

Manasan, Rosario G.; Adaro, Catharine E.

Working Paper

Learnings from the BUB: What factors determine the level of institutional trust in the LGUs?

PIDS Discussion Paper Series, No. 2018-28

Provided in Cooperation with:

Philippine Institute for Development Studies (PIDS), Philippines

Suggested Citation: Manasan, Rosario G.; Adaro, Catharine E. (2018) : Learnings from the BUB: What factors determine the level of institutional trust in the LGUs?, PIDS Discussion Paper Series, No. 2018-28, Philippine Institute for Development Studies (PIDS), Quezon City

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DISCUSSION PAPER SERIES NO. 2018-28

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Rosario G. Manasan and Catharine E. Adaro



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CONTACT US:

RESEARCH INFORMATION DEPARTMENT
Philippine Institute for Development Studies

18th Floor, Three Cyberpod Centris - North Tower
EDSA corner Quezon Avenue, Quezon City, Philippines

publications@mail.pids.gov.ph
(+632) 372-1291/(+632) 372-1292

<https://www.pids.gov.ph>

Learnings from the BUB: What Factors Determine
the Level of Institutional Trust in the LGUs?

Rosario G. Manasan
Catharine E. Adaro

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

December 2018

Abstract

Institutional trust is one of the key dimensions of trust in society that demonstrates how people perceive institutions and how well they are operating. Building or maintaining institutional trust is of vital importance in democratic societies since negative experiences with government or other institutions may have much more profound effect than positive experiences. Utilizing the data from a PIDS DILG Bottom-up Budgeting study, this paper sought to determine factors that influence the determination of the level of institutional trust of household sample respondents in their respective local government units (LGUs). The study also inquired if the levels of institutional trust can be individually determined for each phase of the BUB process or can be treated as an aggregate of all its phases. Institutional trust, in this study was tackled in using two approaches: institutional performance approach and the social and cultural approach. The institutional performance approach (Newton & Norris, 1999) focuses on the actual performance of government as vital to understanding citizens' trust in government, while the social and cultural approach essentially claims that individual life situations and experiences create social trust and cooperation, civic mindedness and mutual benefit between individual. Results showed that social capital variable do provide support for the social and cultural approach in explaining the respondents' levels of trust while customer satisfaction on the various public services involving agricultural support tend to affect the levels of trust in the LGUs.

Keywords: *Institutional trust, social capital, bottom-up budgeting, LGUs*

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Learnings from the BUB: What factors determine the level of institutional trust in the LGUs

Rosario G. Manasan and Catharine E. Adaro*

1. Introduction

In recent years, social capital has received considerable attention in all branches of social sciences. Trust, as one of the elements of social capital, is a key and a necessary tool to achieve development, as well as a civil and democratic society (Sharepour, Fazeli, & Eghrarian, 2014). Institutional trust, on the other hand, is one of the key dimensions of trust in society that demonstrates how people perceive and how well the institutions are operating. Building or maintaining institutional trust is of vital importance in democratic societies since negative experiences (potentially leading to mistrust) with government or other institutions may have much more profound effect than positive experiences (potentially maintaining trust). Trust covers general and systemic factors, such as the legitimacy accorded to the political administrative system, but also more specific experiences with the government and its services and the dynamic interaction between the two (Bouckaert & Van de Walle, 2001). Public institutions must develop trustful relations with social actors and with citizens in order to obtain higher probability of successful implementation of public policies (Askvik, Jamil, & Dhakal, 2011). If trust in public institutions such as in the local government units is high, then it demonstrates the legitimacy and democratic nature of the institutions. Legitimacy of public institutions encourages citizens to abide by the decisions of the institutions and act without the use of coercion or force for the policies undertaken (Bouckaert & Van de Walle, 2001). Legitimacy is readily achieved if citizens trust the government and their representatives (Blind, 2006). Institutional trust demonstrates the level of confidence which citizens' have on the institutions based on the choice of decisions taken by institutions. Institutional trust appears when citizens follow government decisions even without sufficient information under the assumption that those decisions are legitimate and protect their interests (Levi, 1996). Utilizing the data from a PIDS DILG Bottom-up Budgeting study, this study attempts to determine factors that influence the determination of the level of institutional trust in local government units (LGUs). Further, the study also seeks to determine if the levels of institutional trust are individually determined by each activity or can be treated as an aggregate of all the activities of a program such as the BUB.

2. Rationale of the Study

In developing countries such as the Philippines, the public sector has traditionally been instrumental in providing basic services such as education, health, infrastructural facilities, along with maintaining law and order. The local government units (LGUs)/municipalities play a vital role in the provision of basic services to its constituents. The Republic Act No. 7160, otherwise known as the Local Government Code of 1991 mandates the transfer of control and responsibility of delivering basic services to the hands of the local government units (LGUs). It aimed to enhance the provision of services in the grass roots level as well as improve the efficiency in resource allocation. The Local Government Code likewise widened the roles and functions of the local government units and expanded their jurisdiction on basic public services

* Senior Research Fellow and Supervising Research Specialist, respectively, Philippine Institute for Development Studies.

such as hospitals, social welfare, environmental protection, public infrastructure and zoning (Teng-Calleja, et al., 2016).

As providing basic public services is considered one of the core functions of the local government, obtaining the trust of the population in the localities based on the way services are delivered is a vital ingredient in strengthening the legitimacy and improving the performance of public institutions such as the LGU. The level of trust in government is a reflection of citizens' satisfaction with the performance of public institutions. This indicates that better service provision at the local level is essential for enhancing citizens' trust in the government.

3. Institutional trust in the context of DILG's Bottom-up Budgeting Program

In 2012, the Philippine government through the Department of Budget and Management (DBM) started implementing the Bottom-up Budgeting (BUB) process². The BUB is a reform measure that aims to encourage ordinary citizens to actively participate in crafting the national budget. The BUB program spearheaded by the Department of Interior and Local Government in 2013 had two major objectives: (i) to promote the participation of grassroots organizations and local communities in local planning and budgeting so as to make LGUs and national government agencies more responsive to the people's needs; and (ii) to assist in poverty alleviation. Aside from doing a number of process evaluations for the BUB, the Philippine Institute for Development Studies (PIDS), in 2016, was commissioned to assess the BUB Program in terms of: (i) how well the poverty alleviation objective of the Program has been addressed; and (ii) how well the BUB has strengthened social capital. Result from the household survey conducted for the PIDS study revealed confidence of the respondents in their LGU leaders' capacity to identify and prioritize projects that are beneficial to their community and effective in helping the poor.

This study, which seeks to identify what influences the level of institutional trust, takes off from this finding since it is demonstrated in the level of confidence which citizens have on the institutions based on the choices of decisions made by their leaders. Utilizing the variables on respondents' level of trust in the LGUs as a result of their perceived benefit from the BUB projects implemented in their communities, probable factors that may influence the level of trust in two major components of the BUB processes were taken into consideration.

In the context of the BUB, the Local Poverty Reduction Action Team (LPRAT) spearheads the formulation and monitoring of the Local Poverty Reduction Action Plan (LPRAP). Under the regular BUB process, the LPRAT has the local chief executive as the chairperson. Although

¹ The BUB process provides an excellent venue for people to express their needs and, together with their local governments, identify concrete solutions to problems they face. The BUB process is a toll to make the budget more participatory, transparent and empowering. It provides a platform for the civil society organizations to directly engage with local government units in planning, identifying and prioritizing desired projects in order to get budget support. Through this process, the BUB opens the budget and planning process to more citizens' participation and allows the articulation of the needs and concerns of the poor and marginalized. There are two main stages in the implementation of the BUB. The first stage constitutes nine main components which include: i) preparation for poverty reduction planning and budgeting, including the conduct of the local CSO assembly; (ii) conduct of the LPRAP workshop; (iii) LPRAP endorsement of CSOs; (iv) LPRAP adoption of Sangguniang Bayan/Lungsod; (v) submission of the list of priority projects to the DILG Regional Office (RO); (vi) consolidation of the projects by the DILG RO; (vii) validation of projects by the RPRAT; (viii) integration of the LGU projects in the budgets of participating agencies; and (ix) provision of LGU counterpart. The second stage is focused on Project Implementation which may be further disaggregated into procurement, construction, actual delivery of services and monitoring, reporting and evaluation.

local chief executives or mayors are individuals, they can be considered as important proxies for institutions for evaluating the performance of the LGU based on the level of citizens' trust. These individuals are the top decision makers in the LGUs and their role in managing public service provisions in meeting the normative expectations of citizens' and their means of socialization with citizens' based on socio-political demographic background such as age, gender and education level, influence the citizens' trust. As mayors are directly elected by citizens residing in the LGUs, there are always high expectations from their constituents for them to perform. Scholars such as Christensen and Laegreid used individual members such as politicians as measures of determining trust in government institutions, where trust in government institutions has been used as dependent variable. For this study, the local chief executive (mayor) shall be treated as the representative of the institution, of which the levels of trust are measured. As mayors are directly elected by citizens residing in the LGUs, there are high expectations from the local citizens for elected officials to perform.

4. Explanation of Institutional Trust

Trust in institutions, also known as institutional trust, refers to people's expectations of how institutions should treat people and what institutions should deliver based on the definition of the objectives and principles according to which institutions are expected to function (Thomas, Abts, Stroeken, & Vander Weyden, 2015). In this sense, institutional trust is based on "the shared recognition and the acceptance of the principles guiding the operation of an institution as well as the view that the institution actually performs according to these principles." Institutional trust can be explained from two approaches: one involving institutional performance approach and the social and cultural approach.

This institutional performance approach (Newton & Norris, 1999) focuses on the actual performance of government as vital to understanding citizen's trust in government. Trust and confidence are viewed neither as direct products of social conditions that are associated with a democratic culture or well-developed social capital. Instead, confidence in political institutions is likely to be randomly distributed among various personality types and different cultural and social types. Government institutions that perform well are likely to gain the confidence and trust of citizens and those that perform ineffectively generate feelings of distrust and low confidence. This approach assumes that the general public, recognizes whether government or political institutions are performing well or poorly and reacts accordingly. Posing an alternative to the institutional performance approach is the social and cultural approach (Newton & Norris, 1999) which hold that the ability to trust others and sustain cooperative relations is the product of social experiences and socialization, especially those found in the likes of voluntary associations of modern society that bring different social types together to achieve a common goal. The social and cultural approach essentially claims that individual life situations and experiences – especially higher education, participation in a community with cooperative culture, and involvement in voluntary activities – create social trust and cooperation, civic mindedness and mutual benefit between individuals. This in turn enables the creation of strong, effective, and successful institutions, including political groups and governmental institutions where people can invest their confidence. Such organizations and institutions eventually help build trust and reciprocity as well as confidence in other institutions. Thus, there is a direct and mutual relationship strengthened between the types of people who express trust and confidence on the one hand and strong and effective social organizations and institutions on the other. If this is true, one would expect that people who express attitudes of trust toward others are likely

to express confidence in public institutions and to be well integrated into voluntary associations and other forms of cooperative social activity.

5. Objectives of the Study

Utilizing the data from the PIDS BUB assessment, this paper attempts to determine the factors influencing the level of institutional trust in the LGU. In particular, the level of trust is measured in two instrumental components of the BUB process, namely: (1) the identification and prioritization of LGU projects and; (2) the monitoring of implementation of the BUB projects in the LGU. The study explores on the level of institutional trust in the LGU of the respondents after they have experienced/witnessed the implementation of BUB projects in their communities. The level of institutional trust is measured in two components of the BUB process in order to determine if the levels of institutional trust is activity based (the level of trust differs for the two BUB components) or program based (the level of trust is the same for the two components and therefore representative of the level of trust for the program). The findings may suggest that the respondents do not differentiate their level of trust in any activity of the government, or if the findings between the two dependent variables differ, this may suggest that the level of trust of the respondents depends on particular activities that the LGUs perform.

The study developed explanatory variables which represents the two general approaches which trust can be explained - the institutional performance approach and the social and cultural approach. For the institutional performance approach, the citizens' satisfaction with the provision of public services and quality of government variables were developed. Meanwhile, the socio-demographic variables and the variables representing affiliation with civic organizations/civic associationism is considered for the determination of the level of institutional trust through for the social and cultural approach.

6. Approach and Methodology

a. The sample data

The data utilized in this paper was obtained from the survey conducted in the first quarter of 2017 for the PIDS-BUB project with the title Assessment of the Bottom-up Budgeting Program: Alleviating Poverty and Strengthening Social Capital. It consists of responses from 6,048 households represented by their identified household heads which were randomly selected from 62 LGUs in Luzon, Visayas and Mindanao. The 62 LGUs were selected using predetermined criteria from the list of 544 LGUs outside of ARMM and NCR that participated in the BUB starting FY 2013 – so called early BUB implementers. In the selection of the sample households, initially, two barangays were chosen from each of the sample LGUs with this ordered list: (i) the barangay which is the recipient of the most number of BUB projects implemented in 2013-2015; and (ii) the barangay which is the recipient of the least number of BUB projects implemented during the same period. In case there were several barangays with the most (or least) number of BUB projects, a simple random sample of one barangay was chosen. Subsequently, 50 sample households were randomly selected from each of the two sample barangay using simple random sampling, with the list of households from the barangay as sampling frame.

b. The unit of analysis

The unit of analysis for the study is the household, represented by the household heads. The BUB process empowers the CSOs by allowing them to directly engage with local government units in planning, identifying and prioritizing desired projects. The households, on the other hand, do not have direct involvement in the BUB planning process, unless they are members of participating CSO or people's organizations. However, the BUB projects implemented in the local governments benefit the citizens in the community. Based from the household's indirect involvement in the BUB process, the factors affecting the levels of trust of the households with their respective LGUs will be determined.

c. Data analysis and interpretation

The study involves getting statistical generalizations of the respondents' perception, attitudes and opinions on the service delivery of the LGUs. Descriptive statistics involving frequency distributions, means and standard deviations are presented to establish certain combination of values for various variables, which allowed seeing how often each of the indicators occur in the sample. Further, the study carried out statistical procedures such as correlations and regression analyses to examine the nature of relationships between the dependent and independent variables. In particular, ordered logistic/logit model regressions were performed in order to identify statistically significant variables that may influence the determination of the levels of institutional trust. The ordered logit model is a regression model for ordinal response variable where odds ratios represent the constant effect of a predictor X , on the likelihood that one outcome will occur (Grace-Martin, 2018).

7. Limitation of the Study

The data used for the study has a collection of various socio-demographic respondents to bring about representativeness in the population where the respondents have direct experience/involvement in accessing services from the LGUs. However, due to limitation of the areas where the study was conducted, the study is unable to explore impacts from other LGUs, in particular, those who were not included as first implementers of the BUB. Since the BUB is a program mainly designed to address poverty in the LGUs, the first implementer LGUs are those who belong to the poorest municipalities of the country. Thus, this study does not cover medium to high income LGUs. Findings from this study may or may not be reflective of the levels of trust of LGUs belonging to the medium and high income classes. In addition, this study attempts to analyze the performance perspective of trust in public institutions which considers the citizens' level of satisfaction in various services along with institutional impartiality on various services related to the BUB program. However, it does not explore certain determinants such as policy decisions, level of corruption, etc.

8. Empirical Results

8.1 *The Dependent Variables: Trust in Local Government Units After Experiencing BUB Project Benefits*

The two dependent variables considered in the study both represent the respondents' levels of trust in their LGUs as a result of their perceived benefits from the BUB projects implemented in their communities. As previously mentioned, the study explores on the level of institutional

trust of respondents in the LGU measured in two components of the BUB process, namely in: (1) identification and prioritization of BUB projects, and (2) monitoring of BUB projects. The level of trust is determined by an index

3 which maps the citizens' perception on LGUs based on their answers to the following questions:

Question 1: How would you describe your trust in your LGU leaders to work for the benefit of your community in the process of identifying and prioritizing BUB projects?

Question 2: How would you describe your trust in your LGU leaders to work for the benefit of your community in monitoring the implementation of BUB projects?

The index is determined through a seven-point scale i.e., Not at all trusted (0) to Highly trusted (7). The values presented involve the total number of answers for each measures as well as the combined average for trust in public institutions (LGU). In order to simplify the data, the trust index was divided into two, with low trust (rating of 1-4) and high trust (rating of 5-7).

Table 1. Percentile Distribution for the Dependent Variable: Trust in the Local Government as a result of BUB implemented projects

Trust Index	DV1		DV2	
	N (%)	Mean (S.D)	N (%)	Mean (S.D)
High	4,283 (70.82%)	5.98 (0.819)	4,259 (70.42%)	5.98 (0.801)
Low	1,765 (29.18%)	3.39 (0.889)	1,789 (29.58%)	3.35 (0.905)
Overall Index		5.22 (1.443)		5.20 (1.461)
Total N	6,048		6,048	

*Note: High Trust = Level of trust scores of 5 to 7
Low Trust = Level of trust scores of 1 to 4*

The table above briefly shows the descriptive statistics involving the trust index (mean or the average value) for the two dependent variables. It can be seen that the overall trust index for both dependent variables is the same at 5.20. This suggests that the mean values are on the higher scale, implying the high level of institutional trust of the respondents in the LGUs. Looking at the high and low categories of the levels of trust, overall, there is high trust (adding level of trust scores of 5-7) in both dependent variables. For both variables, 70.82 percent of the respondents have high trust in the LGUs, while 29 percent have low trust.

8.2 The Explanatory Variables

Based on the two general approaches which trust can be explained, the institutional performance approach and the social and cultural approach, the study identified explanatory variables which are proposed to have a possible effect in the determination of the level of trust in institutions. Although the literature on institutional trust, in general, refer to overall level of trust in institutions, i.e., the government, the study tries to zoom in the possible effects of these explanatory variables in the level of trust of the respondents developed after they have experienced the benefits of the BUB projects in their respective communities. The explanatory variables that are identified to relate to social and cultural approach are: (i) socio-demographic characteristics (i.e., gender, age, and education level); and (ii) civic associationism or

³ The index involved is the mean or the average value of the response of citizens from the questions asked in the survey.

membership to social, political and civic groups which is also treated here as a variable relating to social capital, while variables relating to the institutional performance approach include: (iii) quality of government; and (iv) satisfaction with the LGU's provision of public services.

8.2.1 Socio-Political Demographic Variables Affecting and Institutional Trust

The first set of variables potentially related to trust are standard demographic variables. Studies have emphasized the potential influence of these factors in structuring citizen's trust towards institutions and governments. One such variable often mentioned is education, with the expectation that the higher people's level of education, the more they will trust government. In broad literature on institutional trust, researchers generally report higher levels of trust by people with higher education levels (Ward, Miller, Pearce, & Meyer, 2016). The reason for this is that those who have higher education levels know quite a lot about the political-administrative system, can distinguish its various components and understand how public services are organized and function, something that supposedly furthers trust. However, counter-arguments such as those who have higher education levels are likely to be more informed of the political process and thus become more critical or even distrustful (Chang & Chu, 2006). Two other variables which may be explanatory to the level of trust towards the government are gender and age. Some studies have shown that women support the public sector more than men. The study by Christensen and Laegreid in 2002 discussed that the reason for this seems to be that women's core career basis, some decades after entering the labor market on a broad basis, is the public sector. Women have become more dependent, both directly and indirectly, upon the public sector for their employment – directly, in that there is a relatively greater proportion of women employed in the public sector than in the private sector, and indirectly, in that public bodies have taken over part of women's traditional care responsibilities. For the variable age, generally, one would expect trust in government to increase with age. i.e., older people tend to be more collectively oriented, and whereas, today's younger generation has experienced a public sector that is either decreasing or blending in elements from the private sector. Older people have experienced the build-up of the welfare state and will therefore tend to have more trust in government (Christensen & Laegreid, 2002).

For this study, the age variable has been grouped into two major categories, young (18 – 40 years) and older people (41 years and above). For the level of education, the responses have been divided into various categories ranging from 0 to 6, where 0 refers to 'illiterate' and 6 denotes 'higher education (postgraduate/PhD).'

Table 2. Descriptive Statistics for socio-demographic variables

Characteristics of the Respondents		N (%)	rDV1	rDV2
Gender	Male	4,961 (82.03%)	-0.004	0.0307**
	Female	1,087 (17.97%)		
Education	Illiterate	173 (2.86%)	0.0319**	0.0511
	Primary	2,383 (46.92%)		
	Secondary	1,902 (31.45%)		
	Post-Secondary TVET	185 (3.06%)		
	Some College/College Graduate	733 (12.12%)		
	Post Graduate	217 (3.59%)		
Total number of respondents is 6,048				

Note: Only significant correlations are presented

*** Correlation is significant at the 0.01 level (2-tailed)
 ** Correlation is significant at the 0.05 level (2-tailed)

The socio-demographic profile of the respondents has been used based on gender, age, and level of education of respondents. All respondents surveyed claimed to have been directly involved in getting services from their respective LGUs. Most of the respondents are male (82.03%), and are have ages between 31 years to 60 years old as of the time of the interview. In terms of highest education level attained, majority reached primary (46.92%) and secondary (31.45%) levels of education, while some were able to reach or graduate from college (12.12%). A small proportion of the sample (3.59%) were able to attain post graduate degrees. The correlation analysis reveal that gender has a significant positive but weak correlation $r = 0.0219$ ($p < 0.10$) with the respondents' level of institutional trust in only one of the two dependent variables - monitoring BUB project implementation. In terms of age, no significant correlation with the level of institutional trust was found for both dependent variables. On the other hand, significant but weak positive correlations were observed between the level of education and the level of institutional trust for both dependent variables (For DV1: $r = 0.0319$, $p < 0.05$, for DV2: $r = 0.0511$, $p < 0.05$).

Table 3. Regression Analysis of Socio-demographic variables influencing respondents trust in the LGUs

Socio-political Demographic Variables	Institutional Trust (Standardized Coefficient Beta, β)	
	DV1	DV2
Gender (ref: male)		
Female	-	1.201**
Education (ref: Illiterate)		
Post Graduate	0.536***	0.631**
	N	6, 048
	LR chi2	38.83***
		6, 048
		26.35***

Note: Only significant correlations are presented

*** Correlation is significant at the 0.01 level (2-tailed)

** Correlation is significant at the 0.05 level (2-tailed)

The table above shows the results of the ordered logistic regression performed for the socio-demographic variables. In the model above, the regression coefficient for gender in DV2 was found to be statistically significant ($\beta = 1.201$, $p < 0.05$). Interpreting this, one can expect that for female respondents, the odds of having a high level of trust versus having a low level of trust 20.1% greater than male, given all of the other variables constant. In terms of the level of education variable, both DVs revealed statistically significant coefficients for the post graduate level of education, (For DV1: $\beta = 0.536$, $p < 0.01$, for DV2: $\beta = 0.631$, $p < 0.01$). Interpreting this, the odds of having a high level of trust versus a low level of trust are 47% (DV1) and 37% (DV2) less likely, given all other variables constant. For both DVs, the likelihood ratio chi-square (LRchi2) of 38.83 (DV1) and 26.35 (DV2), with p values < 0.01 indicating that the model as a whole is statistically significant, as compared to the null model with no predictors. (Please see Annex for detailed regression output).

8.2.2 Structural Social Capital: Affiliation to Civic Groups

Putnam in 1993 defined trust as features of social organization such as networks, norms and trust that facilitate coordination and cooperation for mutual benefit. Further, he referred to social capital as ‘connections among individuals’ – social networks and norms of reciprocity and trustworthiness that arise from them. He argued that the basis of responsive, democratic government lies in civic tradition. It follows the ‘civic communities’- patterns of social cooperation based on trust, tolerance, and widespread citizen participation involving ‘norms and networks of social engagement’- are essential to democracy. Civic communities are based on a ‘dense network of secondary associations’ that build trust and cooperation, which in turn, lay a firm foundation for democratic development (Quigley, 1996). Kim meanwhile states that social capital theory emphasizes two principal components: one, social networks established by associational engagement such as voluntary organizations, and the other, reciprocal norms and trust between citizens (Kim, 2004). Voluntary organization aspect which denotes civic associationism, is an important element in societal approach of institutional trust.

In recent years, much of the work that has focus on social trust implies the existence of a significant relationship among levels of social trust, voluntary activism and confidence in public institutions. Although the relationship between social trust and confidence in government has been of central interest, membership in voluntary associations is also thought to be important. The reasoning is that voluntary and community groups bring people together to work on local problems and public affairs, so high social trust should be associated with a dense and vibrant network of social capital. Social capital, in turn, is thought to lead effective public institutions that are responsive to public needs and demands. The groups and organizations of civil society mediate between citizens and the state.

The study in relation to social capital variables attempts to find out the civic associationism based trust. The previous discussions imply that there is a correlation between the civic associationism (various social and political organization) of social capital and institutional trust. The variable under consideration is measured by a question which asks about the respondents’ association with any social, voluntary, political, financial and community organizations. The answer ranges from ‘Yes’ or ‘No’. It is expected that respondents engaged in at least one social network and associationism is likely to have higher trust in the LGU officials.

Table 4. Descriptive Statistics for Civic Associationism Variables (social capital)

Civic Groups	N (%)	rDV1	rDV2
Religious/social/festival group	1,977 (32.69%)	0.0349***	0.0411***
Development group/ NGO	428 (7.08%)	-0.0566***	-0.0588***
Self-help groups	510 (8.43%)	0.0356***	0.0432***

Total number of respondents is 6,048.

Note: Only significant correlations are presented

*** Correlation is significant at the 0.01 level (2-tailed)

** Correlation is significant at the 0.05 level (2-tailed)

Out of those, a third claimed to belong to religious/social/festival group (32.69%), while others reported to belong to credit or savings group (15.11%), and cooperatives (11.09%). The same types of groups are found to be statistically significant for both DV1 and DV2. Two out of the three types of groups are found to have positive but weak correlations with the level of trust while, one group showed a negative but weak correlation with the level of trust. In particular,

weak positive correlations were observed between levels of trust and membership to religious/social/festival groups (For DV1: $r = 0.0349$ ($p < 0.01$), for DV2: $r = 0.0411$ ($p < 0.01$)) and self-help groups (For DV1: $r = 0.0356$ ($p < 0.01$), for DV2: $r = 0.0432$ ($p < 0.01$)). Weak negative correlation, on the other hand, is found between the levels of trust and association with development groups/NGOs (For DV1: $r = -0.0566$ ($p < 0.01$), for DV2: $r = -0.0588$ ($p < 0.01$)).

Table 5. Regression Analysis of Civic Associationism (social capital) Variables Influencing Respondents Trust in the LGUs

Civic Groups	Institutional Trust (Standardized Coefficient Beta, β)	
	DV1	DV2
Religious/social/festival group	1.103 ^{***}	1.108 ^{***}
Development group/ NGO	0.732 ^{***}	0.711 ^{***}
Self-help groups	1.160 ^{***}	1.184 ^{***}
N	6,048	6,048
LR chi2	45.20 ^{***}	51.88 ^{***}

Note: Only significant correlations are presented

**** Correlation is significant at the 0.01 level (2-tailed)*

*** Correlation is significant at the 0.05 level (2-tailed)*

With regard to civic associationism influencing the level of institutional trust in the LGUs, the study finds statistically significant effect for both DVs in three indicators: religious organizations (For DV1: $\beta = 1.103$, $p < 0.01$, for DV2: $\beta = 1.108$, $p < 0.01$), NGOs (For DV1: $\beta = 0.732$, $p < 0.01$, for DV2: $\beta = 0.711$, $p < 0.01$) and self-help groups (For DV1: $\beta = 1.160$, $p < 0.01$, for DV2: $\beta = 1.184$, $p < 0.01$). Significant positive coefficients are observed for respondents belonging to religious/social/festival group and those belonging to self-help groups. For respondents who are members of religious/social/festival group, the odds of having a high level of trust versus having a low level of trust are 10% (DV1) and 11% (DV2) greater, given that all other variables are held constant. Similarly, for respondents who are members of self-help groups, the odds of having a high trust versus a low level of trust are 16% (DV1) and 18% (DV2). On the other hand, respondents belonging to development groups/NGOs display regression coefficients less than 1, which when interpreted means that the odds of having a high level of trust is 26.8% (DV1) and 28.9% (DV2), less likely than having a low level of trust given all other variables constant. For both DVs, the likelihood ratio chi-square (LRchi2) of 45.20 (DV1) and 51.88 (DV2), with p values < 0.01 indicating that the model as a whole is statistically significant, as compared to the null model with no predictors. (Please see Annex for detailed regression outputs).

8.2.3 People Satisfaction to Access to Public Services

The performance-based theory of institutional trust focuses on the quality of the performance of the institution. The more the positive attitude towards the performance of the institutions, the more would be the trust to institutions. Ensuring that the public institutions such as the LGUs take into account the needs of the citizens bears the significance for trust to take place in the institutions. Various studies have suggested that citizens tend to trust public institutions as long as they satisfy the needs of the citizens. In the Philippines, Section 17 of the Local Government Code of 1991 mandates the local government units to efficiently and effectively

provide the basic services and facilities to its constituents. For this study, the determinant that has been taken into account involves satisfaction of the respondents with the provision of public services delivered by the LGU (perception of the level of success or failure in meeting expectations) at the time of the interview. For this determinant, eight public services that are mandated to be provided by the LGU have been considered in order to know the perceived level of satisfaction of the citizens in terms of their benefits to the provision of public services. The eight public services are: (1) power; (2) water supply; (3) infrastructure (roads and transport, ease of commuting); (4) agricultural support (planting materials distribution system and operation of farm produce, collection and buying associations etc.) (5) system secondary education (public high school); (6) health (municipal health center); (7) solid waste disposal system (garbage collection system); and (8) fire protection.

The respondents' evaluation of LGU performance will be measured by the degree to which the respondents are satisfied with all the eight services. The response categories involve '1 – Very Unsatisfied,' 2 - Unsatisfied', 3 – Neutral,' 4- Satisfied,' and '5 – Very Satisfied.' The higher the score is, the more favorable is the evaluation.

Table 6. Descriptive Statistics for the Indicators of Satisfaction with the Provision of Identified Public Services Variables

Public Services	Mean	(S.D.)	N	r _{DV1}	r _{DV2}
(1) Power (Electricity)	3.67	0.0109	5,154	0.1400***	0.1257***
(2) Safe Water Supply	3.62	0.0130	3,931	0.1816***	0.1985***
(3) Infrastructure	3.54	0.0124	5,598	0.1988***	0.1994***
(4) Secondary education (public high school)	3.57	0.0202	1,682	0.2539***	0.2578***
(5) Agricultural support	3.85	0.0103	4,076	0.1604***	0.1432***
(6) Health (Municipal health center)	3.80	0.0102	5,039	0.1659***	0.1658***
(7) Solid waste disposal system (garbage collection system)	3.71	0.0175	3,213	0.1987***	0.1815***
(8) Fire protection	3.65	0.0333	3,414	0.1479***	0.1508***

Note: Only significant correlations are presented

**** Correlation is significant at the 0.01 level (2-tailed)*

*** Correlation is significant at the 0.05 level (2-tailed)*

Overall, the satisfaction index for all the indicators tend to be on the higher side with a minimum 3.54 (infrastructure) to a maximum of 3.85 (agricultural support). In observing each measures of citizens' satisfaction variable, the highest satisfaction was found to be in the agricultural support and health services, with satisfaction indices of 3.85 and 3.80, respectively. All correlation coefficients show statistical significance of weak positive correlations with the level of institutional trust for both dependent variables. Among the eight indicators, provision of secondary education in the LGU show the highest positive correlation with institutional trust for both dependent variables (For DV1: $r = 0.2539$ ($p < 0.01$), for DV2: $r = 0.2578$ ($p < 0.01$). This reflects that how well the local government unit provides secondary education in the LGU may be an important attribute in determining the level of trust of the respondents. Other services such as infrastructure (For DV1: $r = 0.1988$ ($p < 0.01$), for DV2: $r = 0.1994$ ($p < 0.01$), and solid waste disposal (garbage collection system) (For DV1: $r = 0.1987$ ($p < 0.01$), for DV2: $r = 0.1815$ ($p < 0.01$)) also show relatively strong correlations with institutional trust in the LGUs.

Table 7. Regression Analysis of Satisfaction with the Provision of Selected Public Services Variables Influencing Respondents Trust in the LGUs

Citizen Satisfaction with Various public services provided by the LGU	Institutional Trust (Standardized Coefficient Beta, β)	
	DV1	DV2
Water (Safe Water Supply)	-	1.695***
Agricultural Support	1.371**	1.607***
N	669	669
LR chi2	19.32***	52.92***

Note: Only significant correlations are presented

*** Correlation is significant at the 0.01 level (2-tailed)

** Correlation is significant at the 0.05 level (2-tailed)

The above model presents findings of citizen satisfaction of selected services with the level of institutional trust for the two dependent variables. Services provided by the LGU for agricultural support turned out to have statistically significant coefficients for both dependent variables (For DV1: $\beta = 1.371$, $p < 0.05$, for DV2: $\beta = 1.607$, $p < 0.05$). Thus, for a one-unit increase in the level of satisfaction for the provision of agricultural support, the odds of having a high level of trust in the LGU versus having a low level of trust is 37.1% and 60.7% greater for DV1 and DV2, respectively, given all other variables constant. In addition, for DV2, the provisions for safe water supply (β value of 1.695, $p < 0.01$) was also found to be statistically significant. For both DVs, the likelihood ratio chi-square (LRchi2) of 38.83 (DV1) and 26.35 (DV2), with p values < 0.01 indicating that that the model as a whole is statistically significant, as compared to the null model with no predictors. (Please see Annex for detailed regression output).

8.2.4 Quality of Government

The World Bank broadly defines “quality of government” as the traditions and institutions by which authority in a country is exercised. This includes (1) the process by which governments are selected, monitored, and replaced; (2) the capacity of the government to effectively formulate and implement sound policies; and (3) the respect of citizens and the state for the for the institutions that govern economic and social interactions among them (Holmberg, Rothstein, & Nasiritousi, 2009). As LGUs play a very important role in addressing the basic issues locally, the decision-making ability of its chief executive on the process of delivering public services with impartiality is vital.

For this study, the quality of government is measured by an index of citizen’s perception on the way the LGU officials manage all the processes involved in undertaking BUB projects in their municipalities. The study considered three major areas, namely: (1) transparency and honesty of LGU officials in reporting the outcome of a given program/project; (2) openness to public scrutiny of all LGU transactions related to the projects/programs; and (3) ability of the LGU officials to identify and prioritize projects that are beneficial to the all the members of the community. These areas of governance involve high amount of financial transactions and lobbying which may involve political party affinity, kinship, and familial ties between the decision makers and service recipients. The principle of being impartial becomes the central component to protect recipients of the public services from unfair policies and favors which may breed distrust in the institutions.

The question inquires on the extent to which the respondents perceive that the LGU officials carry out their duties in the areas of governance mentioned above. The response involves a binary response of *Agree* or *Disagree*, wherein, *Agree* responses imply strong quality of government while *Disagree* responses imply weak quality of government. It is expected that the more respondents perceive that LGU officials maintain transparency, honesty, and impartiality in the process of the provision of public services, the more would be the trust in them.

Table 8. Descriptive Statistics for the Indicators of Quality of Government Variables

Quality of Government	Response	N (%)	r DV1	r DV2
LGU officials are transparent/honest about reporting the outcomes of a given program/project	Agree	4,485 (74.16%)		
	Disagree	697 (11.52%)	-0.034***	-0.027**
	Don't Know	866 (14.32%)		
LGU transactions are transparent/open to public scrutiny	Agree	4,588 (75.86%)		
	Disagree	705 (11.66%)	-0.026**	-0.028**
	Don't Know	755 (12.48%)		

Total Number of Respondents is 6,048.

Note: Only significant correlations are presented

*** Correlation is significant at the 0.01 level (2-tailed)

** Correlation is significant at the 0.05 level (2-tailed)

The respondents seem to have high regard with the capacity of their local leaders to execute government transactions, as what is reflected in the responses from the survey. A large proportion (74.16%) of the respondents perceive that LGUs are transparent/honest about reporting the outcomes of a given program/project. A high approval rating (75.86%) was also evident when the respondents were asked about their perception on the transparency and openness to scrutiny of LGU transactions. Lastly, the respondents' perception on the capability of the LGU leaders to identify and prioritize projects that are beneficial to the members of the community received a large share of approval (78.75%). These findings provide a positive perception or pattern on impartiality and transparency which should be the ideal for a high level of institutional trust. However, for both dependent variables, the correlation coefficients relating institutional trust and quality of government in terms of: (1) transparency/honesty about reporting the outcomes of a given program/project and (2) transparency and openness to public scrutiny - turned out to be statistically significant, but weak and negative. This outcome is further supported by the regression results discussed below.

Table 9. Regression Analysis of Quality of Government Variables Influencing Respondents Trust in the LGUs

Statement	Institutional Trust (Standardized Coefficient Beta, β)	
	DV1	DV2
LGU officials are transparent/honest about reporting the outcomes of a given program/project	0.685***	0.599***
LGU transactions are transparent/open to public scrutiny	0.521***	0.497***
LGU leaders identify and prioritize projects that are beneficial to the respondent and/or other members of the community	0.586***	0.629**

N	4,947	4,947
LR chi2	216.86***	252.65***

Note: Only significant correlations are presented

*** Correlation is significant at the 0.01 level (2-tailed)

** Correlation is significant at the 0.05 level (2-tailed)

The model on quality of government analyzes the respondents' perception about how the LGU and its leaders manage to ensure procedural impartiality related to the conduct of the BUB program. For both dependent variables, all the explanatory variables related to the quality of governance produced statistically significant coefficients. In particular, for respondents agreeing that LGU officials are transparent/honest about reporting the outcomes of a given program/project (For DV1: $\beta = 0.685$, $p < 0.01$, for DV2: $\beta = 0.599$, $p < 0.01$), the odds of having a high level of trust versus a low level of trust is 31.5% (DV1) and 40.1% (DV2) less likely, holding all other variables constant. In terms of the transparency and openness of LGU transactions, the odds of having a high level of trust versus a low level of trust is 47.9% (DV1) and 50.3% (DV2) less likely, holding all other variables constant. Finally, for the variable representing the ability of the LGU leaders to identify and prioritize projects that are beneficial to the respondent and/or members of the community, the odds of having a high level of trust versus a low level of trust is 41.4% (DV1) and 37.1% (DV2) less likely, holding all other variables constant.

9. Discussion

This study finds that generally, the effects of the factors anticipated to influence the level of institutional trust are the same for the identified two major component of the BUB process. The similar results of the direction and values of the statistically significant coefficients in the regression models for the two dependent variables (DVs) suggest that the determination of the levels of institutional trust of the respondents do not differ by activity, but can be viewed to represent their level of trust as a result of their impression of the whole program.

9.2 Institutional Trust and Socio-demographic Variables (age, gender, level of education)

The study expected significant effects of age, gender and education in influencing institutional trust. The variable age was found to have no significant influence with the levels of institutional trust in the two dependent variables. Studies (Delhey & Newton, 2003) show that trust is something that one possesses through one's up-bringing and early socialization, thus, how one trust will not change much as one gets older and the effect of this variable in the levels of institutional trust will therefore be small if not significant. For the variable gender, findings show statistical significance both for the correlation and regression coefficients only for DV2. This result may suggest that female respondents develop their trust in the LGUs during the monitoring of BUB projects, where, compared to the identification and prioritization of projects, the presence of the officials involved are more visible to the community. The level of education has an effect on the levels of institutional trust, as can be gleaned both from the results of the correlation analysis for the two DVs. Performing regression analysis for the level of education for the two dependent variables further revealed that post graduate level of education is less likely to develop trust in the LGUs. This finding supports the notion that those who have higher education levels are likely to be more informed of political process and thus become more critical or even distrustful (Chang & Chu, 2006). Based from the results of

the regression analyses for both dependent variables, the numerous insignificant and/or weak values of coefficients may also imply that the performance of government affects the people randomly and trust in public institutions will also be randomly distributed among the population regardless of education, gender, age, living standards and tribe (Newton & Norris, 1999).

9.3 Institutional Trust and Social Capital Variable (Civic Associationism)

The directions of statistically significant correlation and regression coefficients show consistency in the findings that memberships to religious/social/festival and self-help groups create a positive influence in the level of trust in the LGUs, which may be reasonable as oftentimes, these groups seek assistance and sponsorships from the local government in facilitating their activities in the community. On the other hand, membership to development groups/NGOs imply a negative influence in the level of trust. More often than not, one primary role of an NGO is to monitor and analyze the work of local institutions. This so called watchdog model (Loise, 2017), which suggests that the members of development groups/NGOs should evaluate governance in all of its stages: from policy-making to implementation. It is a passive duty but it demands careful supervision. In the development groups/NGOs notice any kind of suspicious behavior, they warn the authorities or the general public.

9.4 Institutional Trust and Citizen Satisfaction Variable

With regard to citizen satisfaction on various public service provision of the LGU, all the services show weak levels of positive correlation for both dependent variables. Regression results on the other hand, revealed only agricultural support to have significant coefficient values for DV1, while water, agricultural support and solid waste has significant coefficients for DV2. This result demonstrates that the assessment of respondents regarding their experiences and the selected services provided by the LGU may not constitute an important component of the evaluation of the citizens' level of trust in the LGU.

9.5 Institutional Trust and Quality of Governance Variable

For both dependent variables, significant but negative and weak correlations were found between the level of institutional trust and two variables representing quality of governance, namely: (1) LGU officials are transparent/honest about reporting the outcomes of a given program/project; and (2) LGU transactions are transparent/open to public scrutiny. The values of the correlation, though very weak, are negative which contradicts the usual expectations when it comes to the effect of transparency and openness to the level of trust. Similarly, the regression results, which reveal statistical significance for all variables show results of less likelihood of obtaining high levels of trust. These results may suggest that how well the LGUs maintain procedural fairness in areas such as in reporting outcomes of a given project/program, its openness top public scrutiny, and identifying and prioritizing projects that are deemed beneficial to the members of the community do not play much of a significant role in how the levels of trust for the LGU is determined.

10. Conclusion

What promotes trust in institutions? The dependent variable of the study was the levels of trust of two major components of the BUB process. The main objective of the study was to identify the factors that influence the levels of trust in the LGUs, with reference to the BUB process. The socio-demographic factors that portrayed significant influence on the level of trust involves the level of education of respondents. The social capital variable, on the other hand, do provide support for the social and cultural approach in explaining the respondents' levels of trust. Civic associationism involving religious/social/festival groups and self-help groups showed positive influence in the levels of institutional trust while respondents affiliated with development groups/NGOs showed negative effect in the levels of trust. Regarding the performance indicators, customer satisfaction on the various public services involving agricultural support tends to affect the levels of trust in the LGUs. The second performance indicator, the quality of governance variables was seen to influence the level of trust, however, in a negative manner. Overall, it can be said that for the groups represented by the respondents, both the social and cultural approach and the performance approach in explaining the determination of levels of trust in institutions are both evident. However, it should also be emphasized that trust is a multi-dimensional concept and there is no one-factor explanation for variations in people's trust in government institutions. One implication of this analysis is that the causal relations are complex and multi-faceted, and always subject to debates. Citizen's trust in government seems to be a complex mix of the actual performance of specific public services, demographic variables, associations with specific groups and government performance. To gain better understanding of the variation in citizen's trust in government, one needs to take a more comparative approach, focusing on changes over time, between different levels of governance, and between government initiatives.

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Annex A. Percentile Distribution for the Dependent Variables

Rating	DV1		DV2	
	<i>(Identification and Prioritization of BUB Projects)</i>		<i>(Monitoring BUB Project Implementation)</i>	
	No.	% Share	No.	% Share
1 – Not at all	92	1.53	102	1.69
2	211	3.49	223	3.69
3	372	6.15	410	6.78
4	1090	18.02	1065	17.43
5	1489	24.62	1411	23.33
6	1410	23.31	1525	25.21
7 – Highly trusted	1384	22.88	1323	21.88
Total	6,048	100.00	6,048	100.00

Annex B. Stata Outputs for Ordered Logistic Regression

Ordered logistic regression for socio-demographic variables –DV1

```
. ologit newt2 i.age_bracket i.educ_level i.B5_member_gender, or
```

```
Iteration 0: log likelihood = -3651.685
Iteration 1: log likelihood = -3632.5395
Iteration 2: log likelihood = -3632.269
Iteration 3: log likelihood = -3632.269
```

```
Ordered logistic regression          Number of obs   =    6,048
                                   LR chi2(7)         =    38.83
                                   Prob > chi2        =    0.0000
Log likelihood = -3632.269          Pseudo R2       =    0.0053
```

	newt2	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
age_bracket							
	Old	1.046683	.0671115	0.71	0.477	.9230758	1.186841
educ_level							
	Primary	1.149422	.1930742	0.83	0.407	.8269872	1.59757
	Secondary	1.307899	.2245844	1.56	0.118	.9341379	1.831206
	Vocational	1.26854	.2944591	1.02	0.305	.8048581	1.999349
	Tertiary	1.251443	.2286404	1.23	0.220	.8747733	1.790304
	Post Graduate	.535797	.1138973	-2.94	0.003	.3532285	.8127274
B5_member_gender							
	Female	.9904008	.0737791	-0.13	0.897	.8558574	1.146095
	/cut1	-.6985547	.1730141			-1.037656	-.3594533

Ordered logistic regression for socio-demographic variables – DV2

```
. ologit newt3 i.age_bracket i.educ_level i.B5_member_gender, or
```

```
Iteration 0: log likelihood = -3672.7313
Iteration 1: log likelihood = -3659.6085
Iteration 2: log likelihood = -3659.5551
Iteration 3: log likelihood = -3659.5551
```

```
Ordered logistic regression          Number of obs   =    6,048
                                   LR chi2(7)         =    26.35
                                   Prob > chi2        =    0.0004
Log likelihood = -3659.5551          Pseudo R2       =    0.0036
```

	newt3	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
age_bracket							
	Old	1.058947	.0673555	0.90	0.368	.9348296	1.199543
educ_level							
	Primary	.9681566	.1666195	-0.19	0.851	.6909618	1.356554
	Secondary	1.143375	.2009509	0.76	0.446	.8101916	1.613576
	Vocational	1.154371	.2715345	0.61	0.542	.7279864	1.83049
	Tertiary	1.127679	.2105718	0.64	0.520	.7820603	1.626038
	Post Graduate	.6306041	.1371296	-2.12	0.034	.4117718	.9657328
B5_member_gender							
	Female	1.201516	.0914902	2.41	0.016	1.034938	1.394906
	/cut1	-.7680726	.1768901			-1.114771	-.4213743

Ordered logistic regression for Social Capital variable – DV1

```
. ologit newt2 P1_youth_club P1_union P1_religious P1_ngo P1_coop P1_credit_saving
P1_self_help,
> or
```

```
Iteration 0: log likelihood = -3651.685
Iteration 1: log likelihood = -3629.2511
Iteration 2: log likelihood = -3629.0827
Iteration 3: log likelihood = -3629.0826
```

```
Ordered logistic regression          Number of obs   =      6,048
LR chi2(7)                          =      45.20
Prob > chi2                          =      0.0000
Pseudo R2                            =      0.0062

Log likelihood = -3629.0826
```

	newt2	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
P1_youth_club		.9841186	.0559661	-0.28	0.778	.8803194	1.100157
P1_union		.9157371	.0790901	-1.02	0.308	.7731336	1.084644
P1_religious		1.103024	.0347501	3.11	0.002	1.036976	1.17328
P1_ngo		.7321378	.0466859	-4.89	0.000	.6461222	.8296043
P1_coop		1.005219	.046741	0.11	0.911	.9176588	1.101134
P1_credit_saving		.9317829	.0380836	-1.73	0.084	.8600518	1.009497
P1_self_help		1.160089	.0583054	2.95	0.003	1.051261	1.280183
/cut1		-1.615983	.3575023			-2.316675	-.9152912

Ordered logistic regression for Social Capital variable – DV2

```
. ologit newt3 P1_youth_club P1_union P1_religious P1_ngo P1_coop P1_credit_saving
P1_self_help,
> or
```

```
Iteration 0: log likelihood = -3672.7313
Iteration 1: log likelihood = -3646.9941
Iteration 2: log likelihood = -3646.7906
Iteration 3: log likelihood = -3646.7906
```

```
Ordered logistic regression          Number of obs   =      6,048
LR chi2(7)                          =      51.88
Prob > chi2                          =      0.0000
Pseudo R2                            =      0.0071

Log likelihood = -3646.7906
```

	newt3	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
P1_youth_club		1.042169	.0579024	0.74	0.457	.9346429	1.162065
P1_union		1.070387	.0866471	0.84	0.401	.9133487	1.254426
P1_religious		1.107931	.0347646	3.27	0.001	1.041846	1.178207
P1_ngo		.7113863	.0454422	-5.33	0.000	.6276711	.806267
P1_coop		.9935003	.046025	-0.14	0.888	.9072671	1.08793
P1_credit_saving		.9565175	.0385763	-1.10	0.270	.8838204	1.035194
P1_self_help		1.184828	.0590518	3.40	0.001	1.074562	1.30641
/cut1		-.9494284	.3430879			-1.621868	-.2769884

Ordered logistic regression for Quality of Governance variable –DV1

```
. ologit newt2 s1_1new s1_2new s1_3new, or
```

```
Iteration 0: log likelihood = -2868.638
Iteration 1: log likelihood = -2763.0123
Iteration 2: log likelihood = -2760.2067
Iteration 3: log likelihood = -2760.2063
Iteration 4: log likelihood = -2760.2063
```

```
Ordered logistic regression          Number of obs   =    4,947
                                   LR chi2(3)        =    216.86
                                   Prob > chi2        =    0.0000
Log likelihood = -2760.2063         Pseudo R2       =    0.0378
```

newt2	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
s1_1new	.6854436	.0890557	-2.91	0.004	.5313493	.8842262
s1_2new	.5211178	.0666993	-5.09	0.000	.4054977	.669705
s1_3new	.5862888	.0591228	-5.29	0.000	.4811432	.7144122
/cut1	-2.814879	.1290772			-3.067865	-2.561892

Ordered logistic regression for Quality of Governance variable –DV2

```
. ologit newt3 s1_1new s1_2new s1_3new, or
```

```
Iteration 0: log likelihood = -2860.5104
Iteration 1: log likelihood = -2737.7667
Iteration 2: log likelihood = -2734.1857
Iteration 3: log likelihood = -2734.1844
Iteration 4: log likelihood = -2734.1844
```

```
Ordered logistic regression          Number of obs   =    4,947
                                   LR chi2(3)        =    252.65
                                   Prob > chi2        =    0.0000
Log likelihood = -2734.1844         Pseudo R2       =    0.0442
```

newt3	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
s1_1new	.5991591	.0772089	-3.98	0.000	.4654301	.7713115
s1_2new	.4969081	.0632986	-5.49	0.000	.3871203	.6378319
s1_3new	.6295258	.0640381	-4.55	0.000	.5157337	.768425
/cut1	-2.953186	.1299319			-3.207848	-2.698525

Ordered logistic regression for Customer Satisfaction variable –DV1

```
. ologit newt2 L3_l1_1_pub_serv_satisfy L3_l1_2_pub_serv_satisfy L3_l1_3_pub_serv_satisfy L3
> _l1_4_pub_serv_satisfy L3_l1_11_pub_serv_satisfy L3_l1_12_pub_serv_satisfy L3_l1_14_pub_se
> rv_satisfy L3_l1_15_pub_serv_satisfy, or
```

```
Iteration 0: log likelihood = -377.02393
Iteration 1: log likelihood = -367.52718
Iteration 2: log likelihood = -367.36575
Iteration 3: log likelihood = -367.36573
```

```
Ordered logistic regression          Number of obs   =          669
                                   LR chi2(8)         =          19.32
                                   Prob > chi2        =          0.0133
Log likelihood = -367.36573         Pseudo R2       =          0.0256
```

	newt2	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
L3_l1_1_pub_serv_satisfy		.9814937	.1480096	-0.12	0.901	.7303415	1.319013
L3_l1_2_pub_serv_satisfy		1.220038	.1610745	1.51	0.132	.9418767	1.580347
L3_l1_3_pub_serv_satisfy		.8488654	.1312029	-1.06	0.289	.6270105	1.149219
L3_l1_4_pub_serv_satisfy		1.371503	.2012744	2.15	0.031	1.028677	1.828583
L3_l1_11_pub_serv_satisfy		.7480467	.1779354	-1.22	0.222	.4693061	1.192343
L3_l1_12_pub_serv_satisfy		1.191227	.2671849	0.78	0.435	.7674948	1.848902
L3_l1_14_pub_serv_satisfy		1.173606	.2239966	0.84	0.402	.8073473	1.70602
L3_l1_15_pub_serv_satisfy		1.231439	.2459041	1.04	0.297	.8326031	1.821328
/cut1		1.045392	.6944152			-.3156365	2.406421

Ordered logistic regression for Customer Satisfaction variable –DV2

```
. ologit newt3 L3_l1_1_pub_serv_satisfy L3_l1_2_pub_serv_satisfy L3_l1_3_pub_serv_satisfy L3
> _l1_4_pub_serv_satisfy L3_l1_11_pub_serv_satisfy L3_l1_12_pub_serv_satisfy L3_l1_14_pub_se
> rv_satisfy L3_l1_15_pub_serv_satisfy, or
```

```
Iteration 0: log likelihood = -368.02569
Iteration 1: log likelihood = -342.24048
Iteration 2: log likelihood = -341.56765
Iteration 3: log likelihood = -341.56697
Iteration 4: log likelihood = -341.56697
```

```
Ordered logistic regression          Number of obs   =          669
                                   LR chi2(8)         =          52.92
                                   Prob > chi2        =          0.0000
Log likelihood = -341.56697         Pseudo R2       =          0.0719
```

	newt3	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
L3_l1_1_pub_serv_satisfy		.8519498	.1340572	-1.02	0.309	.6258562	1.159721
L3_l1_2_pub_serv_satisfy		1.694686	.223014	4.01	0.000	1.309406	2.19333
L3_l1_3_pub_serv_satisfy		1.008256	.1530929	0.05	0.957	.74873	1.357741
L3_l1_4_pub_serv_satisfy		1.606743	.2390032	3.19	0.001	1.200412	2.150616
L3_l1_11_pub_serv_satisfy		.7300463	.1822756	-1.26	0.208	.447533	1.190901
L3_l1_12_pub_serv_satisfy		.9607438	.224386	-0.17	0.864	.6078629	1.518482
L3_l1_14_pub_serv_satisfy		1.413996	.272474	1.80	0.072	.9692224	2.062875
L3_l1_15_pub_serv_satisfy		1.13362	.2321807	0.61	0.540	.7588048	1.693578
/cut1		2.292279	.7574504			.8077033	3.776854