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Exploring Trust Dynamics in the Labour Market: A Behavioural Economics Perspective

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Emek Piyasasındaki Güven Dinamiklerinin Araştırılması: Davranışsal İktisat Yaklaşımı

Abstract

This study explores the dynamics of trust in the labour market from a behavioural economics perspective, utilising data from the World Values Survey. We examine how employment status, job-related concerns, and perceptions of corruption influence trust. Our findings indicate that full-time employment and high income levels lower trust, whereas perceptions of corruption intensify this effect. The study recognises limitations, including incomplete representation of informal jobs and variation in income-reporting practices. It highlights the complex interaction of factors that shape trust within the labour market. The uniqueness of this research lies in conceptualising trust as a multifaceted construct, including cognitive expectations, mental shortcuts, and emotional dispositions. The study contributes to the understanding of trust in the labour market and its links with factors such as employment levels, job concerns, and perceptions of corruption. It enriches the literature by emphasising the complex interplay between cognitive and emotional factors in shaping trust in labour markets. Future research should investigate non-standard working patterns, including informal, flexible, and atypical employment, as well as the influence of cultural structures within cultural codes.

Keywords : Behavioural Economics, Trust, Labour Market, WVS.

JEL Classification Codes : D90, D91, J01, J20.

Öz

Bu çalışma, emek piyasasında güven dinamiklerini davranışsal iktisat perspektifinden analiz etmektedir. İstihdam düzeyi, işle ilgili kaygılar, adalet algısı ve yolsuzluk gibi faktörlerin güven ile etkileşimini incelemektedir. Dünya Değerler Anketi (World Values Survey) verilerini kullanan çalışma, yerleşik araştırma yöntemlerinden ilham alan bir metodoloji izlemektedir. Karşılaştırmalı doğrusal regresyon analizi için LOGIT/PROBIT ve OLS yöntemleri uygulanmıştır. Bulgular, istihdam durumunun güven üzerinde etkili olduğunu göstermektedir. Güveni olumsuz etkileyen faktörler arasında yolsuzluk algısı ve işle ilgili kaygılar öne çıkmaktadır. Çalışma, kayıt dışı istihdamın eksik temsili ve gelir beyanı uygulamalarındaki farklılıklar gibi bazı sınırlılıkları kabul etmekte ve emek piyasasında güveni şekillendiren faktörlerin karmaşık etkileşimine vurgu yapmaktadır. Bu araştırmanın özgünlüğü, güvenin bilişsel beklentiler, zihinsel kestirmeler ve duygusal eğilimleri kapsayan çok yönlü bir kavram olarak ele alınmasında yatmaktadır. Çalışma, emek piyasasında güvenin anlaşılmasına ve istihdam düzeyi, işle ilgili kaygılar ve yolsuzluk algısı gibi faktörlerle olan etkileşimine katkı sağlamaktadır. Gelecek araştırmalar, standart dışı çalışma modellerini, kayıt dışı, esnek ve atipik istihdam türlerini ve kültürel yapıların emek piyasasına etkisini kültürel kodlar çerçevesinde incelemelidir.

Anahtar Sözcükler : Davranışsal İktisat, Güven, Emek Piyasası, WVS.

1. Introduction

Trust is a fundamental element of social, institutional, and economic relations; yet it remains a complex and multidimensional concept. The phenomenon has been studied across various academic disciplines, including psychology, economics, sociology, and organisational behaviour (Rousseau et al., 1998; Hardin, 2002; Cook et al., 2005). Despite differences in emphasis on whether to focus on emotional, behavioural, or institutional aspects, there is a broad consensus on the vital role of trust in shaping social interactions and cooperative outcomes (Lewicki et al., 1998; Misztal, 1996).

In neoclassical economics, trust is viewed as a risky and irrational domain for the self-interested individual. Behavioural economics links trust to cognitive expectations and mental shortcuts, recognising it as a component of individuals' mental frameworks in communication and decision-making. In this study, trust is regarded as a cognitive expectation, a mental shortcut, and an emotional disposition, reflecting the perspective of behavioural economics. Trust is associated with behavioural and cognitive biases, including social preferences, fairness, and confirmation bias. While social preferences can rationalise trust, confirmation bias creates a foundation for a tendency that turns trust into hypothetical trust.

The concept of trust has been examined across various aspects, including emotion and behaviour, in numerous studies. However, a standard view emphasises its significance in social relations, organisational life, and interpersonal interactions. In the emotional dimension, trust relates to both feeling and cognition. Simultaneously, trust is understood as an emotion involving belief or expectation.

Mayer et al. (1995) define trust as the willingness of one party to be vulnerable to the actions of another, based on the expectation that the other will perform a particular action, regardless of the ability to monitor or control the other party. This definition is especially relevant in labour markets, where asymmetries in power, information, and dependency are common. Rousseau et al. (1998) further emphasise that trust is not a behaviour but a psychological state that varies depending on the level of interdependence and perceived risk between actors.

The concepts of economic confidence and trust are distinct. Economic confidence serves as an index reflecting production, spending, and saving tendencies, based on the expectations and behaviours of producers and consumers, who rely on their assessments of current economic indicators and the overall economic environment. Consequently, it should be distinguished from expectations shaped by emotional, cognitive, and mental shortcut effects.

Labour market dynamics are shaped by limited information, rationality, and emotional factors, which influence trust between employers and workers. Therefore, relationships that lack complete rationality and unlimited information and computational power rely on various cognitive and emotional shortcuts. Supply and demand in labour relations are constrained. Both parties establish a trusting relationship under specific conditions. There are different levels of trust depending on the degree of reciprocity and the level of risk involved. Many factors, such as unionisation, productivity, effort, etc., are linked to trust in different ways.

In psychology, with respect to its impact on decision-making, trust can serve as a mental shortcut (Evans & Kruger, 2009). In evolutionary development, hypothetical trust arises, whether consciously or unconsciously, at various levels in individuals' professional lives (Delton et al., 2011). In the workplace, employer-employee contracts are not merely formal documents. Employer-employee relationships extend beyond material contracts to include psychological contracts—unwritten, abstract agreements shaped by mutual expectations, beliefs, and perceptions of reciprocity (Conway & Briner, 2005). Similar to the concept of trust within reciprocity and risk frameworks, a psychological contract exists between the employer and the employee. Unlike legal contracts, psychological contracts are intangible, governed by expectations, beliefs, and perceptions of the relationship. Individuals who develop numerous conscious and unconscious behaviours within their cognitive boundaries form mutual agreements[1]. Psychological contracts, which influence employee-employer expectations, may mediate how perceptions of job insecurity or corruption diminish trust (Nguyen & Van Dijk, 2012), especially in non-standard employment settings (Guest, 2004; Kalleberg, 2009).

In psychology, trust is viewed within the framework of cognitive expectations and is regarded as a disposition (Evan & Krueger, 2009). It can be seen as a mental shortcut related to cognitive expectations and an evolutionary shortcut concerning disposition. Individuals with limited informational and cognitive capacities utilise trust as a mental shortcut in processes such as evaluation and decision-making. Experimental social psychologist Kramer (2009) argues that humans are inherently predisposed to trust, based on evolutionary history, and that this predisposition serves as a defence mechanism. He describes this tendency as presumptive trust and characterises it as a bias favouring trust. Presumptive trust is not deemed irrational behaviour. However, it is associated with confirmation bias, as documented in the psychology and behavioural economics literature. Such biases shape our judgments and evaluations, and our expectations exert a similar influence. Typically, we seek supporting evidence for a hypothesis about a subject.

Bounded rationality, one of the most significant contributions of behavioural economics, highlights the limits of an individual's computational ability and the

[1] *Rousseau (2012) discusses free will in the context of social and psychological contracts and treats free will as a cognitive and emotional issue in the psychological contract. Reasoning, knowledge, trust, and power are necessary for free will and are elements of psychological contracts.*

informational and cognitive constraints that hinder the evaluation of all possible options, as well as the goal of optimisation, a key aim of economic theory. Braynov and Sandholm (2002) argue that trust is essential for an individual to consider all possibilities. Consequently, a person with limited rationality relies on heuristics in decision-making. In this context, trust acts as a mental shortcut. As social psychologists have noted, Kramer (2009), Braynov, and Sandholm (2002) have noted, the trusting individual suspends disbelief and ignores negative factors, a pattern that resembles the confirmation bias inherent in trust.

There is a difference between predictive trust and emotional trust. While false predictions lead to disappointment, the adverse effects of emotional trust extend beyond it (Faulkner, 2011). Jones (2019) links trust based on optimistic expectations to emotional trust. Emotional feedback influences feelings of trust and distrust. For example, emotions such as fear and contempt engender distrust, whereas feelings such as respect and empathy elicit feedback that fosters trust.

Thagard (2008) views emotion and cognition as interconnected, characterising emotional and cognitive states such as happiness and sadness as neural activity plans. He highlights the emotional aspect of the neurophysiological state that unites cognition and knowledge. According to Thagard, emotion can be understood in two structures: cognitive and somatic. While the cognitive theory pertains more to evaluation, the somatic approach concerns physical states. Thagard regards these theories as complementary.

This study employs a behavioural economics framework to examine the factors that influence trust in the labour market. In this way, trust is conceptualised as a cognitive expectation, a mental shortcut, and an emotional disposition. The selection of variables is based on two primary considerations. First, numerous studies have identified employment status, job-related concerns, perceptions of fairness, and perceptions of corruption as key determinants of trust (Rothstein & Stolle, 2008; Alesina & La Ferrara, 2002; Sapienza et al., 2013). Second, behavioural economics highlights how trust-related decisions are affected by bounded rationality, cognitive biases, and perception-based attitudes (Kahneman & Tversky, 1979; Thaler, 1999; Camerer et al., 2003).

While previous studies have examined trust in the labour market, there is limited research on how trust interacts with job-related worries, perceptions of corruption, and employment status within a behavioural economics framework. Employment is viewed as a factor directly connected to economic security, while job-related worries reflect perceived uncertainty about current or future employment. Perceptions of justice are central to institutional trust, and perceptions of corruption serve as indicators of the trustworthiness of broader social and political systems (Putnam, 2000; Bjørnskov, 2007).

All variables are derived from the World Values Survey database, with both theoretical relevance and empirical validity considered in their selection. This study addresses this gap by analysing these interactions using data from the World Values Survey.

It aims to contribute to the literature by examining the relationships among trust, job-related concerns, perceptions of corruption, and employment status from a behavioural economics perspective. Utilising data from the World Values Survey, it seeks to offer a nuanced understanding of trust dynamics within the labour market, which has been underexplored in prior research.

The paper is organised as follows: Section 2 reviews the literature on trust in the labour market; Section 3 describes the methodology; Section 4 presents the results and discusses the findings; and Section 5 concludes with policy implications and suggestions for future research.

2. Literature Review

Behavioural economics offers a theoretical basis for understanding trust as a heuristic that offsets individuals' cognitive and informational constraints (Kahneman & Tversky, 1979; Camerer et al., 2003). While mainstream economic models often minimise the importance of trust in labour relations, behavioural approaches highlight psychological contracts and social preferences that influence employment outcomes (Thaler, 1999; Conway & Briner, 2005). However, existing research tends to focus on job satisfaction, motivation, or incentive structures, often overlooking how trust itself is affected by broader labour market dynamics.

Beyond the limited number of studies on the labour market from a behavioural economics perspective, research on the concept of trust within the labour market is even scarcer. Behavioural issues in the labour market have often focused primarily on job satisfaction, incentives, and related factors, but only to a limited extent.

Rothstein and Uslaner (2005) emphasise the potential of equality of wealth and opportunity, particularly in education and the labour market, to foster social solidarity and thereby boost social trust. Optimism about the future is realised when such equality is attained. Wealth inequality, disparities in opportunity, and discrimination[2] in areas like education and employment undermine trust and diminish optimism for the future.

Van Deer Meer & Wielers (1996) examined the link between education and employment at the firm and sector levels, finding positive effects on employment relations. Data were sourced from the Netherlands Bureau of Statistics. A categorisation of high- and low-security sectors was developed using sectoral data. Because measuring productivity, professional services, and high control costs is challenging, trust among workers, employers, and consumers is essential. In high-trust institutions, employers place greater value on educational background. The study reports positive effects of education, employment

[2] *Fair treatment in employment is one of the factors influencing trust in the labour market. This idea, which can be linked to fairness, provides a basis for discussion in the behavioural dimension. Studies on discrimination in employment (Fox & Stallworth, 2005; Shoss et al., 2013) have shown that workers subjected to discrimination develop feelings of anger and depression towards the organisation, leading to a decline in trust.*

relations, and trust. Van Oorschot & Arts (2005) investigated the relationship between well-being and social capital (trust, networks, norms) at both the individual and national levels, concluding that being economically active—whether in full-time or part-time employment—may positively influence trust.

Although the current study concentrates on micro-level labour market variables, macro-level social structures offer essential context. Generalised trust is positively linked to national well-being, social capital, and institutional strength (Delhey & Newton, 2005; Hooghe et al., 2009; Bjørnskov, 2012). For example, egalitarian welfare states tend to cultivate higher levels of trust, which in turn support cooperative labour market institutions. Delhey & Newton (2005), Hooghe et al. (2009), Dearmon and Grier (2009), and Bjørnskov (2012) find that a country's welfare status is positively related to generalised trust. In studies on income inequality, the impact of income inequality on trust remains debated. According to Wilkinson and Pickett (2009) and Rothstein and Uslaner (2005), income inequality diminishes social trust. However, Steijn & Lancee (2011) found that income inequality, measured by national wealth, does not significantly affect trust. Aghion, Algan, Cahuc, and Shleifer (2010) examined the relationship between labour market regulations and distrust, concluding that trust is negatively associated with labour market regulations. Their findings indicate that country-level distrust and regulation, measured by the number of steps required to open a business, are positively correlated. Countries with high levels of trust, such as Nordic and Anglo-Saxon nations, tend to have less regulation than those with lower trust levels, such as Mediterranean, Latin American, and African countries. A notable positive correlation exists between employment contracts and job insecurity.

Dimeglio et al. (2013) examine how societal teamwork relates to job-related factors, using data from the World Values Survey to compare European countries. The research categorises countries into groups based on the extent of interfirm cooperation and its effects on the job market. It finds distinct patterns of collaboration across different groups of countries. Notably, Nordic countries score well overall, whereas new EU member states score lower, particularly in interpersonal trust. In examining the relationship between cooperation and the job market, the study notes that Nordic countries generally have good teamwork. At the same time, new EU member states face challenges, particularly in Eastern Europe, regarding interpersonal trust.

Costigan, Insinga, Berman, Kranas, and Kureshov (2013) examined employees' trust in coworkers and leaders, distinguishing between cognitive-based and affect-based trust. They found a strong negative relationship between affect-based trust in the leader and turnover intention, while the link between affect-based trust in coworkers and turnover intention is comparatively weaker. Mewes (2014) explored the impact of gender equality in employment participation on trust. The study indicated that gender equality positively influences social trust, but there is insufficient evidence to suggest that it affects trust toward foreigners.

Broader research on trust has demonstrated its essential role in shaping societal outcomes, including well-being, civic engagement, and institutional effectiveness. For example, studies have shown a positive relationship between social trust and institutional trust, and between these and life satisfaction, emphasising trust's influence across various domains of life (Akyürek & Ural-Uslan). These findings reflect the complex nature of trust as a cognitive, emotional, and behavioural construct, which also influences how individuals perceive and engage with economic and employment structures. While these insights extend beyond the labour market, they provide a valuable foundation for understanding how trust functions within it, especially when labour market experiences intersect with institutional performance, fairness, and perceptions of social cohesion.

Beyond employment status and workplace relations, structural features such as gender equality influence trust outcomes. Mewes (2014) finds that gender equality in employment participation boosts social trust, although effects on trust in out-groups are less clear. Dutta and Sobel (2021) highlight how cultural dimensions like individualism and collectivism mediate the relationship between gender attitudes and trust, emphasising that social trust can either reinforce or challenge patriarchal structures. Social trust fosters collaboration and collective action among individuals, with its origins in exchange patterns of the pre-industrial era. Its influence extends to economic growth, skill acquisition, governance, and human development. Variations in trust levels across cultures are evident in the opportunities afforded to women. Additionally, the interplay between individualism and collectivism shapes trust and gender equality (Dutta & Sobel, 2021). Dutta and Sobel's exploration examines the complex relationship between social trust and attitudes toward gender equality. The research relies on World Values Survey data, utilising a substantial dataset. The study highlights the nuanced association between social trust and gender attitudes. Elevated social trust can either diminish or solidify patriarchal perspectives depending on the interplay of individualism and collectivism. The study emphasises the role of collectivistic beliefs as a barrier to progress in women's equality and economic rights.

However, trust is influenced not only by employment but also by its quality and stability. Wang, Mather, and Seifert (2018) demonstrate that both objective and subjective job insecurity increase job-related anxiety and decrease organisational commitment. O'Higgins and Stimolo (2019), using experimental methods, find that unemployment or precarious employment significantly reduces trust and trustworthiness in interpersonal contexts. Wroe (2014) similarly shows that job insecurity erodes political trust, framing this as a violation of the "psychological-democratic contract" between citizen and state. Wroe (2014) examined the relationship between job insecurity and political trust, which has grown increasingly important in developed countries, within the context of the psychological-democratic contract mechanism. The study concluded that job insecurity diminishes political trust and negatively impacts satisfaction with democratic practices. Workers have an expectation of job security in their relationship with the state and the employer. While this psychological contract sustains political trust towards the state, increased job insecurity tends to weaken it. Kim (2015) analysed the relationship between trust and employment participation and found a positive correlation. According to the study's findings, an

individual's attitude of trust significantly influences the likelihood of participating in employment.

Wang, Mather & Seifert (2018), in their study examining the relationship between job insecurity, job-related anxiety and commitment, and collective trust in management, found the following results: (i) objective job insecurity (such as salary cuts, overtime, training, and loss of working hours) leads to high job-related anxiety, and (ii) decreases organisational commitment. This correlation also applies to subjective job insecurity, which is the perception of possible job loss. O'Higgins and Stimolo (2019) employed an experimental method to examine the relationship between trustworthiness, trustworthy behaviours, and employment status. The study demonstrated that individuals' employment status influences trustworthiness and trustworthy behaviours through an experiment involving a trust game. The results indicated that unemployment status damages trust and trustworthiness. An additional key finding is that precariousness has as much negative impact on trust and trustworthiness as unemployment. The study not only explores how job insecurity affects job-related anxiety and organisational commitment, but also investigates collective trust in management. It suggests that when employees face objective job insecurity (actual threats to their employment), it heightens their anxiety and reduces their commitment to the organisation. The degree of trust employees have in management significantly influences their responses to job insecurity.

Moreover, the study extends this investigation to include subjective job insecurity, emphasising perceptions of potential job loss. The link between subjective job insecurity, work-related anxiety, and reduced organisational commitment highlights the importance of trust. Even in the absence of concrete evidence of job loss, subjective feelings of insecurity can affect employees' well-being and commitment. This suggests that trust in management is a vital factor in mitigating the adverse effects of perceived job insecurity, thereby promoting a more resilient and committed workforce.

Son (2020) examined the concept of trust at the trade union level in relation to the political representation of labour. He explored workers' attitudes towards trade unions and how interpersonal trust influences trust in these organisations. The study, conducted in South Korea, found that under a liberal government, individuals' trust in labour unions is significantly affected by interpersonal trust. Conversely, when a conservative government is in power, unions are seen as the voice of the working class. However, under liberal governance, those with low trust view unions as representatives who prioritise their private interests. Brandl (2020) investigated mutual trust in employment relations and its impact on firm performance. According to the findings in European Union member states, mutual trust has a positive effect on both firm performance and employment relations.

Hauser (2015) states that social capital influences firm productivity and economic growth rates. Individual trust is closely linked to the presence of social capital in the workplace. The dynamics of management practices and firm size shape workplace social capital. Additionally, workplace social capital positively affects employee satisfaction with

wages. Employee attitudes towards trust significantly influence workplace social capital, with individuals high in trust demonstrating better integration into networks and a greater willingness to follow management directives. Management initiatives promoting health and work-life balance contribute positively to workplace social capital. However, reliance on financial incentives may decrease intrinsic motivation and the quality of social networks. It is advantageous for firms to recruit individuals predisposed to trust, as this enhances social capital. Social trust indirectly impacts wage satisfaction through the mediation of firm-level social capital. The study highlights the substantial effect of social networks on employee productivity, while emphasising that the decline of social capital adversely affects national competitiveness. Therefore, recruitment strategies should prioritise social attitudes, especially since larger firms tend to have lower-quality workforce norms.

Further emphasising the importance of organisational structures in labour dynamics, Mygind and Poulsen (2021) explore how employee ownership influences workplace equity and stability. Their findings that employee ownership can reduce wage disparities and promote fairness align with the role of trust-building practices in fostering workplace justice. While Hauser's work demonstrates how trust-based recruitment enhances social capital and integration, Mygind and Poulsen offer a structural perspective, suggesting that ownership models can be crucial in creating equitable workplaces. This insight underscores how workplace structures and policies not only shape employee trust but also influence broader perceptions of fairness and trustworthiness within labour markets.

FitzRoy and Nolan (2022) argue that in the context of declining labour power and high employer market concentration, employee participation can counterbalance employer dominance by fostering a work environment conducive to trust and fairness. This finding highlights how policies that promote equitable practices and inclusiveness can build trust and cohesion within labour markets. This alignment between individual trust dynamics and organisational practices offers critical insights for labour policies aimed at achieving fair, transparent, and participatory workplaces across socioeconomic contexts.

The impact of inequality on trust remains debated. While Rothstein and Uslaner (2005) and Wilkinson and Pickett (2009) argue that income inequality reduces trust, Steijn and Lancee (2011) find no significant effect of income inequality on national wealth. Aghion et al. (2010) demonstrate that high levels of regulation, particularly in the labour market, are associated with lower institutional trust.

All of these studies build on a framework where both individual attitudes and structural policies are crucial in shaping trust and fairness in employment and the labour market more broadly. This paper contributes to this discussion by using empirical data to highlight the effects of perceived corruption and employment on trust, emphasising the importance of policies that foster fair and transparent work environments to promote trust and social cohesion in diverse labour markets.

3. Data & Methodology

This study is based on the behavioural economics framework, which views trust as a complex construct involving cognitive expectations, heuristics, and emotional tendencies. We use this framework to examine how trust is affected by employment status, work-related worries, and perceptions of corruption.

The study's approach aligns with current behavioural economics methodology. The field of behavioural economics emphasises the integration of psychological insights into economic modelling. As Chuah, Hoffmann, and Neelim (2024) explain, behavioural economics challenges traditional assumptions of entirely rational agents by incorporating cognitive biases, heuristics, and bounded rationality into empirical analyses. The researchers' proposed framework highlights the importance of selecting variables and models that not only capture observable economic behaviours but also the underlying mental processes influencing decision-making. This methodological perspective supports the use of logistic and probit regression models for analysing trust as a behavioural construct shaped by both measurable factors and psychological dispositions. The present study aims to base its empirical strategy on this evolving methodological approach, with the goal of better capturing the complexity of trust dynamics in the labour market.

The selection of variables in this study is based on two primary considerations. Firstly, these variables are recognised as key determinants of trust in the existing literature, as shown by Rothstein and Stolle (2008), Alesina and La Ferrara (2002), and Sapienza et al. (2013). Secondly, the choice of variables is guided by behavioural economics, which emphasises the significant impact of cognitive biases and perception-based attitudes on individual decision-making processes. This view is supported by foundational studies such as Kahneman and Tversky (1979), Thaler (1999), and Camerer et al. (2003).

Although employment directly influences individuals' economic security, concerns about jobs reflect perceptions of uncertainty regarding their current or future employment. Perceived justice is regarded as a fundamental element of institutional trust, and perceived corruption is a significant factor that can undermine social trust and capital (Putnam, 2000; Bjørnskov, 2007). All variables are derived from survey questions in the World Values Survey database, with both theoretical coherence and empirical validity considered in selecting relevant items.

The analysis draws on country data from the World Values Survey (WVS) for the period 2017-2020. Details of studies using this dataset (Aghion et al., 2010; Dimeglio et al., 2013; Kim, 2015; Son, 2020; Dutta & Sobel, 2021) are provided in the literature section.

WVS collects data on people's attitudes, beliefs, value judgments, stereotypes, trust, gender, religion, family, society, and the environment through regular surveys conducted in many countries. As an international research initiative, it provides a dataset that can be used to examine people's attitudes and behaviours, as well as to analyse changes over time to

some degree. The dataset is utilised in research within political science, psychology, economics, and numerous related fields. In this study, using data from the WVS dataset, the interaction among factors such as employment level, anxiety about losing or not finding a job, perceived justice, and corruption with trust is analysed.

The analysis draws on data from Wave 7 (2017-2022) of the World Values Survey, which includes nationally representative samples from 66 countries. For this study, we selected a subset of countries with complete data on key variables—such as generalised trust, employment status, education, perceived corruption, and subjective well-being. The countries in the final sample are: Türkiye, the United States, Germany, South Korea, Mexico, Lebanon, Jordan, Morocco, Egypt, and Tunisia. Fieldwork in each country took place between 2017 and 2020, depending on the national survey schedule. Detailed information on fieldwork periods and sample characteristics is available in the official WVS documentation (World Values Survey Association, 2022). Wave 7 covers the years 2017-2020 and is the most recent and comprehensive dataset available at the time of analysis. This wave was chosen because it contains current and relevant variables aligned with the study's focus on trust and behavioural responses within labour market dynamics. Notably, the most recent resource available to the research community has two main features: first, it includes data from 64 countries worldwide; second, it encompasses responses from over 80,000 participants. Data collection occurred across countries in different years, which introduces variability; for example, data for Türkiye are from 2018, whereas in the United States, the data were collected in 2017. Based on the data and existing literature, the model was established with a defined dependent variable and categorised independent variables.

This study employs logit and probit models because the dependent variable is binary. These models are suitable for analysing categorical outcomes and for estimating the likelihood of trusting others as a function of various explanatory variables. They are appropriate for examining categorical results and enable us to calculate the probability of trust given different independent variables. Table 1 provides an overview of all variables used in the analysis, including their definitions and categories. The dependent variable is coded as binary: individuals who report trusting are assigned 1, and those who do not are assigned 0. Gender is treated as a binary variable; females are coded as 1, with males serving as the reference group coded as 0. Education is categorised into three levels: lower, middle, and higher. Employment status is divided into eight distinct groups. To streamline the analysis, income levels are recoded from ten original categories into three grouped categories. Happiness and job-related concerns—such as worries about losing a job or difficulty in securing employment—are measured on a four-point ordinal scale. Perceptions of corruption are measured using a 10-point scale, allowing respondents to indicate the prevalence of corruption in their country. These variables encompass a wide range of factors, including demographic characteristics, emotional well-being, labour market experiences, and perceptions of institutional and social conditions.

Table 2 provides a summary of the descriptive statistics. Participants demonstrated a moderate level of general trust, with a mean trust score of 0.784 (SD = 0.411) and a score

range of 0 to 1, based on 69,940 observations. Regarding gender, the mean female score was 0.526 (SD = 0.499), indicating a relatively balanced distribution. The average age of respondents was 42.677 years (SD = 16.297), with a range from 16 to 103 years. Education levels varied, with a mean of 1.962 (SD = 0.804) on a scale from 1 to 3, according to the ISCED classification, based on 70,273 observations. The mean score for labour union membership was 0.208 (SD = 0.529), suggesting a relatively low prevalence of union affiliation among respondents. Perception of corruption was measured on a 10-point scale, with a mean of 8.663 (SD = 2.245), reflecting a nuanced perspective on corruption within the country.

Table: 2
Summary of Descriptive Statistics of Variables

Variable	Obs	Mean	Std. Dev.	Min	Max
Trust	69940	.784	.411	0	1
Female	70867	.526	.499	0	1
Age	70549	42.677	16.297	16	103
Age2	70549	2086.932	1530.925	256	10609
Education level	70273	1.962	.804	1	3
Employment status	70021	3.156	2.053	1	8
Income scale	69145	1.819	.569	1	3
Marital status	70528	2.723	2.126	1	6
Worries	68328	2.123	1.096	1	4
Feeling of happiness	70437	1.85	.713	1	4
Labour union member	69929	.208	.529	0	2
perception corruption	69750	8.663	2.245	3	10

Model

$$trust_i = \beta_0 + \beta_1 female_i + \beta_2 age_i + \beta_3 age2_i + \beta_4 marital_status_i + \beta_5 educ_level_i + \beta_6 employment_status_i + \beta_7 income_scale_i + \beta_8 worries_i + \beta_9 happiness_i + \beta_{10} perception_corruption_i + \beta_{11} labor_union_i + \beta_{12} country_year_i + u_i$$

Since the dependent variable is categorical, the LOGIT and PROBIT models were used in the analysis. The OLS method was also included as a linear regression model for comparison. The age variable was squared and included in the model to assess its effect better. Because we assume that the impact of age on the dependent variable is nonlinear, we include the squared age term. In logit and probit models, the coefficients represent the change in the log-odds (logit) or the z-score (probit) of the dependent variable for a one-unit increase in the independent variable. Positive coefficients indicate an increased likelihood of trust, while negative coefficients suggest a decreased likelihood.

4. Results

The subjective, multidimensional, and context-dependent nature of trust presents unique challenges in both understanding and measuring it. Conventional economic indicators are typically directly observable and quantifiable. In contrast, trust encompasses emotional, cognitive, and behavioural dimensions that are less easily captured through quantitative metrics. Therefore, the interpretation of the results in this study is limited to the data and model outputs, and it avoids overly broad or definitive claims. Given the binary structure of the dependent variable (trust), the analysis employs logistic and probit

regression. These techniques are well-suited to estimating the likelihood of binary outcomes and enable the study to assess the relationship between trust and various explanatory variables. For comparative robustness, Ordinary Least Squares (OLS) regression results are also included, despite its limitations in modelling dichotomous outcomes.

To improve the clarity and consistency of the analysis, dummy variables are created for categorical variables. These are interpreted with respect to a reference category. For example, in the gender variable, female respondents are coded 1, whereas males (the reference group) are coded 0. The estimation results indicate that the gender variable is statistically significant and positively related to trust. Specifically, according to the logistic regression model, women are approximately 0.071 units more likely than men to report trusting others. Although this result aligns with some findings in the literature, the effect size remains modest, and caution should be exercised when making generalisations. The modest effect size warrants caution in drawing broad conclusions. The conflicting results across studies highlight the complex nature of the gender-trust relationship, prompting further investigation into contextual and cultural factors.

Since data on countries are obtained from different years, this variable is included in the model as a country-year interaction. Country data are included as a categorical variable in the model. The significance test was performed using a dummy variable, and the result was significant. Coefficients for country-year fixed effects are omitted for brevity but can be provided upon request.

Table: 3
Regression Model Results

	(OLS)	(LOGIT)	(PROBIT)
	trust	trust	trust
female	.011***	.071***	.042***
	(.003)	(.024)	(.014)
age	.001*	.008*	.005*
	(.001)	(.005)	(.003)
age2	0***	0***	0***
	(0)	(0)	(0)
1bn.educ_level			
2.educ_level	0	-.022	-.005
	(.004)	(.031)	(.017)
3.educ_level	-.048***	-.328***	-.178***
	(.004)	(.032)	(.018)
1bn.employment_~s	-.028***	-.18***	-.108***
	(.007)	(.047)	(.027)
2.employment_st~s	-.037***	-.254***	-.152***
	(.008)	(.057)	(.033)
3.employment_st~s	-.027***	-.172***	-.104***
	(.007)	(.053)	(.03)
4.employment_st~s			
5.employment_st~s	-.026***	-.146***	-.09***
	(.008)	(.055)	(.031)
6.employment_st~s	-.033***	-.231***	-.136***
	(.01)	(.071)	(.04)
7.employment_st~s	-.027***	-.163**	-.103***
	(.008)	(.064)	(.036)
8.employment_st~s	-.003	-.024	-.025
	(.016)	(.122)	(.069)

1bn.income_scale			
2.income_scale	-.02***	-.146***	-.077***
	(.003)	(.028)	(.016)
3.income_scale	-.047***	-.332***	-.185***
	(.006)	(.044)	(.025)
1bn.marital_sta~r			
4.marital_statu~r	.016***	.112***	.062***
	(.004)	(.032)	(.018)
6.marital_statu~r	.01**	.048	.025
	(.005)	(.034)	(.019)
1bn.worries			
2.worries	-.025***	-.216***	-.12***
	(.004)	(.029)	(.016)
3.worries	-.052***	-.38***	-.216***
	(.005)	(.032)	(.018)
4.worries	-.039***	-.301***	-.169***
	(.005)	(.036)	(.021)
1bn.happiness			
2.happiness	.03***	.223***	.127***
	(.004)	(.025)	(.014)
3.happiness	.076***	.627***	.351***
	(.005)	(.043)	(.024)
4.happiness	.078***	.745***	.385***
	(.009)	(.107)	(.055)
0bn.laborunion_~r			
1.laborunion_me~r	-.026***	-.184***	-.106***
	(.005)	(.036)	(.021)
2.laborunion_me~r	-.038***	-.271***	-.156***
	(.007)	(.045)	(.026)
1bn.perception_~n	-.052***	-.5***	-.278***
	(.011)	(.087)	(.047)
2.perception_co~n	-.143***	-.942***	-.528***
	(.014)	(.075)	(.044)
3.perception_co~n	-.135***	-.855***	-.485***
	(.01)	(.056)	(.033)
4.perception_co~n	-.111***	-.758***	-.424***
	(.009)	(.054)	(.031)
5.perception_co~n	-.072***	-.558***	-.307***
	(.006)	(.041)	(.024)
6.perception_co~n	-.086***	-.629***	-.35***
	(.007)	(.042)	(.024)
7.perception_co~n	-.071***	-.544***	-.295***
	(.006)	(.038)	(.022)
8.perception_co~n	-.045***	-.397***	-.21***
	(.005)	(.037)	(.021)
9.perception_co~n	-.027***	-.274***	-.143***
	(.005)	(.043)	(.024)
10.perception_c~n			
cons	.851***	1.918***	1.12***
	(.022)	(.142)	(.082)
Observations	62982	62982	62982
Robust standard errors are in parentheses.			
**** p<.01, ** p<.05, * p<.1*			
scalars:			
e(r2_p) = .1741166884083774			
e(chi2) = 9597.443351483928			
e(ll_0) = -32740.87470242132			
e(ll) = -27040.1420236421			

The age variable and its square were included in the model. This is to analyse the effect more accurately, rather than assuming a linear impact across all ages. If both variables are positive, the effect strengthens with age. We included a quadratic term for age (age²) to test for potential nonlinear effects (Table 4). A likelihood-ratio test confirmed a nonlinear relationship between age and trust ($\chi^2 = 7.11, p = 0.007$), justifying the inclusion of a quadratic term for age. The quadratic relationship between age and trust was statistically

significant, with trust peaking at 32 years ($turning\ point\ =\ -\beta age/2\beta age^2\ =\ 32$). This suggests that trust evolves nonlinearly across the lifespan, rising in early adulthood and declining in later life. According to the model, the age breakpoint is 32. The non-linear relationship between age and trust, characterised by a breaking point at 32, offers a nuanced perspective. The positive effect of age on trust up to this point, followed by a diminishing effect, prompts considerations of life-stage influences on trust dynamics. The inverted U-shaped relationship between age and trust, peaking at 32 years, aligns with life-cycle theories of social capital. Younger individuals may exhibit lower trust due to limited labour market experience, while midlife workers develop trust through stable employment and social integration. The subsequent decline in trust after age 32 may reflect the erosion of social networks and job security in later adulthood (Delhey & Newton, 2005; Hauser, 2015). These findings suggest that interventions to enhance trust in labour markets should consider age-specific strategies. For instance, younger workers may benefit from mentorship programs to build confidence, while older workers may require support to mitigate job insecurity and maintain social connections.

The marginal effects (Table 5) and odds ratios (Table 6) together highlight the complex interaction of individual and contextual factors in shaping trust. Higher education and full-time employment, often thought to foster trust, are associated with lower trust, possibly due to cognitive biases, unmet expectations, or competitive environments. Conversely, happiness and female gender boost trust, reflecting the impact of positive emotions and socialisation processes. The strong adverse effect of corruption perceptions emphasises the importance of institutional trust in building interpersonal trust. These findings have significant policy implications, suggesting that efforts to reduce corruption and improve workplace well-being could strengthen trust in labour markets.

Being female is linked to a 7% higher likelihood of trusting others (OR=1.074, $p<0.01$). However, the small effect size emphasises the need for further investigation of gender differences in trust across specific cultural and institutional contexts.

Education level consists of three categories: low, middle, and high. The base value is low educational attainment. A high level of education has a negative value and is statistically significant. Therefore, a higher education level negatively affects trust, with a coefficient of -.328 relative to a lower education level. The adverse effect of higher education on trust compared to lower levels of education introduces a counterintuitive dimension. Further research is needed to clarify how education affects trust, while accounting for potential mediating factors such as socioeconomic status and cultural predispositions. The marginal effect for higher education ($dy/dx=-0.047$, $p<0.01$) indicates that individuals with higher education are, on average, 4.7 percentage points less likely to trust others compared to those with lower education. This counterintuitive finding may reflect cognitive biases associated with higher education, such as heightened scepticism or greater awareness of systemic inequalities, which could erode trust in generalised others. Alternatively, higher education may expose individuals to competitive environments that foster distrust, aligning with theories of social comparison and relative deprivation (Wilkinson & Pickett, 2009).

Employment status includes eight categories: full-time, part-time, self-employed, retired, homemaker, student, unemployed, and others. The reference category is retired status. All categories are statistically significant except for "others." Full-time employment (-.18), part-time employment (-.254), and unemployment (-.163) are statistically significant and negative. Contrary to expectations, full-time employment has a negative value. These findings are inconsistent with Kim (2015), which shows that employment participation positively influences trust and that a person's level of trust significantly affects their likelihood of engaging in employment. However, the negative impact of unemployment on trust aligns with O'Higgins & Stimolo (2019), who used an experimental approach to assess how employment status affects trust and trustworthiness. This finding contradicts earlier research and warrants further investigation into the contextual factors behind this counterintuitive relationship. Full-time employment correlates with a 2.3 percentage point decrease in the probability of trust ($dy/dx=-0.023$, $p<0.01$). This contradicts the standard expectation that stable employment promotes trust. It may instead reflect psychological strain and job-related stress among full-time workers, which could reduce their willingness to trust others. This idea is supported by psychological contract theory (Conway & Briner, 2005), which suggests that unmet expectations in employment relationships can diminish trust over time.

The income level variable has three categories: low, medium, and high. The low-income level was set as the reference category. The high-income level is statistically significant and has a negative coefficient (-.332). Consequently, an adverse effect between high-income levels and trust is possible. The negative correlation between high income levels and trust may reflect the 'trust paradox' observed in affluent societies, in which greater income inequality diminishes social cohesion and trust (Wilkinson & Pickett, 2009). This indicates that economic prosperity alone does not ensure higher levels of trust in the labour market. The negative impact of high income on trust underscores the complex interplay between socioeconomic status and interpersonal trust. Further research is required to understand the complex mechanisms by which income influences trust dynamics.

The marital status variable was recoded into three categories: married, single, and other (separated, widowed, and divorced). When the married category is used as the reference, the 'other' category is statistically significant and positive, whereas the single category is not statistically significant. When the 'other' category serves as the reference, being married appears as a statistically significant negative factor. The link between marital status and trust varies, requiring careful interpretation. It is important to investigate potential moderating variables that influence the counterintuitive finding that being married can have an adverse effect in specific contexts.

The variable of worry about losing one's job and being unable to find one was statistically significant and negative across all categories. This result is statistically significant and aligns with theoretical expectations. Concerns about job loss and unemployment undermine trust. This finding supports the study (Wroe, 2014), which shows that job insecurity diminishes political trust. It also aligns with the survey (O'Higgins &

Stimolo, 2019), highlighting the importance of trust in management in shaping employees' responses to job insecurity. The results indicate that when employees face real threats to job security, anxiety increases and organisational commitment decreases. This applies not only to tangible threats but also to employees' perceptions of potential job loss. A high level of trust in management can help buffer the adverse effects of job insecurity and foster a more resilient and dedicated workforce. However, these findings require further research before concluding that individuals concerned about losing or failing to secure employment are less likely to trust others.

The happiness variable is statistically significant and shows a consistently positive relationship across all categories, consistent with expected outcomes. While traditional discourse often uses terms such as job satisfaction and overall satisfaction with employment, the experiential aspect of happiness constitutes a distinct dimension, distinct from mere satisfaction and professional contentment. Nevertheless, at a superficial level, a positive association exists between the subtle feeling of happiness and trust. In terms of happiness, it aligns with Van Oorschot & Arts (2005), who indicate that individuals working full-time or part-time can experience positive effects on their well-being through increased confidence, highlighting the potential of employment in fostering happiness and social connectedness.

The labour union membership variable includes three categories: active members, inactive members, and non-members. The reference category is non-membership. The estimated values for active or inactive union membership are statistically significant and positive. Consequently, there is a negative correlation between union membership and trust. Studies indicate a positive correlation between union membership and trust. It is argued that union membership can foster solidarity and create an environment of trust and cooperation among members. However, it should be recognised that other factors influence differences in trust between unionised and non-unionised individuals, though they are beyond the scope of this study.

Perception of corruption comprises 10 categories. In this categorical structure, ranging from 1 to 10, 10 indicates 'too much corruption.' The 10th category, which signifies excessive corruption, serves as the reference point. According to the results, all categories of corruption perception are statistically significant and negatively related. The perception of corruption, which can be linked to perceptions of fairness, negatively correlates with trust, consistent with theoretical expectations and common sense. An increase in corruption perception adversely affects fairness and trust. Fairness and trust are crucial in the labour market, goods and services, and financial sectors. The findings support and extend prior research, such as Nguyen & van Dijk (2012), emphasising how systemic corruption hampers labour market efficiency by undermining trust in institutional frameworks. While their research focuses on structural economic outcomes, our behavioural economics approach examines trust as a multifaceted construct shaped by cognitive expectations (e.g., perceptions of justice) and emotional responses (e.g., job-related anxieties). By integrating World Values Survey data and regression analyses, we confirm their findings on the adverse effect of corruption on trust, while also broadening the scope to include individual factors

such as employment status and subjective well-being. This links macro-level institutional critiques (Nguyen & van Dijk, 2012) with micro-level behavioural mechanisms, thereby providing a more comprehensive understanding of the role of trust in labour market dynamics.

The labour market analysis shows that trust is notably affected by employment status, with full-time and part-time workers reporting lower levels of trust than retirees. This suggests that job insecurity and workplace stress can erode trust among employees. Moreover, perceptions of corruption have a substantial adverse effect on trust, emphasising the importance of fair and transparent labour market policies.

The findings presented here encourage further investigation and call for interdisciplinary approaches to fully understand the intricate dynamics of trust in modern societies. Future research should address the study's limitations, such as the cross-sectional design and potential confounding factors, to develop a more comprehensive understanding of trust dynamics.

5. Discussion

The results of this study highlight the inherently complex and multidimensional nature of trust, particularly in the labour market context. The findings show that trust is influenced by a combination of individual demographic traits, socioeconomic factors, and institutional perceptions, emphasising the interaction between personal experiences and systemic conditions. The observed gender difference, in which women display slightly higher trust levels, is consistent with prior literature, although the effect size remains modest. This indicates that more profound cultural, social, and institutional influences shape gender-related trust dynamics. Future research should investigate how intersecting identities, social roles, and normative expectations affect trust differently across genders and contexts.

The nonlinear relationship between age and trust provides valuable theoretical and practical insights. Trust appears to develop and peak in early adulthood, possibly reflecting increased social integration and stability during mid-career. The subsequent decline in trust among older individuals may indicate shrinking social networks, perceived vulnerabilities, or disillusionment with institutional structures.

The negative correlation between higher education and trust challenges traditional views of education's generally positive social impact. This surprising finding may reflect heightened awareness fostered by higher education, in which greater exposure to systemic inequalities or competitive pressures leads to scepticism. This phenomenon also raises important questions about the role of education in developing social capital. It highlights the need for further research to clarify the mechanisms, whether cognitive, cultural, or structural, that influence this relationship.

Employment status, particularly full-time and part-time work, was negatively associated with trust relative to retirees. This indicates that the pressures and uncertainties

tied to active employment—such as job insecurity, workplace stress, and unmet expectations—can undermine trust. These findings support psychological contract theory, which suggests that violations or unfulfilled obligations in employment relationships weaken trust over time. Therefore, labour policies that improve job security, enhance working conditions, and foster positive employer-employee relationships are essential for maintaining trust within the workforce.

The strong and consistent negative impact of perceived corruption on trust emphasises the importance of institutional integrity in fostering social cohesion. Corruption not only erodes confidence in formal institutions but also undermines interpersonal trust, thereby weakening the social fabric necessary for effective economic and social interactions. This underscores the urgent need for transparency reforms and effective anti-corruption measures as essential steps to rebuild trust within labour markets and society as a whole.

From a policy perspective, these findings support multi-level strategies that tackle both individual experiences and structural issues. Initiatives that improve workplace well-being, combat corruption, and encourage inclusive participation can build trust, thereby enhancing labour market efficiency and social stability. Tailored programmes that address age-specific needs and gender dynamics may further reinforce the role of trust in fostering fair and productive employment environments.

It is important to recognise certain limitations that may influence the interpretation of the findings. The cross-sectional design prevents causal inferences, and reliance on self-reported survey data may introduce biases. Furthermore, the aggregation of data from diverse countries in the World Values Survey dataset warrants caution when generalising results, as cultural and institutional differences likely shape trust dynamics. Informal employment presents another challenge that constrains labour market analysis and limits the ability to obtain accurate estimates. Data on employment levels in the datasets and models need further development and refinement. The WVS dataset does not include the Not in Education, Employment, or Training (NEET) group within the employment level categories. Consequently, NEET is incorporated into existing categories but not recognised as a separate group, limiting specific analysis of this segment. Income-level data in the WVS dataset are provided in two formats: 10 categories and three categories. A notable point about income levels is that countries have varying practices concerning wages and salaries. For instance, whilst Türkiye has minimum wages and salaries, some countries use hourly wages. The dataset is not ideal for analysing these specific differences.

For future research, exploring additional aspects is advised to enhance and refine the current understanding in the field. Topics such as non-standard working patterns, flexible working conditions, and atypical employment should be addressed in further studies. Many factors, including expectations, uncertainties, and flexible or rigid working hours, influence labour market dynamics. Developments such as non-standard working models, flexible working conditions arising due to changing circumstances, and atypical employment present both limitations and opportunities for further research in labour economics. Topics like

expectations, uncertainty, and uncertainty avoidance remain prominent in recent discussions. There is a need for more literature on the labour market. The uncertain conditions caused by the COVID-19 pandemic have impacted labour market relations in various ways. Future research could focus on reducing labour market uncertainties and mitigating their adverse effects, thereby informing policy recommendations based on these findings. The cultural framework, which inherently influences the economic structure, is also pertinent to the labour market. Each country's cultural makeup shapes its economic and social systems. Cultural codes- such as concepts of masculine and feminine cultures, business practices, and daily life customs- are relevant in understanding labour market phenomena. Future studies could investigate labour market dynamics within the context of masculine and feminine cultures.

6. Conclusion

The empirical findings from the investigation can be summarised as follows. Using the World Values Survey dataset, this study examines trust, perceptions of corruption, worry about losing a job or being unable to find a new one, feelings of happiness, and demographic variables (gender, education level, employment status, and income level), and assesses their impact on trust. Perceptions of corruption and concerns about job loss influence trust. Perception of corruption relates to the concept of fairness. In this context, perceptions of corruption are a key factor in the relationship between fairness and trust. Being a member of a labour union and employment status- whether full-time, part-time, or unemployed- are similarly associated with decreased trust. Interestingly, the potential positive link between full-time employment, union membership, and trust was contrary to expectations. The findings regarding part-time employment and unemployment align with expectations. The negative impact of full-time jobs on trust is unexpected and contradicts prior research indicating a positive correlation between employment participation and trust. This discrepancy may be explained by psychological contract theory, which suggests that full-time employees might experience higher levels of job-related stress, thereby reducing trust.

Job search behaviours, unionisation, job mobility, wage determination, efforts to increase labour productivity through incentives, and similar decision-making processes can be addressed from a behavioural perspective. This approach enables the development of policy recommendations on change and transformation in these areas. The outcomes and concepts of behavioural economics, as applied to goods and financial markets, consumer behaviour, and many other fields, are also key reference points for labour studies. Behavioural economics has strong potential for understanding how the labour market functions and how individual behaviour is shaped within this context. In this sense, behavioural labour economics can potentially improve labour market issues, policy design, and the development of active or passive intervention programmes, thereby enhancing economic welfare.

In summary, the present study contributes to the body of knowledge by examining the complex factors that influence trust in the labour market. Moreover, it highlights the vital

role that fairness, security, and well-being play in maintaining social cohesion. Continued interdisciplinary research is necessary to elucidate the intricate trust dynamics underpinning economic and social life and to guide policies that foster more resilient and inclusive societies. Investigating the psychological and behavioural pathways through which education, employment conditions, and perceptions of institutions affect trust could shed light on mechanisms amenable to intervention. Combining behavioural economics frameworks with sociological and institutional analyses offers potential to improve both theoretical understanding and practical outcomes.

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APPENDIX

Table: 1
Variable Definitions and Descriptions

Trust: Most people can be trusted	*Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people? 1.- Most people can be trusted 2.- Need to be very careful*
Respondent's sex	*1.- Male 2.- Female*
Age	*Numeric variable – number of years*
Highest educational level	*Education level (recoded): Lower: ISCED 0, ISCED 1, ISCED 2 - Middle: ISCED 3, ISCED 4 - Higher: ISCED 5, ISCED 6, ISCED 7, ISCED 8*
Employment status	*Are you employed now or not? If yes: About how many hours a week? 1.- Full-time (30 hours a week or more) 2.- Part-time (less than 30 hours a week) 3.- Self-employed 4.- Retired/pensioned 5.- Housewife not otherwise employed 6.- Student 7.- Unemployed 8.- Other*
Income level (recoded)	*Income level recoded: 1.- Low 2.- Medium 3.- High*
Marital status	*Are you currently .... 1.- Married 2.- Living together as married 3.- Divorced 4.- Separated 5.- Widowed 6.- Single*
Worries: Losing my job or not finding a job	*To what degree are you worried about the following situations? Losing my job or not finding a job 1.- Very much 2.- A great deal 3.- Not much 4.- Not at all*
Feeling of happiness	*Taking all things together, would you say you are: 1.- Very happy 2.- Quite happy 3.- Not very happy 4.- Not at all happy*
Active/Inactive membership: Labour union	*Now I am going to read out a list of voluntary organisations; for each one, could you tell me whether you are a member, an active member, an inactive member or not a member of that type of organisation? Labor Union*
Perceptions of corruption in the country	*Now I'd like you to tell me your views on corruption – when people pay a bribe, give a gift, or do a favour to others to get the things they need done or the services they need. How would you place your views on corruption in your country on a 10-point scale, where "1" means "there is no corruption in this country" and "10" means "there is abundant corruption in this country"? If your views are somewhat mixed, select the appropriate number between the two.*

Table: 4
Test for Nonlinearity

Likelihood-ratio test LR chi2(1) = 7.11

(Assumption: linear nested in quadratic) Prob > chi2 = 0.0077

Table: 5
Marginal Effects

	dy/dx	Std.Err.	z	P>z	[95%Conf.	Interval]
female	0.010	0.003	3.000	0.003	0.003	0.016
age	0.001	0.001	1.890	0.059	-0.000	0.002
age2	-0.000	0.000	-2.710	0.007	-0.000	-0.000
educ_level						
Middle	-0.003	0.004	-0.690	0.489	-0.011	0.005
Higher	-0.047	0.005	-9.970	0.000	-0.056	-0.037
employment_status						
Full-time (30 hours a week or more)	-0.023	0.006	-3.950	0.000	-0.035	-0.012
Part-time (less than 30 hours a week)	-0.034	0.008	-4.490	0.000	-0.049	-0.019
Self employed	-0.022	0.007	-3.280	0.001	-0.036	-0.009
Homemaker not otherwise employed	-0.019	0.007	-2.680	0.007	-0.033	-0.005
Student	-0.031	0.010	-3.200	0.001	-0.050	-0.012
Unemployed	-0.021	0.008	-2.560	0.011	-0.037	-0.005
Other	-0.003	0.015	-0.200	0.844	-0.032	0.026
income_scale						
Medium	-0.019	0.004	-5.330	0.000	-0.026	-0.012
High	-0.047	0.006	-7.260	0.000	-0.059	-0.034
marital_status_r						
4	0.015	0.004	3.510	0.000	0.007	0.024
6	0.007	0.005	1.410	0.159	-0.003	0.016
worries						
A great deal	-0.028	0.004	-7.300	0.000	-0.036	-0.021
Not much	-0.053	0.005	-11.560	0.000	-0.062	-0.044
Not at all	-0.041	0.005	-8.070	0.000	-0.050	-0.031
happiness						
Quite happy	0.033	0.004	8.630	0.000	0.025	0.040
Not very happy	0.080	0.005	16.230	0.000	0.071	0.090
Not at all happy	0.092	0.010	9.350	0.000	0.073	0.111
laborunion_member						
Inactive member	-0.026	0.005	-4.840	0.000	-0.037	-0.016
Active member	-0.040	0.007	-5.630	0.000	-0.054	-0.026
perception_corruption						
1 There is no corruption in my country	-0.065	0.012	-5.270	0.000	-0.090	-0.041
2	-0.143	0.015	-9.780	0.000	-0.172	-0.114
3	-0.126	0.010	-12.500	0.000	-0.146	-0.106
4	-0.108	0.009	-11.930	0.000	-0.126	-0.090
5	-0.074	0.006	-12.370	0.000	-0.086	-0.063
6	-0.086	0.006	-13.700	0.000	-0.099	-0.074
7	-0.072	0.005	-13.210	0.000	-0.083	-0.062
8	-0.050	0.005	-10.260	0.000	-0.060	-0.041
9	-0.033	0.005	-6.080	0.000	-0.044	-0.022

Note: dy/dx for factor levels is the discrete change from the base level.

Table: 6
Odds Ratio

trust	Odds Ratio	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
female	1.074	.025	3.00	.003	1.025	1.125	***
age	1.009	.005	1.89	.059	1	1.017	*
age2	1	0	-2.71	.007	1	1	***
Highest educationa~o	1	.	.	.	.	.	
Middle	.979	.03	-0.69	.49	.921	1.04	
Higher	.721	.024	-9.93	0	.676	.769	***
Full-time (30 hour~o	.836	.039	-3.81	0	.762	.917	***
Part-time (less th~	.776	.044	-4.46	0	.694	.867	***
Self employed	.842	.045	-3.23	.001	.758	.935	***
Employment status ~d	1	.	.	.	.	.	
Homemaker not othe~d	.864	.048	-2.66	.008	.775	.962	***
Student	.794	.056	-3.27	.001	.691	.912	***
Unemployed	.85	.054	-2.57	.01	.751	.962	**
Other	.977	.117	-0.20	.843	.772	1.236	
Income level (Reco~o	1	.	.	.	.	.	
Medium	.864	.024	-5.22	0	.818	.913	***
High	.718	.031	-7.61	0	.659	.782	***
RECODE of marital ~a	1	.	.	.	.	.	
4	1.119	.036	3.44	.001	1.049	1.192	***
6	1.049	.036	1.40	.162	.981	1.122	
Worries: Losing my~i	1	.	.	.	.	.	
A great deal	.805	.024	-7.36	0	.76	.853	***
Not much	.684	.022	-11.93	0	.643	.728	***
Not at all	.74	.027	-8.37	0	.69	.794	***
Feeling of happine~y	1	.	.	.	.	.	
Quite happy	1.25	.032	8.79	0	1.189	1.313	***
Not very happy	1.873	.08	14.75	0	1.723	2.035	***
Not at all happy	2.106	.215	7.28	0	1.723	2.573	***
Active/Inactive me~o	1	.	.	.	.	.	
Inactive member	.832	.03	-5.07	0	.774	.893	***
Active member	.763	.034	-6.05	0	.699	.833	***
1 There is no corr~c	.607	.05	-6.08	0	.516	.713	***
2	.39	.03	-12.22	0	.335	.453	***
3	.425	.024	-15.01	0	.38	.476	***
4	.469	.025	-14.01	0	.422	.521	***
5	.573	.024	-13.51	0	.528	.621	***
6	.533	.022	-15.14	0	.491	.578	***
7	.58	.022	-14.19	0	.538	.626	***
8	.672	.025	-10.76	0	.625	.723	***
9	.76	.033	-6.39	0	.699	.827	***
Perceptions of cor~e	1	.	.	.	.	.	
Constant	6.81	.972	13.44	0	5.148	9.009	***

Mean dependent var	0.786	SD dependent var	0.410
Pseudo r-squared	0.175	Number of obs	62982
Chi-square	11450.057	Prob > chi2	0.000
Akaike crit. (AIC)	54195.692	Bayesian crit. (BIC)	54937.842

*** *p<.01, ** p<.05, * p<.1*