In comparison to the heated debate over the origins of trust in political institutions, few studies have empirically examined the linkage between trust in political and nonpolitical institutions at the individual level. In this study, we utilize a two-step methodology to investigate attitudes toward the government in the broader context of attitudes toward related nonpolitical institutions in South Korea. Results from latent class analysis reveal that political trust is an integrated part of a more general set of attitudes toward social and economic institutions. In addition, results from multinomial logistic regression analysis corroborate past studies that found a positive relationship between perceptions of institutional performance and trust in institutions while partially supporting theories advocating the importance of interpersonal trust for institutional trust. This study points to the possibility of interpersonal trust “spilling up” to trust in institutions and the likelihood that trust in one institution “spills over” to trust in other related institutions.

KEY WORDS: culture; generalized social trust; institutional trust; latent class analysis; political trust.

INTRODUCTION

Scholars have noted that trust in institutions is declining in Western democracies as well as other parts of the world.\(^5\) Trust in political institutions

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5 The term “institutional trust” refers to citizens’ trust in public and private institutions, including political institutions, private enterprises, labor unions, civil associations, and so on. The term “political trust” refers more specifically to trust in political institutions such as central and federal government, local government, Congress, and the Supreme Court.
has not only declined in the United States since the 1960s, despite short peri-
ods of reversal, but also across Europe and Asia (Levi and Stoker, 2000;
Miller, 1974; Mishler and Rose, 1997; Norris, 1999; Pharr and Putnam, 2000;
Putnam, 2000). Whereas studies using the recent European Social Survey
report a slight loss or even a recovery of political trust in established and con-
solidated democracies, trust in political institutions has dropped more rapidly
in new democracies (Catterberg and Moreno, 2006). Some scholars argue that
debates in trust are more prominent for traditional government institutions
(Inglehart, 1997), while others worry about the erosion of trust in various
private institutions, including corporations, trade unions, and religious
organizations (Lipset and Schneider, 1983).

The erosion of trust in public and private institutions is an ominous
indicator of citizens’ disaffection toward the basic institutional structures of
modern society. Declines in trust undermine legitimacy and support for insti-
tutions and can negatively affect the ability of governments to carry out their
policies effectively (Braithwaite and Levi, 1998; Chanley et al., 2000; Hethe-
rington, 1998, 2004; Hetherington and Globetti, 2002; Rudolph and Evans,
2005). In addition, declining political trust can foster civil unrest and is related
to higher rates of social movement activism and anti-system protest (Gamson,
1968; Muller, 1977; Muller et al., 1982). Distrust of private institutions, on the
other hand, can compromise the long-term potential for those institutions to
thrive: distrust of civil associations leads to fewer public donations and dis-
trust of corporations negatively influences consumers’ decisions to purchase
their products.

Several studies have proffered various causes influencing levels of trust in
political institutions. Two general theoretical approaches, cultural and institu-
tional, compete as explanations for the development of trust (Mishler and
Rose, 2001, 2005). While cultural theories emphasize exogenous determinants
of political trust, such as individuals’ early socialization and interpersonal
networks, institutional theories highlight endogenous factors including the
perceived performance and reputation of institutions. Cultural theorists do not
deny that institutional performance can affect trust but argue that interper-
sonal trust networks are of ultimate importance (Pharr and Putnam, 2000).
Institutional theorists also acknowledge the influence of interpersonal trust but
contend that institutional performance can better explain temporal changes in
trust (Norris, 1999).

In comparison to the heated debate over the interpersonal and institu-
tional origins of trust, few studies have empirically examined the linkage
between public and private institutions at the individual level. Trust in non-
political institutions has been overlooked relative to the many studies on
attitudes toward political institutions. In the few studies that look at atti-
tudes toward nonpolitical institutions, most have analyzed the sources of
trust in political and nonpolitical institutions separately and have not
explored the possibility that trust in one type of institution is related to
trusting other institutional forms (Mishler and Rose, 1997; Newton and
However, we argue that trust in political institutions is only one unique instance of “institutional trust” and by focusing exclusively on political trust we obfuscate the importance of the relationship between public and private institutions. We broaden the definition of “institutional trust” in this study to include trust in public and private institutions and explore the possibility that trust in public institutions, such as government agencies, is a function of a broadly applicable “standard estimate” of diverse types of institutions (Paxton, 2007; Yamagishi and Yamagishi, 1994).

We explore the levels of trust individuals have toward public and private institutions using the case of South Korea. There are two justifications for why South Korea is a good case to test theories of institutional trust. First, most studies on political trust have assessed established Western liberal democracies while new democracies have been overlooked. Thus, South Korea is an important extension of the geographical and political-contextual scope of the literature as it is part of the “third wave” of democracy and is, arguably, still in the democratic consolidation period (Huntington, 1992). Second, South Korea is a representative case where political and nonpolitical institutions have historically been closely intertwined. Along with other developmental states in East Asia, South Korea’s successful rapid economic development was orchestrated by the developmental state in collusion with business sectors (Hundt, 2008) and political development was motivated, in part, by the active participation of civil society organizations (Armstrong, 2006; Shin and Chang, 2011).

In this study we utilize a two-step methodology to investigate individuals’ attitudes toward the government in the broader context of attitudes toward related nonpolitical institutions in South Korea. We first utilize latent class analysis to identify three distinct groups in Korean society that are distinguished by their levels of trust in government, civil associations, and major economic corporations. We include attitude measures toward civil associations and major business conglomerates, along with trust in government, because of their close connections to, and significant impact on, South Korea’s political and economic development. Results from latent class analysis suggest that, indeed, levels of trust in government are significantly related to Korean citizens’ attitudes toward civil associations and business conglomerates. In the second part of the analysis we assess the various factors that distinguish the different trust-level groups identified in the first part of the study. We appropriate multinomial logistic regression methods to test variables related to past explanations for differential levels of institutional trust. Results from the regression analysis indicate that both interpersonal social trust and institutional performance are important in understanding people’s attitudes toward institutions. Findings have implications for cultural and institutional theories of trust in public institutions and the possibility of that trust relating to trust in private institutions.
CULTURAL AND INSTITUTIONAL EXPLANATIONS OF TRUST

Two theoretical approaches offer different explanations of trust in institutions: cultural theories that concentrate on exogenous factors such as citizens' personal networks and civic engagement and institutional theories that focus on endogenous factors and the consequences of performance evaluations on variations in political trust (Mishler and Rose, 2001; Newton and Norris, 2000). Scholars working from the cultural perspective assume that trust in political institutions is derived from interpersonal trust developed during early socialization: individuals learn to trust or distrust others based on personal interactions and gradually form a generalized sense of trust in the world (Eckstein, 1966; Eckstein et al., 1998; Job, 2005, 2006; Job and Reinhart, 2003; Paxton, 2007). Based on dissimilar personal traits and experiences, some individuals develop optimistic worldviews and are willing to cooperate with others, which, in turn, leads to a greater degree of trust in public institutions. Others, however, form a pessimistic worldview and are more inclined to be alienated and distrustful of others, which leads to greater skepticism of institutions (Newton and Norris, 2000). Generally, the former group is labeled “trusting people” and the latter group “cynics” (Gabriel, 1995).

The mechanisms by which individuals become “trusting” or “distrusting” of institutions are related to their social networks. Originating from the Tocquevillian tradition (de Tocqueville, 1969), cultural theorists assume that interpersonal trust facilitates participation in civic and voluntary associations. Participation in strong and dense networks, in turn, contributes to the development of social capital and this becomes the foundation on which trust in institutions is built (Almond and Verba, 1963; Inglehart, 1990, 1997; Pharr and Putnam, 2000; Putnam, 1993, 2000; Van der Meer, 2003). Simply put, interpersonal trust “spills up” to trust in public institutions (Putnam, 1993).

The basic tenants of the cultural approach to institutional trust have been challenged by scholars who point to the importance of considering larger sociopolitical contexts. Fukuyama (1995), for example, argues that the degree to which interpersonal trust leads to trust in institutions varies between cultures and that trust does not extend beyond immediate interpersonal networks in those countries with historically strong family ties. Other scholars have pointed to the importance of the larger political context and have raised the possibility that there is an inverse relationship between interpersonal trust and trust in public institutions for those living in totalitarian polities: this happens when citizens compensate for uncertainties in public life by relying on private networks (Rose, 1995; Shlapentokh, 1989). In addition, studies of informal social networks have found that strong interpersonal connections can lead to lower civic participation (Nannestad, 2008; Uslaner and Conley, 2003). Especially from a rational-behavioral perspective, friendships or informal bonds are limited to particular people or groups based on expected returns (Hardin, 2001). Particularized informal networks are based on certain characteristics of
trust and do not lead to generalized social trust in others or participation in civic associations (Yamagishi, 2001). A more fundamental criticism of the cultural approach to institutional trust has been raised by studies that, utilizing individual-level survey data, show a weak correlation between interpersonal trust and trust in political institutions (Foley et al., 2001; Hetherington, 1998; Kim, 2005; Levi, 1996; Norris, 1999; Uslaner, 2002). Kim (2005), for example, argues that the political consequences of social capital have been overstated based on his finding that both interpersonal trust and participation in associations were not positively related to trust in political institutions in South Korea.

Scholars have looked to factors other than interpersonal trust to explain differential levels of political trust. Those who advocate the “institutional” approach assume that trust and distrust toward political institutions are derived from citizens’ rational response to the performance of institutions (Coleman, 1990; North, 1990). Accordingly, these scholars assert that citizens’ perceptions of the economic and political performance of institutions are the main factors explaining trust in public institutions. Past studies have demonstrated that higher levels of economic satisfaction and belief in political efficacy are positively correlated with greater levels of trust in political institutions (Citrin, 1974; Newton, 2006; Weatherford, 1984, 1987). Conversely, it has been reported that cases of political scandal and corruption strongly decrease people’s willingness to trust government (Anderson and Tverdova, 2003; Bowler and Karp, 2004; Chang and Chu, 2006). In cases of postcommunist countries, Mishler and Rose (2001, 2005) argue against the cultural assumption that interpersonal trust spills up to institutional trust and find that perceptions of political and economic performance influence institutional trust and support for regimes. In sum, for institutional theorists, explanations of trust in institutions are directly related to the institutions themselves rather than the social characteristics of individuals who evaluate them.

While most studies have primarily examined attitudes toward political institutions, our extended test of cultural and institutional theories examines whether trust in government is an integrated part of a more general set of attitudes toward related but independent nongovernmental institutions. According to Sztompka (1999), trust in institutions from one industry can be generalized to institutions from other industries. Applying this insight to our study, individuals’ assessments about government institutions can take into account that governance is a function of multiple “policy networks” that are the “sets of formal and informal institutional linkages between governmental and other actors structured around shared interests in public policymaking and implementation” (Rhodes, 2007:1244). That is, underlying individuals’ trust in government institutions is a more broadly applicable set of attitudes toward public and private institutions. We empirically verify this possibility by looking at South Korean citizens’ attitudes toward political, social, and economic institutions.
To examine whether political trust is an integrated part of a general set of attitudes toward related nonpolitical institutions, we selected one representative public institution as well as two major private institutions. We assess citizens’ attitudes toward the executive branch of government because South Korean presidents have wielded greater political power relative to leaders of other nations with a presidential democracy (Migdal, 1988). In addition to the government, civil associations have played a critical role in defining the political culture of Korea since democratic transition in 1987 (Armstrong, 2006; Shin and Chang, 2011). We also include major conglomerates in our analysis because they have dominated South Korea’s economy and are salient in everyday life (Lee, 1997). As Lee (1997) notes, these three representative institutions (the state, civil associations, and large corporations) have played leading roles in defining the lives of South Korean citizens.

Political Institutions: The Government and the Executive Branch

The government has played a dominant role in the political and economic modernization of South Korea (Woo-Cumings, 1999). Korea was ruled by successive former military generals from 1961 to 1987, during which time “developmental dictators” orchestrated policies leading to remarkable economic growth (Lee, 2005). On the one hand, the authoritarian governments suppressed democratic movements, and on the other, tried to overcome their lack of legitimacy by intervening in the market and controlling the industrialization process (Choi, 1993). Starting with President Park Chung Hee (1961–1979), the state implemented economic policies that drastically influenced the formation of capitalism in Korea. Hailed as an economic miracle and one of the four “little dragons” of Asia (Vogel, 1991), South Korea went from a war-torn nation in 1953 to the 15th largest economy in the world today and a member of the OECD.

Upon democratic transition in 1987, the South Korean polity changed dramatically. Political opportunities opened up for progressive politicians and the presidential elections of Kim Dae Jung in 1998 and Rho Moo Hyun in 2003 marked the transfer of power from conservative to progressive leadership. While other branches of government, including the legislature and judiciary, regained their independence from the executive branch following democratic transition, the presidential office remains relatively strong (Kang, 2009). To this day, charismatic leadership, especially at the executive level, defines the political process in the government at the expense of party platform (Choi et al., 2010). Consequently, citizens ascribe responsibility for the political and economic welfare of the nation to the government in general, and the president in particular.
Social Institutions: Civil Associations

Civil associations are distinct social actors salient in South Korean politics. Civil associations arose out of the larger democracy movement and came to fruition after democratic transition in 1987 (Armstrong, 2006; Kim, 2001; Shin, 2003; Shin and Chang, 2011). The establishment of “civil society movements” represents the institutionalization of an activist culture that originated from the rich array of democratization movements in Korea (Shin and Chang, 2011). A wide variety of civil associations, such as the Citizens’ Coalition for Economic Justice, the People’s Solidarity for Participatory Democracy, and the Korean Federation for Environmental Movements, constitute Korea’s social movement sector.

Civil associations work independently of institutionalized political actors and are de facto “watch dogs” of the government. A wide gamut of issues has been raised by different civil associations, including economic justice, environmental concerns, gender equality, political corruption, and others (Shin and Chang, 2011). While civil society organizations arose out of the progressive democracy movement of the 1980s, their political ideologies today are mixed and both liberal and conservative groups are represented in Korea’s civil society. Civil associations have become important social institutions in South Korea, providing important checks and balances to the traditional political system and many citizens look to them to complement and, sometimes, counteract the state policies that govern their lives.

Economic Institutions: The Chaebols

Along with the state and civil associations, large business conglomerates or “chaebols” are important actors in Korean socioeconomic life. During the industrialization drive, limited domestic resources and state-controlled foreign grants and loans allowed the government to literally “choose” which entrepreneurs had a real chance at success. Business groups such as Hyundai, Samsung, LG, and others were provided with the necessary capital and tax breaks to develop their burgeoning companies into monopolies, eventually becoming the strong global businesses they are today. The collusion between the state and chaebols resulted in a relatively efficient industrialization process.

The material gains Korea made in the second half of the twentieth century, however, did not ameliorate significant inequalities in society. For example, there was a regional bias in the industrialization process as the capital of Seoul and the southeastern provinces were developed first. Fewer resources were allocated to the southwestern provinces, thus leading to feelings of bitterness among citizens in those areas. Impressive growth in GDP did not result in an equal distribution of wealth and Korea remains
one of the most unevenly stratified nations in the OECD. Significantly, the already weak middle class became even smaller following the Asian financial crisis of 1997. Because of the unequal allocation of resources and distribution of material benefits, chaebols were branded as selfish profit-seeking actors in Korean society. Consequently, the leaders of the Korean capitalist drive do not enjoy the cultural hegemony enjoyed by their Western counterparts (Eckert, 1993). But still, chaebols dominate South Korea’s domestic markets and its foreign exports and constitute an important segment of institutional actors in Korean society. Thus, to assess levels of trust in social institutions we analyze citizens’ interrelated attitudes toward government, civil associations, and corporations.

DATA AND METHODS

This study utilizes Korean General Social Survey data (KGSS) collected by the Social Research Center at Sunkyunkwan University. Data are available beginning in 2003 and can be obtained through the Korean Social Survey Archive. The KGSS is modeled after the most recent General Social Survey (GSS) produced by the National Opinion Research Center (NORC) at the University of Chicago. Data collection involves annual in-person surveying of households. We analyze 2005 KGSS data, which correspond to the middle of the five-year tenure period of President Rho Moo Hyun. In addition, we present analyses of KGSS data from 2003 and 2004 to supplement the results from the 2005 data when appropriate.

Dependent Variable: Trusting, Distrusting, and Moderate Groups in Korean Society

A two-stage methods sequence was employed in this study. Using latent class analysis, we created the dependent variable for the second part of the analysis: a categorical variable identifying unique groups in Korean society that are differentiated by levels of trust in government, civil associations, and corporations. Latent class analysis is a suitable technique to aggregate respondents into mutually exclusive groups, depending on the classifying traits of cases (Clogg, 1977, 1995; McCutcheon, 1987). Latent class analysis is appropriate when the association of observed variables is based on underlying unobserved factors (McCutcheon, 2002).

The basic idea of latent class analysis is simple: the relationships among a set of observed categorical variables can be explained by a minimum number of categories in the latent variable. Using Goodman’s (1974a,b) standard notation for log-linear models, $A$, $B$, and $C$ are the observed categorical variables and these variables consist of I, J, and K number of classes respectively. In our study $A$, $B$, and $C$ correspond to trust in government, civil associations,
and companies. If a latent variable $X$ with $T$ classes explains the relationships among the observed variables $(A, B, C)$, the expression for the latent class model is $\pi_{ijk} = \Sigma p_{ABCX}^{ijk}$, where $\Sigma p_{ijk} = \pi_{i}', \pi_{j}', \pi_{k}'$, $\pi_{ij}'$, $\pi_{ik}'$ denote the probability that an individual will be at level $i, j, k, or t$, with respect to the joint variables $A, B, C, and X$. In the first formula, $\pi_{ijk}$ is the probability that an individual will be at level $i, j, or k$ with respect to the joint variables $A, B, and C (i = 1, ..., I; j = 1, ..., J; k = 1, ..., K)$. In the second formula, $\pi_{t}'$ denotes the probability that an individual will be at level $t$ with respect to latent variable $X$. The three notations, $\pi_{it}'$, $\pi_{jt}'$, and $\pi_{kt}'$, are conditional probabilities of responses in which $\pi_{it}'$ denotes that an individual will be at level $i$ with respect to variable $A$, given that the individual is at level $t (t = 1, ..., T)$ with respect to variable $X$. If so, based on the second formula that states the mutual independence of variables $A, B, and C$ with $t^{th}$ latent class, the first formula shows that the observed contingency table is the sum of tables for the $T$ mutually exclusive latent classes.

Based on a cross-tabulation of the observed categorical variables together with a specification for the number of classes, we estimate the model by applying the MLLSA program using the EM algorithm to produce maximum likelihood estimates for latent class models (Clogg, 1977). We use a chi-square test to compare the actual frequencies found in the cross-classification of the observed variables with the corresponding estimates of the expected frequencies in the latent class model. We use the log-likelihood ratio chi-square ($L^2$) along with the Pearson chi-square in our analysis. In addition, we use the unrestricted model because the latent variable is not required to fit a particular pattern in the conditional probabilities for the observed variables $A, B, and C$.

For the KGSS data, we classify groups by their differential response patterns of trust toward the Blue House corresponding to the executive branch of government, major companies, and civil associations. Three questions that ask individuals to assess their levels of “confidence in the Blue House,” “confidence in major companies,” and “confidence in civil associations” capture levels of trust in major political, economic, and social institutions in South Korea. Each question has a three-level ordinal response ranging from 1 to 3: 1 represents “a great deal of trust,” 2 represents “only some level of trust,” and 3 represents “hardly any trust.” Based on the three questions, each with three possible responses, there are up to 27 types of response patterns ($3^3 = 27$). Using latent class analysis, we categorize the 27 possible responses into three distinct latent groups, which are distinguished by the overall pattern of responses. We first statistically examine the number of latent classes that are appropriate. The null hypothesis assumes a perfect fit between the model and data, and lower chi-square values and higher $p$-values indicate a better model. Table I reports that the three-class model with log-likelihood ratio chi-squares $L^2 = 4.31$ (2003, d.f. = 7), $L^2 = 5.19$ (2004, d.f. = 6), and $L^2 = 6.73$ (2005, d.f. = 6) best fit the KGSS data.
Substantively, we label the three latent classes as the “trusting,” “distrusting,” and “moderate” groups.6

**Independent Variables: Cultural and Institutional Effects**

In the second stage of the analysis, we use logistic regression techniques to analyze the factors that distinguish the different trust-level groups. While our dependent variable is a three-level ordinal variable, we opted to fit multinomial logistic models rather than ordinal logistic models. The ordinal logistic model provides a single set of coefficients for independent variables that reflects the likelihood of being in an increasingly trusting group. However, as we wanted to assess the effects of independent variables for trusting and distrusting groups separately, we ran multinomial logistic regressions that provide two sets of coefficients that reflect the unique impact of independent variables on the likelihood of being in the moderate versus trusting group and the moderate versus distrusting group. The moderate group acts as our reference category for both comparisons.

We include several operationalizations of cultural and institutional explanations of trust in institutions in the regression model. Based on institutional explanations of trust, we include variables capturing perceptions of the economic and political situation at the time the surveys were collected. The variable SATECO measures respondents’ satisfaction with the overall economic situation, while the variable SATPOL measures the degree of satisfaction with the political situation. In addition, we control for political partisanship and the variable PARTISAN indicates individual preference for the governing Uri Party. As many have noted, political partisanship, as well as individual partisanship, plays a significant role in shaping trust in institutions.

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6 We also conducted a principal component analysis to supplement the latent class analysis, as principal component analysis is another technique that can reveal the internal structure of the data by extracting principal components. Using trust in political and private institutions, we examined which of the trust variables account for most of the principal components. The results showed that the first principal component explains almost half the variance of institutional trust (47.2%), while the second and third components explain the other half of the variance. In the first component, trust in government (.63) extracts the most loads, but trust in civil associations (.58) and trust in major companies (.52) also extract high loads. The results corroborate the results from latent class analysis and show that trust in public and private institutions are strongly interrelated.
ideology, can affect levels of trust in institutions (King, 1997; Miller, 1974; Miller and Listhaug, 1990; Rudolph and Evans, 2005). We also include the variable WELL-BEING that measures recent changes in individuals’ financial situation based on the assumption that people interpret shifts in the larger economic situation in different ways depending on how the shifts affect them directly.

Motivated by past studies advocating cultural explanations of institutional trust, we include two variables that assess interpersonal and generalized social trust: the variable PERTRUST is an indicator of interpersonal trust and the variable SOCTRUST measures respondents’ trust in society as a whole. These attitudinal variables summarize the degree to which respondents believe that most people and the society at large can be trusted. In addition, we include two variables that are indicators of participation in personal networks and voluntary associations: the variable FRIEND measures individual preferences in spending time with friends and the variable RELIG measures the frequency with which individuals attend religious services as participation in religious organizations is one of the dominant forms of engagement in voluntary associations (Putnam, 2000). Finally, we control for several demographic influences: the variable AGE captures age differences, the variable EDUC measures individuals’ educational levels, and SEX identifies a respondent’s gender. Descriptive statistics of independent variables are available in Appendix A.I.

RESULTS

Trusting and Distrusting Groups in South Korea

The KGSS data show that respondents have different levels of trust toward the Blue House, civil associations, and major companies. Table II reveals relatively low levels of trust in the executive branch of government, where 45.06% of respondents show “hardly any” trust in the Blue House, while only 5.91% have “a great deal” of trust. On the other hand, 20.99% report “a great deal” of trust in civil associations, which is more than twice the percentage of those who trust “a great deal” in major companies (9.27%). Overall, respondents show low levels of trust in the Blue House, while they show relatively higher levels of trust in civil associations. The descriptive

<table>
<thead>
<tr>
<th>Level of Trust</th>
<th>Blue House</th>
<th>Civil Associations</th>
<th>Major Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>A great deal</td>
<td>5.91%</td>
<td>20.99%</td>
<td>9.27%</td>
</tr>
<tr>
<td>Only some</td>
<td>49.04%</td>
<td>56.55%</td>
<td>61.10%</td>
</tr>
<tr>
<td>Hardly any</td>
<td>45.06%</td>
<td>22.47%</td>
<td>29.63%</td>
</tr>
</tbody>
</table>
statistics corroborate previous studies that show that civil associations are the most trusted institution, while the government engenders the highest level of distrust in South Korea. Major companies were situated between civil associations and the Blue House.

Table III summarizes modes of trust in the three institutional types broken down by the three latent class categories. Focusing on the 2005 panel data, Class 1 clearly shows a strong tendency toward moderation as the majority of the respondents in this class show “only some” level of trust in all three institutions: Blue House (71%), civil associations (72%), and major companies (74%). We term this group the “Moderate Group” because it avoids extreme responses. Class 2 differs from Class 1 in that the majority of this group has relatively high levels of trust in all three types of institutions. While 55% of this group has “only some” level of trust in the Blue House, a significant portion (28%) admit to having “a great deal” of trust in the executive branch of government. In addition, the majority of Class 2 professes to have “a great deal” (53%) or “only some” (30%) trust in civil associations and
“a great deal” (30%) or “only some” (56%) trust in major companies. It is evident that the group with relatively high levels of trust in government also tends to trust both civil associations and major companies. We label this group the “Trusting Group.” Class 3 represents a significant departure from Class 1 and Class 2, and this group is especially critical of the government with a great majority (92%) having “hardly any” trust in the Blue House. In addition, distrust in social and economic institutions is evident in this group as only 7% trust civil associations and 6% trust major companies, while 52% and 53% have “hardly any” trust in these institutions, respectively. We identify this group as the “Distrusting Group.”

The results from latent class analysis point to the merits of considering the dependent levels of trust people have toward public and private institutions. Those who distrust the government have a tendency to distrust civil associations and major companies as well, while those who by and large trust government also tend to put trust in the other two institutions. Evidently, trust in government is an integrated part of a more broadly applicable set of attitudes toward private institutions such as major companies and civil associations in South Korea.

The data from 2003 to 2005 fit a stable three-class model and show similar response patterns for individuals in each of the three classes. That is, these different groups persist over time, maintaining similar characteristics, and are not merely situational-specific groups. When tracking the temporal stability of these unique “trust-level” groups, we see consistency even as the sizes of the three groups change to some degree between 2003 and 2005. The size of the Distrusting Group fluctuated from 39.4% in 2003 to 41.3% in 2004 and to 29.2% in 2005. The Trusting Group on the other hand, increased from 9.5% in 2003 to 17.4% in 2005.

![Fig. 1. Estimated probability of trust for three trust-level groups, 2003–2005.](image-url)
2004, and dropped slightly in 2005 to 14.2%. The Moderate Group changed from 51.1% in 2003 to 41.3% in 2004 and to 56.6% in 2005. While roughly half the sample population holds “moderate” attitudes toward the three types of institutions, a significant percentage convey high levels of distrust (see Fig. 1.)

Notwithstanding the changes in the size of the three classes, the identification of the Moderate, Trusting, and Distrusting Groups are relatively consistent during the period of observation. The slight increase of both trusting and distrusting groups in 2004 can be explained by the specific political situation in that year as the opposition party’s attempt to impeach the president polarized attitudes toward the government as a whole, with some criticizing both the president and the opposition party for political infighting and others strongly defending the president. However, as the three groups remain distinct and persist over time, we assume that the results of latent class analysis point to real social cleavages in South Korean society. In the next section we examine the factors that influence how one comes to be associated with the Distrusting, Trusting, or the Moderate Group.

Table IV. Multinomial Regression Models Estimating the Impact of Cultural and Institutional Variables on Trust Group Membership

<table>
<thead>
<tr>
<th>Latent</th>
<th>Distrusting Group</th>
<th>Trusting Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political performance</td>
<td>−.388 (.090)</td>
<td>***</td>
</tr>
<tr>
<td>Economic performance</td>
<td>−.111 (.080)</td>
<td></td>
</tr>
<tr>
<td>Individual’s well-being</td>
<td>−.143 (.071)</td>
<td>**</td>
</tr>
<tr>
<td><strong>Cultural Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interpersonal trust</td>
<td>−.162 (.080)</td>
<td>**</td>
</tr>
<tr>
<td>Trust in society</td>
<td>−.313 (.042)</td>
<td>***</td>
</tr>
<tr>
<td>Private network</td>
<td>.178 (.086)</td>
<td>**</td>
</tr>
<tr>
<td>Religious attendance</td>
<td>.023 (.027)</td>
<td></td>
</tr>
<tr>
<td><strong>Control Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>.010 (.006)</td>
<td>*</td>
</tr>
<tr>
<td>Education</td>
<td>.035 (.058)</td>
<td></td>
</tr>
<tr>
<td>Partisanship</td>
<td>−1.056 (.262)</td>
<td>***</td>
</tr>
<tr>
<td>Gender</td>
<td>.288 (.144)</td>
<td>*</td>
</tr>
<tr>
<td>Intercept</td>
<td>1.337 (.596)</td>
<td>**</td>
</tr>
<tr>
<td>Pseudo $R^2_{CS}$</td>
<td>.173</td>
<td></td>
</tr>
<tr>
<td>$N$</td>
<td>1,322</td>
<td></td>
</tr>
</tbody>
</table>

*Numbers in parentheses are standard errors.
*p < .1; **p < .05; ***p < .01 (two-tailed tests).

2004, and dropped slightly in 2005 to 14.2%. The Moderate Group changed from 51.1% in 2003 to 41.3% in 2004 and to 56.6% in 2005. While roughly half the sample population holds “moderate” attitudes toward the three types of institutions, a significant percentage convey high levels of distrust (see Fig. 1.)

Notwithstanding the changes in the size of the three classes, the identification of the Moderate, Trusting, and Distrusting Groups are relatively consistent during the period of observation. The slight increase of both trusting and distrusting groups in 2004 can be explained by the specific political situation in that year as the opposition party’s attempt to impeach the president polarized attitudes toward the government as a whole, with some criticizing both the president and the opposition party for political infighting and others strongly defending the president. However, as the three groups remain distinct and persist over time, we assume that the results of latent class analysis point to real social cleavages in South Korean society. In the next section we examine the factors that influence how one comes to be associated with the Distrusting, Trusting, or the Moderate Group.

Characteristics of Distrusting and Trusting Groups

Table IV reports results from multinomial logistic regression analysis of the effects of independent variables on levels of trust in institutions in South Korea. Table IV reveals a fairly clear picture of the relationships between
variables associated with the institutional approach and the likelihood of trusting institutions. The odds of belonging to the Distrusting Group rather than the Moderate Group are 32% (100 \times (1 – \exp(-0.388))) lower for those that are satisfied with the overall political situation, while those that are satisfied with the current economic situation are 1.563 (\exp(0.446)) times, or 56%, more likely to identify with the Trusting Group. Although statistically insignificant, the direction of the coefficient measuring the relationship between satisfaction in political performance and likelihood of being in the Trusting Group is consistent with the impact of economic performance for that group. Similarly, the coefficient measuring satisfaction in economic performance is in the same negative direction as the impact of political performance on the chances of being in the Distrusting Group. Also, a positive change in individual’s well-being decreases the odds of belonging to the Distrusting Group by 13% (100 \times (1 – \exp(-0.143))), while it does not seem to be related to a higher chance of being in the Trusting Group. Overall, individuals’ positive economic experience and satisfaction with the political situation leads to a less critical attitude toward government, civil associations, and corporations. The findings support previous studies that argue for the importance of perceptions of institutional performance in shaping attitudes toward institutions.

In addition, Table IV reports that cultural variables affect the chances of belonging to the Distrusting, Trusting, or the Moderate Group. Results partially corroborate past studies that found a positive relationship between social trust and trust in institutions at the aggregate level: our analysis shows that the odds of belonging to the Trusting Group are 1.148 (\exp(0.138)) times, or 15%, higher for those who have trust in society. Complementarily, higher levels of trust in society are associated with a 27% (100 \times (1 – \exp(-0.313))) less chance of identifying with the Distrusting Group. Results also show that interpersonal trust impacts trust in institutions: individuals who generally trust others are 15% (100 \times (1 – \exp(-0.162))) less likely to belong to the Distrusting Group but not significantly more likely to be in the Trusting Group, although the coefficient for the latter is in the predicted direction.

The results for the variables related to interpersonal networks and religious participation were unexpected. The odds of belonging to the Distrusting Group are 1.195 (\exp(0.178)) times, or 20%, higher for individuals who spend more time with friends, while those with higher levels of religious attendance are less likely to be included in the Trusting Group by 9% (100 \times (1 – \exp(-0.089))). The mixed results seem to indicate that attitudinal measures such as generalized social trust lead to greater trust in institutions, but behavioral measures such as greater participation in networks and voluntary associations lead to lower levels of trust in institutions. We speculate that these results are reflecting the same dynamics that other scholars have found where level of trust in institutions is inversely related to participation in personal and private networks (Fukuyama, 1995; Nannestad, 2008; Shlapentokh, 1989; Uslaner and Conley, 2003).

Among the control variables, education has no relevance to trusting or distrusting institutions, while the odds of belonging to the Distrusting Group, rather
than the Moderate Group, are 1.334 (= exp[.288]) times higher for females in the sample. In addition, as expected, political partisanship affects the probability of being included in the Trusting and the Distrusting Group: those who are supportive of the governing party are 65% (= 100 * [1 – exp(−1.056)]) less likely to distrust the government and other private institutions, and have a 70% (1.696 = exp[.528]) higher chance of trusting them. One interesting finding is the impact of age on the likelihood of belonging to different trust-level groups. Age increases the possibility of belonging to the Trusting Group 1.030 (= exp[.030]) times and the Distrusting Group 1.010 (= exp[.010]) times compared to the Moderate Group. When interpreting this interesting finding, it is important to keep in mind the reference category, the Moderate Group. It seems older people are more likely to have stronger attitudes toward the government and private institutions, both positive and negative, compared to their younger counterparts. Compared to the lethargy and indifference associated with young adulthood, which are possible causes of “moderation,” older people are more likely to both trust and distrust public and private institutions.

**DISCUSSION AND CONCLUSION**

This study advances our understanding of institutional trust in two ways. First, with the exception of Mishler and Rose (1997), few studies have focused on the relationship between trust in public and private institutions at the individual level. In this study, we examine the interrelations between individuals’ attitudes toward political and nonpolitical institutions and the results from latent class analysis show that trust in government is an integrated part of a more broadly applicable set of attitudes toward nonpolitical institutions such as major companies and civil associations. In the Korean case, it is evident that trust in government is a function of a larger set of attitudes toward major private institutions, which suggests a broader context for individuals’ willingness to trust the government. Furthermore, our analysis has shown that latent class analysis is a useful methodology to uncover the possibility of trust in one institution “spilling over” to trust in other related institutions. When applied to other case studies and data sets, latent class analysis may be useful in uncovering hidden trust-level groups within different national populations and provide an alternative way to explore institutional trust. The World Value Survey, for example, is an ideal data set to apply latent class analysis and we have conducted preliminary analysis of the World Values Survey (2005) that reveals distinct trust-level classes distinguished by interdependent trust in government, economic actors, and social movement organizations.7

7 We conducted latent class analysis of the World Values Survey (2005) and found that trust in public and private institutions is interdependent. Our preliminary analysis reveals ordinal trust-level groups distinguished by categorically similar attitudes toward government, major companies, environmental organizations, and labor unions; although the results become more complicated when trust in churches is included. Results from the preliminary latent class analysis of the World Value Survey are available upon request.
Second, we provide an extended test of cultural and institutional explanations of political trust and results from multinomial regression analysis reveal that both performance and cultural explanations of institutional trust have merit.8 Although our results clearly support past studies that have shown institutional performance to be a strong predictor of political trust (Coleman, 1990; Mishler and Rose, 2001, 2005; Newton, 2006; North, 1990), our study also lends some support to cultural arguments. Past studies have documented a weak correlation between interpersonal trust and trust in political institutions when utilizing individual-level survey data (Foley et al., 2001; Hetherington, 1998; Kim, 2005; Levi, 1996; Norris, 1999; Uslaner, 2002). Scholars have argued, however, that past failures in revealing the relationship between social trust and political trust in individual-level survey data can be overcome by using different measures (Zmerli and Newton, 2008). We provide an alternative measure of institutional trust derived from latent class analysis and show that cultural variables such as interpersonal trust and generalized trust in society are closely related to trust in institutions at the individual level. This study partially supports Putnam’s argument (1993) that generalized social trust, learned from socialization in early life, “spills up” to trust in political institutions.

Other measures of the cultural approach used in past studies, however, were not positively related to trust in institutions in our analysis. Our findings show that in the case of South Korea, engagement with friends and religious associations does not translate into greater trust in institutions; rather, results suggest an inverse relationship between engagement and institutional trust. These results support those who argue that in nations that have a history of antagonistic relations between state and society (e.g., 30 years of authoritarianism in South Korea), strong interpersonal networks can act as a safeguard against deeply rooted suspicions of public institutions (Fukuyama, 1995; Shlapentokh, 1989). It seems that interpersonal trust, or the belief that most people can be trusted, and spending time with friends and participating in voluntary associations are not operationalizations of the same construct but measure unique attributes of individuals’ attitudes toward public and private institutions.

The case of South Korea reveals the dynamics of trust in new democracies during the consolidation period. Distinct from established democracies where younger generations are more likely to reflect postmaterialist values and be more critical of government (Inglehart, 1997), the Korean case is representative of the “third wave of democracy” (Huntington, 1992) where citizens entertain high hopes as well as stronger skepticism toward their newly

8 Our results generally hold even when we disaggregate the institutions examined and assess the impact of cultural and institutional variables on levels of trust in government, civil associations, and business conglomerates separately. We found similar results after regressing trust levels for the Blue House, civil associations, and major companies separately on the same set of independent variables (with additional controls for trust in the other two institutions). Results from these analyses are available upon request.
democratized governments. The Korean case corroborates Catterberg and Moreno’s (2006) study that utilizes the World Values Survey and the European Social Survey to explain the unique qualities of “third wave” democracies that witnessed “disillusionment” and subsequent declines in political trust in the postdemocratic transition period. However, it is also important to note that while South Korea might be an “exemplary” case of the “third wave” in some regards (Armstrong, 2006; Shin and Chang, 2011), the generalizability of our findings may be limited to cases that fit the “developmental state” model (Johnson, 1995; Woo-Cumings, 1999). Indeed, it seems plausible that levels of trust in government and private institutions would be interrelated for cases where there is a high level of collusion between government and private economic institutions in nation-building projects; and this finding may not be applicable to cases with distinct and independent public and private institutions. Simply put, the possibility and strength of interdependent institutional trust is a function of the nature of the relationship between public and private institutions.

It is also important to consider the unique histories of nation-states when assessing institutional trust. We found a generational cohort effect influencing levels of trust in institutions in South Korea. Our findings show that older people were more likely to both trust and distrust major institutions compared to younger participants in the survey. We suggest that this cohort effect might originate from the legacy of past authoritarianism in South Korea. The government has been the single most important actor in the political and economic modernization of South Korea when the nation was ruled by successive former military generals from 1961 to 1987. These autocratic leaders and their authoritarian governments intervened in the market and led the industrialization drive. Because of the dominant role the state played in nation building, scholars of Korea have noted that it is not only easier for older citizens to ascribe responsibility to the government for the political and economic welfare of the nation but, also, that the political ideologies of the “authoritarian generation” have become polarized depending on whether individuals supported the authoritarian governments or participated in the democracy movement against them (Shin and Chang, 2011). Thus, it is plausible that members of the older generation have a stronger feeling, positive or negative, toward the government and other relevant institutions. While we acknowledge this unique history, the political trajectory of South Korea is not unlike other cases that transitioned from authoritarianism to democracy. Many of the “third wave” democracies fit this pattern as do the recent cases in North Africa and the Middle East. To the extent that democratic transitions among these newer cases are in fact successful and are motivated by contentious civil societies, it is plausible that trust in public and private institutions will depend on not only the perceived performance of the new democracies but also levels of interpersonal and general trust in society at large.

Finally, our analysis does not negate the possibility that trust in major institutions can also lead to interpersonal trust. Several studies that have
explored this trend found that greater levels of trust in governmental and legal systems lead to higher levels of interpersonal trust (Rothstein, 2001; Rothstein and Uslaner, 2005; Newton, 1997; Newton and Norris, 2000). While it is outside the scope of the present study, it is plausible, then, that the relationship between interpersonal trust and trust in institutions involves a dialectical process that can lead to either a virtuous or vicious cycle of social trust. In any case, the identification of hidden trusting and distrusting groups can provide a meso-level group perspective that can reveal social cleavages distinguished by variations in social trust. Discovery of stable distrusting groups in society can explain the sometimes limited support for public and private institutions, as well as motivate major institutions to generate social trust.

APPENDIX

Table A.I. Descriptive Statistics for Independent Variables
(2005 KGSS Data)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Variable Label</th>
<th>Value Label</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SATECO</td>
<td>Satisfaction with economic/political situation</td>
<td>1 Very dissatisfied</td>
<td>2.28</td>
<td>.94</td>
</tr>
<tr>
<td>SATPOL</td>
<td></td>
<td>2 Somewhat dissatisfied</td>
<td>2.00</td>
<td>.92</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 Neither (dis)satisfied</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Somewhat satisfied</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 Very satisfied</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PARTISAN</td>
<td>Support for Uri Party</td>
<td>0 Don’t support</td>
<td>.14</td>
<td>.35</td>
</tr>
<tr>
<td>WELL-BEING</td>
<td>Change in financial situation</td>
<td>1 Much worse</td>
<td>2.69</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Somewhat worse</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 About the same</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Somewhat better</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 Much better</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERTRUST</td>
<td>People can be trusted</td>
<td>1 You can’t be too careful in dealing with people</td>
<td>2.28</td>
<td>.85</td>
</tr>
<tr>
<td>SOCTRUST</td>
<td>Our society can be trusted</td>
<td>0 Hardly trustful</td>
<td>5.22</td>
<td>1.87</td>
</tr>
<tr>
<td>FRIEND</td>
<td>Time preference with friends</td>
<td>10 Very trustful</td>
<td>3.31</td>
<td>.82</td>
</tr>
<tr>
<td>RELIG</td>
<td>How often respondent attends religious services</td>
<td></td>
<td>3.47</td>
<td>2.63</td>
</tr>
<tr>
<td>Variable</td>
<td>Variable Label</td>
<td>Value Label</td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td>----------</td>
<td>----------------</td>
<td>-------------</td>
<td>------</td>
<td>----</td>
</tr>
<tr>
<td>AGE</td>
<td>Respondent’s age</td>
<td></td>
<td>44.62</td>
<td>16.62</td>
</tr>
<tr>
<td>EDUC</td>
<td>Respondent’s highest level of schooling attended</td>
<td>0 No formal school</td>
<td>3.27</td>
<td>1.66</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 Elementary school</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Junior high school</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 High school</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Junior college</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 College</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Graduate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEX</td>
<td>Respondent’s sex</td>
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<td>0.54</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>1 Female</td>
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REFERENCES


