

## **Trust in Government as a Constitutional Consequence\***

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Trust in government has fallen to levels that disturb many of those who concern themselves with public opinion and its impact on the political process. For example, Joseph Nye (1997: 4), Dean of Harvard's Kennedy School of Government, worries that if people believe that government is incompetent and cannot be trusted, they are less likely to provide (critical) resources. Without (these) resources, government can't perform well ....@ Patricia McGinnis (1997), President and CEO of the Council for Excellence in Government, has testified that AWell-led, well-managed government that can produce better results is what Americans are looking for . . . Majorities above 60% said wasteful spending, self-interested leaders, unkept promises, and crime, poverty, and drugs are the causes of low confidence in government.@

It is undeniable that trust in government, as measured by public opinion polls, has declined substantially since the 1960s. Data from University of Michigan polling that began in 1958, show trust in government peaking around 1964, when about 75% of the respondents answered Aalways@ or Amost of the time@ to the question, AHow much

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of the time do you think you can trust the government in Washington to do what is right? just about always, most of the time, or only some of the time?@ Since that time, trust has declined significantly (though not monotonically), with only about 25% answering Aalways@ or Amost of the time@ in 1994.<sup>1</sup> This decline in trust is clearly something to be worried

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<sup>1</sup>See Figure 3-1, Orren (1997: 81). There is some evidence that trust in government increased somewhat after 1994, but the long-run trend in trust has been decidedly downward.

about if it is, as Nye's statement above suggests, undermining government performance—reducing the ability of government to promote the public interest efficiently. But is this the case? And even if it is, what and how much can be done about it?

In addressing these questions, we approach the issue of trust in government in a more skeptical, but we believe, more realistic way than is common. First, we argue that while there can be too little trust in government, there can be too much trust. Up to some point, additional trust can improve performance, but beyond that point, the marginal productivity of trust in government performance is negative, with there being an optimal level of trust. Second, strong biases within the democratic process favor trust in excess of the optimal level. So if trust in government were a control variable, we might be well advised to take it down a few notches. But third, trust in government is not a control variable in any meaningful sense. Trust is endogenously determined within the context of a constitutionally established political process and can, at best, be controlled only indirectly through changes in that process. As McGinnis's above statement indicates, a constitutional framework that establishes a more trustworthy government (one that performs its tasks effectively and limits itself primarily to tasks that serve the general interest) will generate more trust than one that establishes a less trustworthy government. Public service announcements, national emergencies, and focus-group politics can

temporarily elevate public trust, but over the long-run, the sustainable level of trust will be determined primarily by government performance.<sup>2</sup> Trust is both a cause and consequence of government performance. This suggests an interaction between trust and performance that can make achieving the optimal trust in government impossible, even if we knew what it is. It also suggests that worrying over the level of trust in government without considering it in a broader constitutional context is not likely to be a productive exercise.

In the next section, we recognize that over some initial range, trust has a positive marginal effect on government performance, but we argue that political biases tend to push trust beyond the optimal level. In Section III, we develop a simple model of the two-way interaction between trust in and performance of government that incorporates the fact that trust is both a cause and consequence of government performance. In Section IV, we consider some implications of the model. In particular, we examine two possibilities: First, that trust and performance cycle around a stable equilibrium, and second, that trust can fall below some critical level necessary for a viable political regime. The second possibility shows that if a low level of trust is a serious concern, the problem is not the level of trust itself, but the constitutional flaws that caused it. We offer some concluding remarks in a final section.

### **Too much trust?**

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<sup>2</sup>Even in the long-run, the level of trust tends to be greater than justified by government performance, although, as we will discuss, there can be short-run exceptions to this tendency.

Public choice economists have argued that a bias exists in political communication that favors small, organized interest groups over the general public. Members of a small group with a dominant interest have a strong motivation to organize politically to support programs that promote that interest, and find it relatively easy to overcome free-rider problems that make organizing a large group with diverse interests, like the general tax-paying public, almost impossible. So, when politicians consider legislation that will concentrate benefits on a few and disperse costs over the many, they hear from the few, but not from the many. And organized interest groups make sure that such proposals are constantly up for consideration.

Of course, voters don't have to organize to communicate with their political representatives. If they feel that government spending has expanded beyond reasonable limits, they can vote against politicians they believe are fiscally irresponsible and for those promising fiscal restraint. If enough people vote this way, politicians will either get the message and change their ways, or cease to be politicians.

But voting, as a means of constraining government, faces serious limitations. Because any one vote is highly unlikely to be decisive in an election, many citizens are quite rationally apathetic and ignorant, something that has been recognized since the 1950s with the work of Downs (1957: Chapters 11-14). Few voters devote much time becoming informed on political issues and realize little private advantage from voting at all, certainly not by affecting election outcomes. This reduces the ability of voters to counter the political influence of organized interest groups, which can affect the outcome of the proposals they favor through political action.

The limitations of voting do not allow special-interest groups to completely ignore voter sentiments and succeed politically. But the tenuous connection between an individual's vote and political

outcomes provides special interests opportunities to manipulate and exploit voter sentiments. Consider why, if an individual vote is unlikely to have any effect on the outcome of an election, people bother to vote at all. The most persuasive answer is that people realize satisfaction from going to the polls and expressing themselves in favor of candidates and issues they feel are worthy, and against those they feel are not. Indeed, the lack of decisiveness makes this Aexpressive voting@ more attractive because it lowers the cost of expressing political support for what voters see as socially meritorious proposals.

When faced with a choice at the polls between option A and B, the voter is unlikely to sacrifice the value of B *because* he voted for A. This disconnect between choice and cost can result in election outcomes significantly at variance with what those voters would choose if their votes were decisive when, as is often the case, the option voters feel they should favor is not the one that promotes their private advantage.<sup>3</sup> For example, consider an individual who feels that helping the poor is the right thing to do. Assume that he is considering a vote on a government welfare proposal (or for a candidate who favors the proposal), which, if passed, will increase his taxes by \$1,000. He would decline making a private contribution of \$1,000 to support the proposal, even if he knew that the contribution (whether or not matched by others) would help the poor as much as would the \$1,000 increase in his taxes. But he is still likely to vote for the proposal, since doing so is far less costly than making a private

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<sup>3</sup>Buchanan (1954) was the first we know to make the connection between the indecisiveness of voting and the appearance that voters are placing the public interest above their private interests. Tullock (1971) followed up on Buchanan=s insight by applying it t the political popularity of particular issues. The most complete analysis of the implications of such Aexpressive voting@ is Brennan and Lomasky (1993).

contribution. A Avote@ to make a private contribution is 100% decisive, but his vote for the political proposal is almost guaranteed not to be. For example, if the probability is 1/10,000 that his vote will break what would otherwise be a tie (an unreasonably high probability in most state or national elections), the expected cost of voting for the proposal is only \$.10. So, if the voter receives more than a dime's worth of satisfaction from expressing voting support for helping the poor, then a Ayes@ vote is a bargain. In general, the less decisive his individual vote (the less electoral choice is connected to electoral consequence), the more likely a voter is to favor a policy for expressive rather than instrumental reasons.<sup>4</sup>

Expressive voting explains why special-interest groups find advantage in framing their proposals to appeal to voters= desire to support Asocially worthy@ policies. Industries that want import restrictions clothe their case in arguments suggesting that foreign imports threaten American jobs. Those pushing for agricultural price supports attempt to convince people that such proposals will protect family farms. And who can name all the special-interest proposals that are supposedly necessary to maintain national security? Indeed, special-interest lobbying is commonly aimed at winning over those

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<sup>4</sup>One might think that there are welfare gains associated with trust and expressive voting since the psychological rewards from supporting what are thought to be worthy projects and feeling good about yourself are real. These rewards are real. The problem is that expressive voting allows individuals to achieve these rewards by imposing costs on others. If each individual were responsible for the full cost of their electoral support for what they believe are worthy projects, support for those projects would fall sharply, indicating that the costs exceeded the rewards. Of course, the political programs supported by expressive voting create benefits in addition to the psychological rewards to voters. The question is whether these benefits are sufficiently high to cover the costs that are ignored by expressive voters. No doubt they are in some cases. But, as we are about to argue, expressive voting increases the number of government activities for which the benefits fail to cover the costs.

who are clearly harmed, at least to some degree, by the policy being advocated. We are encouraged to support welfare programs because we should help the poor, or minimum wage legislation that will increase some prices we pay because even low-productivity workers deserve a living wage. Such lobbying is easily explained by expressive voting. Appeals to a sense of moral duty that increases the satisfaction received from voting for a policy marginally above zero can dramatically increase electoral support for that policy.

We acknowledge that many policies, which voters feel good about supporting, even though they work against the voters' private interests, are not ones upon which they vote directly. But there is a large and growing number of referenda, on issues ranging from school choice to welfare eligibility for illegal aliens, indicating that voters are faced with many opportunities for direct expressive voting. Also, representative government implies that a vote for a political candidate is a reasonable proxy for voting directly on issues. In fact, as found by Kau and Rubin (1993, 2001), to be elected requires that the representative be in agreement with his constituency. Political markets do a good job controlling ideological shirking by legislators.

It is important to recognize that the more voters trust government, the more satisfaction they realize from expressive voting, and the more responsive they will be to the public-interest rhetoric of special-interest organizations. No matter how convinced voters are that the poor should be helped, American jobs saved, family farms survive, or the environment protected, they will receive more expressive satisfaction voting for government attempts to pursue these objectives if they think such attempts will be effective. So, those whose interests are tied to expanding government programs see advantage in encouraging more trust in government. Obviously trust in the general functioning of government is only one consideration in expressive voting. People may have little trust in government in general and still believe that something needs to be

done about specific problems and feel good about voting for A doing something.@ So interest groups will surely expend more effort trying to convince the public of the virtue of their particular programs than trying to increase their general trust in government. But just as surely, interest group appeals will be made in ways that encourage confidence in the government=s ability to solve particular problems. Everything else equal, such confidence will operate through expressive voting to increase the scope of government activities.

Unfortunately, the more successful organized interests are at engendering trust in government, or in their particular programs, the greater their opportunity to gain in ways that reduce the trustworthiness of government. More trust in government means more power and resources transferred to the political process through expressive voting and more latitude for organized interests to capture political benefits at public expense. The voter who believes that the government is capable of helping the poor is more likely to vote for a welfare proposal and less likely to follow up on the result of his or her vote since it is assumed that once the proposal becomes law, the problem will be effectively addressed. This increases the latitude organized groups have to influence the design and implementation of welfare programs to increase their benefit at the expense of the poor. Other examples that could be discussed similarly involve farm groups (concerned with food stamps); physicians and pharmaceutical companies (concerned with Medicaid); the construction industry (concerned with public housing); and the public agencies responsible for administering these programs.

The implication is that there is an optimal amount of trust in government. The concern of those who worry that trust in government has fallen to destructive levels is one that cannot be disregarded. Some minimal level of trust in government is surely necessary for government to perform adequately, and below that level, an increase in trust will increase the social benefit provided by



government. But it is possible that there can be too much trust in government, with additional trust creating power that will be captured and corrupted by organized interest groups. And the influence of these groups is a powerful political force than can push trust beyond the optimal level.

### **A simple model of trust and constitutional consequences**

We have emphasized trust as a cause of government performance. Up to some point, more trust improves government performance, but beyond that point, more trust reduces performance. We can express this formally by letting the social benefit of government,  $B$ , be represented as a function of public trust,  $T$ ,  $B(T)$ , where  $B(T) > 0$  when  $T < T^*$ ,  $B(T^*) = 0$ , and  $B(T) < 0$  when  $T > T^*$ . This relationship between  $B$  and  $T$  is shown in Figure 1, where it is assumed that there is some minimal level of trust necessary for government benefits to remain positive, or for government to remain variable.<sup>5</sup> Our definition of trust and the resulting modeling structure is similar to that employed by Gambetta (1990). The political constitution is clearly an important consideration in determining the position of  $B(T)$ . The better the constitution, the more control

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<sup>5</sup>Since we are representing trust in government with a scalar, we need to be more precise about what we mean by trust. By trust we mean confidence that government can be depended upon to efficiently promote the public interest; i.e., perform those activities it takes on at the least cost, and to take on only those activities in which the public interest is best served by government involvement. Relevant to this paper is 1) a measure of the degree to which a person trusts government according to the above definition (say, 1 representing complete trust and 0 representing no trust), and 2) the percentage of the voting-age population that holds each possible level of trust. This suggests a scalar measure of trust equal to the sum of each measure of trust weighted by the percentage of those with that measure of trust. This scalar runs from 0, indicating that everyone has a trust in government of 0 to 100, indicating that every has a trust in government of 1.

citizens have over their political agents and the greater the benefits from government for any level of public trust. So, while the position of  $B(T)$  will tend to remain fixed within a narrow range in the short-run, it can shift significantly over the long-run in response to constitutional improvements, or constitutional deterioration.

But it is also important to recognize that trust is a consequence as well as a cause of government performance. Organized-interest groups are motivated to increase public trust, at least in selective areas of government performance, and, as we have argued, collectively they can increase the general trust in government. But over the long-run, trust in government is also determined by how well government performs. How much social benefit it provides. A well-functioning



government subject to the limits of a constitutional democracy will engender more trust than a clumsy and oppressive dictatorship. Surely lags exist that can allow a poorly performing government to temporarily benefit from its past successes, or that can temporarily burden a well-performing government with its past failures, but in the long-run, trust is a positive function of performance. We represent this long-run function as  $T(B)$  in Figure 1, where we assume that  $T'(B) > 0$  and  $T''(B) < 0$ , with there being some minimal level of social benefit government has to provide for trust to remain positive.

We are not claiming that the level of trust given by  $T(B)$  is justified by the benefits from government. The function reflects the trust that the public will have (over the long-run), given the level of benefits, not what it should have. The long-run trust may reflect an under-appreciation of government, and the benefits it provides. But, as we believe is more likely, the long-run trust may exceed what is warranted by government performance. As we explained in the previous section, organized-interest groups realize advantage from increasing public trust in government; i.e., shifting  $T(B)$  to the right in Figure 1. However, in a strong rational expectations setting  $T(B)$  would accurately reflect the trust justified by government performance. Also, the lag between changes in government benefits and trust would approach zero, which would mean that the system described in this section (and illustrated in Figure 1) will always be operating somewhere on  $T(B)$ . An increase in special-interest influence, for example, will immediately be recognized as changing the benefits from government and this will immediately change the trust in government in accordance with  $T(B)$ . This will shorten, if not eliminate, all deviations from the equilibrium developed in our model. We proceed on what we believe is the realistic assumption that strong rational expectations do not apply. The inability of government to credibly commit itself to an improvement in performance explains the lags incorporated in our model and makes

it unlikely that rational expectations will shorten those lags. Improved government performance won't convince people that it justifies a reevaluation of performance unless it continues for awhile.

In the short run (assuming strong rational expectations do not hold), public trust does not necessarily coincide with  $T(B)$ . Any number of political, or social, events can either elevate trust above, or depress it below, the level determined by  $T(B)$ . A particularly charismatic president, or persuasive special-interest claims can inspire more trust than can be sustained over the long-run by government performance, while scandals that have little, if any effect, on government performance can temporarily erode trust. But though trust can deviate from the level given by  $T(B)$ , it is subject to persistent pulls and pressures toward  $T(B)$ .

Equilibrium, however, requires more than a level of trust consistent with the government's performance. For a level of trust to be in equilibrium, it has to result in a level of government performance that, in turn, is seen to justify that trust, or a level of  $T$  determined by an intersection of  $B(T)$  and  $T(B)$ , as shown in Figure 1. This means that we are unable to choose the amount of trust we want as we would a control variable. The level of trust results from an interaction between trust and performance, as reflected in the functions  $B(T)$  and  $T(B)$ , that is beyond the direct influence of any individual or group. As discussed, while there can be short-run deviations from  $T(B)$ , the function itself is probably not subject to much change over either the short- or long-run, and is not under anyone's or any group's direct control. Over the long-run,  $B(T)$  can change significantly because of constitutional changes, but such changes are hardly a means by which any group could influence trust with any precision.

Given a constitutional setting and  $B(T)$  shown in Figure 1, if the position of  $T(B)$  could be chosen and if the political process were motivated solely by considerations of efficiency, then  $T(B)$  would be chosen so that its second intersection with  $B(T)$  occurs at  $E^*$ , where

the social benefits from government are maximized. In this case, the optimal trust in government,  $T^*$ , would be an equilibrium, although not the only equilibrium given our assumptions that  $T(B)$  has a vertical intercept and that  $B(T)$  has a horizontal intercept. But since  $T(B)$  cannot be chosen directly, there is no reason for optimism that  $T^*$  will be an equilibrium. It is quite likely that political biases will push  $T(B)$  sufficiently far to the right that the second intersection occurs on the downward sloping region of  $B(T)$ , say at  $E_s$  in Figure 1, which produces an equilibrium with too much trust in government. Of course,  $E_s$  may occur at a level of trust below  $T^*$ , with all possible equilibria occurring at a suboptimal level of trust.

But regardless of the position of  $E_s$ , it determines a level of trust that will seldom be realized for long. While  $T(B)$  reflects the long-run level of trust for each level of government benefit, exogenous factors will routinely cause trust to deviate at any given moment from  $T(B)$ ; and, therefore, from the level of trust,  $T_s$ , associated with the equilibrium  $E_s$ . But  $E_s$  is, except under the highly unlikely case of explosive oscillations, a stable equilibrium. Any deviation from  $E_s$  sets into motion forces that, without further exogenous shocks, will return the system back to  $E_s$  and  $T_s$ . Consider an initial position  $A$  in area I in Figure 1. Obviously  $A$  is not sustainable since trust is greater than warranted by performance and performance is not supportable by the level of trust. A downward pressure exists on both trust and performance, as indicated by the arrows which create motion in a southwesterly direction. This directs the system into area II, as shown by the dashed line in Figure 1.<sup>6</sup> In

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<sup>6</sup>If the initial point  $A$  were higher up in the area I, it might appear possible that motion of the system could move us into area IV. This is ruled out, however, by the fact that 1)  $T(B)$  is upward sloping and 2) if the system attempted to move from area I to area IV, the motion would be directly downward what it reached  $T(B)$ , thus keeping us in area I.

area II, trust remains above levels justified by government performance, but performance is now less than that supportable by the prevailing trust. The result is that trust continues to decline, but benefits from government begin increasing, creating a movement that eventually takes us into area III. In area III, trust is less than warranted by performance, performance remains less than the trust permits, and so both trust and government benefits increase. This moves us into area IV, where trust remains less than performance justifies, but the trust is too high to sustain the performance. The result is an increase in trust and decline in government benefits that move us back into area I, where the cycle continues.

As shown, the cycle dampens until the stable equilibrium  $E_S$  is reached. An explosive cycle is possible, but historical experience suggests such a cycle is unlikely. Of course, the observed cycles may not appear to dampen because shifts in the functions  $T(B)$  and  $B(T)$  and recurring exogenous shocks can, and probably will, keep the system in a constant state of disequilibrium.

This suggests that cycles of trust in government will be irregular, with controversy as to whether they exist at all. But some observers argue that long cycles do exist, and they describe them in ways consistent with the implications of our model. For example, describing the situation where trust has allowed government to expand to the point of harming its performance, Samuelson (1995: 200-201) observes:

There is a vicious circle. Government that grows must do more of its work in obscurity; otherwise, it could not function at all and would inevitably fail in many of its missions. But government that works in obscurity will become increasingly dominated by narrow groups, which will bend it to their own purposes and make government seem even more removed from popular will.

Some historians have argued that long cycles occur in public attitudes toward government that both affect and are affected by how well government performs. For example, Schlesinger (1986: 245) states, "The fewer responsibilities loaded on the national authority, the better it will be able to discharge those it cannot escape." And a few lines later, "Sometimes government intervenes too much. Its regulations become pointlessly intrusive. Its programs fail. After a time exasperations accumulate and produce indictments."

Reasonably good information on public trust in government goes back only to 1958 with polling data from the University of Michigan. As indicated in the introduction, those data show public trust trending upward from 1958 until 1964, when it peaked. There has since been a significant decline in public trust, with rather slight, and temporary, reversals in the early 1980s and the mid-1990s. Data are sketchy prior to 1958, but what do exist indicate that the upward trend in trust goes back to the 1930s. Robert Lane made some measurements indicating an upturn in trust in government in the 1930s, which he explained as an expectation that the federal government could improve the depressed economy.<sup>7</sup> We would add that the relatively limited role of government before the 1930s, and the perceived success of many of the "progressive" government actions earlier in the century, were also factors increasing trust that probably began earlier than the 1930s. The decline in trust beginning in 1964 followed a significant expansion in the economic role of government, with government attempting to do more than it could do well. Furthermore, the federal government's role and spending began another relative increase in the mid-1960s, beginning with President Johnson's "Great Society" programs. Over time, these programs have been widely perceived as promising far more than

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<sup>7</sup>A discussion of Lane's conclusions is contained by Nye (1997: 10).



they delivered, with the decline in the public's trust in government reflecting this failure. The decline in trust could set the stage for a smaller, more focused and efficient government, accompanied (with some lag) by the beginning of a new cycle as trust begins to increase.

So far, we have talked about the second intersection between  $B(T)$  and  $T(B)$  and a cycle of trust around a stable equilibrium. This emphasis is appropriate in a viable political process. But political processes are often quite fragile for reasons involving the level of public trust. Those concerned with the declining trust in government are correct in believing that below some critical level of trust, the political process can collapse. In such a case, however, the problem would extend beyond the low level of trust to the poor government performance that provides much of the explanation for it. In a political process described by the curves  $B(T)$  and  $T(B)$  shown in Figure 1, the interaction between trust and performance will unlikely lead to a regime-threatening crisis in confidence, despite what some will occasionally see as troubling declines in trust. When lack of trust is a genuine threat to a regime's viability, the problem is almost surely the result of a deeply flawed constitution that renders the regime unable to provide minimally acceptable social benefits regardless of the level of public trust, not some unjustified decrease in trust.

In Figure 2, we consider a situation where our model predicts that a political regime is at risk of collapsing. There is no reason for believing that the  $T(B)$  curve will vary significantly from one political regime to another. So, the  $T(B)$  curve in Figure 2 is the same as the one in Figure 1. The difference between the two diagrams is in the position of the  $B(T)$  curve. As shown in Figure 2,  $B(T)$  barely lies above  $T(B)$  over a narrow range of trust. This implies that the regime is quite likely to experience a trust/performance combination that precipitates a downward spiral in both trust and performance. If, for example, we begin in area I (as we did in our discussion of Figure 1),

the system will move into area II as before. But now it is quite possible that the momentum of the downward cycle in trust, possibly reinforced by some exogenous negative shock, is sufficient to move the system into area  $V$ , as shown by the dashed line in Figure 2. Once in area  $V$ , the level of government benefits is less than needed to maintain the prevailing level of trust and the level of trust is insufficient to maintain the level of benefits. As indicated by the directional arrows, once the system enters area  $V$  both trust and performance experience an irreversible decline that implies the complete collapse of the political regime. The first



intersection between  $B(T)$  and  $T(B)$  establishes an unstable equilibrium, with any negative departure leading to political collapse. Of course, the second intersection establishes a stable equilibrium, as in Figure 1, but because the stable equilibrium is so close to the unstable equilibrium, it does not take much of a negative departure from the former to end up as a negative departure from the latter.

Obviously political regimes collapse for a multitude of reasons, so no simple model can capture the complexity of such an event. We are fully aware that our model is a simple one, that is heroic only in its abstraction from the complexity of real political economies. Also, our model is developed under the assumption of a democratic political process, while most examples of political collapse involve autocratic regimes. Yet we believe our model provides useful insight into the interaction between trust in government and government performance and in the demise of political regimes, democratic or otherwise.<sup>8</sup> Political regimes that collapse are not typically those that generate large benefits for its citizens. A low-benefit regime can survive for a while, of course, by concealing information on its performance relative to other political orders, and by suppressing attempts to mobilize the distrust that its performance warrants. But such efforts can erode over time due to such things as worsening performance, accumulated frustrations, aging and uninspiring leadership, and improvements in communication technology, shifting the  $B(T)$ , both actual and perceived, down. And as the stable equilibrium approaches the unstable equilibrium, the regime becomes increasingly vulnerable to

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<sup>8</sup>Obviously there are fundamental differences between democratic and autocratic political regimes. But even autocrats are subject to the conflicting demands of organized interests and public opinion as are elected politicians and are not immune to the dynamics illustrated in Figures 1 and 2. For an interesting discussion developing this point, see Tullock (1987).

an event that causes a downward movement in either performance or trust. By moving the system into area  $V$ , such an event can precipitate a rapid collapse in trust and performance that brings the regime to an end. Though admittedly simplified, this is consistent with what took place in several of the Eastern European countries in the late 1980s, and in the related collapse of the Soviet Union in the early 1990s.

### **Conclusion**

Those concerned about the declining trust in government are correct when they argue that it can adversely affect government's ability to function properly. Trust is a factor in government performance. But the connection between trust and government performance is more complicated than commonly indicated. First, while too little trust is a possibility, so is too much. Some optimal level of trust maximizes government's contribution to social welfare, with increases in trust beyond that point creating political power that is captured and corrupted by organized interests to a destructive degree. Second, even if we knew the optimal level of trust, we have no way to choose it as we would some control variable. Trust is not only a cause of government performance, but also a consequence of that performance as determined by the political constitution. So attempting to improve government performance by increasing trust may be putting the cart before the horse. Any permanent increase in trust in government requires an increase in the trustworthiness of government.

When trust is seen as both a cause and consequence of government performance, we must recognize that the optimal level of trust may be, and probably is, impossible to achieve and sustain. The interaction between trust and performance reaches equilibrium only where the level of trust supports a level of government performance that is worthy of the level of trust. There will generally

be two equilibria, one stable and the other unstable, with neither one occurring at the optimal level of trust. This implies that if the lack of trust becomes a serious concern, the lack of trust is only a symptom of the real problem, which is a flawed constitution preventing the government from providing a minimum level of social benefits. In viable political regimes, the trust/performance combination can be expected to oscillate around the stable equilibrium in ways not inconsistent with observations in the United States. On the other hand, when a government generates such small levels of benefit for each level of trust that the stable and unstable equilibria converge, it becomes vulnerable to a downward spiral in trust and performance, and a quick collapse. Such collapses in political regimes are not unlike what has occurred recently in Eastern European countries and the Soviet Union.

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