

Trust and public administration

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Abstract

Within the public sector of OECD countries trust is increasingly becoming a crucial element of performance and for a performing public sector, especially with the current financial crisis. Reform strategies have been driven by agendas to increase trust in the public sector. Three clusters of trust are defined: from society in the public sector (T1), from the public sector in society (T2) and within the public sector (T3). However, there are some paradoxes in these strategies. For example, the New Public Management model is partly based on distrust, in that the public sector expects to be trusted but does not necessarily trust its citizens or other public sector agents. Trust levels are culturally determined and differ significantly within the OECD. This has an implication for public sector reform policies, which are linked to trust regimes. Taking trust regimes into account should contribute to trust building and trust keeping.

Keywords: Public trust, public sector performance, public sector reform

Trust and public administration

When the OECD was taking stock of public sector reforms in 2005 for its Ministerial Conference, it summarised six shifts in the practices of its member countries (OECD, 2005), and it placed trust on its agenda. Governments had become more open, were enhancing public sector performance and were modernising accountability and control. They were also reallocating and restructuring tasks and organisations, using market-type mechanisms (MTMs), and organising and motivating public servants as part of modernising the public employment function. There was an awareness that trust was a key driver and objective of public sector reform policies, even if the causal linkages were not clear, and rather indirect.

The current economic and financial crisis has pushed Western OECD countries to cut back management and to seek savings, but has also created an awareness that trust in the capacity of government and its public sector to realise effective policies is a crucial element in a performing society and economy. At the 2010 OECD Ministerial Conference a key starting point was that ‘trust, built on openness, integrity, and transparency, remains an overarching goal to foster an effective and performance-driven public sector, delivering better public services more efficiently, and promoting open and transparent government’ (OECD, 2011a, p. 7). The objective of building and keeping trust is even more important in a period of crises where the public sector needs to be a stronghold in the economy and in society (Van de Walle et al., 2005).

Three major models seem to emerge in this reality of public sector reforms: New Public Management (NPM), the Neo-Weberian State (NWS) and New Public Governance (NPG) (Pollitt & Bouckaert, 2011). The diversity of the three models, the result of path dependencies and different choices of political systems, includes diversity concerning trust as, respectively, a component, a driver and an objective.

This article will first refer to the context of reform and how it has or has not changed. In the second part, categories of trust in public sector relationships will be clustered and described. Finally, we will refer to elements of trust building and trust keeping in the public sector.

A context of reform: similarities and dissimilarities

When we compare the context of the late 1970s and early 1980s with the current situation at the beginning of the 2010s, we observe similarities but also differences.

The current economic crisis takes the expression of increased consolidated debts to save the financial system, pressure on deficits, unemployment, value bubbles in particular zones of the economy and international speculations against external financial stability of certain countries. This has undoubtedly affected trust in a mitigated way within a country, but also in a differentiated way between countries within the OECD. It seems that trust in certain sectors of the economy (finance, real estate) has been negatively affected, whereas trust in the public sector may have been positively affected, depending on the country. After thirty years, the economic crisis is similar to, but also different from, the crisis of the late 1970s and early 1980s.

In the 1980s there were three objectives to launch public sector reform: reallocate resources (a euphemism for savings), improve results and enhance their visibility (performance of performance), and redefine responsibility and accountability for performance of the public systems. Different techniques and mechanisms were put in place to realise these objectives (e.g. agencies, performance focus, MTMs). It was expected that these would address economic concerns and provide for greater public trust, which would in turn support the legitimacy of reforms. Today's objectives still seem quite similar to the ambitions of the early 1980s (OECD, 2011a, 2011b); however, there are also differences and changes. What appear to have changed are our belief systems of what is functional and what is not.

A 'blind' or uncritical belief in the private sector as the ultimate saviour seems to have lost its intellectual attractiveness. The 'superiority' of the private sector, in the overall applicability and functionality of MTMs, in an overall and unconditional capacity and functionality of self-regulation, and in the conviction that good-functioning single organisations automatically (i.e. through quasi-markets) lead to a well-functioning global public sector, seems to be qualified in a significant way.

What we have learned from previous reforms (Christensen & Lægveid, 2007; Pollitt & Bouckaert, 2011) is that too much autonomy leads to loss of control (Pollitt & Talbot, 2004; Lægveid & Verhoest, 2010). Also, a focus on performance is not a panacea (Radin, 2006; Moynihan, 2008), and there are negative effects such as gaming, new bureaucracies and audit overload (Bouckaert & Halligan, 2008). In addition, economic neo-institutionalism is based on distrust, with negative mechanisms not only resulting in problems with indicators, standards and audits, which generate more indicators, standards and audits, but also possibly affecting democratic values, substantial accountability or ethics (Radin, 2006).

From a scientific point of view, the statement ‘trust is important’ should be complemented by three other hypotheses: ‘distrust is important’, ‘trust is unimportant’ and ‘distrust is unimportant’. Testing these hypotheses becomes a research programme of which we only have fragmented elements. The purpose of this contribution is hopefully to add to the streamlining of some of these debates from a public administration point of view. This discussion requires evidence on the stock of trust, on its changes and fluctuations, on trust policies that assume causalities to increase, retain or halt decreases of trust, and finally on connecting trust to the cultural context (Bouckaert, 2007). This should lead to research questions such as, for example, ‘What is functional trust?’, ‘When do we have functional trust, and why?’ and ‘What causal mechanisms are available?’ Several disciplines have contributed to the debate (Rousseau et al., 1998).

Whose trust in whom?

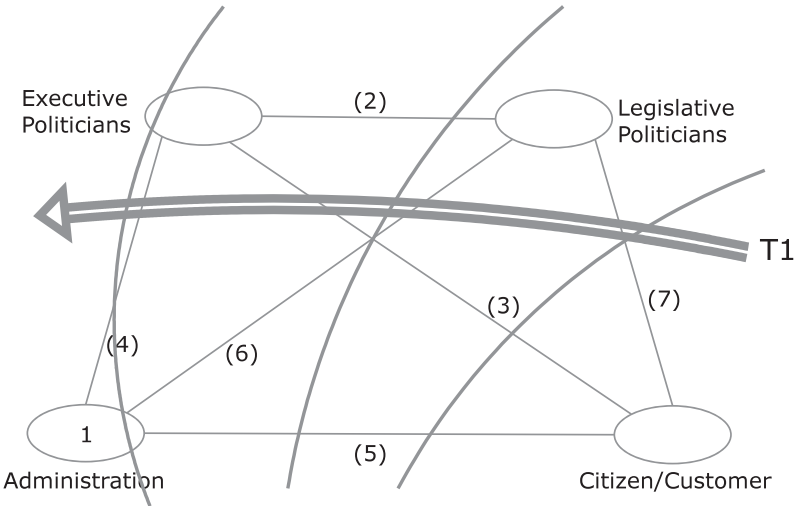
Trust is a feature of relationships of individuals, of organisations and of institutions that affects their interactions in a supporting way. According to Coulson, ‘trust describes a relationship which can be between two or more individuals, between individuals and an organisation (such as a company or social services department), or between several organisations’ (Coulson, 1998, p. 31). Since there are many relationships in many directions, it is necessary to reduce this complexity and to cluster these relationships. Traditionally, public administration research is predominantly concerned with citizens’ trust in the public sector (Van de Walle et al., 2008). Sometimes these citizens are defined as customers of public services. Trust in public or private organisations (police, schools, hospitals, banks) or institutions (parliament, the constitution) is also a topic in surveys (Social and Cultural Planning Office, 2004). However, there is more than just this trust type (Bouckaert et al., 2002). To better understand how trust regimes in policy fields or countries have an impact on relations and interactions, it is necessary to broaden the concept, the data and the context.

For this reason it is useful to distinguish between three sets of interactions and directions of relationship:

- i. Trust 1 (T1): Citizens and organisations in government and the public sector (Figure 1);

- ii. Trust 2 (T2): Government and the public sector in citizens and organisations (Figure 2);
- iii. Trust 3 (T3): Within government and the public sector (Figure 3).

Figure 1: Citizen/customer trust (T1) in the public sector – relations 5, 3, 7



T1 is the most commonly investigated direction of a public sector relationship, and it becomes a necessary analysis for conducting policies and developing a functional public sector in society. However, T1 is necessary but not sufficient. To fully understand the functioning of the public sector in its societal context there is a need to also look at T2 and T3. Ignoring T2 and T3 risks having incoherent and suboptimal trust regimes in policy fields and countries.

There is a definitional issue in ‘government and the public sector’ that is related to the structure of government and to languages, and that makes it difficult to have international comparative surveys on trust. This paper does not discuss the debate on how to define the scope of the public sector or on what is covered (or not) by civil service/servants and politicians. The focus in this article is on relations 5 (T1 and T2) and 1 (T3 within the administration), even if T1 covers relations 5, 3 and 7 (see Figure 1), T2 covers relations 5, 3 and 7 but in the other direction (see Figure 2), and T3 covers relations 1, 2, 4 and 6 (Figure 3).

T1: Trust of citizens/customers and organisations in the public sector

The ‘traditional’ trust concept T1 is of citizens as citizens or as customers of public services in the public sector (Figure 1). The public sector could be defined in a broad sense, including the civil service and its administrative components, the executive politicians and the legislative politicians, and could include the judicial branch in all its components (which is not part of Figure 1). The public sector could also be defined in its narrow sense as just the civil service and its components delivering services to citizens and organisations in society.

Most trust and value surveys cover some questions on these relationships. It is crucial to understand changes in society vis-à-vis the public sector. Scientifically, T1 has a longitudinal survey practice with time series within political science and sociology.

Within public administration the use of T1 data of citizens became very relevant after the shift to (new) public management. Public sector reform looked at citizens as customers of public services (Van de Walle & Bouckaert, 2003). Trust became a driver for change but also an objective in the related reform policies.

T2: Trust of the public sector in organisations and citizens/customers

The other direction of the public sector/citizen-customer relationship is trust of the public sector in its citizens as citizens and as customers, but also in the private sector and in NGOs and society at large (Figure 2). It is clear that there are at least implicit trust cultures that become assumptions to develop policies and that influence the choice of policy instruments to realise effective policies and service delivery.

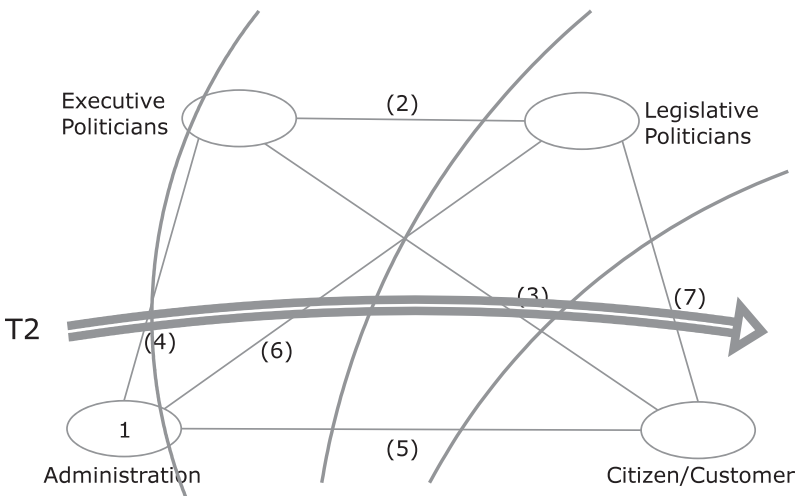
Taxation systems, and the related procedures with inspections, depend on levels and types of trust. Tax compliance has been a common case in the study of relationships between official behaviour, citizen attitudes and citizen responses: ‘When government actors fail to display confidence in citizens, or when they demonstrate active distrust, citizens are more likely to become wary of government interventions and less likely to consent willingly ... Treating clients with respect appears to beget reciprocity. Distrust tends to evoke resistance, evasion, and dishonesty’ (Cook et al., 2005, p. 161).

This also applies to a general philosophy for policies of regulation, deregulation or even self-regulation. Developing regulatory regimes, deregulation movements and choices for allowing sectors to self-regulate assumes certain levels and types of trust in citizens/customers and organisations, and ultimately requires a societal culture of trust. According to Cook et al., ‘state institutions tend to shape the way

citizens respond to them, and sometimes these responses help produce better government. The more citizens perceive government as reliable in terms of both its competence and its goodwill, the more likely they are to comply with or even consent to its demands and regulations’ (Cook et al., 2005, p. 160).

The increased use of partnerships with citizens, NGOs, private sector organisations and public sector organisations, and the development of active non-public participation in providing and delivering services assumes a certain trust in citizens/customers, organisations and society. Shifting to co-design, co-decision, co-production or co-implementation, and co-evaluation requires a higher level of trust than if there is a deliberate choice not to shift to this co-quality model of partnerships and collaboration (Pollitt et al., 2006). Policy capture could be a reason not to move. Potential abuse could be a reason not to engage in a public–private partnership (PPP). A suspicion of a culture and practice of fraud assumes a low level of trust in a ‘partner’, which may negatively affect a potential relationship.

Figure 2: Public sector trust (T2) in citizens/customers – relations 5, 3, 7



It is also necessary to see if and how T1 and T2 are related. Commonly, governments and the public sector expect citizens to trust them. Efforts and policies, such as public sector reforms for more

transparency, for more open information and access to data, and for more accountability, are all measures taken to improve this relationship with citizens and customers, with the ultimate objective to improve the trust feature of this relationship.

It seems to be a normal assumption, even in liberal democracies, that the public sector does not trust and cannot be allowed to fully trust its citizens and customers. T1 and T2 have opposing directions and tendencies. This has changed in certain reform programmes where empowerment of citizens and partnerships with NGOs and the private sector become a central feature of change, and increasingly a necessity for investments. A key question is whether NPM is trying to promote trust by using mechanisms that are based on distrust (Van de Walle, 2011).

T3: Trust within the public sector

Trust within the public sector (Figure 3) is about trust between civil servants, between public sector organisations, between politicians (executive and legislative (2)) and between politics and the civil service (4, 6). The focus here is on trust within the administration (1).

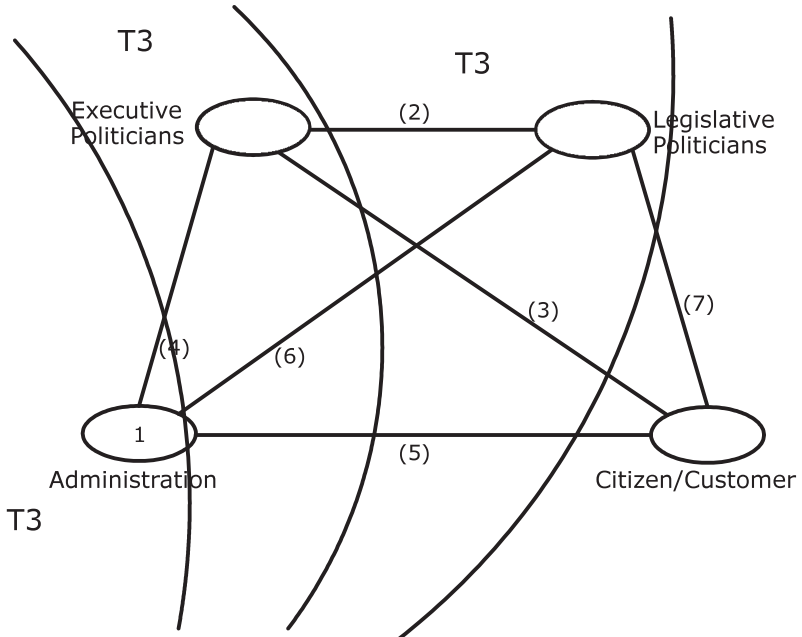
In theory, and in some practices, we have been moving from a traditional bureaucracy to a managerial system, and from a managerial system to an economic system based on public choice.

In a classical bureaucracy there is a shared objective of civil servants acting as professionals guided by a common general interest. Checks and balances are required to make a sustainable and legitimate system. Bureaucratic relationships in a Weberian system are, in essence, based on trust in professional bureaucrats, legally defined competencies with procedures and with due process, and shared values of public interest.

Shifting from a bureaucratic administration to a managerial administration has emphasised topics such as working together as an organisation, shared objectives of policies and a focus on managerial systems with management functions such as personnel, finance, communication, strategy and information (Drucker, 1985). Managerial relations are essentially based on trust in professional administrations that work together to realise objectives and that are supported by a professional, managerial back office.

The shift to an NPM economic, neo-institutional paradigm has changed this dramatically. It is a shift from a managerial thinking to an economic paradigm based on public choice, principal–agent relations and transaction costs economics, which determine a managerial

Figure 3: Trust within the public sector (T3) – relations 1, 2, 4, 6



system based on self-interest. This was labelled New Public Management. The New Zealand model adopted from the 1980s until the early 2000s provided a prototype of this model (Boston et al., 1996; Hood, 1995; Stewart, 1997). NPM has replaced fiduciary-grounded relationships with relationships based on performance, which need to be audited, and on distrust between principals and agents. The adage ‘trust is good, control is better’ was replaced by ‘distrust is better, audit is best’. This applies to relations between the finance department and line departments, between ministries and agencies, between interiors and local government, between centre and periphery, and perhaps also between politics and administration, but certainly also between the legislative and the executive.

In conclusion, trust, as T1, T2 or T3, is a complementary set of trusts that determines the functioning of the public sector. It becomes indispensable, functional and desirable to distinguish and to be informed on the status of trust and its functioning within the public sector. The level of trust, the policies for trust building and trust keeping, and the impact on system performance in its broadest meaning become crucial elements in reform policies.

Reforms versus trust

Increasing trust, defined as T1, was a major reason for many governments to reform the public sector. A question is how the dominant and influential NPM strategy affected T1, and also how T2 and T3 changed accordingly (or not), and how coherent this reform policy was. Obviously, not all reforms are NPM reforms. The NWS and NPG are equally reform programmes that are interacting with trust.

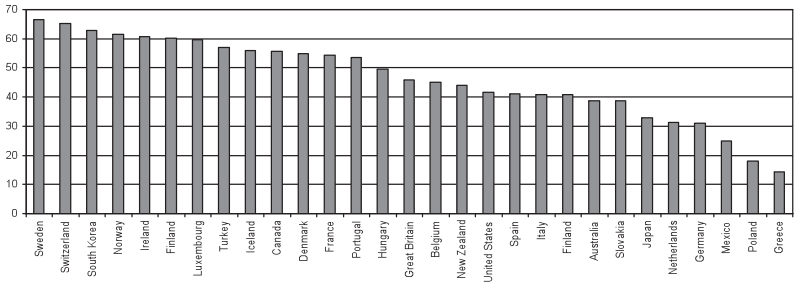
Public sector reform and T1

The initial USA National Performance Review, which was revamped into the National Partnership for Reinventing Government, used the often-quoted statement, ‘How can people trust government to do big things if we can’t do little things like answer the phone promptly and politely?’ (Clinton & Gore, 1997, p. ix). It is an expression of the possibility of having an impact on T1 through an improvement strategy for a performing public sector.

There are different possibilities to compare T1 empirically. An obvious strategy is to compare countries (Figure 4). The Swedish population has the highest level of confidence in its civil service, while the Greek population has the lowest level. This kind of static comparison raises several questions. For example, the level of T1 – is more also better? Is there a level below which it is dysfunctional? Is there a level above which it is dysfunctional? Is this optimal level different for countries and linked to their culture? What is the culturally defined optimal level of trust? However, it is clear that these different levels have a huge impact on how a public sector should organise itself. It is also clear that copying public sector reform measures and importing them in a different context of T1 may be a cause of failure.

A second static comparison is to compare institutions within the public sector for a particular country. These institutions could be from the same public sector (Figure 5) or from different fields in society, e.g. public and private (Figure 6). In both these figures there seems to be a correlation and some preferences. In general, there appears to be more T1 in civil services than in parliaments. It is important to monitor the public sector coherence (low variance) of T1 within a country. Traditionally, fire services have the highest level of trust, which informs us that trust is not necessarily pushed by a desire to use a service. The variance of trust within a country should be limited. There

Figure 4: Confidence in the civil service (OECD countries, % showing a great deal or quite a lot of confidence in the civil service)



Source: World Values Survey (www.worldvaluessurvey.org), 2005 wave, except for Belgium, Denmark, Finland, Greece, Hungary, Iceland, Ireland, Luxembourg, Portugal and Slovakia, where 1999 wave was used.

is a tendency to have more trust in local government and its services than in central government. This element of reality could be an argument to further decentralise. From a cultural point of view it is interesting to see that China and Vietnam are outliers.

There also seems to be two clusters for trust in private major companies and the civil service (Figure 6): a lower trust cluster with more trust in private companies, and a higher trust cluster with more trust in the civil service. These survey data were taken before the financial and economic crises. Given proportions of GDP covered by the public and private sector, and given the increasing need to organise PPPs for investment and service delivery in the public sector, it is necessary to monitor and keep a limited range of T1 between actors that need to work together in the future. The T1 spread between various actors in society (public, private, NGO) is a crucial element for a partnership policy by the public sector, or for measuring the strength of a service-delivery chain (e.g. food, security, health).

Another static comparison is to cross trust with other features of a relationship or of service delivery. This could also lead to trust drivers even if correlations and causality are different descriptions of interactions.

Table 1 provides data on satisfaction and trust in the Flemish public sector (Van de Walle et al., 2003). On average, this population is more satisfied than it is trusting. Also, there is a significant group that is very satisfied and has high trust levels (17.7%). However, there is also a

Figure 5: Confidence in parliament and civil service (%)

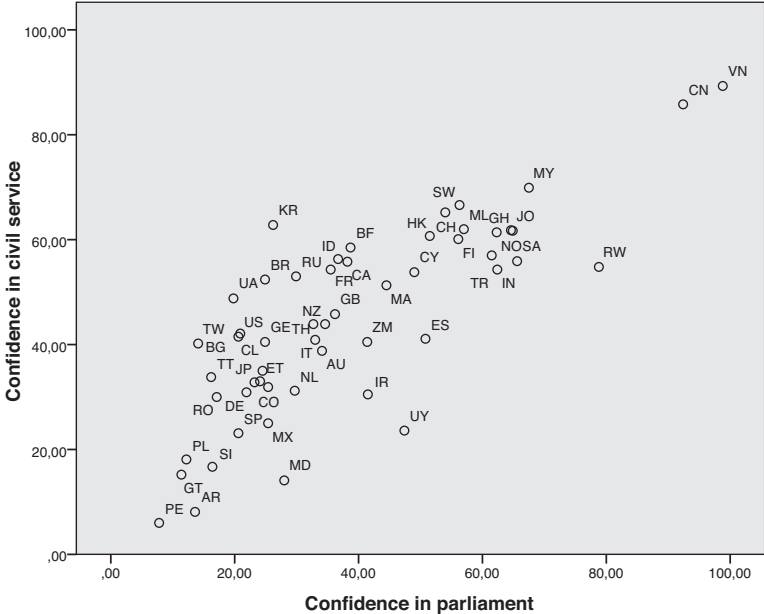
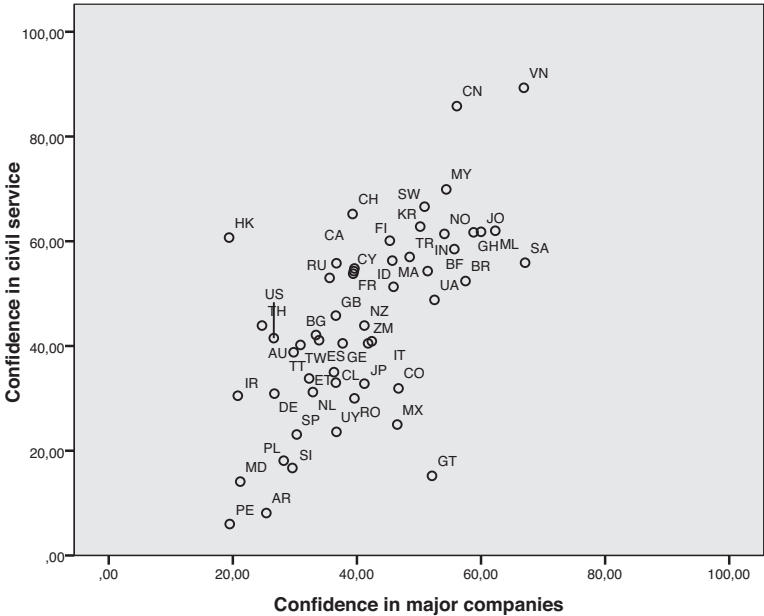


Figure 6: Confidence in major companies and civil service (%)



significant group that has very low trust and satisfaction levels (11.7 %). There are three general patterns for citizens to respond to the public sector: exit, voice and loyalty (Hirschman, 1970). This last group could match the exit group and it is important to know the size of this group. In general, it is important to know the proportion of the population that is loyal, that expresses voice and that is not making an effort to express its voice but wants to exit through extreme voting patterns, hooliganism, extreme social escapism, racism or even terrorism.

Table 1: Are you satisfied with public services, do you trust the public sector?

	<i>Little</i>	<i>Satisfaction (%)</i>		<i>Total</i>
		<i>Average</i>	<i>High</i>	
High	1.0	3.7	17.7 (Loyalty?)	22.4
Average	4.0	24.8 (Voice?)	19.1	47.9
Trust (%)	Little	11.7 (Exit?)	11.8	6.2
	Total	16.7	40.3	43

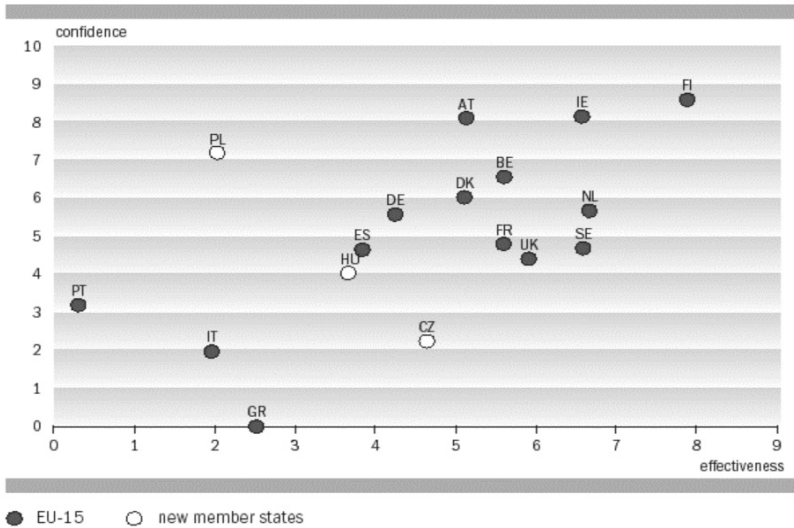
Source: Van de Walle et al. (2003, p. 15).

A similar static comparison could be developed for the level of a policy field (Figure 7) or even an organisation within a policy field. For education, the PISA indicator becomes a policy outcome indicator, which may be crossed with confidence in that policy field. Again, a correlation is suggested. A country could replicate this exercise at the level of regions or at the level of individual schools. The policy question is how to organise the school system to have a particular level of outcome and T1, and to have a reduced variance of these scores, especially in a geographically large country within different regions.

A comparative static or quasi-dynamic comparison (Figure 8) demonstrates the New Zealand case. This trend over fifteen years includes elements of T1 ('can trust government to do what is right', 'not satisfied with democracy') and perceptions of T2 ('politicians and public servants don't care', 'people like me have no say', 'government run by big interest'). It allows us to connect T1 and perceptions of T2.

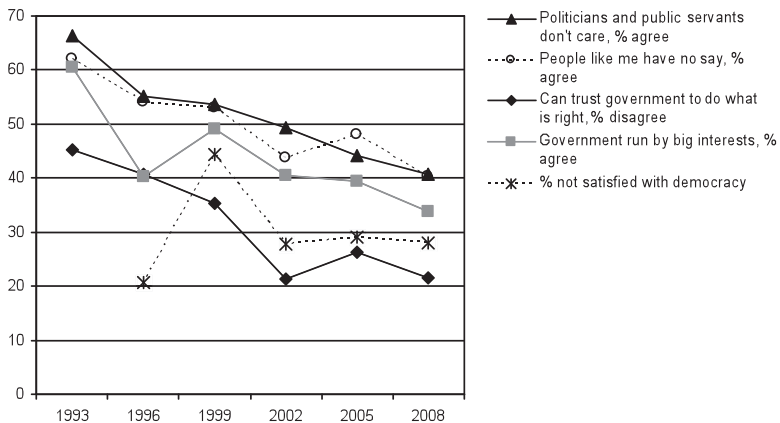
It also facilitates linking this to the NPM reforms in New Zealand and the change in election system (from majoritarian to proportional) in 1994. In general, New Zealand looks at an improved picture of trust and satisfaction.

Figure 7: Outcomes and confidence in education



Source: Social and Cultural Planning Office (2004).

Figure 8: Trust and satisfaction with the New Zealand public sector



Source: World Values Survey, 2009 (www.worldvaluessurvey.org).

Reforms in the public sector need to be visible for the population, not just at the level of announcements (White Papers), decisions and implementation but also at the level of results. Collecting data on perceptions of quality, satisfaction, expectations and trust enables us to map T1. Performance has a double meaning: one of attaining results but also one of a presentation on stage. Reforms and the capacity to guarantee performance and to govern, especially during periods of crises, need to be communicated to impact perceptions of citizens.

Public sector reform and T2

A clear reform strategy was to show a public sector that could be trusted and could empower citizens as customers. This resulted in charters defining and framing these new ways of interacting in creating an open and transparent government, in involving citizens in the whole policy cycle and in promoting quality management for public services. According to Walsh:

The development of trust, therefore, works in the interest of those amongst whom it is developed by reducing the costs which they face in managing their relationships with each other. This will be particularly important in the public service because it will often be difficult to measure effectively the levels of quality of performance. It will be necessary for the purchasers of service to have some means of knowing that they can trust providers, through, for example, third party audit systems or processes of quality assurance, and, perhaps, at a deeper level, commitment to appropriate sets of values. (Walsh, 1995, pp. 50–1)

Charters were developed as new frameworks for interaction between the state and its subjects (Bouckaert, 1995). The 1991 UK Citizen's Charter was launched under Prime Minister John Major and referred to the Magna Carta of 1215, which was a constitutional foundation for the freedom of the individual against the arbitrary authority of the despot. The logic of the UK Citizen's Charter and the derived service charters is to empower the citizens through a (quasi) market mechanism. Charter marks were granted to administrations that achieved the national standards for excellence in customer service. It was replaced by the Customer Service Excellence standard in 2008.

Whereas the UK choose the market state as a model, France's charter choose a state of law context of the 1789 *Déclaration des droits de l'Homme et du Citoyen*. Article 15 in the declaration states, 'Society has the right to ask a public official for an accountable administration'. Both charters reframed the initial fundamental relationship between citizens and their rulers. Modernising and adapting this to a service-delivering public sector in the twentieth century means that citizens have the right to ask for accountable public servants delivering proper services.

T2 also requires an open, responsive and transparent government as a principle for interaction with citizens. In the meantime, within the OECD, almost all governments have taken measures to create an open and transparent government, as *Government at a glance* clearly demonstrates (OECD, 2011b). It includes measures on freedom of information, privacy and data protection, sound administrative procedures, an ombudsman or commissioner, and a performing supreme audit institution. Responsiveness is operationalised as e-government. In some countries, such as Sweden, this transparency includes access to performance databases in the public sector. Obviously, openness in itself is not creating trust; depending on the content of what people 'discover', or the press emphasises, it could be rather the opposite, e.g. in the case of WikiLeaks. Openness, responsiveness and transparency on resources, processes and outcomes result in functional accountability since they may contribute to preserving the public trust (Kearns, 1996).

Another change is to systematically involve citizens in design, decision, production and evaluation. Of course this was always present, but it was based on cost reduction (using volunteers) or political participation (in the design stage), whereas now it is an explicit measure to improve services by engaging and committing those involved (Pollitt et al., 2006). In the UK participation through the voluntary sector, but also through direct (e-government) access of information and delivery, was part of a policy to manage trust (Taylor & Burt, 2005). Ultimately, the public sector is in charge of interconnected networks for the governance of risk and trust (Bekkers & Thaens, 2005).

Another measure is to develop quality management where the citizens, as customers, are involved as a partner or stakeholder. It resulted in a range of models such as ISO (International Organization for Standardization), Balanced Score Card, EFQM (European Foundation for Quality Management), Common Assessment

Framework and the Canadian Management Accountability Framework. One of the common elements is that data on perception, expectations, satisfaction and trust are not just nice to have but indispensable for a well-functioning public sector.

A T2 change was necessary to allow successful charters, open government, co-production models and quality models. However, T2 may also have changed as a consequence of using charters, increased openness, responsiveness, transparency, citizen/customer involvement and informed quality management. It is an expression of different and higher levels of trust of the public sector in its citizens/customers.

The effects of all these measures on service delivery, let alone on T1, have been unclear. The research on charters 'suggests that in many cases the additional changes directly attributable to the Charter programme have been modest. Wider claims that the charter programme has transformed attitudes and influenced the "climate of debate" are even more difficult to assess' (Pollitt, 1994, p. 174). A grass-roots study concludes that 'clear differences emerge in the degree to which charterism seems thus far to have penetrated different public service organisations. The impact seems to have been least in highly professionalised services with a high component of face-to-face interaction' (Beale & Pollitt, 1994, p. 220). Of course it is also possible that more time was needed to observe a change and an effect.

Openness of government is sometimes so high that some start observing dysfunctional effects. Responsive government is increasingly different from responding to all demands of citizens and from tailor-made service delivery, especially in situations of crises. Citizen involvement through e-government has an impact on the nature of a public sector interacting with its population (Lips et al., 2005). Different types of partnerships also increase the mutual understanding of public and private partners and change the trust level of these relationships. Finally, the quality movement has clearly affected the perception of the public sector of what citizens as customers want, how they think and what they think. Research of how T2 and T1 have been interacting, how their spread has evolved and how this has affected improvement is lacking.

Public sector reform and T3

NPM, as one model of public management reform, has included the creation of agencies, the development of performance management and the use of MTMs within the public sector (Verhoest et al., 2010; Læg Reid & Verhoest, 2010).

The perceived lack of a performing public sector has resulted in a range of measures to enhance this performance. An important structural measure was the creation of agencies that became specialised autonomous organisations, which were supposed to take responsibility for performance more easily and to have a better fit for being accountable for this performance. However, the relationships between the principal and the agent were based on assumptions of conflicting objectives or goal incongruence, which therefore had to be made explicit in a contractual relationship, and of asymmetrical information patterns that require explicit performance information, which is audited. This basic T3 distrust in the theoretical model between principal and agent affects the internal public sector culture.

Performance management and performance audit become the name of the game and drive the relationship within the administration, between executive politicians and the administration, and between the legislative and executive branches. As a consequence, internal control systems, internal audit and external audit are reorganised, upgraded and expanded to include new procedures, actors and data to guide, control and evaluate relationships, even if the value added may be discussed, and even if there is a cost that is increasingly more substantial than the benefits (Put & Bouckaert, 2011).

Trust is in decline as a principle to govern internal relationships even when there are ‘comply or explain’ guidelines developed such as, for example, in the Netherlands (Bouckaert & Halligan, 2008), or when trust is directly linked to the quality of control systems. In the Netherlands some tragic accidents, such as the Twente city fire, had affected trust in the country’s inspection services.

Another shift is the use within the public sector of MTMs and network-type mechanisms (NTMs), rather than a pure model based on hierarchy-type mechanisms (HTMs) for coordination of fragmented and autonomous units (Bouckaert et al., 2010). MTMs and NTMs become the instruments to organise interactions within the public sector, including the coordination that is needed to reduce the negative impacts of specialisation and fragmentation of autonomous agencies. This market mechanism also affected the mobility of personnel within the public sector. Systems of differentiated personnel rewarding systems with bonuses, market-proof rewarding mechanisms and a transparency of supply and demand for an internal job market have resulted in high turnovers and a decrease in loyalty with a possible impact on trust between public sector organisations.

Trust mechanisms in hierarchies are quite different from trust mechanisms in markets or networks. The increasing use of contracts within the public sector affects relationships.

The natural reactions to a breakdown of trust is contract – to specify all likely eventualities and the consequences that would follow from each ... Trust, provided that it is not abused, reduces transaction costs: the costs of creating contracts, monitoring them, going to arbitration or court, enforcing the outcome and so on. However, contracts and trust are not alternatives; the existence of a contract implies trust in the first place, and a commitment to work together. (Coulson, 1998, p. 32)

Importing MTMs and NTMs in a classical organisation with HTMs affects the culture of trust in the public sector. Some authors state that distrust has become a feature of internal relations because of NPM (Van de Walle, 2011). All this has an impact on the organisation of control systems that steer, guide, monitor and evaluate relations within the public sector.

There is a general impression that T3 has decreased in an NPM context and that there is a need to develop and expand it again. When there are problems with indicators, standards or audits, the answer is more indicators, more standards and more audits. The hyper-development of a performance-based control system puts pressure on the trust-based model for managing internal relations. Re-establishing T3 emerges as a new agenda for reform and improvement.

Public sector reform – T1, T2 and T3

In conclusion, it is unclear to what extent reforms have indeed improved T1 in terms of a sustainable increase of the level of T1. Significant efforts were made to redefine the bases and instruments for T2, and changes to new frames for interaction were developed. It is also clear that T3 was not part of the upgrading strategy in an NPM reform policy; rather the opposite was the case.

There is a contradictory agenda in wanting external customers and users to trust government and the public sector and also trusting them on the one hand, but on the other hand distrusting other public sector actors. This incoherence becomes potentially difficult in situations where internal and external stakeholders are mixed, such as in e-government, complex partnerships for delivery of services or chain management across levels of government and society. The trust spread

between T1, T2 and T3 then becomes a risk for effective government: the higher the spread, the higher the chances for dysfunctions.

This leads to three descriptive elements for T1, T2 and T3: level, spread and coherence.

The *T-level* may be high, average or low, depending on the cultural context. These levels may be dysfunctionally high or low, i.e. too high and too low to be functional. What are important are the fluctuations and the long-term trends.

The *T-spread* shows the gap between T1 and T2, between T1 and T3, and between T2 and T3. Too high a spread between T1 and T2 will probably not be sustainable and will have an impact on T1 through the perception of society of T2 ('If they don't trust us, why should we trust them?'). Too high a spread between T1 and T3 could have a negative impact on the possibility to move to real governance with partnerships with the public sector ('Why should we trust them if they don't trust one another?'), and hence on T1. Too high a spread between T2 and T3 could result in the lowest T to trigger a negative spiral of trust ('Why should we trust our society if we cannot trust the rest of our public sector?').

The *T-coherence* defines the variance within T1, within T2 and within T3. The size of the distance between the highest and lowest T1 puts negative pressure on T1. The highest T1 will not compensate the lowest T1. The size of the distance within T2 could result in pressure to take the lowest level as a safe standard of practice for all regulations, inspections, regulatory regimes, etc. Finally, the size of the distance within T3 demonstrates the weakest part of a governmental system.

Christensen and Lægreid report a strong correlation between trust, as T1, in different institutions of government, ranging from parliament to the civil service: 'People with a high level of trust in one institution also tend to trust the other institutions, whereas distrust in one is related to distrust in others. In other words, trust in government shows a cumulative pattern, and trust relations are more supplementary than alternative' (Christensen & Lægreid, 2005, p. 504). However, there are also levels of government that are more distant and therefore are less trusted. Local institutions are traditionally more trusted than national ones. Regional institutions may be at a distance and therefore less known and also less trusted. European institutions vary in their distance and trustworthiness. To know the weakest or strongest trust level in the back office of the public sector is also important. It might be an issue to guide the design of reform (e.g. decentralisation

policies). Intentionally, it seems that the public sector is eager to be trusted and that the same public sector wants to trust society and its actors more, especially private companies in times of deregulation; however, this same public sector does not want to trust other parts of the public sector. The results of reforms often reflect this reality. In summary, as a consequence of reforms, it is empirically unclear how T1 evolved, T2 probably increased and T3 most probably decreased and became a regime of distrust.

Elements of trust building and trust keeping

Understanding trust and public administration should be looked at from a 'logic of consequences' and from a 'logic of appropriateness'. It is clear that the role of politics and politicians is crucial to fully understand T1, T2 and T3. These two logics are affected when the blend and proportion of politics/administration is different. Linking performance and trust seems to suggest that a logic of consequences is predominant. Both logics may lead to trust but both are necessary, and insufficient on their own (Halligan & Bouckaert, 2009).

It is possible to distinguish between high- and low-trust societies (Fukuyama 1995), which may carry over into the operations of the civil service. However, the level of trust is also a cultural issue, which makes it difficult to compare countries and even more difficult to transfer practices from a high-trust country to a low-trust country. It would be difficult, for example, to transfer measures for trust building and trust keeping from New Zealand to Norway. Norway is one case where the attributes of trust have been maintained, including within the civil service (Christensen & Læg Reid, 2005). 'Relations between political and managerial executives have traditionally been defined in formal hierarchical terms, but have in reality been trust-based, with little external and formal steering devices. This trust-based feature is a strong overall feature of the system, also covering the political-administrative leaderships' relations to different professional groups' (Christensen et al., 2006, p. 116). This brings us to some scientific conclusions, which have an impact for practice, for programmes for change and improvement, and for trust research.

First, one should not maximise trust but optimise it as a function of the cultural contingencies. Some distrust may even be functional and may create the tension necessary for a reform agenda. It is useful to know the level, spread and coherence of T1, T2 and T3.

Second, even more important than a trust level are its fluctuations in time, in the short run and also in the long run. This comparison in time should be complemented with comparisons with other actors in society from the private and the not-for-profit sector. Stereotypes can be corrected through these surveys, e.g. the public sector is not the least trusted in society.

Third, trust is a cause, an objective, a driver and a leverage of public sector reform. It is important to keep trust on the reform agenda in an explicit way. For each reform the question of what the impact could be or should be on T1, T2 and T3 should be asked, since it is easier to lose trust than to regain it.

Fourth, improving service delivery is necessary but not sufficient for trust. Good performance does not necessarily lead to more trust, but bad performance certainly will erode trust. There is a need to focus on external services for T1 and T2 and on internal services for T3. This takes in the perspective of organisations, of policy fields and of whole-of-government approaches (Bouckaert & Halligan, 2010).

The story of declining trust should be qualified. It differs per country and there is no evidence that trust is massively declining in liberal democracies over a long period of time. Just as with culture, there is some stability, or perhaps inertia, and therefore also some difficulty to change drastically. To give the example of the US, 'How did America's faith in its government fall so far so fast? Broadly speaking, there are two competing explanations, a conservative and a liberal one. The conservative answer is that the decline is a *rational* response to the observed phenomenon of failure. The liberal explanation is that mass disillusionment with government is an *irrational* reaction, fuelled by prejudice, fear, and economic insecurity' (Weisberg, 1996, p. 50). This was before the major political and economic crises occurred in the US. Al Gore, quoting Senator Ed Muskie of Maine, says that there are only two politics: politics of fear and politics of trust (Gore, 2004). In this article we did not talk about politics; however, it is a key element in the debate.

Following a logic of consequences, one trusts that resources, solid management and policy instruments lead to good performance, and therefore contribute to further trust. On the other hand there is a logic of appropriateness with values and identity, which leads to a direct focus on integrity, open and responsive government, and transparency, leading to performance and trust (for T3) (Cho & Ringquist, 2010).

To map and assess T1, T2 and T3 and their interactions, to detect the mechanisms that impact these three types of trust and to look for

'optimal' and functional trust becomes a research programme for the next decade.

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