nooruddin (2010) state that the association between trust and democracy is mediated by the virtue of the general public living in a freer society. People exercising more democratic rights can be found more trust full and in favor of the demand for

democracy (André, 2014; Seabo & Molefe, 2017). Wong et al. (2009) find a positive association between democratic rights and political trust in the case of Hong Kong and Taiwan (Abramson, 2017; Bauer & Fatke, 2014). Jamal (2007) stated that in most Arab authoritarian rule or military dictatorship prevails, hence a low level of political trust has been observed for the transition toward a democratic economy. Countries with more democracy or parliamentary systems are associated with a higher level of trust (David, 2021).

Some countries' specific characteristics also affect trust in government. These country-specific factors vary across the studies and countries. As Gozgor (2022) finds a positive nexus while Hakhverdian and Mayne (2012) find a significantly negative relation between age and trust (Sun, Yuan, & Xu, 2006). Similarly, Education is a positive way for the socialization of experiences (Hooghe, Dassonneville, & Marien, 2015) but its relationship also shows mixed trends as trust is higher among people with higher education (Christensen & Laegreid, 2005) while Z. Wang (2010) finds a negative relationship (Gozgor, 2022) and Suh et al. (2012) show no relevance of education for the development of political trust. C. Wang (2016) shows that women put more trust in the government in South Korea and Japan. Women and people working in government institutions are more trusting of the government because of their dependence (Kim, 2010). The role of civic and political engagement in shaping institutional trust is examined by many scholars after Putnam's views about civic engagement that buildup faith in government through generating social capital (Helliwell & Putnam, 1995). Social capital is another important factor as Hakhverdian and Mayne (2012) argue that people who are more trusting of other people are more likely to exhibit institutional trust compared to socially fewer trusting individuals (Putnam, 1993; Suh et al., 2012; Eric M. Uslaner, 2003). Social trust is conducive to compromise and cooperation as well as for effective and efficient implementation of policies. Social capital helps countries to come out of economic and political instabilities then this improved government performance help to enhance level of political trust (E.M. Uslaner, 2018).

The array of these studies explored different factors that shape public trust in government. The objective of this study is to explore the factors that shape public trust in

government in the case of two free tax zones (i.e., Malakand Division, Gilgit Baltistan). The government working out to withdraw the free tax status of these regions. However, the question arises that how much the public of these regions is willing to pay tax. The willingness and motivation of the public to pay tax are linked with its trust in government institutions. In this context, to unfold the question, the study intends to explore the query “What factors determine public trust in government institutions?”.

In the light of literature review, we argue that both institutional cultural theories of trust in government stand true in their domain. Both institutional and cultural factors are equally important for the development of citizens’ trust in government. However, their significance level may vary across regions keeping in view the local political and cultural environment.

The rest of the study is structured as follows. Section 2 presents the methodology that covers the empirical model, variables construction, sample and sample size, and estimation technique. Section 3 illustrates empirical findings and their interpretations. Section 4 presents the robustness of the estimated results. The study concludes with section 5 which offers some concluding remarks.

## 2. RESEARCH METHODOLOGY

The methodology section covers four subsections. The first section 2.1 presents the specification of the empirical model. Section 2.2 describes the definition and construction of the variables under consideration. Section 2.3 refers to sample and sample selection criteria, whereas section 2.4 presents estimation techniques.

### 2.1. Empirical Models

To analyze the trust in governments and its determinants the following model has been estimated by Feasible Generalized least square (FGLS) due to the presence of heteroskedasticity in the data which violates the basic assumption of OLS (Ordinary Least Square).

$$TG_i = \beta_1 + \beta_2 SPS_i + \beta_3 EE_i + \beta_4 DR_i + \beta_5 CV_i + \beta_6 DM_i + e_i \quad (1)$$

### 2.2. Definition and Construction of Variables

Most of the constructed variables are multi-factors that are weighted using principal

components analysis (PCA). One of the primary purposes of PCA is to utilize the leaner combination of original data to explain the variance of observed data (Hashmi and Bhatti, 2019). Where  $TG_i$  denotes the level of  $i$ th economic agent's trust in the government or its institutions. Following Christensen and Laegreid (2005), we used a general trust variable which was constructed as an additive index based on different variables. The dependent variable – trust in government – is based on a direct question about trust in various political, and administrative actors and institutions.

$SPS_i$  is the variable of interest, which capture the satisfaction level of an economic agent with public service delivery. We used direct questions about certain services that are supposed to be provided by government institutions. In this association, respondents are requested to evaluate on a Likert scale ranging from 1 (Very Concerned) to 5 (Highly Satisfied) about the public services namely security from external and internal factors provided by both army and police, utility services, education, health, road infrastructure, transportation, water and sanitation, shelter and employment. We constructed a single index for public service delivery based on the above nine factors or public services.

$EE_i$  is a perception of the economic efficiency of the government of the  $i$ th economic agent. To measure economic performance, the respondents were asked questions regarding certain economic issues which include income inequality, poverty, unemployment, living standard, crime rate, corruption, economic growth, inflation, external debt, and environmental issues.  $DR_i$  is the  $i$ th economic agent satisfaction from democratic rights. The index of democratic rights depends upon the availability of six basic democratic rights namely the right to vote, the right to participate in any kind of organization, the right to gather and demonstrate, the right to information, freedom of speech, and the right to criticize the government.

$CV_i$  is a vector of control variables namely corruption which is based on the personal practical experiences of respondents with various government departments. Civic engagement is measured by identifying the formal groups or organizations they belong to and the frequency of attendance at these community organizations and religious activities. Political engagement is measured by creating a dummy variable specifically

assessed by simply asking the question “Do you get help in resolving your issues by contacting any political leader, local elders, influential persons, or media houses”. We formulate a measure of this social trust based upon responses of the respondents on a Likert scale about interpersonal relations and trust in society i.e., How much trust do you have in the following type of people (Relatives, Neighbors, Friends, Religious Scholars). We also include responses for political affiliation and political efficacy.

$DM_i$  is a vector of demographic variables, including age, gender, educational level, income level, type of employment, ethnic diversity, and area.  $e_i$  is a stochastic error term that captures the effects of all excluded or unexplained variables.

### 2.3. Universe of the Study

The population for the analysis includes the economic unit either male or female, employed or unemployed, government or semi-government employees, businessmen, politicians, political workers, self-employed, students studying at college or university level, academia, lawmakers, etc. The scope of this study covers the areas of the Malakand division and the Gilgit-Baltistan region of Pakistan. Malakand division has an area of 29,872 square km while Gilgit Baltistan covers an area of 72,496 square Km. For administration, the government of Pakistan divided these regions into 7 and 10 districts respectively. According to Pakistan’s national population census, the total population of the Malakand division is 7.5 million.<sup>1</sup> Whereas the population of Gilgit-Baltistan<sup>2</sup> is over 1.3 million people.

### 2.4. Sampling and Sample Size

In this study, we used a questionnaire approach to extract the required information. In this context, we employ multi-stage stratified random sampling techniques to select the respondents. The target population (region) is divided into different strata namely Districts, Tehsils, and Union Councils. The sample size for each stratum is 384 to 400 (Israel, 1992; Krejcie & Morgen, 1970). If we set a precision level of 5% and the sample size will be 100 if we decide on a precision level of 10%. Hence, with a precision level of 10%, the sample size for this study is 100 individuals from each district, this number is

<sup>1</sup> <http://www.pbs.gov.pk/content/population-census>.

<sup>2</sup> <http://www.gilgitbaltistan.gov.pk/DownloadFiles/GBFinancilCurve.pdf>.

further equally distributed into tehsils of each district and from tehsils into union councils. These union councils are randomly selected keeping in consideration financial limitations and accessibility. In addition, in selected union councils we collected data from the business hub of the town, where, most office of the union council is situated. Every person from the sample area has an equal probability of being selected for the study (Probability=  $1/N$ ).

### 3. RESULTS AND INTERPRETATIONS

**Table 1.** shows estimated results of our empirical model (1). Results indicate that respondent satisfaction from public services (SPS) enters the model positively and statistically significantly. The result may be justified by the income profile of the people, as both sample areas are relatively underdeveloped, hence large segment of the population depends on government services like health, education, protection, and employment. If people are satisfied with the public services that are being provided by their respective governments, then they will put more trust in the government as compared to people who are found to be less satisfied with such public services. The estimated result is in line with existing literature on the subject as most of the related studies found a positive association between satisfaction with public service delivery and trust in government (Greet Bouckaert et al., 2002; Citrin & Green, 1986).

Similarly, the effect of perceptions about the economic efficiency of the government (EE) holds a positive sign which is statistically significant. Although the governments have to face many challenges on national, international, and most importantly economic fronts. The policies that are directly linked with the general public are economic policies of the country which is how efficiently government tackle the issue of inflation, unemployment, income inequality, and economic growth of the country. The success of government lies in efficiently reducing the economic problem and enhancing the economic well-being of the people. Existing studies on the subject also came with the same findings that the higher the public satisfaction with the economic efficiency of the government, the more they put their trust in respective governments (Hibbs & Vasilatos, 1981; Liu & Raine, 2016; C. Wang, 2016).

Civic engagement (CIVICENG) holds a negative sign that is statistically significant. The plausible reason might be that the more people engage in civic activities the more they realize the prevailing problems among the people and in the society, where efforts of the government are lacking. The estimated result contradicts the findings of (Helliwell & Putnam, 1995; Stoyan et al., 2016) which argued for the positive effect of public civic engagement on trust in government. Political participation that is used as a dummy variable cannot signify its impact on trust in government as it enters the model with a negative sign, which is statistically insignificant. This might be probably due to a lower level of engagement between political representative and the general public because once elected such political representative becomes inaccessible to a common individual.

Corruption (CRP) holds a negative sign, which is statistically significant. The estimated results are in line with the findings of (Meer, 2010; Ramesh, 2017) which state that perceptions about the existence of corruption in public institutions hamper the level of trust the people vest in their government. On the contrary, satisfaction with the availability of basic democratic rights (DR) holds a positive sign that is statistically significant. The reason is simply that trust is important for human relations of all kinds, similarly, it is key for a successful democracy. As people enjoy more democratic rights, the more they will support the democratically elected government (David, 2021).

Similarly, social trust has a significant impact on developing trust in government. The estimated results support Putnam's famous hypothesis that "social trust spill over to trust in government and its institutions". The one possible justification is that the government is composed of individuals chosen from society through voting.

| <b>Table 1. FGLS Regression, Dependent Variable is Trust in Government</b> |           |           |         |         |
|----------------------------------------------------------------------------|-----------|-----------|---------|---------|
| TG                                                                         | Coef.     | Std. Err. | t ratio | P value |
| SPS                                                                        | 0.190***  | 0.026     | 7.200   | 0.000   |
| EE                                                                         | 0.203***  | 0.026     | 7.690   | 0.000   |
| CIVICENG                                                                   | -0.091*** | 0.034     | -2.720  | 0.007   |
| PHELP                                                                      | -0.029    | 0.064     | -0.450  | 0.649   |
| CRP                                                                        | -0.194*** | 0.037     | -5.300  | 0.000   |
| DR                                                                         | 0.099***  | 0.017     | 5.830   | 0.000   |
| SC                                                                         | 0.103***  | 0.019     | 5.320   | 0.000   |
| REGION                                                                     | 0.540***  | 0.098     | 5.500   | 0.000   |
| LEDU                                                                       | 0.026*    | 0.014     | 1.810   | 0.071   |

|                                                                                                                                                             |           |       |        |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------|--------|-------|
| MALE                                                                                                                                                        | 0.244***  | 0.086 | 2.840  | 0.005 |
| CITY_DUM                                                                                                                                                    | -0.281*** | 0.080 | -3.530 | 0.000 |
| U_EMP                                                                                                                                                       | -0.136*   | 0.077 | -1.770 | 0.077 |
| ETH_SUNNI                                                                                                                                                   | 0.320***  | 0.097 | 3.290  | 0.001 |
| AGE                                                                                                                                                         | 0.006*    | 0.003 | 1.860  | 0.063 |
| RP_GB                                                                                                                                                       | 0.253**   | 0.126 | 2.000  | 0.045 |
| RP_CAP                                                                                                                                                      | 0.124*    | 0.068 | 1.830  | 0.068 |
| TIM                                                                                                                                                         | 9.17E-06  | 0.000 | 1.600  | 0.110 |
| PE                                                                                                                                                          | 0.073***  | 0.027 | 2.710  | 0.007 |
| _cons                                                                                                                                                       | 0.351     | 0.312 | 1.120  | 0.261 |
| Note: Dependent variable is trust in the government. ***, ** and * indicate significant at 1%, 5% and 10% respectively. The number of observations is 1399. |           |       |        |       |

If the overall nature of the individuals is trusting then this behavior also spills over to other tiers of the society like government or its institutions. Our estimated results are harmonized with the received literature, for instance (Hakhverdian & Mayne, 2012; Putnam, 1993; Suh et al., 2012), that finds a positive association between social trust and trust in government.

Region (REGION) which is treated as a dummy variable enters the model with a positive sign, which is statistically significant. The estimated results indicate that people living in Gilgit-Baltistan put more trust in the government as compared to people of the Malakand division. The one possible reason for this low level of trust in government should be explained in the political and security profile of the Malakand region. In the last decade, the war between the Pakistan army and Taliban put insurgency in the Malakand region, as a result, the majority of the people flee from their homes in other parts of the country and are named internally displaced people (Zafar, 2011).

Moreover, the education level (LEDU) of the respondents is also positively linked with the trust in government and this indicator is statistically significant. People with better educational backgrounds expect their respective governments to generate employment opportunities and promote favorable circumstances for business opportunities. If an individual finds government activities are consistent with their expectations, they put more trust in the government. Education also enables individuals to better integrate into society through socialization and understanding of the political process and gather experiences which in turn facilitates the development of political trust.

Received literature finds mixed evidence for the relationship between education and trust in government. For instance, Christensen and Laegreid (2005) find a positive association between trust in government and education (Hakhverdian & Mayne, 2012). On contrary, Z. Wang (2010) finds a negative nexus between these two variables while Suh et al. (2012) find no relevance of education for the development of trust in government.

Similarly, a dummy variable for capturing gender effects is (Male) also found to be positively linked and also statistically significant. Results indicate that male respondents are found to have more trust in the government as compared to females in this region. The major reason behind this low level of trust among female respondents is social, regional, and religious norms that hinder their socialization, political activities, and employment opportunities. Our findings are mostly contradicting the available literature which suggests that females are more trusting of the government as compared to the male population, for instance, (Geert Bouckaert & Walle, 2003b; Kim, 2010; C. Wang, 2016). However, Salim et al. (2017) give evidence in favor of our findings that support that males are found to be more trusting as compared to females (Bauer & Fatke, 2014).

Likewise, we also include another dummy variable to capture location (urban-rural) effects (CITY\_DUM). The results indicate a significant negative relation between this dummy variable and trust in government. This indicates that people residing in urban areas are found to have less trust as compared to people living in rural areas. The major reason behind this low level of trust prevailing in urban areas is due to their dependence on the government as compared to rural areas where most people are found to be self-sufficient in terms of employment and food security which is mostly agriculture and livestock. While in urban areas most people are dependent on the public services that are being provided by the government. Dissatisfaction with such services is reflected in a less trusting environment.

Unemployment (U\_EMP) is another major factor that drives the level of trust that people vest in their government. Results reflect a negative association between unemployment and trust in government. Evidence in favor of these indicators has mixed trends from the related literature. For instance, Sztompka (1996) found a negative nexus between unemployment and trust in government while Bauer (2018) finds no linkage

between employment and generalized trust.

Ethnic diversity (ETH\_SUNNI), on other hand, is positively related to trust in government, and this nexus is statistically significant. Results indicate that Sunni populations depict more trust in government as compared to other sects. A plausible reason is a sense of security that Sunni people feel due to their majority in the region while occasionally targeted killing of Shia Muslims and tension between the Sunni and Shia population of Gilgit-Baltistan might be the reason for the low level of trust in government. Our findings are in line with the available literature which indicates that ethnic diversity put a positive impact on trust in government (Alesina & Ferrara, 2005).

Similarly, the Age (AGE) of the respondents shows a significant positive association with trust in government. Results translate that an older population has more trust in the government as compared to younger ones. Individuals are supposed to be rational players in economics. As people grew older their rationality enhances based on their educational backgrounds and practical experiences. Literature has a different opinion regarding the role of age in the development of trust in government as (C. Wang, 2016) finds a positive relationship between age and trust in government in Japan and South Korea. On the Contrary, Hakhverdian and Mayne (2012) find a negative association between age and trust in European countries (Sun et al., 2006). Our estimates are in line with Kim (2016) who says older people show higher trust in the government than younger citizens (Gozgor, 2022).

We also include a set of political factors like political affiliation (used dummy variables for affiliation with the ruling party in provinces and capital) and feelings of political efficacy. Political affiliation is found to exert a positive impact on trust in government. This means individuals who are affiliated with the ruling party are found to have greater trust in the respective government as compared to individuals who have sympathies for opposite political parties. In literature, Gershtenson et al. (2006) support our argument by stating that citizens have the trust of institutions when the political party with which they have associated control the government (Anderson & Tverdova, 2003; Ramesh, 2017). However, for instance in Gilgit-Baltistan where PML-N is ruling, our indicator is found to be statistically significant. On contrary, PTI is ruling in the KPK

region and in the federal, irrespective of positive signs our indicator is statistically insignificant with a close margin.

In contrast to the findings of Gozgor (2022) and Zhao and Hu (2015), we find a significant positive association between income and trust in government. Similarly, political efficacy is found to have a significant and positive relationship with trust in government. This means a sense of being competent and capable enough to participate in the political process among the respondents has a significant impact on the development of trust in government (Miller & Listhaug, 1990).

**Table 2. Regional-Based Segregation of Data set**

| TG        | Gilgit-Baltistan | Malakand Division |
|-----------|------------------|-------------------|
|           | Coef.            | Coef.             |
| SPS       | 0.192***         | 0.201***          |
| EE        | 0.199***         | 0.105***          |
| CIVICENG  | -0.099**         | -0.143***         |
| PHELP     | 0.334***         | -0.414***         |
| CRP       | -0.126**         | -0.325***         |
| DR        | 0.102***         | 0.101***          |
| SC        | 0.124***         | 0.057**           |
| LEDU      | -0.006           | 0.032*            |
| MALE      | 0.211**          | 0.211             |
| CITY_DUM  | -0.323***        | -0.145            |
| U_EMP     | 0.124            | -0.323***         |
| ETH_SUNNI | 0.394***         | -0.085            |
| AGE       | 0.004            | 0.003             |
| RP_GB     | 0.087            | -----             |
| RP_CAP    | 0.023            | 0.288***          |
| TIM       | 1.34E-06*        | 1.11E-06          |
| PE        | 0.069**          | 0.081*            |
| _cons     | 0.623            | 2.294             |

*Note: Dependent variable is trusted on government. \*\*\*, \*\* and \* indicate significant at 1%, 5% and 10% respectively. The number of observations for Gilgit-Baltistan is 837 and for Malakand are 562*

#### 4. ROBUSTNESS

To check the robustness of our estimated results presented in Table 1, we divide our main data set into four categories based on regional (Table 2) and gender (Table 3) namely, Gilgit-Baltistan, Malakand Division, Male, and Female respectively. We found

sufficient evidence in favor of our main data set, except female representation reflects deviation mainly due to their lower representation in total observations.

We find evidence in favor of both culturists and institutionalists. Cultural as well as institutional factors are equally important in developing trust in government. Satisfaction from institutional factors i.e., satisfaction with public services, economic performance, and availability of democratic rights, enhances positive sentiments about government among its citizens. Similarly, if the overall essence of the society is trustworthy then this will also “spill up” to another segment of the society. Favoring the Putnam hypothesis, we find sufficient evidence that the higher the social capital the higher will be the trust in government in the society.

**Table 3: Gender-Based Segregation of Data set**

| TG        | Males     | Females  |
|-----------|-----------|----------|
|           | Coef.     | Coef.    |
| SPS       | 0.191***  | 0.189**  |
| EE        | 0.174***  | 0.192**  |
| CIVICENG  | -0.109*** | -0.054   |
| PHELP     | -0.024    | 0.044    |
| CRP       | -0.213*** | -0.167   |
| DR        | 0.104***  | 0.07     |
| SC        | 0.091***  | 0.166**  |
| REGION    | 0.576***  | 0.333    |
| LEDU      | 0.028*    | -0.036   |
| CITY_DUM  | -0.341*** | -0.161   |
| U_EMP     | -0.144*   | -0.206   |
| ETH_SUNNI | 0.366***  | 0.4      |
| AGE       | 0.006*    | 0.003    |
| RP_GB     | 0.392***  | -0.135   |
| RP_CAP    | 0.153**   | -0.011   |
| TIM       | 1.12E-06* | 2.05E-06 |
| PE        | 0.064**   | 0.097    |
| _cons     | 0.809     | 0.449    |

**Note:** Dependent variable is trust in the government. \*\*\*, \*\* and \* indicate significant at 1%, 5% and 10% respectively. The number of observations in the male data set is 1188 and in the female data set 211

## 5. CONCLUSION

The study tends to explore the determinants of trust in government in the Malakand

and Gilgit-Baltistan regions of Pakistan. A sample of 1700 individuals was selected using a multi-stage stratified random sampling technique. We argued that both institutional and cultural factors are important for the development of trust in government. Advocators of institutionalist and cultural theories stand true in their domain. The significance of these factors may vary across regions keeping in view the economic, political, and cultural environment.

We find significant evidence in favor of our argument as the institutional factors i.e., satisfaction with public services, economic efficiency of the government, and availability of democratic rights foster public trust in government. Whereas, practical experiences with the persistence of corruption in government departments restrict and reduce trust in government. The impact of these institutional factors is highly significant for developing trust in government.

While on contrary to the literature review, our cultural factors reflect mixed evidence as civic engagement is found to have a negative effect on the development of public trust in government as more people engage themselves in civic activities, they will become more aware of shortcomings of government departments through the experiences of other individuals around them and will be more critical in evaluating the government performance. Favoring Putnam's hypothesis, the findings of the study indicate that social capital spills over to trust in government as it is significantly positively related to trust. Similarly, ethnic diversification depicts a positive association with trust in government. Political affiliation plays an essential role, according to our findings those who are affiliated with the ruling party emphatically favor them while assessing the level of trust in government.

We recommend enhancing the trust level of people, especially after the recent wave of insurgencies and political instability in the region as this region is located on an important CPEC route. This can be achieved by enhancing the quality of public services, providing employment opportunities to the local population, citizens' engagement in the policy process (Kumagai & Iorio, 2020), and lifting social capital in the localities and among the masses.

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