

Does Gender Equality Promote Social Trust? An Empirical Analysis

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Summary. — Fairness is an important factor that promotes social trust by reducing social heterogeneity and gaps between people. This paper empirically investigates whether gender equality—fairness between men and women—increases social trust by analyzing a global sample from the World Values Survey. The findings show that gender discriminatory values negatively affect the trust levels of both men and women, while women’s status in labor, education, and political dimensions is not a significant determinant. These results indicate that values regarding gender equality (fair values) are arguably more important to social trust than the actual socioeconomic conditions of women (fair conditions). Furthermore, the effect of gender equality varies across countries with different levels of gender endowments. Gender-related values are an important factor of social trust in countries where gender equality is relatively high, but its effect is minimal in countries with greater gender discrimination. This finding implies that fairness is a more essential social value in countries where equality is already established. Finally, the empirical investigation finds a stronger effect of gender equality on men than on women—especially in high gender-equal countries. This result contradicts the initial expectation that gender equality influences women more significantly and thus, the effect should be larger for them. A possible explanation for this result is that gender equality establishes a more trustworthy environment of men which increases their trust level more.

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1. INTRODUCTION

Informal institutions—particularly social trust—are important to promote economic growth, as social trust can supplement or substitute formal institutions in maintaining law and order as well as keeping promises between individuals. In the literature, many socioeconomic factors were examined and proposed as determinants of trust—such as income, education, formal institutions, culture, and history (see [Alesina & La Ferrara, 2002](#); [Algan & Cahuc, 2010](#); [Glaeser, Laibson, Scheinkman, & Soutter, 2000](#); [Nunn & Wantchekon, 2011](#)). As suggested in the literature, social trust is shaped and reshaped by permanent interactions with socioeconomic conditions, institutions, and social norms. Among them, equality is arguably an important determinant in a person’s decision to trust or distrust others. Fair treatment that is based on the nondiscriminatory application of the rules of the game (e.g., exchange, competition and/or cooperation) creates environments in which one can expect fair rewards for his or her efforts and contributions. Consequently, a higher level of fairness corresponds to an increase of trust toward the rules and other participants of the game ([Alesina & La Ferrara, 2002](#)).

Several empirical studies suggest that women trust others less than men, possibly because they are more frequently subjected to discrimination and the rules of the game are unfair to women (see [Algan & Cahuc, 2010](#); [Glaeser et al., 2000](#)). This finding leads to the argument that gender equality is a driving force of promoting social trust. In fact, empirical evidence supporting the role of women’s empowerment in the enhancement of trust and social capital is well-documented—[Janssens \(2010\)](#) sites the effects of women’s empowerment programs on social capital in Indian villages; [Molinas \(1998\)](#) references women’s participation and cooperation in Latin America; and [Westermann, Ashby, and Pretty \(2005\)](#) document women’s participation in resource management and social capital in 20 countries. These studies focused on women’s participation in micro-level programs that stimulated social capital in country-specific contexts.

In this paper, the relationship between gender equality and social trust is further evaluated by considering various dimensions of gender equality on a global level. Specifically, gender equality is measured by gender-related values (the percent of respondents who answered ‘*I think that men should have more rights to a job than women*’ in the World Values Survey), as well as by socioeconomic conditions provided for women (female education, employment, and political representation). By exploiting different gender indicators, this paper investigates whether the presumed positive relationship between gender equality and social trust can be found in different contexts of fairness toward women.

For the empirical testing, the World Values Survey ([World Values Surveys Association, 2012](#)), which documents data for up to 91 countries during the period between 1995 and 2010, is used. The findings of the investigation suggest that gender discriminatory values decrease social trust and this effect applies to both male and female trust levels. However, the effect of gender equality differs between countries with varying levels of women’s standing. While gender equality is a key determinant of social trust in less discriminatory countries, it does not play a significant role in less equal countries.

The positive effect of gender equality indicates that equality reduces social distances between people and therefore stimulates trust.¹ This is because closing social gaps leads to the fair application of rules throughout society and thus, one can minimize the risks involved in trusting others and rely on fair protection if others renege on a promise. With fairness, people are incentivized to trust and cooperate with others instead of conducting costly monitoring. In other words, trust is an optimal behavioral choice that is preferred over distrust in environments in which social heterogeneity and discrimination are

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low and the benefits of cooperation are greater (Glaeser et al., 2000; Knack & Keefer, 1997).

This paper develops as follows. Section 2 presents the measurements of social trust and gender equality used for the empirical analyses. Section 3 discusses the working hypotheses and identification strategies. In Section 4, the results of the empirical estimations are presented. Section 5 concludes the paper with suggestions for future studies.

2. MEASURING SOCIAL TRUST AND GENDER EQUALITY

Social trust reflects trust that people have with one another, particularly between people who have no personal relationship. The World Values Survey poses several questions regarding social trust²—whether one trusts: other people in general; those of different nationalities or religions; and strangers. The question of whether one trusts others in general provides information that can be used as a measurement of the general level of social trust because it addresses the widest range of trust, which includes trusting unrelated people. To answer this question, people selected one of the three choices: *yes*, *no*, and *do not know*. The percent of people in a country who answered ‘*yes, I trust others*’ is taken as an indicator of the trust level of that country.

The data compiled on social trust are decomposed by sex, i.e., the percent of females and percent of males who trust others. In this sample, 24.72% of men responded that they trust others, while 23.95% of women answered similarly (‘*yes*’). Figure 1 shows the respective patterns of the trust levels of males and females over time. The trust level of men is slightly above the trust level of women in all years investigated. The pattern shows an inverted U-curve with a decline of trust level from 2005 to 2010 that is identical for both men and women. In addition to the yearly development, the trust level varies between countries to a significant extent (country-level standard deviations are 14.54 for males and 14.90 for females, respectively). Figures 2 and 3 present the distributions of the trust level of individual countries at the beginning and end of the investigation period—1995 and 2010, respectively. These graphs further indicate that trust levels vary not only across countries but also across time periods.

The social trust data of the World Values Survey include a maximum of 91 countries. While this is a global sample, European countries are overrepresented and African countries are underrepresented (see Appendix B for the country list). Also, the World Values Survey has selection biases toward wealthier and institutionally better countries. The sample average of GDP per capita is 11,066 US dollars, while the global average is 9,481 US dollars (2010 World Development Indicators, World Bank, 2014). The score of the World Governance Rule of Law indicator (Kaufmann, Kraay, & Mastruzzi, 2010) is also higher in the World Values Survey sample than the global average is: +1.00 versus −0.01. That being said, the country sample used in this paper represents a higher level of economic and institutional development than the global average of all countries. Thus, the estimation results must be interpreted with caution—i.e., the results may not be applicable to low income countries and/or countries with weak institutions.

In this paper, wave 3 (1995–98), wave 4 (2000–04), wave 5 (2005–09), and wave 6 (2010–12) of the Survey are exploited for the empirical analysis because the first two waves do not provide data on gender-related values that are used as an explanatory variable.

As for the measurements of gender equality, two different types of indicators are used. Fairness toward women is not only about socioeconomic conditions of gender equality but it is also about values and norms regarding women’s standing—i.e., whether women are considered an equal to men. To measure gender-related values, a question from the World Values Survey, *whether one thinks that men should have more rights to a job than women*, is used. This question asked about people’s values and attitudes toward gender equality, particularly in social areas—employment opportunities—rather than private spheres. Thus, it is an appropriate indicator of measuring gender equality in public life that is arguably the most relevant factor of social trust. Respondents selected one of the three choices in answering the question: *yes* (men should have more rights), *no* (men should not have more rights), and *do not know*. The percent of respondents who answered ‘*yes*’ is taken as an indicator of gender discrimination against women. The share of respondents answering ‘*yes*’ varies significantly between men and women. For female respondents, less than a third of them agreed that men should have more rights, while approximately 41% of male respondents agreed with

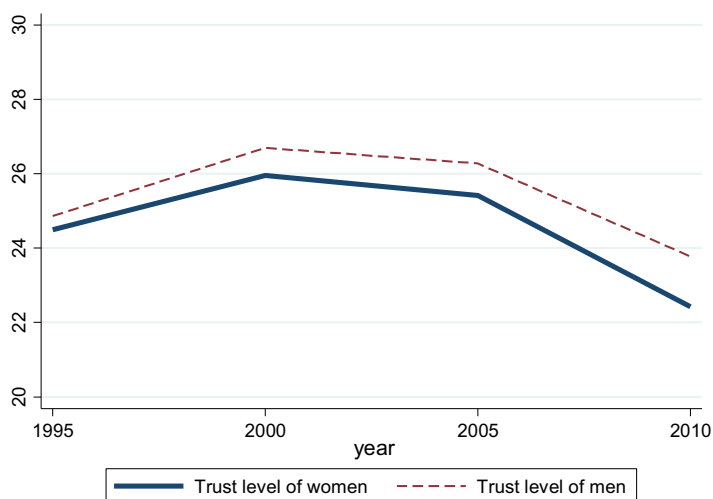


Figure 1. Patterns of social trust, by year.

Note: The y-axis represents the percent of individuals who trust others in general. The data is taken from the World Values Survey.

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