

Trust and Cultural change in Argentina and Latin America

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Trust is a cultural virtue that societies possess to different degrees due to historical and contextual factors. Interpersonal trust and confidence in institutions is a key to the task of building better societies, healthier democracies, economic development and social capital – the set of informal values or norms shared among members of a group that permits cooperation among them in the quest for mutual benefit. Social capital has a strong correlation with happiness, which may explain why Scandinavian societies rank that high in subjective well-being indexes. This is not happening in Latin American countries, whose stock of social capital is rather small.

I attempt to show how this works in Argentina and Latin America putting the available evidence within the context of the region and vis-à-vis the picture of other societies, mainly those within the framework of advanced Western democracies, where freedom, democracy, social capital and subjective well-being are highly correlated.

I'm developing my paper in three parts.

- 1) First, I discuss some of the seminal authors who give prominence to the idea of trust and social capital.
- 2) I then present our empirical evidence with an analytical emphasis on three dimensions of societal trust: a) interpersonal and institutional trust b) attitudes toward democracy, c) work, business and economic values. I use a mixed-method to approach research, quantitatively analyzing trust and democratic and economic values in the region using the World Values Survey data, as well as qualitatively analyzing trust through a series of in-depth interviews conducted in Argentina.
- 3) To conclude, I discuss how attitudes and values regarding trust, democracy and work might influence public policies in Argentina.

Theory: Trust as an interactive process

When Alexis de Tocqueville discovers the density of American associational life, one of the most important socio-political insights he puts forward is that democracy is not only or primarily a political institution, static and declarative, which exists over the citizenry, but a dynamic social process between individuals with civic attitudes that unfolds at different levels of societal life.

The social habits and customs he sees are closely linked to the practice of good politics and public policy elaboration. Free and active participation in social life is what ultimately lubricates and "produces" institutions and democracy. De Tocqueville makes a strong point: associating with others individuals gain autonomy. He argues convincingly that only active participation within free associations make a genuine popular will. These free associations, guaranteed by effective citizenship, are held by a sense of cooperation, solidarity and responsibility

De Tocqueville is the authentic intellectual precursor of the relationship between civil society and civic engagement. He was rediscovered in the middle of the twentieth century in France, especially through political philosopher Raymond Aaron, who acknowledged him as one of the founders of political sociology. But it is American political scientist Robert Putnam who made Tocqueville's ideas known in the United States and worldwide, popularizing the concept of social capital in academic, private and public spheres. Putnam (1995) says that, "as we speak of physical capital and human capital to refer to the tools and training that promote individual productivity, the social capital refers to those features of social

organization, such as networks, norms and trust, that facilitate coordination and cooperation for mutual benefit.”

In turn, Fukuyama (1997) argue that “social capital can be defined simply as the existence of a certain set of informal values or norms shared among members of a group that permits cooperation among them,” although warns that “the sharing of values and norms does not in itself produce social capital, because the values may be the wrong ones.” The right ones, according to him, “must substantively include virtues like truth-telling, the meeting of obligations, and reciprocity.” And, he adds, “there are two points that need to be made about social capital. First of all, it is not a subset of human capital because it is a property of groups and not individuals. Conventional human capital, such as education and skills, can be acquired by Robinson Crusoe on his proverbial desert island. The norms underlying social capital, by contrast, must be shared by more than one individual to have any meaning.”

At the top of Putnam’s research agenda is the question of how a society can become more democratic and prosperous. And the answer is, very succinctly, by being a dynamic civil society. Empirically, Putnam’s study of the various sub-regions of Italy shows that democratic and economic performance is better, that is, more effective, where there is a long tradition of values, civic engagement and participation. For him, the network infrastructure and voluntary associations keep alive the social capital of a society, and this generates, or rather, “is a precondition for economic development” (Putnam, 1995).

When focusing on the American case, Putnam reveals the thickness and quality of community life in that country, at least until the 1960s. He then raises a broader body of evidence to document that there has been a marked erosion from the 1960’s to nowadays in the quantity and the level of participation in community associations, voluntary membership organizations and social networks.

The causes behind this change are many and complex: demographic changes in the labor market, in the family, the use of leisure and public space. But Putnam is still Tocquevillian in terms of recommendations. He finishes “Bowling Alone,” his famous 1995 article published in the *Journal of Democracy*, by calling for governments to pursue public policies that promote civic education and the revitalization of associations and organizational life. He strongly believes in their “pedagogical” power, by increasing face to face interaction between members, which leads to the development of experiences of cooperation, the generation of social norms and, above all, to the creation of the basis for mutual trust. This leads our discussion to James Coleman, the sociologist who laid the groundwork for the classic concept of social capital.

Putnam acknowledges that it was James Coleman who has done most to develop a theoretical framework for social capital. Coleman works in “theory building.” His motivation is based on a grand social theory about social behavior and his reliance on trust is extremely significant, given that in many other schools of thought social trust is seen as a naive and superfluous concept without sociological relevance or is relegated to the psychological dimension of the individual.

According to Coleman social capital is embedded in social relations. The key word is “interaction.” Repeated and sustained interaction between members of different groups prevents opportunistic behaviors and deception and encourages cooperation and exchange by reducing transaction costs, rent seeking and corruption. Thus, the effect of trust on social organization is positive and the economy grows.

Coleman sees trust as a process that gradually creates positive expectations about the behavior of others. The process boots productivity because it leads to cooperation and interpersonal exchange, establishing a bond of good faith between the parties, which allows groups to achieve goals that they otherwise would not achieve.

Fukuyama notes, however, that there are “measurement” problems regarding social capital, which has

an important qualitative dimension. “While a bowling league or a garden club might be, as Tocqueville suggests, schools for cooperation and public-spiritedness, they are obviously very different institutions from the U.S. Marine Corps or the Mormon Church, in terms of the kinds of collective action they foster.” A full account of social capital needs to take account of the degree of cohesive action of which a group is capable.

The second problem, Fukuyama says, has to do with what one might call the positive externalities of group membership. “While all groups require some degree of social capital to operate, some build bonds of trust and hence social capital outside of their own memberships. As Weber indicated, Puritanism mandated honesty not only toward other members of one’s religious community, but toward all human beings,” he adds.

The final problem concerns negative externalities. “Some groups actively promote intolerance, hatred, and even violence toward nonmembers. While the Ku Klux Klan, Nation of Islam and Michigan Militia possess social capital, a society made up of such groups would not be particularly appealing and might even cease to be a democracy,” he warns.

Fukuyama points out that “it should be clear that coming up with a believable number expressing the stock of social capital for a large and complex society” is next to impossible. There is, however, an alternative method of estimating a nation’s stock of social capital that poses fewer measurement problems. “Instead of measuring social capital as a positive value, it might be easier to measure the absence of social capital through traditional measures of social deviance such as rates of crime, family breakdown, drug use, litigation, suicide, tax evasion, and the like. The presumption is that since social capital reflects the existence of cooperative behavioral norms, social deviance ipso facto reflects a lack of social capital.”

Let’s see how this theoretical framework applies to Argentina within the context of Latin America and vis-à-vis the most advanced Western democracies? That I’m putting forward now.

Empirical evidence: surveys results

We present our empirical results examining one necessary condition of social capital: trust. For the analysis we break trust into three categories: a) interpersonal and institutional trust, b) attitudes toward democracy, and c) work, business and economic values. For each I first establish the trends in the last twenty years for Argentina using data from the waves of the World Values Survey since 1990 till nowadays. Then we use the data of the last wave of the survey to compare Argentina with other Latin American countries.

To further expand our understanding of trust as an attitudinal component of social capital, I also conducted exploratory qualitative research. Determining how people perceive and bestow trust was our guiding concern when I conducted in-depths interviews with Argentines of different ages and educational and economic backgrounds.

Interpersonal and institutional trust. Since 1984, the World Values Survey has employed a thorough approach, based on household interviews, to explore the values and beliefs in our society. Furthermore, the data from 1984, 1991, 1995, 2000, 2006, 2013 and 2015, in Argentina and the world, make tracking the changes possible. Values, unlike opinions, change slowly, from generation to generation. Thanks to the data gathered through these studies it is possible not only to shed light onto Argentine’s values but also to compare them to those in other Latin American countries.

To better understand the survey’s findings regarding interpersonal and institutional trust in Argentina,

a description of the political and economic history of this country is needed. Its historical experience shows a see-saw pattern since the Great Depression of the 1930s, when the economy's ups and downs were coupled with a marked deterioration of institutional quality, clearly seen in the recurrent cycles of military rule and weak democratically elected governments.

Many authors consider that the 1930 coup and the simultaneous economic crisis marked the end of the country's steady progress. At the turn of the nineteenth century, Argentina's economic prospects were at least in an equal footing vis-à-vis Canada and Australia, which in turn allowed its government to lure immigrants and capitals from Europe. Today, however, Argentina's per capita GDP accounts for approximately one third of the output of these countries.

Sons and grand-sons of many of those original immigrants, who came looking for a better future, have either returned or wish to return to the lands of their forbearers in the aftermath of the crisis that hit the country hard at the end of 2001.

As the twentieth century unfolded, Argentina's technically well-designed institutions were incapable of absorbing the economic, political and social shocks that rocked the country. Between 1928 and the end of 1983, when democratic rule was restored, Argentina barely has voted a democratically elected presidents, in free and fair elections, only eight times, and barely two succeeded one another: Hipolito Yrigoyen in 1928, who took the baton from Marcelo T. de Alvear and Juan Domingo Peron, who was elected in 1946, reelected in 1951 and toppled four years later. On the other hand, twelve military non-elected officers ruled the country between 1930 and 1983, seizing power by toppling constitutionally elected governments or succeeding one another by means of palace coups.

After achieving democracy in 1983, the country has managed to maintain constitutional rule in spite of recurrent social, political and economic upheavals. But, still reeling from their country's ups and downs, Argentines are now more distrustful than they once were when forging relationships with their fellow countrymen – the accumulation of failures and frustrations has fueled mistrust, skepticism and the feeling of vulnerability.

This has not been the best environment for the development of trust and social capital. Let's see the empirical evidence.

Personal trust. In Argentina, the accumulation of failures and frustrations over time has fed mistrust, skepticism, and the feeling of vulnerability. When this is added to rising crime and physical insecurity, we found in our surveys that 78 percent of respondents considered necessary to be careful when dealing with people.

Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?

%	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay
Most people can be trusted	19	7	12	4	12	8	14
Need to be very careful	78	92	85	95	87	90	77

Source: WVS-2010-2014

This is a regional trend. In Uruguay also 77 percent of respondents said they must be very careful in dealing with others and the percentages are higher in Peru, Brazil and Colombia. Likewise, it has been found that respondents acknowledged that the family and people they know personally are to be trusted most, ahead of the neighborhood and way over people they meet for the first time (99 percent for family, 28 percent for first acquaintances, although foreigners and believers in other religions are trusted more: 52 and 53 percent, respectively).

Once again, the answers in Uruguay are similar regarding first acquaintances (27 percent) and we see that in spite of the low percentage of people who trust persons they just met, the figures are even lower for the other Latin American countries. And this is much more marked in relation to trust in people of other nationality: 52 percent for Argentina as against 32 percent in Brazil, 22 in Colombia and barely 10 percent in Peru.

Could you tell me for each whether you trust people from this group completely, somewhat, not very much or not at all?

% Trust in	Your family	Your neighbourhood	People you know personally	People you meet for the first time	People of other religion	People of other nationality
Argentina	99	71	80	28	53	52
Brazil	93	54	58	18	58	32
Chile	98	65	70	23	41	39
Colombia	94	50	59	12	29	22
Mexico	93	48	50	12	28	23
Peru	92	34	44	5	14	10
Uruguay	95	68	65	27	38	40

Source: WVS-2010-2014

A majority of Argentines tend not to discriminate about religious preferences, race or ideology, but are more concerned about the potential damage that someone might cause to them by putting their physical life in danger.

In our qualitative sample, we found that Argentines are inward-looking individuals that do not feel confident and do not trust either State institutions or their neighbors; and who walk the streets feeling insecure, sensing a latent menace of physical harm. Insecurity comes first, hampering trust in relation to others in the public space. As a result, trust appears to belong to the personal and private space, to the sphere of intimacy.

Our interviewees had two views regarding trust. One refers to what may be called instrumental trust, which is rational in the sense that looks at trust as a means to minimize conflict and reduce transaction

costs between individuals. It tends to appear in relation to others outside their main circle of socialization (family and friends). It is in this means-toward-ends approach that people understand trust as a factor that allows an ongoing relationship with others.

The second may be labeled emotional trust. What emerged in our in-depth interviews is that people primarily associate themselves with their inner world of affection. It is mainly circumscribed to the private life and the most intimate emotions. This is why respondents seem to find trust as something difficult to conceptualize.

The family is seen as the main nucleus, where a sense of trust is born and is linked to a sense of belonging and security. Trust often goes beyond the family and extends to “closest friends.”

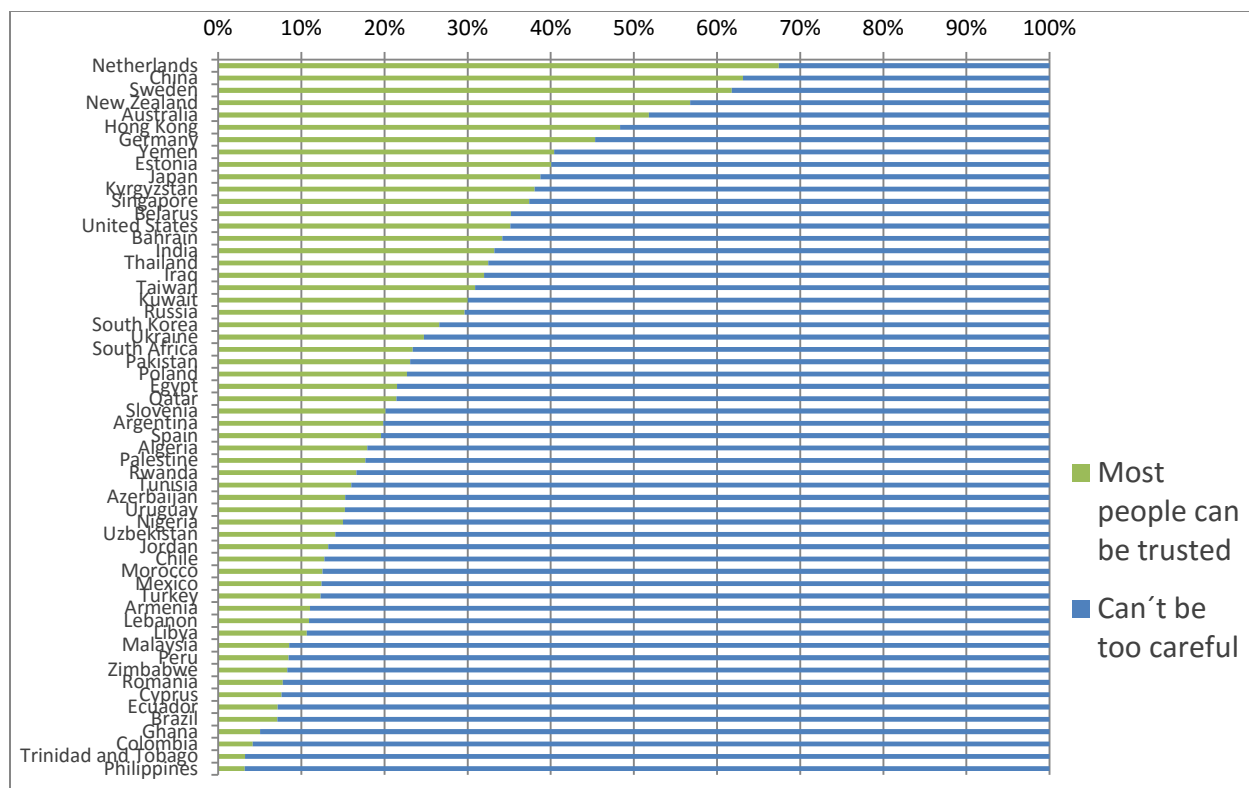
But the relation with these closest friends is perceived as different from that with the family. Some of our interviewees talked about the notion of a “secret sphere.” They stressed that trust has to do with keeping a sort of unspoken contract with the other person to mutually respect confidentiality.

In turbulent times, the main support in many societies is often the family, and Argentines are no exception. They seek shelter in their intimate circle -- family and friends -- where they feel safe: 99 percent of Argentines consider family very important compared to six out of ten who rate friends very important. This close-knit circle of family and friends in an environment where mistrust toward others seems to be the norm is not confined to Argentina, but it is also shared by other Latin Americans: the percentage of people who trust family above everything else range from 92 percent in Peru to 98 percent in Chile.

Likewise, a study conducted by WIN and Voices in Argentina in 2015, comprising 58 countries, also shows that Argentines are lagging many nations regarding trust. While the Netherlands, China, Sweden, New Zealand and Australia are on top of the list, Argentina ranks 30^o: about 20 percent of respondents said that most people can be trusted, as against about two-third in the Netherlands, and more that 60 percent in China and Sweden.

Slightly above Argentina, in positions 27^o, 28^o and 29^o appear Egypt, Qatar and Slovenia and immediately below, ranked 31^o, 32^o and 33^o we find Spain, Algeria and Palestine. Latin American countries are less confident: Uruguay is in position 37 and Chile 41, with about 15 percent of respondents who say that most people can be trusted, followed closely by Mexico in position 43 and finally with less than 10 percent by Peru, Ecuador, Brazil and Colombia in the 49^o, 53^o, 54^o and 56^o places, respectively.

Most people can be trusted



Source: WIN National Samples, 2015

And according to the London-based Legatum Institute index of social capital, launched in November 2015, Argentina appears 60^a among 142 countries, at the top of which rank nine of the 10 nations that made the top ten in the World Happiness Report – not only trust is a key element of social capital but also of happiness. These nine are New Zealand, Norway, Denmark, Australia, Finland, Canada, the Netherlands, Sweden and Switzerland.

Immediately before and after Argentina we find Slovaquia and Mauritania in positions 58 and 59. South Africa ranks 61°. Latin American nations are grouped roughly in three groups. Uruguay, Costa Rica and Panama appear 43°, 45° and 49°, respectively. Chile (62), Colombia (63) and Bolivia (64) are the closest to Argentina, while Mexico and Brazil are in 74 and 75, respectively.

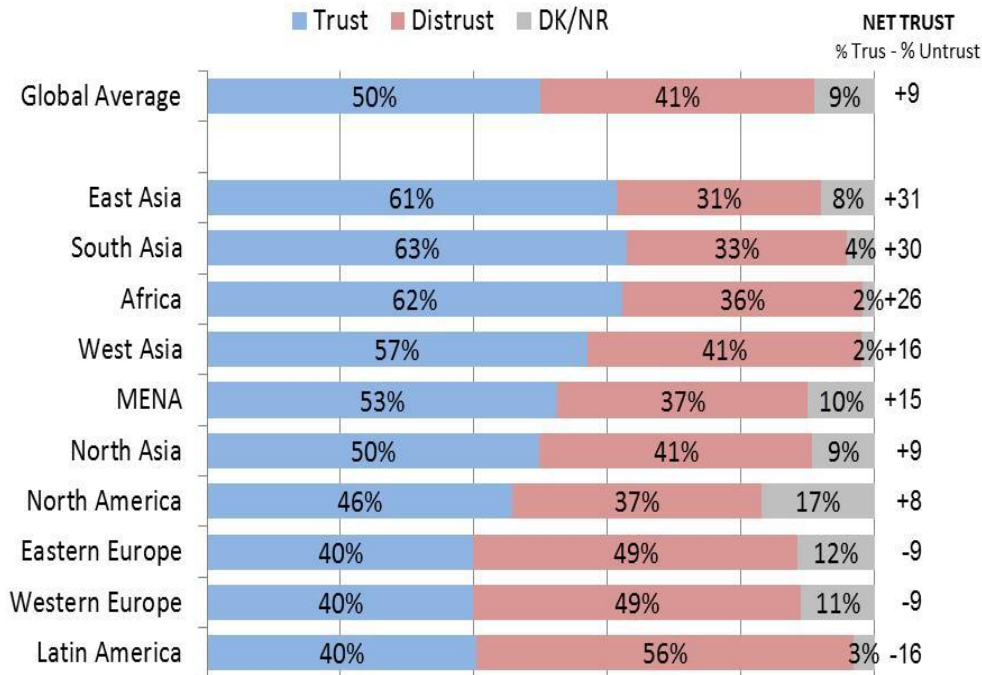
Trust in institutions.

When it comes to trust in institutions, a poll conducted by WIN/Gallup International in October, 2015, highlighted that Argentines are among the most distrustful in Latin America, which in turn turned up to be the most distrustful region in the world.

Looking at the average trust in the 10 groups of people considered (teachers, healthcare workers, military, judges, police, bankers, journalists, religious leaders, business people and politicians) we see that globally those who have confidence in them amount to 50% of respondents, while 41% have no confidence, meaning that there is a balance of net trust of 9 percentage points.

But there are differences between the different regions of the world: there is more trust in Asia, mainly in the East (+ 31 regarding net trust), the South (+30) and in Africa (+26). On the other hand, in Western and Eastern Europe (-9) and moreover in Latin America (-16) is where there exists more criticism of the groups analyzed and where mistrust is more prevalent than trust.

Average trust by region



Source:

WIN/Gallup International, 2015

Regarding the least trusting countries we find four Latin American among the *top ten*: , *Peru* (-24), , *Argentina* (-19), *Brazil* (-18) and *Panama* (-18),

Teachers and healthcare workers are the most trusted globally. The latter have a net trust as high as +92 in Iceland and +85 in Finland, while for teachers the highest are +93 in Philippines and +87 in Indonesia. Although they are the most trusted also in Latin America and Argentina in particular, the figures are much lower: +64 in Argentina and +26 in Panama in the case of teachers, for example, while they are +68 in Argentina, +38 in Mexico and +17 in Peru for healthcare workers.

Both globally and in Latin America, politicians and business people are the least trusted, although in Argentina and the region there is also lack of confidence in judges, the military and the police.

Distrust of politicians is widespread worldwide. But the nations where politicians are given the worst marks (-80 or higher) include three Latin Americans. They are Greece, Spain, Ukraine, Portugal, France, *Peru*, *Colombia*, Italy, Lebanon, Latvia, Ireland, South Korea and *Panama*. But very close to them appear Mexico, Brazil (-77 in both cases) and Argentina (-70).

Mistrust in business people is prevalent in 40 of the 61 countries surveyed. The nations with the highest lack of confidence in them are mostly European: France (-72), Spain (-69), Italy (-64), but also Latin American, moreover Argentina (-51) and Brazil (-40).

The evaluations of judges are more varied around the world. In 31 nations we find more trust than distrust in them, in other 3 the opinions are evenly divided and in the remaining 27 mistrust outweigh trust. The *top ten* regarding confidence include five European nations – Finland (+59) and Sweden (+58) among them – and on the other hand, among the countries where the lack of confidence in judges is prevalent, we find four from Latin America: Peru (-71), Argentina (-58), Colombia (-45), Panama (-42).

NET TRUST = % Trust - % Untrusted

And regarding the military, in 49 of the 61 countries surveyed the positive mentions outweigh

	a	b	c	d	e	f	g	h	i	j	Average of Net Trust in 10 Institution
	Net Trust in Institute 1 (Judges)	Net Trust in Institute 2 (Journalists)	Net Trust in Institute 3 (Politicians)	Net Trust in Institute 4 (Business people)	Net Trust in Institute 5 (Military)	Net Trust in Institute 6 (Healthcare workers)	Net Trust in Institute 7 (Police)	Net Trust in Institute 8 (Teachers)	Net Trust in Institute 9 (Bankers)	Net Trust in Institute 10 (Religious leaders)	
Global average	11	1	-48	-17	32	47	8	58	4	-6	9
Fiji	49	46	21	15	67	75	58	79	59	68	54
Vietnam	41	5	33	14	84	42	25	80	55	31	41
Philippines	20	53	-49	-1	37	83	4	93	63	61	36
Indonesia	-12	24	-35	26	58	72	-13	87	53	74	33
Finland	59	13	-51	-11	75	85	86	85	6	-38	31
Bangladesh	16	21	-52	34	72	68	-51	84	60	47	30
Nigeria	31	33	-59	29	33	60	-45	72	67	82	30
Afghanistan	-9	41	-8	5	51	48	35	73	-16	38	26
Georgia	-8	7	-28	5	69	51	35	72	-15	72	26
Kenya	6	52	-50	27	32	57	-31	74	51	30	25
Pakistan	42	31	-16	9	55	20	-42	51	41	42	23
Morocco	22	2	-15	6	42	23	35	41	29	32	22
Sweden	58	-28	-35	-24	39	83	70	73	32	-58	21
Palestinian territories (West Bank and Gaza)	44	25	-17	-8	6	36	23	45	-2	28	18
Canada	35	-7	-65	-18	55	75	42	67	-11	-24	15
South Africa	11	-8	-57	-6	38	56	-10	65	27	37	15
China	24	10	-31	-27	32	44	40	55	13	-43	12
Malaysia	12	-13	-66	-27	27	67	-9	72	25	31	12
Papua New Guinea	6	26	-65	2	28	65	-44	58	-5	51	12
Algeria	-2	-5	-46	-29	34	27	33	30	22	41	11
Ecuador	-17	12	-33	-5	36	54	17	50	-25	6	10
Kosovo	-28	7	-58	-29	57	10	49	64	0	29	10
Thailand	24	-43	-79	-53	61	60	-35	71	32	40	8
United States	11	-9	-71	-11	45	52	18	58	-19	2	8
Australia	32	-36	-70	-25	40	72	52	63	-32	-36	6
Czech Republic	1	-12	-62	-12	38	62	10	66	-12	-19	6
Iceland	21	-25	-63	-24	-53	92	73	77	15	-52	6
Netherlands	37	-16	-50	-41	46	68	44	70	-54	-55	5
Poland	19	-11	-54	-29	33	29	17	41	2	7	5
Lebanon	-12	-6	-83	-41	86	28	26	49	1	-7	4
Turkey	-5	-34	-61	-37	51	64	23	75	-29	-8	4
Romania	0	4	-73	-46	63	49	19	55	-55	-4	1
Armenia	-33	9	-60	0	57	15	-5	50	-19	-25	-1
United Kingdom	41	-70	-77	-23	49	72	30	63	-62	-30	-1
Hong Kong	65	17	-70	-69	-25	84	5	34	-45	-18	-2
Macedonia	-34	-25	-41	-22	21	35	4	42	3	-3	-2
Switzerland	40	-40	-55	-29	7	62	59	59	-48	-76	-2
Portugal	-15	-25	-90	-34	43	79	43	73	-81	-37	-4
Russian Federation	-14	-17	-35	-30	26	26	-16	47	-33	-11	-6
Belgium	4	-27	-74	-58	23	82	35	71	-63	-64	-7
Ireland	12	-39	-83	-31	37	63	17	67	-76	-48	-8
Japan	33	-25	-55	-21	-23	39	12	5	0	-46	-8
Austria	40	-30	-73	-26	-24	69	37	42	-61	-74	-10
Italy	-20	-27	-85	-58	30	51	34	48	-72	-12	-11
Serbia	-27	-53	-69	-16	40	15	-10	38	-35	5	-11
Bosnia and Herzegovina	-39	-18	-77	-17	28	27	5	32	-30	-33	-12
Mexico	-22	-2	-77	-27	9	38	-55	35	-33	-8	-14
Germany	24	-25	-72	-39	-13	34	47	43	-72	-73	-15
Latvia	-25	-40	-83	-19	7	31	2	55	-47	-32	-15
Colombia	-45	6	-86	-32	0	27	-25	54	-33	-27	-16
France	-9	-51	-89	-72	34	64	21	46	-69	-41	-17
Spain	-15	-29	-92	-64	7	84	23	74	-91	-69	-17
Brazil	-18	-14	-77	-40	-24	29	-38	52	-52	2	-18
Panama	-42	-12	-80	-33	-38	20	-17	26	-8	1	-18
Argentina	-58	-20	-70	-51	-42	68	-40	64	-43	3	-19
Bulgaria	-52	-19	-73	-47	10	20	-15	48	-51	-39	-22
Korea, Rep (South)	-13	-43	-82	-43	-24	-5	-18	20	9	-22	-22
Peru	-71	-19	-88	-12	-30	17	-59	40	-27	5	-24
Kazakhstan	-55	-30	-77	-29	6	3	-60	54	-59	-50	-30
Greece	-27	-87	-93	-58	20	14	-9	33	-83	-54	-35
Ukraine	-69	-47	-90	-46	-6	2	-64	55	-64	-70	-40

the negative assessments and among the others the military is less trusted in Iceland (-53). Within the group of nations where there is a low confidence in the military appear several from Latin America: Argentina (-42), Panama (-38) and Peru (-30).

These findings are consistent with that of the World Values Survey, which shows that in Argentina unions and political parties were among the least trusted, and the press showed a downward trend, although its image remained still higher than that of other institutions.

Degree of confidence in Institutions in Argentina

INSTITUTION	1984	1991	1995	1999	2006	2013
Church	47	46	52	60	55	52
Education System	56	38	-	-	44	-
Government	-	-	26	20	38	32
Press	47	27	33	38	36	38
TV	-	-	26	33	33	35
Army	19	28	24	27	32	30
Big Companies	36	24	30	26	25	36
Police	25	26	22	25	22	25
Justice System	59	24	27	20	20	19
Parliament	73	16	15	12	14	18
Political Parties	-	-	8	7	8	16
Civil Employees	50	7	8	6	8	17
Unions	31	8	10	12	7	17

Source WVS/TNS Argentina 2010-2014

A stark contrast between Argentina and other Latin American countries such as Brazil,

Colombia, Chile and Mexico can be seen when it comes to their views of the police and the armed forces. In Brazil, 62 percent of the people have either a great deal or quite a lot of confidence toward their armed forces and 45 toward the police, while the figure shrinks to only 30 and 25 percent in Argentina – the lowest in Latin America.

Degree of confidence in Institutions in Latin America

INSTITUTION	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay
Charities	61	61	70	72	60	53	77
Church	52	71	58	75	64	67	41
Government	32	41	34	40	39	22	61
Press	38	46	54	37	30	31	46
TV	35	41	57	37	34	35	43
Army	30	62	56	57	59	34	38
Big Companies	36	60	33	62	54	39	48
Police	25	45	65	46	28	28	57
Justice System	19	51	27	34	31	18	53
Parliament	18	21	25	21	25	12	42
Political Parties	16	16	17	17	22	11	33
Civil Employees	17	51	33	23	21	15	26
Unions	17	40	45	21	24	18	32

Source WVS 2010-2014

Regarding political parties in most Latin American countries the percentages of trust range from 11 percent to 33 percent (in the case of Uruguay, where also Congress is seen in a much better light than in the rest of Latin America: 42 percent, as against 26 percent in Argentina). Because political parties are the major link between people and the State in a representative democracy, these results could be seen as alarming, but considering that most people in Latin America regard democracy as the best political system available, these low figures most likely show how disconnected political parties are from the needs of the people.

A survey conducted in 2013 by the Argentine consulting firm Voices! showed that people's

involvement not only in political parties but also voluntary organizations has been in decline since 1995. Only 3 percent of respondents were members of a professional organization (down from 5 percent in 1995), 8 percent of a cultural or educational organization (down from 10 percent) and a mere 2 percent of a political party (down from 3 percent in 1995 and just 5 percent in 1984, when democracy was restored). Only organizations related to the Church witnessed an expansion of their membership, from 15 percent in 1995 to 17 percent almost two decades later.

The mistrust in one's fellow men and institutions would be based, in a significant proportion, on a widespread perception of poor public management and corruption. Eight Argentines out of ten perceive that there is a great deal of corruption among public servants; that the country is ruled to benefit the few; and that little has been done to solve the problem of poverty.

One of the interviewees said it best: "It is a pity that [the institutions] work as they do. We have great professionals; it is all a matter of corruption." Amid these low levels of trust in institutions, there is a high level of trust in charitable organizations across Latin America, ranging from 53 percent in Peru to 77 percent in Uruguay. These figures highlight the phenomenon of translocation of trust from governmental institutions to civil organizations.

In general, trust can be seen as a commodity. We observe a pernicious circle of distrust arising from the poor performance of political and public entities. Interpersonal trust has been badly damaged among Argentines but remains very strong within the intimate circle of family and friends. People in Argentina seem to have lacked communitarian experiences during their formative years, which affect future interpersonal relationships, making it harder for them to trust each other. But regardless of their bad opinion of politicians, political parties, Congress and trade unions, Argentines still find democracy to be the best political system available.

Attitudes towards democracy in Argentina and Latin America.

Despite the lack of trust in political institutions and decades of chronic instability and military rule, both Argentines and Latin Americans seem to have embraced democracy as the best form of government.

Would you say having a democratic political system is a very good, fairly good, fairly bad or very bad way of governing this country?

%	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay
Very/fairly good	92	85	96	86	84	95	95
Very/fairly bad	8	15	4	14	16	5	5

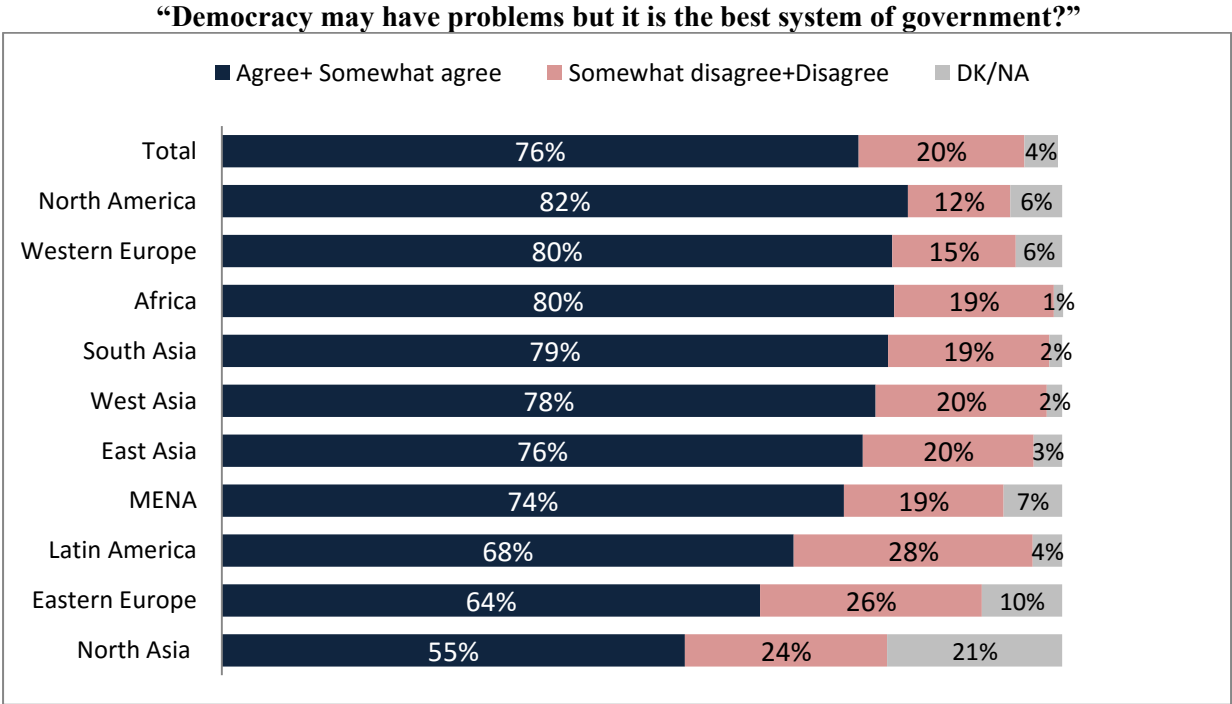
Source: WVS-2010-2014

Asked how important it was for them to live in a democracy, the answers gave by Argentines

averaged 9.1 on a scale in which 1 was “not important at all” and 10 “absolutely important.” However, questioned about whether Argentina was democratically governed the average answer was 7 (with 1 meaning “not democratic at all” and 10 “completely democratic”).

The people interviewed made their pervasive lack of trust toward politicians very clear. It is best exemplified by this quote: “I don’t trust politicians, they just promise things, only a few go through with what they said, but they mostly say it just as a campaign tool. I really do not care much.”

Citizens in other regions of the world also believe that democracy may have problems but it is the best system of government: 76 percent of those consulted in a global poll conducted in November 2015 by WIN said so. Regarding the different regions of the world, we find the strongest acceptance of democracy in North America (82%), Africa (80%) and Western Europe (80%). However, and even though a majority supports democracy, the level of acceptance is lower in North Asia (55%), Eastern Europe (64%) and Latin America (68%).



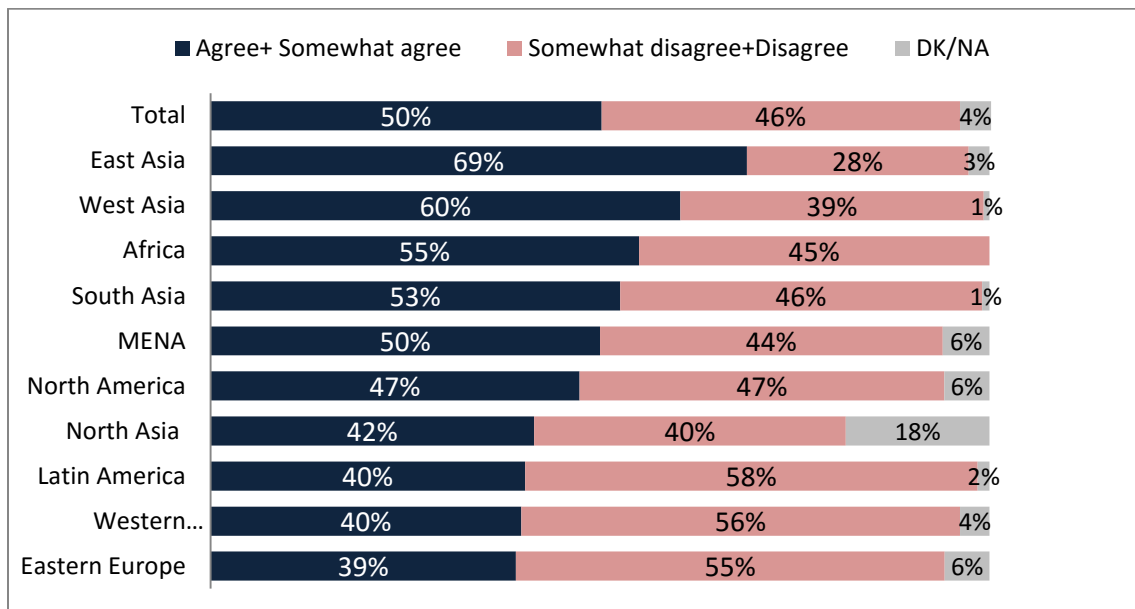
Countries included within each region : Source: WIN International 2015

North America : Canada and United States, Latin America: Argentina, Brazil, Colombia, Ecuador, Mexico, Panama and Peru, Western Europe: Austria, Belgium, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, United Kingdom (and Australia was also included), Eastern Europe: Armenia, Bosnia and Herzegovina, Bulgaria, Czech Republic, Georgia, Kosovo, Latvia, Macedonia, Poland, Romania, Russian Federation, Serbia and Ukraine, Africa : South Africa, Kenya and Nigeria, Mena: Algeria, Israel, Lebanon, Morocco and Palestinian territories (West Bank and Gaza), West Asia: Afghanistan Kazakhstan, Pakistan and Turkey, South Asia :Bangladesh and India, East Asia : Indonesia, Malaysia, Philippines, Thailand and Vietnam; North Asia:

Fiji, Hong Kong, Japan, Korea, Rep (South) and Papua New Guinea

Among the countries that approve democracy the most, despite its problems, we find in the WIN poll Sweden (93%), Morocco (92%), Argentina (91%), Switzerland (90%), Kenya (89%) and Finland (87%), among others. On the other hand, the survey shows, even though Latin Americans prefer democracy as a form of government, they see a big gap between this ideal and how their countries are actually ruled: 91 percent of Argentines support democracy, but only 49 percent say that the will of the people prevails. And the figures for other countries in the region are 73 percent and 51 percent for Brazil, 65 and 32 percent for Colombia and 54 and 24 percent for Mexico.

“Would you say that your country is governed by the will of the people?”



Countries included within each region in this press release:

North America : Canada and United States, Latin America: Argentina, Brazil, Colombia, Ecuador, Mexico, Panama and Peru, Western Europe: Austria, Belgium, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, United Kingdom (and Australia was also included), Eastern Europe: Armenia, Bosnia and Herzegovina, Bulgaria, Czech Republic, Georgia, Kosovo, Latvia, Macedonia, Poland, Romania, Russian Federation, Serbia and Ukraine, Africa : South Africa, Kenya and Nigeria, Mena: Algeria, Israel, Lebanon, Morocco and Palestinian territories (West Bank and Gaza), West Asia: Afghanistan Kazakhstan, Pakistan and Turkey, South Asia :Bangladesh and India, East Asia : Indonesia, Malaysia, Philippines, Thailand and Vietnam; North Asia: Fiji, Hong Kong, Japan, Korea, Rep (South) and Papua New Guinea

Source: WIN 2015

On the other hand, many Latin Americans believe that having a strong leader is very or fairly

good: 70 percent of respondents in Ecuador, 66 percent in Brazil and 60 percent in Peru said so. In Argentina, 50 percent of those consulted prefer a strong leader and the lowest percentages are found in Uruguay (40 percent) and Chile (35 percent).

This attitude goes in sync with the Argentines' loss of interest in political matters. The surveys showed that interest in politics was never higher than in 1984, after democracy was restored, when it peaked at 43 percent – and that it hit rock bottom in 1999: 18 percent. It started going up after the economic crisis of 2001. Nowadays, men are more interested in politics than women (40 percent as against 27 percent) and people in Buenos Aires more than in the rest of the country (43 percent as against 32 percent).

How interested would you say you are in politics?

%	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay
Very/somewhat interested	33	37	26	25	30	27	31

Source: WVS-2010 -2014

While only 25 percent of Colombians and 26 percent of Chileans are interested in politics, in the rest of Latin America the figures range from 30 percent in Mexico to 37 percent in Brazil. Across Latin America, interest in politics is low. Only about three out of ten Argentines, Peruvians, Chileans and Colombians are “rather” or “somewhat” interested in politics. And in Brazil there has been a sharp decline over the last years, from 49 percent of people interested in politics in 2006 to 37 percent nowadays. Low levels of interest in politics are a pandemic in democracies worldwide. This is an attitude that seems to spread regardless of political upheavals or good performance, economic prosperity or hardship.

Summarizing, Argentines hold a poor opinion of the performance of their political institutions and in some cases, compared to other Latin American countries, their assessments rank well below average, with only Peruvians believing that their country fares worse. But despite their criticism of the state of things, eight out of ten Argentines prefer gradual changes, 85 percent consider the use of violence to achieve political ends “unjustifiable” and two-thirds believe in seeking consensus more than in strong leaderships, despite their low involvement in the traditional channels for political representation.

Work, business and economic values

When analyzing the world of work over the last two decades, I found that 97 percent of Argentines assigned work an important role in their personal lives – a figure in line with Brazil and Mexico but well above the world's average (65 percent) or that of countries such as the USA, Japan or Canada. The trend suggests that this is a deep and enduring belief, independent from the economic cycle and the fear of losing one's job.

A majority of Argentines tend to agree with the notion that work, not leisure, is what makes life worth living. In 1984, 40 percent of respondents considered that it would be “good” if work become less important in their lives, while 45 percent thought it would be just the same and 15 per cent viewed the prospect as “bad.” In 2006, however, only 18 percent responded “good” and 67 percent said it would be “bad” if work became less important. This result is significant, considering that 41 percent of Argentines also believe that leisure time also plays a very important role in their lives (and if we add those who consider it “fairly important,” we get 83 percent of the population).

Agreement with different statements related to the importance of work (%)

STATEMENT	Argentina	Brazil	Chile	Mexico	Peru	Uruguay
To fully develop your talents, you need to have a job	92	71	77	74	75	74
Work should always come first, even if it means less free time	74	55	54	55	66	65
Work is a duty toward society	80	74	76	78	80	74
People who don't work become lazy	83	76	79	84	85	80
It is humiliating to receive money without working for it	83	66	59	63	76	69
It is fair to pay better a quicker, more efficient and more reliable secretary	52	67	61	70	77	68

Source: WVS-2006-2007 No data available for Colombia

Regarding the personal dimension, there is a strong consensus among Argentines that a job is needed to develop their talents: 92 percent of those surveyed “very much” or “fairly” agree with this view, regardless of social class or educational levels, although the figure drops slightly in the district in Buenos Aires. It is higher than the world average and, in fact, Argentina is one of the countries where this view was most widely held. In contrast, across Latin American around 75 percent of respondents “strongly” or “fairly” agree with the notion that having a job is required to develop your talents. The other differences are seen regarding how important work is to Argentines (74 percent) and how humiliating they find receiving money without working for it (83 percent).

Likewise, 83 percent of Argentines believe that people who do not work become lazy (however, this figure drops remarkably among people with higher income or educational attainment) and eight people out of ten believe that it is humiliating to receive money without working for it (at the highest economic level this percentage drops again). Both attitudes are

more widespread in Argentina than in the group of countries the WVS surveyed, where in average two out of three believe that those who do not work turn lazy and three out of five believe it is humiliating to receive money without working for it (in general, countries with figures above the mean correspond to those of lower relative development).

STATEMENT	1984	1991	1995	1999	2006	2014
It is fair to pay better a quicker, more efficient and more reliable secretary	74%	83%	72%	60%	52%	46%

WVS/TNS Gallup Argentina

When asked whether it is fair to pay two persons of the same age doing practically the same job different salaries based on their efficiency, 52 percent of Argentines in 2006 said yes and 46 percent in 2014. This showed a stark change in attitudes prevalent in previous years, triggered by the severe 2001 economic crisis. The “yes” answers increased with the age of respondents, their educational level and their socio-economic status. It is important to note that these percentages reflected a degree of egalitarianism considerably higher than that observed in Europe and other areas of the world, Latin America among them. Half of Argentines surveyed considered fair to pay different salaries for the same job based upon productivity, in contrast to countries such as Mexico or Peru, where the figure was 77 and 70 percent respectively, vis-à-vis the world’s average of around 80 percent. This reluctance to increase salaries in Argentina according to work performance could have negative effects over productivity in the long term since it takes away salary bonuses as an incentive for higher motivation and productivity at work.

STATEMENT	Argentina	Brazil	Colombia	Chile	Mexico	Peru	Uruguay
It is fair to pay better a quicker, more efficient and more reliable secretary	52%	67%	67%	61%	70%	77%	68%

Source: WVS 2006-2007

The quest for stable jobs has led Argentina to give up the idea that work allows for developing people’s initiatives and this in turn has increased the number of people who believe that following instructions (orders and commands to the letter) was a must (without being convinced). When looking for a job, Argentines give the highest importance to job security, with no risk of a business closing down or unemployment. Almost four out of ten people put this requirement first, rating it as important as a good income, so that they do not have any worries

about money. Respondents rate the feeling of accomplishment and working with people they like significantly lower.

Most important thing when looking for a job (%)

Argentina

	1995	1999	2006
A safe job with no risk of closing down or unemployment	35	42	38
A good income so that you do not have any worries about money	26	26	37
Doing an important job that gives you a feeling of accomplishment	24	19	13
Working with people you like	15	13	12

Source: WVS/TNS Gallup Argentina

After the 2001 economic crisis, Argentines appear to have shifted their attitudes away from the basic principles that inspired deregulation and economic reform in the 1990s towards a more “paternalistic” government. In one survey, between 1999 and 2010, averages went up on a one-to-ten scale to the answers favoring more state-owned industries and businesses (from 5.7 to 6.1), more state responsibility in providing means of living for everybody (4.4 to 5) and the notion that competition is bad (4.2 to 4.7). Most Latin American countries share these same views.

How would you place your views on this scale?

STATEMENTS	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay
1: Incomes should be made more equal							
10: We need larger income differences as incentives for individual effort	4.9	5.1	3.5	5.0	5.4	5.8	5.1
1: Private ownership of business and industry should be increased							
10: Government ownership of business and industry should be increased	6.1	5.2	6.8	5.6	6.0	5.9	5.6

1: The government should take more responsibility to ensure that everyone is provided for	5.0	4.0	4.2	4.7	4.6	5.2	5.1
10: People should take more responsibility to provide for themselves							
1: Competition is good. It stimulates people who work hard and develop new ideas	4.7	3.7	4.1	4.2	3.7	3.7	5.0
10: Competition is harmful. It brings out the worst in people							
1: In the long run, hard work usually brings a better life	4.3	4.2	4.8	4.8	3.3	3.8	5.5
10: Hard work doesn't generally bring success-it's more a matter of luck and connections							
1: People can only get rich at the expense of others	5.8	7.6	6.1	7.4	7.7	7.3	6.9
10: Wealth can grow so there's enough for everyone							

Source: WVS 2010.2014

Almost all Argentines give work an important role, one as important as family. They experience work as a source of financial security more than as a place to find personal development and meaning. They value work more than leisure time. Yet, Argentines' intrinsic motivation is low and they focus on their jobs' external aspects (salaries, vacations, etc.). This shift in priorities has a profound effect on productivity. In addition, our qualitative analysis demonstrates that respondents perceive others, especially people they have just met, as adversaries, and that self-interest constitutes the norm in business interactions. When observing the changes in opinion over time, Argentina show a more egalitarian attitude than the average of the group of countries where similar studies have been conducted, in which eight out of ten respondents believe that efficiency should be rewarded with more money in the form of a higher salary. In fact, a survey carried out in 2000 showed that only South Africa, Zimbabwe and Norway ranked below Argentina in the number of people who agreed with the notion that it is fair to pay differently for the same job regarding the employee's efficiency. At the opposite end of the scale, in the US, 91 percent embraced "meritocracy" and 88 percent in Japan. Argentina's stance differs from most other Latin American countries, which side with meritocracy. The economic crisis appears to have prompted Argentines to turn toward a more "paternalistic"

government, and away from the basic principles that inspired deregulation and economic reform in the 1990s.

In this regard, the 2013 Voices! survey showed that the proportion of respondents who believed that achieving more equality was more important than securing more freedom have grown from 35 percent in 1984 to 45 percent – while those choosing more freedom went from 47 percent to 39 percent.

Conclusion

Latin American countries share similarities in their historical, economic, political and religious backgrounds. In the region, low levels of trust have affected social, political and economic interactions. Distrust is pernicious, especially when installed in people by the low performance of political and public entities. Although interpersonal trust among people who have just met each other remains low in Latin America, within the intimate circle of family and friends it is very strong. Furthermore, despite the erosive power of distrust, people still have a strong belief in democracy as the best political system. This reflects a belief in democratic values in the region, even more so if we take into account the population's low satisfaction with the political environment.

When analyzing the world of work, almost all Argentines (in line with Brazil and Mexico, but well above the world's average) assign work an important role in their personal life and also show a more egalitarian attitude toward money rewards for work than the in the rest of Latin America on average. Argentines show some belief in productivity-based incentives at work though to a much lesser extent than they did in the past. This change could be explained by a combination of attitudinal change in view of the crisis (greater egalitarianism) or a deeper change of values.

The major hurdle now is to avoid further deterioration of social capital in terms of mutual trust and credibility. Institutional improvement is absolutely necessary to achieve this goal.

Focusing on the different categories of trust enables us to pinpoint the key factors in the development of efficient public policies in Argentina. It is essential to increase the level of trust in others and in institutions by encouraging social and political participation. If we believe that trust can be established through an increased engagement in political participation, we could achieve this through the strengthening of civil society. In the case of Argentina, people have a very high opinion of charitable organizations. In the economic sphere in Latin America as a whole, there is also a trend for major companies to give more importance to social responsibility. This could be a good starting point not only to develop social engagement but also to create intrinsic motivation in workers.

In regard to government, the results of our interviews clearly show that citizens need transparency and accountability from their governmental institutions. If Argentine society manages to amass a larger stock of social capital, it will be easier to secure the conditions needed to achieve a stronger democratic system, capital accumulation and the creation of steady and

sustainable jobs.

Institutional changes at a value level can be accomplished through a high investment in education, while political leadership should concentrate on building transparency in order to eradicate corruption. The long-term structural values of the Argentine society lead us to think this is a feasible task, but also that time is short and difficulties multiply in the face of inaction.

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