



**School for Sociology  
Doctoral Studies**

## **SUMMARY OF THESES**

**Eszter Bakonyi**

**To Trust or Not To Trust?**

**Trust Towards Democratic Institutions in Central and Eastern Europe  
after the Regime Change in 1989-1990 – with a Special Focus on Hungary**

entitled Ph.D. Dissertation

**Supervisor:**

**György Lengyel, D.Sc.**  
University Professor

Budapest, 2011

**Institute of Sociology and Social Policy**

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## **Chapter 1: Arguments about the Choice of the Topic**

Trust and confidence have not been an issue of mainstream social sciences for a long time, especially on societal and system level. Social psychologists dealt with interpersonal trust but it seems to be weak to transfer automatically the assumptions formulated on individual level to the level of complex societies and political regimes. In the 1980's, social scientists started to pay more attention on public trust and confidence in the system as on the one hand, established democracies, Capitalist market economies, and welfare states of Western Europe faced decreasing content of the population despite higher living standards than 40 years before or than other parts of Europe and the world. On the other hand, the issue of social trust and confidence in the regime became also more popular by the end of the 1980's as the fall of the Communist, in other terms, the State Socialist regime in Eastern and Central Europe made it possible to create new democratic regimes which needed to establish a functioning system trusted or at least, accepted and respected by the citizens.

Social trust was, and usually is analyzed only as a certain level on a scale or as a proportion of the population expressing an opinion about institutions of the system or anonymous others. But these research usually fail or do not aim at exploring the content of trust and confidence: whether respondents answer the same questions the researchers think of; whether there are institutions or social groups which are similar or different to each other in the minds of the citizens; whether there is a structure of institutional trust and how it looks like, how it changes in time; and whether social characteristics such as information, education or the perceived economic success influence trust or not. But before I explain the approach of my doctoral dissertation to social and institutional trust, I would like to mention a few theoretical dilemmas, debates, and assumptions about trust and institutions that make an important basis of my dissertation.

An important step in the modern theory of trust was the distinction of Niklas Luhmann about trust and confidence. Very briefly, the former refers to the reliance on anonymous others while the latter refers to the reliance on the system. Trust is a more conscious process using inside causes to explain the situation while confidence is rather unconscious and uses outside causes to explain a distortion. The civil society and the social capital approaches added also important elements to the modern concept of trust by emphasizing the importance of small circles of the society in developing and learning trust on the one hand, and the role of trust in getting access to several beneficial resources such as free time, low costs, information, and

goods on the other. Another important angle which influenced the theoretical basis of my analytical approach is the trust-as-a-process concept. It emphasizes the role of past experiences in trust while tries to develop a complex model integrating trust in close ties, in the anonymous others, and in institutions. Regarding the theories of institutions, I used the economic and rational choice theories on the one hand, and on the other hand, the cultural and historical approaches to explain the emergence, operation, and change of institutions.

There are many debates among social scientists whether trust exists in stable, democratic regimes or it disappears when institutions take the role of ensuring that rules and the law prevail. It is also discussed whether anarchy helps or hinders to develop trust and whether trust can be measured at all and if yes, whether it is a binary variable, a continuum variable or something else. Usually, scholars use trust in an analysis as independent or dependent variable. Those scholars who take trust as an independent variable are primarily concerned with the benefits of trust, e.g. Gambetta, Putnam, and Luhmann. They focus on the potential of trust to reduce transaction costs, facilitate cooperation, create social capital, and reduce the risks of uncertainty. In contrast, those scholars who handle trust as a dependent variable, concentrate on factors which have an impact on trust, e.g. Yamagishi, Coleman, O'Neill, and Zucker. They investigate the characteristics of the trusted actor as a criterion of building trust, the role of reputation in case of trust intermediaries, and the characteristics of organizations to develop trustworthy relationships. Khodyakov suggests a new use for this term by focusing on the dynamic aspect of trust. According to him, trust should not be viewed as a glue that holds society together but as a social practice or process by which responsibility, commitment of both parties, and the chance for social changes are incorporated into the term.

Similarly to many authors dealing with trust, I also think it to be important to stress the temporary aspect of trust, i.e. while examining trust, the importance of past and future, and the cultural-historical context have to be kept in mind. It means that the maintenance of trust depends highly on previous experiences and reputations of the parties who enter interactions and who have also some future expectations to have material or non-material rewards from this interaction.

Besides these debates, it is also worth to mention that some researchers do not agree on the question whether trust in institutions can be also conceptualized and measured or only interpersonal trust can be. For example, Margaret Levi insists that trust exists only between individuals, but trustworthiness can be attached both to individuals and institutions. She

argues that citizens do not trust the State itself but “they are declaring a belief that, on average, its agents will prove to be trustworthy”<sup>1</sup>. Russell Hardin gives similar explanation when he urges that researchers should not focus on trust in the State and State institutions but instead, they should concentrate on trustworthiness. I accept these arguments, but I think that trust in institutions can exist in the way as I interpret institutional trust that it is a social process in which two partners have a relationship, thus, both have some kind of responsibility and commitment in the situation. In other words, I would regard institutions much more as agents and actors of the system than Levi or Hardin do it. Besides, I suppose also that institutional trust can be more important in modern societies than interpersonal trust as people can get more appropriate resources faster and easier from institutions than from their fellow citizens. The major difference between interpersonal and impersonal trust is that some types of social exchange involved. Interpersonal trust depends more on social interactions, but these are usually more reciprocal and less risky interactions. In sum, trust in my conceptual framework is highly related both to rational decision-making and to ideas about honesty and morality, and it incorporates also the influence of the past, the present, and the future on the decision whether to trust or not.

Regarding the economic concepts about institutions, they are mostly handled as external, spontaneously emerging actors of economic life or developed by the invisible hand, but not made by the people. They are strongly related to competition in the market. Institutions are developed and maintained because they are beneficial for the society or at least, for the dominant group. They fulfil necessities, provide information, punish cheaters and by this, make an optimal situation in the economy. Thus, according to the economic and rational choice conceptions, existing institutions have to be beneficial and efficient in terms of interests of the actors and any inefficiency and suboptimality are products of some kind of State intervention<sup>2</sup>.

In economic concepts, institutions emerge, selected, and maintained simply because they have social benefits. They set the scene, the rules, the standards, and the dispute resolutions in many different areas when people interact on individual level. Institutions help modern trade and exchange by defining the measurement of time and space; they promote exchange by defining the bases of property rights; they help to develop social standards about responsibilities and roles by defining the rules of marriage and other rules governing the

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<sup>1</sup> Quoted by Khodyakov, Dmitry (2007): Trust as a Process: A Three-Dimensional Approach, *Sociology* 2007/41, p. 123

<sup>2</sup> Knight, Jack (1992): *Institutions and Social Conflict*, New York: Cambridge University Press, p. 13

family; they structure bargaining over resources by organizing economic production and distribution; and they make decision-making less difficult and costly by setting the framework of political and State institutions in which representatives can conduct law-making. But according to the rational choice theory, individuals do not give priority to social and collective benefits, they will always follow the strategy of narrow rationality, i.e. the preference of individual self-interest. Practically, individuals accept and take part in institutions, because they can gain more and follow their interests easier and less costly in these institutions than doing it alone. Institutional rules are products of conflicts between different interests of various social actors<sup>3</sup>.

The rational choice approach has been criticized by many other schools of social sciences. Although, usually all authors agree that institutions are products of social actions and maintained because they are useful for the community, the rational choice approach is mostly criticized to be weak regarding its only focus: the rationality of these processes. Sociologists usually criticize this approach for neglecting norm-driven behaviours and the little interest that rational choice authors show to explaining the emergence of values, preferences, and institutions. It is also worth to mention that rational choice authors base their theories on the present situation and explain the emergence and maintaining of institutions retrospectively and with a functionalist approach: institutions exist because they provide useful outcomes in an efficient way. Thus, existing institutions are functionally useful, efficient, stable, and realizing an equilibrium in the system.

Basically, following the explanations of Knight, there are four types of critiques that is worth to mention here as a summary. The first one argues that the rational choice approach fails to take into consideration the changing nature of preferences. The second criticism is that this approach views institutions as actors of a world dominated by autonomous individuals following their self-interest and it fails to explain two important social characteristics. The one is that institutions themselves reflect and cumulate the common historical experiences of a community; and the other one is that institutions provide a feeling of cohesion for the members of the community based on common experiences and representations. The third critique is that the rational choice school does not explain the existence of suboptimality and inefficiency in individual and social interactions. And the fourth one complains about the fact

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<sup>3</sup> Knight, Jack (1992): *ibid.*, pp. 22-28



that rational choice theorists neglect power relationships which affect the emergence and maintenance of institutions very often<sup>4</sup>.

The cultural approach starts to explain the emergence of institutions by insisting that institutions are created in a world where institutions have already existed. Sociological institutionalists argue that institutions are not only chosen because of their utility for the community but because they provide collective processes of interpretation and social legitimacy for the actors. By doing this, institutions offer important elements of social identity for the actors of the institutional framework. People choose and maintain institutions, because they appreciate the social and cultural role they play in these processes. It also helps to understand apparent inefficiencies in the social and political system. When institutions are developed, they always borrow from the existing world of institutional templates as reforms are defined by cognitive systems of the community, thus, institutions are at least partly affected by the past. But it is also a phenomenon that makes so much criticism about sociological institutionalism by arguing that it focuses on macro-level processes too much and forgets about individual considerations. A world explained by sociological institutionalists is often said to be “actions without agents”. It is also suggested by critics to pay more attention on meanings, scripts, and symbols emerged from debates and not only from interpretations<sup>5</sup>.

Historical institutionalists also insist that institutions are always already-existing phenomena of the social world, therefore, new institutions are always strongly affected by the past. This approach is unique as it does not use a deductive method about institutions as for example, the rational choice theory does but an inductive one. When these authors analyze why certain actors behaved as they did, these scholars use the historical records and evidences to explain it. It is also called a neo-Weberian focus in historical analyses of actors and it makes possible to explain why a certain institutional framework occurs when there are more possible outcomes of equilibrium according to the calculus approach. But this inductive method of historical institutionalism has also a weakness comparing to the deductive approaches, because it makes historical institutionalist analyses slower to develop the findings into a systematic theory about the general processes of institutional development and change in the different cultures and regions of the world<sup>6</sup>.

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<sup>4</sup> Knight, Jack (1992): *ibid.*, pp. 17-18

<sup>5</sup> Hall, Peter A. – Taylor, Rosemary C. R. (1996): Political Science and the Three New Institutionalisms, *Political Studies*, 1996/44, pp. 953-954

<sup>6</sup> Hall, Peter A. – Taylor, Rosemary C. R. (1996): *ibid.*, pp. 954-955

Institutions in the Central and Eastern European countries during the Communist, or in other terms, the State Socialist regime were seen as enemies of the citizens and representing foreign occupation and dictatorship. Therefore, distrust was very strong towards these institutions. From the civil society point of view, it can be seen as a problem of the relationship between interpersonal and institutional trust. As people could not take part in voluntary organizations, they could not learn on micro level how to cooperate and trust other people. Thus, trust was not developed on individual level because of the lack of a strong civil society, hence, trust could not be generalized and transformed into trust towards institutions of the State. As supporters of the civil society and many of the social capital approaches argue, if there is not civil society, there is not trust in institutions.

According to another tradition, there is an alternative explanation for the low institutional trust in Communist, State Socialist countries. This approach supports the idea that institutional trust is created by the extent to which State institutions are able to meet the needs of the society. The lack of civil society and the low level of interpersonal trust could be a reason for low institutional trust, but it is much more important in the explanation that the Communist governments and States failed to provide their citizens with the goods and services they needed. And as institutions could not perform their functions, Central and Eastern European citizens living in Communist regimes learned quickly that waiting for the help of the State is less efficient than turning to personal networks and sometimes, using illegal methods. Khodyakov also explains it about the case of the Soviet Union: “factory managers had to exchange state-owned raw materials with other factory managers, bribe public officials, and produce goods of unacceptable quality just to reach the goals of central plans. Yet they also had to develop trustworthy relationships with other managers because their actions were illegal, and managers risked punishment if caught by the state (Anderson, 1995; Kapustkina, 2004). The social and economic hardship that people had experienced at that time taught them how to rely on interpersonal networks with their relatives, friends, and even friends of their friends rather than on the state in obtaining scarce consumer goods and services”<sup>7</sup>.

Besides the dysfunctional problems of institutions of the Communist regime, some scholars emphasize the role of the moral aspect in low institutional trust before the regime change in 1989-1990. If moral judgements play an important role in the attitude formulation of citizens about institutions, the problems with social ethics in a society will have a negative impact on

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<sup>7</sup> Khodyakov, Dmitry (2007): *op. cit.*, p. 119

institutional trust. As Yang formulates it: “trust is foremost an attitude with affective components and a form of moral affirmation indispensable to moral self-definition, good character, and moral judgement (J. P. Miller, 1994; Weinstock, 1999). However, in a diverse society with a distrustful political culture, ideological clashes, racial conflicts, income gaps, and geographic differences, widespread affect-based trust is difficult to achieve”<sup>8</sup>.

As a summary of this introductory chapter on my dissertation, it is also important to mention that I tried to reach three different aims in my doctoral thesis. First, I aimed at studying some theoretical considerations of social and institutional trust on empirical evidences. As a second point, I wanted to explore the social and cognitive processes that took place in the societies of the new democracies and in Hungary as a case study for a more detailed, focused, and deeper analysis. In other words, I aimed at highlighting the different patterns of institutional trust in Central and Eastern Europe according to the assessments of the citizens. And thirdly, I planned to explore not only the relationship between social trust and several social background variables but also to examine the content of trust and trustworthiness: how citizens make their trust-decisions; how the institutional framework can be modelled according to public trust towards institutions; what kind of social groups can be identified on the basis of the structure of their institutional trust; how these trust-groups changed in time and shaped the face of the society; and what implications it has if we measure trust in its systematicness through integrating the three dimensions of thick, thin, and institutional trust into one model.

## **Chapter 2: The Methodology Used**

I used only quantitative methods in my doctoral dissertation to explore the content, the changes, and the structure of social trust. I made simple and multivariate statistical analyses on nationally representative survey samples of several Eastern and Central European countries, and of Hungary from the last twenty years. I have mostly done explorative analyses in my dissertation to highlight the main characteristics of social and institutional trust, but I made also explanatory models and tests to analyze the social and demographic characteristics of trust and confidence.

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<sup>8</sup> Yang, Kaifeng (2006): Trust and Citizen Involvement Decisions: Trust in Citizens, Trust in Institutions, and Propensity to Trust, *Administration & Society*, Vol. 38, No. 5, p. 590

There are four big parts of my doctoral dissertation regarding the methodology used. I present here these four methods and the data sets used for each phase.

In the first phase, I conducted an explorative analysis on international comparative data to explore the peculiarities of the new democracies of Central and Eastern Europe in terms of institutional trust. I used two waves of the European Value Study from the beginning and the end of the first decade just after the regime change in 1989-1990 and I incorporated Bulgaria, the Czech Republic, East Germany, Hungary, Poland, Romania, Slovakia, and Slovenia into the analysis. This method made it possible to show what happened in the region of Central and Eastern Europe in the first decade of democracy, how the new institutional system could build up and prove a trustworthy public image, which institutions were more and less successful in this, what kind of institutional design could be found in terms of trustworthiness, and how this design change in time. These data made it also possible to highlight the main characteristics and make some comparisons inside the Central and Eastern European region, i.e. to compare the Central European region with the Southern East European region and then, to compare the single countries of Central Europe both with each other and in time. For these analyses, I made separated component analyses, hierarchical cluster analyses, and variance analyses.

In the second phase, I made an explorative analysis to highlight the main trends of institutional trust in Hungary as a case study for my dissertation. I used a longitudinal data set for this part of my research. This data set consists of data on 15-20 institutions of twenty years from nationally representative surveys conducted by the Hungarian Medián Opinion and Market Research Institute in every month of these two decades and with 1200 respondents in each month. This data set made it possible to analyze and compare the trends of institutional trust in case of the different types of institution throughout the two decades of democracy. And besides the descriptive part of the longitudinal analysis, I created subgroups of the society according to the structure and intensity of institutional trust of the citizens toward the new institutions and then, I compared the changes of these “trust-groups” during the two decades of democracy in Hungary. For this second phase of analysis, I used separated principal component analyses and K-means cluster analyses, besides the simple descriptive statistics.

In the third phase of my empirical research, I made an explorative analysis again. I had the chance to design an own questionnaire to incorporate some questions to explore the content of

social and institutional trust and to test some theoretical assumptions and empirical evidences of previous studies. This survey was conducted by Medián in April 2009 on a nationally representative sample with 1200 respondents. This cross-sectional analysis gave me the opportunity go in-depth into the content and characteristics of social and institutional trust, to explore the motivations of trust and distrust, and to explore the influence of temporality and path-dependence. I use mainly the considerations of Niklas Luhmann on trust and confidence and the trust-as-a-process approach for this analysis about the content and characteristics of trust. Besides several simple descriptive statistics, I made separated principal component analyses.

In the fourth phase of my research, I test three hypotheses formulated beforehand. This is the explanatory, or in other terms, the confirmatory part of the research. This analysis was also done on the nationally representative data of Hungary used for the cross-sectional analysis as well. My hypotheses aimed at highlighting the role of several social and economic background variables of institutional trust. The first hypothesis focused on the role of information and other social capitals, the second one tried to explore and compare the role of age and age-cycle, and the third hypothesis dealt with the effect and priority of social versus economic factors. For testing my hypotheses, I used the previously generated separated principal components, path-modelling based on regression analyses, and simple regression analyses.

### **Chapter 3: Main Results**

The regional comparison of trust toward new institutions in the Post-Communist countries shows that in some countries, it may be a long way that these institutions gain significant social trust while in others, this progress may take less time. Although, in most countries of Central and Eastern Europe, the new institutions of democracy and free-market economy faced with very positive attitudes and expectations from the part of the citizens at the times of the regime change in 1989-1990.

My analyses show also that the Central and Eastern European countries were rather similar to each other, there were mainly just some regional differences whether they belonged to the Central, the Eastern, and the Southern part. As time went on and citizens gained more experience from the functioning of the new democratic institutional framework and about the individual institutions, these institutions gained or strengthened also their own image in terms

of public trust. They have become more peculiar, different, and special inside the Eastern and Central European region.

The new democratic institutions of these Post-Communist States were rather trustworthy in the first few years after the regime change in 1989-1990. It shows that these institutions were not only an external framework far from the citizens but they were rather strong mediators or representatives of identity and social cohesion. In accordance with the economic and rational choice theoretical assumptions, they could set the democratic scene, the rules, the standards, and the dispute resolutions well for the citizens of the new regime. As democracy, free-market economy, and most importantly, the Western lifestyle had been waited for long in these societies, it may not be surprising that the new regime and its institutions were rather popular at the beginning and that many citizens could accept and support the new rules and norms of behaviour, and principles of the system. As authors of the cultural and historical approaches explain, the new democratic institutions could provide collective processes of interpretation in the new circumstances and important elements of social identity. Besides, it was all new for the citizens and also for the new players of the democratic games, e.g. for the organisations and institutions as well, the new procedures and behaviours were not extremely new and difficult to cope with as these were all strongly affected by the past and behaviours of the past.

My empirical evidences show that the trends of institutional trust in the first decade of democracy and market economy in Central and Eastern Europe can be well described by both the calculus and the cultural approach, especially by the latter. In case of Hungary, the picture is a bit different as the logic of behaviours and procedures of Hungary seem to diverge from the cultural explanations and approached closer to the calculus concept. The Central European region could be characterized in the first decade of democracy by a rather high, although, modest level of trust toward the civil and social institutions. And this trust toward the new civil and social institutions remained stable during the first decade of democracy, thus, these new institutions could provide important elements of social identity for the citizens in the new circumstances.

In contrast to this, Hungary had a different way in the new democracy as a significant disappointment followed the first period of democracy. Not only the new civil and social institutions but practically, all institutions of the new regime lost of their trustworthiness in the first decade of democracy, except the state services. It shows what both my comparative

and longitudinal analyses confirmed also that the strong State has become an important need and wish for Hungarian citizens. It implies that the controlling-punishing function of institutions were stronger for Hungarians than the identifying function. In the Southern Eastern States, institutions needed more time to make a difference and to have a structured image about their trustworthiness in public opinions: there were not many changes in the first decade after the Communist regime collapsed.

Regarding the inner structure of the institutional frameworks in the different regions of Central and Eastern Europe, there are also some interesting and very different trends in public assessments. During the first decade of democracy, the new institutions became more individual and unique, they developed their own image in the society, thus, the whole system became more structured, complex, and specialised by the end of the first decade. In Hungary, different trends can be found. The public image of institutions became closer to each other inside the institutional framework which means that there were less nuances and differences in the system than before. Only trade unions and the press did not follow this trend which may show that these institutions were a bit further from the State which implies also that they were a bit neglected by the citizens as their demand for a strong State became more important and more significant. Institutions in the whole Central European region had to face with very high expectations from the citizens just after the regime change in 1989-1990 in terms of competence, efficiency, and trustworthiness, but it was followed by a significant disappointment in general. The South and East European countries experienced different trends: institutions here composed a rather unstructured framework inside the new political system at the beginning, but this picture became more heterogeneous as time went on. These all imply that institutions of democracy and free-market economy were identification and reference points for citizens to a rather small extent in the new system in Central and Eastern Europe while people learned to live with them after some time but in different ways and by different strategies.

In case of the single countries of the Central European region which might be more similar to each other because of the historical, regional, and cultural experiences and similarities, different trends and tendencies of institutional trust can be seen in the new systems. Of course, East Germany is a special case because of the reunification with West Germany and the automatic EU accession of the country, but East Germans show some trends which can be found in Hungary and in the Czech Republic as well. The main finding in case of Hungary but which is also true for the Czech case and partly for East Germany is that citizens had very

high expectations towards the new democratic institutions which were simply unable to fulfil them. And then, it was followed by a strong disappointment and lower trust in the new institutions. The same happened to the institutions of the European Communities/ Union. In case of Hungary, strengthening mistrust has gone hand in hand with a higher level of trust toward the coercive institutions which are specialized in surveillance and control of citizens, in following the rules of the game, and in giving penalties to cheaters. In contrast to Hungary and the Czech Republic, new institutions enjoyed a higher level of public trust and lost less of their trustworthiness in Slovakia and Poland. The regime change in 1989-1990 was a real success for the new Slovakian and Polish institutions after they became independent from the Soviet regime, and in case of Slovakia, from the Czechs as well. These results strengthen the concept of the cultural approach and more precisely, the historical institutionalism that the different States use different methods and concepts of meaning to provide the citizens. These differences have an impact on the behaviour of the citizens in these States and thus, the institutional frameworks shape the political culture of these countries and the political behaviour of their citizens.

My analyses about the Central and Eastern European region and about Hungary in itself proved the experiences of Western democracies that although, the institutional system, the functioning of the institutions, and the State bureaucrats are transparent, much more transparent than before, thus, these institutions, bureaucrats, and elite groups are much more accountable than before, but still they get less trust from the public. Most institutions can reach only a moderate, rather neutral level on the trust-scale while many of them are distrusted by the citizens. Only a very few institutions enjoy really high level of trust. However, these results may also prove that citizens do not think of the institutions as just abstract phenomena and principles but they assess also the performance and image of the institutions when they make their trust-decisions.

Regarding the Hungarian case, the changes of trust-groups created on the basis of their structure of institutional trust show that more and more people would like to see some kind of order in the social and economic system. The free competition of ideas and interests in politics, of workers and professionals on the labour market, of different values and habits in the society might be too fast and shocking for many people that they could not adapt or adapted only with difficulties to the new situations and requirements. Besides, more transparency and information or better access to these showed also the dark side of the new regime such as cheating, free-riding, corruption, and sometimes, the incompetence of these



institutions and bureaucrats. But it does not mean that Hungarians are completely disappointed about democracy and free-market economy, there is still strong support towards them, although, civil society and the counter-balances of the State have become less important and less trusted during the two decades after the regime change in 1989-1990.

My empirical analysis about trust-as-a-process in Hungary shows that in contrast to the concept of globalization about turning thick into thin trust<sup>9</sup>, thick trust has strengthened compared to thin trust and institutional trust which have weakened during the two decades of democracy and free-market economy. It shows again a disappointment in the Hungarian public that trust towards the new institutional framework and towards anonymous others could not gain a significant and stable trust yet. After some experiences about democracy and Capitalism, people rely mostly on their strong ties while perceive weak ties and institutions with some more suspicion. These results are supported by some other studies that the level of institutional trust is decreased, the circle of social trust is narrowed while family ties became more concentrated and gained a more important role in trust-decisions<sup>10</sup>.

The analyses I have done show also that institutions are mostly trusted for their competence than their goodwill during their operation. These results imply that there has been a moral crisis in the institutional framework and the public life in Hungary. As a result and also as a parallel tendency, personal networks have become denser in the society, the civil society has become more important for the people when it is about trust-decisions. It shows that the performance of the State and State institutions is not enough or rather weak for the citizens. Another implication of the refusal of weak ties and institutions in contrast to strong ties is that self-confidence is rather low in the Hungarian society and in parallel with this, trust towards a system which is based on competition is also very stressful and weak. As a result of all these trends and tendencies, the Hungarian public have expressed a strong demand for coercive institutions. Even if they are not successful or do not behave comfortably in the new system, but at least, cheaters and possibly more successful cheaters and actors of the game should be given penalties. These imply that some dangerous attitudinal tendencies start to develop or maintain in the Hungarian population.

I found similar results at the test of my hypotheses. As other surveys and research have also showed, material success is the most important index of social success in the Hungarian

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<sup>9</sup> Sztompka, Piotr (2006): New Perspectives on Trust, *American Journal of Sociology*, Vol. 112, No. 3, p. 917

<sup>10</sup> Utasi, Ágnes (2006): Társadalmi tőke és bizalom (Social Capital and Trust, in Hungarian), *Kritika*, 2006/6, [http://www.kritikaonline.hu/kritika\\_06junius\\_cikkek\\_utasi.html](http://www.kritikaonline.hu/kritika_06junius_cikkek_utasi.html)

society while people tend not to accept personal skills and talent of successful fellows. This blindness for success can be also a result of difficulties with adapting to the new competitive regime of democracy and Capitalism as it can be a self-securing function for less successful citizens. Thus, my analyses show that material success is the most important index of social success, integration, and trustworthiness. Besides, another interesting but also surprising result that information and knowledge seem not to have a real impact on public trust. In contrast to the calculus approach and the rational choice theories, citizens who trust institutions do not need more information than others to have a demand for institutions which would provide it. Nor are they more informed than others which could be expected as a result of interaction and more interest to institutions.

My empirical analyses show also that in Luhmann's terms, confidence, i.e. reliability on the system has been seriously distorted during the two decades of democracy in Hungary. According to Luhmann, it results that citizens lose their interest towards public life and issues, and they withdraw into their private life. It does not mean necessarily that trust strengthens by this as the relationship between trust and confidence is not a zero-sum game. In fact, trust as a strategic decision in social situations with anonymous others is also weak in Hungary by the end of the second decade after the regime change. The consequences of these trends are that the level of social activism is lower, there are less social contacts, people withdraw into their private life, they deal rather with personal issues while they are not interested and do not participate in public life, public debates, and the elections. These trends can mean a danger to the functioning and operation of the democratic system, because not only the number of interactions decrease but also the feedbacks of citizens can diminish without which institutions will not have any information what and how should be changed or confirmed.

The lesson learned for institutions from these trends and tendencies is that they should focus more on their citizens, their trust-decisions, and the logic of these trust-decisions of citizens to reach a higher level of trustworthiness. In addition to this, my findings show also that citizens appreciate competence more than goodwill from the part of the institutions when it is about trust-decisions. It means that functionality and performance are more important for citizens than honesty and morals in case of the institutional framework. These results strengthen the idea that in contrast to the cultural approach, in many Central and Eastern European countries and as my case study shows it, definitely in Hungary, the new institutions of democracy and free-market economy are failed to give a basis for identification for the citizens in Western democratic terms. As several studies and surveys have already showed, material issues have a

strong impact on the attitudes, choices, and political behaviour of Hungarian citizens, my analyses also prove that in parallel to the calculus approach and the rational choice theories, utility, benefits, calculability, and efficiency are those characteristics that citizens demand and appreciate about institutions.

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May 26-27, 2006, Prague, Charles University: Reflection of Man, Title of the presentation: New Interpretations of the „Savage”



- 8-9 September, 2006, Budapest, Budapest University of Technology and Economics (BME):  
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Healthcare Management: Social Capital and Sport Governance in Europe. Trust and the  
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