Abstract: This lecture will approach trust and its importance for sustainable democracy from the perspective of individual citizens: What they need and what they believe. On the one hand, our current institutions are serving these needs very well, in no small part by moulding choices and tastes to suit what powerful governments and large corporations are wanting to deliver. On the other hand, these same institutions are delegitimizing themselves as respected authorities at an alarming rate. For many citizens, deference to them and the power they wield is difficult to accept. In this way the democratic fabric of our societies is incrementally being weakened. How do we change this trend? How do we build contestable trust and realistic collective hopes for our society? This lecture will provide insights into the human dimensions of trust and hope that should be considered as we adapt to new institutional settings emerging with new technologies, environmental catastrophes, global pandemics and the social havoc and unrest that they bring.
I have four ambitions for this lecture. First, I want to open a dialogue about trustworthiness as care for others and of trust as the expectation that others will care for you. Second, I want to build a theoretical and empirical bridge between trust in the people who are close to us and trust in impersonal institutions, in particular trust in regulatory regimes and trust in government. Third, I want to argue that governments and regulatory institutions need to be far more adept at picking up on when they should be using different trust building strategies for different institutional contexts and for different groups of people. Finally, I want to discuss what we might call “the trust risk”. By that I mean gifting trust undeservingly - leaving ourselves or others open to exploitation through privileging trust.

But first, why is trust so precious psychologically as well as socially.

As social beings we tend to live in communities, but we do so with some discernment. We look for a place that offers security and peace. If this is not on offer in a community, fear would likely keep us away, at a safe distance from threat and harm. This is the situation we face with the COVID pandemic. Many of us have considered or currently consider our communities unsafe, and retreat to places where we can escape contact with the virus. Those who have homes stay in their homes as the virus spreads.

Squashing the fear of COVID and venturing outside for essentials requires courage and hopefully a bit of strategic nous to keep safe. But we may also quell our fear with trust in others to protect us. Now whether that trust is justified or not is something we will address later. Ideally, our governance arrangements work well enough that we can trust that it is safe to go out if we take the precautions that authorities recommend. There will be no virus that will latch onto us. There will be no exposure to fellow citizens who are breaking quarantine rules or social distancing rules or rules about wearing
masks. There will be no fights in supermarkets over the limited supplies of toilet paper that might threaten us with physical injury, if not COVID itself. We trust other people to do the right thing and we trust government authorities, the traditional media and social media to be conscientiously monitoring safety and providing us with truthful accounts of what is going on beyond our homes.

Yes, they are ideal circumstances, but I am going to claim that we expect those who govern us to have these goals. And when they have these goals and execute them well enough, trust is enabling. That is why trust is precious. It replaces fear with assurance about what we can do in our world: We can put these parcels of concerns to one side, others are looking after these parcels of concerns for us, and we can focus on what we want to achieve. It frees our mind to think about other things and enjoy our lives more fully. Trust therefore facilitates hopes, it enables us to get on with the things that we consider productive and meaningful, to bring others in to work with us, and that creates a sense of wellbeing. It improves our mental health. This argument spotlights the psychological benefits of trust that sit within the broader and more familiar argument that societies flourish with trust because trust reduces transaction costs.

In making this psychologically focused argument for the benefits of trust I am juxtaposing trust against fear. Fear is crippling. We are constantly alert to danger. Fear limits our hopes and well-being. Fear makes us anxious and suspicious, and more than likely dominating and oppressive of others because we cannot trust others to do the right thing by us. COVID has heightened our awareness of how fear and despair can replace trust and hope on a grand scale. COVID also has given us time to “pause and reflect”, to come to terms with how quickly institutions of governance can embrace domination and oppression when fear abounds.

At this point, let me spell out my definition of trust. Trust is an attitude we have to other people or groups or organizations or institutions. As an attitude, trust is a composite of various beliefs (eg this
charitable organization is very reliable, or this charitable organization reports openly on its
governance arrangements) and of the feelings we have about the organization (eg I feel relieved that
this charitable organization is doing that job, or I like the projects they support). Second, trust is
relational. When we scan the world in which we operate, we see potential sources of harm and help,
we confront entities that steer us or regulate us, we see entities about which we are curious, and
others that don’t interest us at all. Those entities that matter to us are appraised and monitored by
us. When that appraisal is positive and we expect that entity to reciprocate our positive appraisal by
doing us no harm, and indeed acting out of care for us, we have a trusting relationship.

The expectation of a relationship of care is an important part of my definition of trust, particularly
when I use it in a regulation and governance context. To trust a person or an institution is to
anticipate that a person or institution cares what happens to me, or all people in a situation like me,
or people I care about. To be trustworthy, or to earn the trust of another, we have to do our best to
care for others, particularly when circumstances make it difficult to action our caring intent. Using
the word “care” in my definition of trust might surprise some of you. Before supporting my
argument empirically, let me say that more familiar regulation and governance terms like “human
rights” and “procedural justice” arguably have meaning and provide comfort to people on the
ground because, when practiced, they communicate a message of care.

So where is my evidence for claiming care as part of my definition of trust? For a number of years
now, I have done surveys in which I have asked people what is needed for you to trust this
organization or this institution. I have done this on more than one occasion with government, a
complex and sometimes distant entity in the lives of Australians. Yet, Australians have no difficulty in
telling me what is necessary for a government to be trustworthy. Believing and feeling that their
government cares about them is central in their responses.
Just as important is the fact that there is a high level of agreement on what government needs to do in order to earn our trust. Because of that high agreement we call these actions trust norms, meaning the community agrees that this is what is needed to earn our trust (V. Braithwaite 1998). The strongest trust norms that people expect government to know and action are: (a) treating clients and citizens with respect (a care norm); (b) having interest in the well-being of ordinary Australians (a care norm); (c) understanding the position of clients/citizens (a care norm); (d) being accountable for actions; (e) being efficient in operations; (f) being consistent in decision making (all three of which reflect competence and doing the job well, with which we are familiar in the regulation and governance literature); and (g) keeping citizens and clients informed (an honesty and openness norm).

These trust norms are consistent with what the literature identifies as components of trust in leaders in organizations and workplaces (Borum 2010): (1) Being competent and reliable; (2) Managing expectations and goals; (3) Establishing relationships of respect and concern; and (4) being honest, open and accountable. One of our completing PhD students, Therese Pearce Laanela, identified similar dimensions as being critical in the work of Electoral Management Bodies that provide expertise and oversight to ensure fair and peaceful elections in transitional democracies around the world. Therese’s work is exceptionally useful in showing the dynamic nature of trust and the importance of being in touch with what is happening on the ground and responsive to doubts and suspicions. Trust is built through many small acts of understanding, realigning expectations, fixing problems. Building trust is about actioning a range of trust norms every time a failure is detected in the system.

Central to my argument is that the contours of trust in person-to-person encounters are the same as the contours of trust in person-to-organization or person-to-institution contexts. I want to soften the
sharp edges that have been set up between personal and impersonal trust to argue that the feelings and beliefs that make up trust coalesce in the same way.

Let’s start with the hard question: How can I say that I trust my favourite news source – traditional media or social media - because it cares about being fair-minded, giving me truthful news and doing so competently? In order to do that, you might say, I need data, and preferably data from a variety of sources if I am to have well-founded trust. Putnam (2000) recognises the difference in richness of data we have access to when he distinguishes between thin and thick trust. Putnam uses thick trust to describe personal relationships where we have a lot of reliable and valid data about those close to us, and thin trust to describe impersonal relationships or distant and intermittent relationships with institutions and authorities, where our data is scarce and fragmented, and possibly less direct. At best we may resort to following the views of others with whom we are connected and whom we trust to guide our evaluations. We might find ourselves using what John Scholz and others refer to as a trust heuristic rather than painstakingly collecting and reviewing the data (Scholz and Lubell 1998). Cognitive consistency theories in psychology revolve around this basic principle that we feel tension when our feelings, beliefs and relationships are not coherent, as would be the case if I greatly admire A, A trusts B, and I mistrust B. According to consistency theories, I would feel great pressure to change my position to trust B as well, particularly if my relationship with A was very important to me.¹

This should not lead us to the false conclusion, however, that the composite attitude of trust we have in a social institution is necessarily weaker or more malleable than the composite attitude of trust we have in our best friend because the richness of data that we have direct access to is less

¹ A useful summary of the range of consistency theories can be found here: https://www.encyclopedia.com/social-sciences/encyclopedias-almanacs-transcripts-and-maps/cognitive-consistency-theories#:~:text=At%20the%20heart%20of%20cognitive,individual%20to%20reduce%20this%20tension.
The key to explaining this assertion is that trust is not just about beliefs about what is true, it is also about feelings: Both beliefs and feelings constitute our attitude of trust. We may assert our trust in our favourite news source just as passionately as we assert our trust in our best friend, even if our data base is thinner.

What can give our news source an unexpected trust advantage, as it were, is that it may be far more important psychologically in making us feel like we belong to a vibrant powerful community of like-minded people than our best friend can. A feeling of belonging is precious to us psychologically: It boosts our morale and meets our emotional needs. Positive feelings, particularly when shared with others like us, lead us into wanting to believe, and indeed believing that our news source is honest and open, respects our views, is competent and does its job well. Our favourite news source takes on the persona of a well trusted friend. Now that leap from feeling our news source is “good” to believing it is “good” may be ill advised, even manipulated by savvy marketers. But so may our construction of trust around our best friend, although admittedly we have capacity to be wiser in the latter case, not so easily deceived, and place our trust elsewhere if need be. The important point is that we jump from good feelings to favourable beliefs consistent with those feelings, in line with the principle of cognitive consistency. Furthermore, we are biased in that we don’t want to believe data that conflicts with our feelings of trust. We are prone to acquire beliefs around data that support our feelings.

The argument I am making is that the people close to us and the social institutions that are far away from us are both psychologically important to who we are and what we can do, and mentally we create them as entities that can be meaningfully compared on a trust continuum. Friends, authorities and governments can all provide what Tori McGeer (2003) calls our social scaffolding for realising our hopes – for ourselves and for our society. All can give us a sense of efficacy, they give us ideas, inform us of pathways, connect us with like-minded people, and share our ambitions and
dreams. In other words, impersonal institutions do as much to shape our identity and help us define what is meaningful and important to us as our closest friends. Once they become part of our social scaffolding, they earn a place in our trust bank, regardless of whether they are flesh and bone or an abstract construction that exists in our minds.² How elaborate this mental construction becomes and how much passion it attracts depends, of course, on the institution’s relevance and power over us. We ascribe to the authorities that govern us and affect us all sorts of attributes and motivations, some data based, some not. Included in these attributes is trustworthiness. It follows that in this process some other organizations and institutions will fail the test. They will be seen as not caring, not competent, not open and honest. In other words, they will be seen as “not trustworthy”. Others will earn the status of “irrelevant” – at least from our perspective. Whether or not being ignored pleases the authority concerned is another matter.

I have emphasized the dynamic nature of trust, the idea that different parts of that trust composite can go off the rails and need to be restored. My message has been we have to work at being trustworthy because we can’t take trust for granted. But that is only partly true. There is also an argument for thinking of trust as our default position in our communities.

A very important finding on the transference of trust from one-on-one intimate relationships to broad social groupings like government comes from the work of Jenny Job (2005, 2007; Job and Reinhart 2003). Jenny found support for a model that showed trust rippling out from families to community to local government and eventually to the tax office of the national government, not exactly an institution known for radiating the love. She defined and measured four trust domains: (a) trust in family and friends; (b) trust in strangers; (c) trust in government institutions supplying services locally; and (d) trust in more distant political institutions. What was so interesting about

² It is common for abstract constructions of organizations and institutions to have a “face” attached to them, often as an exercise in “branding”.

8
Jenny’s work in which she was ably assisted by the late Monika Reinhart was that the structural equation model that fitted their data best – and I must quickly add it was cross sectional data not longitudinal data - posited a causal flow of trust from close associates to trust in strangers to trust in local service institutions (schools, police, fire stations) to more impersonal political institutions. Importantly this model was a better fitting model than the one that our good governance literature would opt for first - one that allowed trust to flow in the opposite direction from sound impersonal government institutions down to personal relationships. Let me be clear: The top down model that trust in institutions increased trust locally received support. But it was not as good a model as trust flowing out from families, to friends, to schools and service organizations, to more distant political institutions. Trust flowed out like ripples from a stone dropped in water.

This finding is in keeping with Erik Erickson’s (1963) theory of psychosocial development in which we negotiate crises at different points in the lifespan. Infants first negotiate the crisis of trust versus mistrust. Will their primary caregiver be there to satisfy their needs and keep them safe? The key anxiety infants face is this: Will anyone come? If children learn that they can rely on their primary carer to feed them and care for them, they learn to trust. If their primary caregiver does not respond to their needs, infants are developmentally and social disadvantaged. They are mistrustful, suspicious and anxious, too afraid to venture into the world of hope and learning how to trust others.

Now this does not mean that one’s life trajectory on trust is set at 18 months. It is more about getting a good start in learning to trust and hopefully learning to trust well. Many things will happen throughout a person’s life that will alter the levels of trust one has in other people, organizations or governments. And this is what Jenny Job found. Her analyses showed the ripples of trust weakening with distance from close relationships. Moreover, the ripples could be blocked by experiences of untrustworthiness, particularly those involving government corruption and citizens’ feelings of
powerlessness. But Jenny’s main finding of trust rippling out from families does have important implications for democratic governments wanting to lead prosperous societies. The policies they adopt to support parents, babies and families are investments in a future generation that has capacity to trust and hope, and to use social capital to their own and their society's advantage.

I mentioned earlier that building trust means being responsive to breaches in trust norms and it follows that we have to tailor trust building or trust restoration activity to the types of breaches that have occurred. In Australia we might suppose that recent accusations of corrupt government deals over land development flag different trust norm breaches than illegally harassing welfare recipients to pay false debts to government generated by a defective algorithm. The former breaches norms of honesty, probity and competence. The latter adds another layer of breaches, that is, those related to care.

My argument for why democratic governments should be more attentive to breaches in trust norms is based on the premise that if governments and regulatory agencies abide by the trust norms, the gift of trust from the public will be the reward. There is a caveat here, however, and one which may be driving the actions of governments and regulators in directions that are opposite to what I am advocating.

I have been keen to point out in this lecture that trust is a valuable asset for us as individuals. I have given attention to when to trust, how we trust and how to be trustworthy. Through practicing how to read and use our trust norms and trust heuristics, we learnt to trust well.

In regulation and governance scholarship and practice, however, our greater concern is to set up institutional mechanisms so that there are basic protections against harm, and that includes abuses of trust, and so that we are capable of harnessing the collective to work cooperatively together,
particularly when it is in all of our interests to do so. So has my message so far had relevance? I would argue that it has. That it is counter-productive for any regulatory agency to destroy trust.

Indeed, regulators need to cultivate trust in itself, while keeping a watchful eye on those it regulates. COVID is the perfect example of the need for government and regulatory agencies to marshal collective action in the face of uncertainty. Governments and regulators need our trust to lead change in public behaviour. But as we know, many authorities are facing defiance.

From what I have said so far, it would be correct to expect me to argue for building trust through acting in accordance with relevant trust norms. But what if we have a proportion of the population who reject the relevance of trust norms? We do – 10% to 20% say they don’t care if government abides by these trust norms or not. Following these norms will not affect their level of trust. Does that small percent matter? It turns out that they do, much more than we expected.

In my work on motivational posturing theory, I look at the signals that we send to regulatory authorities and to government about what they are doing to us and expecting of us. Motivational postures are more fine-grained than trust. They are attitudinal composites like trust, but they are signals that we send to authority to indicate what we think of them, and they are motivational in the sense of communicating how much social distance we are placing between us and them, social distance in the sense of liking and being willing to defer to authority’s wishes, not social distance in the COVID sense (Braithwaite 2017).

We repeatedly find evidence of five postures in our regulatory work in Australia. We can signal commitment to our authorities – we know they are trying to do what is best for us and we agree with and defer to them in principle; we can signal capitulation - we are prepared to go with the flow, do what authorities want, no matter; we can signal resistance – the authority is treating us poorly and unjustly, and we need to stand up to them; we can signal disengagement – the authorities are
irrelevant, just ignore them; and we can signal gameplaying – look for the loopholes, work around authorities, and do what you want. We are all well versed in using all of these postures and we draw on them to adapt and protect ourselves when we feel threatened or intruded upon.

Now these postures emerged unexpectedly in an empirical study of nursing home regulation more than 30 years ago now – a study which was conducted with John Braithwaite, Toni Makkai, Diane Gibson and others (Braithwaite et al 2007). Since that time, the research challenge has been to replicate the findings and build theory around our empirical knowledge of these postures. And as it happens, that theory intersects strongly with the trust literature.

Underpinning the postures, I theorise three selves which are part of our ethical identity. They need to be respected, socially nurtured and understood by authorities. Ethical identity is that aspect of our being of which we are proud. Our ethical identity defines who we are and we are protective of it. The selves that are part of that ethical identity and relevant in dealings with authority involve morality, justice and accomplishment.

The first self is a moral self, being a good person, a good member of society, law abiding and responsible. None of us take kindly to being told we are bad to the core. We might do the wrong thing, but we can still be a basically good person.

The second is a self that expects justice and respect and can be aggrieved, especially when democratic rights are abused. We have a right to human dignity and equality before the law and as a citizen. Condemnation usually follows discriminatory and humiliating treatment of people, as well as disproportionate punishment and unjust processes that do not allow a person’s story to be heard.
The third is a self of achievement, ambition, status and accomplishment. The psychological literature on human needs emphasizes the importance of self-esteem and self-actualization (Maslow 1962; Rogers 1980). Rogers suggested that people continually strive to fulfill their actualizing tendency. Roger’s goal of the fully functioning self-actualizing person means having a positive and flexible self-concept, openness to experience and capacity to live in harmony with others.

These selves co-exist and we adapt to our world and its demands by balancing and optimizing them. Our moral self might constrain our achievement-seeking self or our democratic-seeking self, or our democratic-seeking self might moderate our moral self, should we see laws as being unjust and oppressive.

The best thing a government authority or regulator can do is to ensure that all three selves are healthy and in play. To seek to destroy any self is to dominate against long-term interests (see Kristina Murphy’s body of work on mass marketed scheme investors accused of tax avoidance). A regulatory authority that first, acknowledges these selves and second, accepts that here lie the psychological interests of those they regulate, benefits from having a starting point for respectful regulatory engagement and disputation. There are no guarantees for avoiding court and the subsequent loss of a case, but being forearmed with this knowledge of selves should reduce the authority’s own risks of resource depletion and loss of credibility.

Let us assume for a moment a common error made by regulatory authorities and governments – the assumption that everyone accepts and is deferential to the law, and if they are not, they deserve punishment. In other words, moral obligation is assumed. It does not need to be nurtured. The position of the authority is that it need not waste time persuading citizens that the law is good and should be obeyed.
If an authority fails to nurture moral obligation, and instead relies only on threats of punishment, or as Bruno Frey (1994) describes, “crowds out” our internal motivation to be a good citizen with oppressive actions, our democratic-seeking self and status-seeking self are awakened and consume our attention, possibly our every waking hour. Is there injustice here for myself or others? Are my hopes and dreams being destroyed by this authority? And then there is the inevitable search for others who are being treated like us, particularly others who can challenge the authority’s decision.

We look for others who share our view and can help defend our offended self. A democratic-seeking self that becomes aggrieved and a status-seeking self that become frustrated pushes us toward defiance; but defiance of different kinds. The first type of defiance is resistant defiance which occurs when an aggrieved democratic-seeking self crowds out a moral self. The second type of defiance, dismissive defiance, occurs when a status-seeking self crowds out a moral self.

Now to return to our trust story. Trust and breaches of trust play a central role in fuelling and calming resistant defiance. If the trust can be restored and the relationship repaired, the moral self will strengthen so that citizens do the right thing, even if they cooperate reservedly at first. The problem in the case of resistant defiance is a problem with the system that can be corrected by a sympathetic authority. The goal is not destruction of the system, just correction to the way it is treating people.

When we are dealing with dismissive defiance, however, trust is far less important because it is the system itself that is the target of defiance. About 10% to 15% display dismissive defiance. They are more likely to say that trust norms don’t matter to them. In other words, they are not looking for a relationship with the authority. They are more likely to exploit trust as a weakness than respect it as a social virtue. What we have learnt about those who express dismissive defiance against government and regulatory authorities is that they see their world as a stage upon which they must
win and are very comfortable bending rules and law to make that happen. Dismissive defiance as opposed to resistant defiance is linked with rule breaking and illegal conduct. There is reason for authorities to be more concerned about dismissive than resistant defiance from the point of view of who is likely to do greater harm.

I am going to speculate at this point that the phenomenon of dismissive defiance is making its presence felt in the world – It is becoming more visible to governments, particularly democratic governments, and citizens. In response to what government sees as loss of deference, together with an attitude of not caring about the law or government’s wishes, authoritarian muscle is on display through threats and domination. In many parts of the world we see laws becoming more rigid and less respectful of human rights, we see greater use of non-contestable decision-making algorithms and non-transparent surveillance technologies, and we see tough enforcement, sometimes even with little observance of the rule of law. Such measures deliver deterrence and coercion impersonally and inflexibly and generate fear. The population is silenced into compulsory deference.

Dismissive defiance can be reined in with costly sanctions, providing there are no legal loopholes and prospects of delaying investigations and legal hearings. Preventing a win and imposing consequential costs is the desired outcome for a regulatory authority grappling to contain dismissive defiance. The measures used for dismissive defiance, however, do not have the same impact when used against those who are displaying resistant defiance. Regulatory authorities are keen to engage with wrongdoing consistently. But what works with dismissive defiance will be counterproductive with resistant defiance. Resistant defiance grows when trust norms are breached. And breaching trust norms seems to be exactly what regulatory authorities and governments do when they try to crack down on what I would hypothesize as being dismissively defiant activities, the kind of defiance that regulatory authorities perceive as challenges to their relevance and legitimacy.
And so to the issue of contestable trust.

Trust is contestable at two levels. First is the contest around what is to be done to restore trust when what is needed is different from one context to the next. Breaches in different trust norms requires different kinds of analyses and different modes of rectification. We cannot sensibly use rule books or protocols or algorithms to decide what to do. It requires inquiry into specific cases and I suspect at some level face-to-face negotiation, if the regulator is to win back regulatory credibility.

Trust contestability also arises for the regulator and government at the meta level of does trust matter or not. If it does matter, and I would argue that the pandemic and predictions of other unforeseen disasters testifies to its importance, the contest as to what is to be done arises between regulatory engagement that nurtures trust and hope (the democratic-seeking and achievement-seeking selves), regulatory and political actions that elicit voluntary commitment from the moral self and lessens regulatory oversight, and at the same time, open and unapologetic pursuit of rigorous investigative and enforcement processes to curtail instances where the very trust and hope we are building is being exploited.

Responsive regulation and restorative justice were designed to provide the flexibility needed to deal with just these kinds of complexities (Braithwaite 2003). But then you would expect me to say that given my regulatory origins. So let me leave that for others to discuss and suggest a principle that we seem to have lost sight of and that may provide some guidance as we work through how to collectively build, protect and repair trust relationships in regulation and governance.

For this I return to the old principle in the trust literature of the value of knowledge and of the virtues of transparency, generosity and courage in sharing knowledge openly. The real benefits of trust, individually and socially, are only reaped when knowledge is freely available, comes from
different sources with different lines of sight on issues, when that knowledge can be shared, analysed and debated openly in communities, and when there is acceptance of the responsibility on the part of politicians, government officials and regulators to hear and act and genuinely work to meet the needs of the community.

Governments and regulatory agencies rarely seem willing to support this kind of transparency and public accountability. Instead, those in positions of most power and influence seem more intent on by-passing responsibility and resort to strategies that confuse, obfuscate and silence the public. They set themselves apart from those on the ground who know most about egregious harms, brace for media exposes with support from the public relations teams, and then wait for scandal to blow over. Problems that have been identified just don’t get fixed.

While I have sympathy for those grappling with the complexities of regulation and governance and those trying to get problems fixed, the responsibility squarely lies with regulators and politicians to take the first steps to dealing with trust deficits. Until trust deficits are fixed, problems will remain shrouded in misinformation and misunderstanding, and attempts to fix problems will spawn new problems. As Coleman (1981) observed in relation to policy development:

“If a social policy does not actively employ the interests of those on whom it has an impact, it will find those interests actively employed in directions that defeat its goals”

(p. 189).

Until regulators and politicians invest time in hearing public concerns and act in accordance with public expectations of being trustworthy and earning trust, we would all be well advised to be wary of trusting them. Because trust is relational, it is a gift that requires reciprocation.
References


