

No direct link found between rising inequality and reduced trust

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Does rising economic inequality causes trust to fall in society and thus endanger social cohesion? Recent academic research appears to support this notion. However, a study from the University of Luxembourg disagrees.

As recent work from economists from the University of Luxembourg indicates, the apparent link between [income inequality](#) and lower general [trust](#) could be explained by many other reasons. "We have identified several previously unobserved elements which may account for the apparent direct relationship" says Dr Javier Olivera, Research Associate at the University of Luxembourg. He analysed detailed, authoritative European Social Survey data describing the experiences and perceptions of about 270,000 people between 2002 and 2012 in 34 European countries.

He too found a correlation between greater [inequality](#) and a lack trust. However, using sophisticated statistical methods he was able to strip away other factors that influence this. The result: no direct link between income inequality and the general level of trust amongst people within a society.

By far the most important factors were beliefs about a society's intrinsic values. "Yes, in Scandinavia you find high income-equality and high trust and the opposite in Greece, Spain and Portugal, but I found that one does not cause the other," explains Dr Olivera. "Rather the impact may come from the reality of and feelings about institutions, social norms,

the legal system, culture, politics and so on."

Trust would also be influenced by perceptions of socio-economic events. For example, higher crime rates and poor national economic performance may be linked to lower trust.

Dr Olivera adds that further work is required to confirm these conclusions over a longer period than the ten years studied here. "This article is not conclusive but it provides a robust challenge to the notion that trust and inequality are closely linked," he concludes.

More information: The article "Changes in Inequality and Generalized Trust in Europe" from Javier Olivera is published in the journal *Social Indicators Research* by Springer Science & Business Media.

Provided by University of Luxembourg

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