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The Role of Social Capital in Citizen Support for Governmental Action to Reduce Economic Inequality

Abstract: *This article suggests that an important source of political conflict in Latin America and the Caribbean is the disagreement among the citizenry on the role of government in reducing economic inequality, particularly between the very rich and the poor. While the poor clamor for vigorous public policies to reduce economic inequality, the rich show significantly lower support. The findings of this article, however, indicate that social capital, in the form of interpersonal trust, does work as a conciliatory force between haves and have-nots. The results shed light on the importance of cultivating social capital in the region to boost support among the wealthy for public policies that favor the poor, and consequently for creating the political conditions for governments to fight economic inequality and, in turn, political disparities.*

Interpersonal trust, a core component of social capital, is theorized to be correlated with a wide variety of positive social, political, and economic outcomes (Almond and Verba 1963; Coleman 1990; Fukuyama 1995; Inglehart 1999; Putnam 1993). In the political arena, trusting individuals have been found to be more likely to interact and sympathize with others who do not share their political interests, facilitating the generation of respect among the citizenry for the political rights of underprivileged groups, including the poor. Thus, the literature suggests that where interpersonal trust reigns, solidarity rather than conflict is more likely to prevail, fostering cooperation and political stability. Surprisingly, despite the theorized link between interpersonal trust and a myriad of democratic attitudes, one of the least researched

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topics in the social capital and public opinion literature is the effect of interpersonal trust on citizens' support for public policies that favor minorities or underprivileged groups, such as policies aimed at reducing poverty and economic inequality.

For interpersonal trust to be a "magic elixir" for alleviating social illnesses (Uslaner 2004), and consequently for increasing the chances to build more equal democracies, interpersonal trust would not only have to increase citizens' sympathy for the poor but also encourage citizens to demand and support governmental actions in favor of economically disadvantaged populations, even among those more likely to show lower support, namely, the wealthy. Without this, the link between interpersonal trust and solidarity would be more rhetorical, and therefore not likely to have an impact on the lives of unprivileged groups or, as Uslaner (2004) puts it, interpersonal trust would be more of a "mixed blessing."

By exploring the impact of interpersonal trust on citizens' support for public policies that benefit the poor, the social capital literature is here being put to a demanding test. This research argues that by promoting interpersonal trust, greater pressure can be exerted on governments to address economic inequality, and thus increase the likelihood that economic disparities and consequently political inequalities will also be ameliorated.

The importance of public opinion in determining the kind of policies implemented by governments has been demonstrated in previous research. For example, evidence for the United States suggests that citizens' preferences for public policies are taken into account by the government, but at the same time that not all citizens' preferences are weighted equally, sometimes working to the advantage of the rich (Gilens 2005). As a result, in the United States, regressive public policies or government concessions in favor of the wealthy, rather than market forces, are said to better explain rising economic inequality in this country in the past few years (Bartels 2008).

In Latin America and the Caribbean, a similar process might also be at work. Despite the overwhelming levels of poverty and economic inequality, and therefore the predictably high support for public policies that benefit the poor, the little progress made in most of the region in reducing poverty and economic inequality suggests that individuals at the top of the economic ladder might be influencing government policies the most (De Ferranti 2004). To a considerable extent the lack of a significant progressive fiscal reform or income redistribution in Latin America and the Caribbean might be explained by the lower support or even opposition of well-off individuals or a powerful economic minority.

On the other hand, empirical studies have also demonstrated that social capital, including interpersonal trust, can be encouraged and consequently grow over time, in particular, when neighborhoods have educated and young leaders in charge of organizing communal activities (Krishna 2007). Thus, I hypothesize that by promoting mutual help and social cohesion in Latin America and the Caribbean, sympathy and solidarity toward dissimilar others can be nurtured to achieve wide citizen support for public policies that help the poor, thereby increasing the chances that governments will take serious action to improve poverty and the distribution of income.

In other parts of the world, this process appears to have taken place and helps to explain why economic inequality is relatively low. For instance, in Scandinavian countries, the coexistence of high interpersonal trust and citizen support for welfare policies is suggested to have contributed to the maintenance of welfare state regimes and consequently much lower economic inequality (Rothstein 1998; Rothstein and Stolle 2003). Surprisingly, in Latin America and the Caribbean, citizens' opinions on public policy preferences and their determinants are for the most part understudied. This article seeks to empirically explore the extent of support for public policies to reduce poverty and inequality among poor and well-off individuals in the context of Latin America and the Caribbean, and the role of interpersonal trust in encouraging higher levels of support for such policies.

Specifically, the objectives of this article are threefold. First, it seeks to answer the question of the importance of conflicts regarding the role of the state in reducing economic inequality between the rich and the poor. The literature suggests that where economic inequality is high, conflicts over income or wealth redistribution are deeper (Acemoglu and Robinson 2006; Boix 2003). As a result, given Latin America and the Caribbean's high economic inequality, the expectation is to find statistically significant differences between haves and have-nots regarding their opinions on the role of the state in resolving inequality.

Second, this article examines the effect of interpersonal trust, vis-à-vis other competing factors, on citizen support for reducing inequality. Finally, this research explores the possibility that the relationship between personal economic status and citizen support may be mediated by the level of interpersonal trust such that well-off individuals with high levels of interpersonal trust are more likely to support an active role of the government in fighting inequality.

This article looks at the individual level determinants of two distinct dependent variables:

1. Citizen support for public policies to reduce economic inequality
2. Citizen support for income redistribution through higher taxes on the rich

While the first dependent variable taps into support for public policies to shrink the gap between the rich and poor in general, the second variable measures support for a specific mode to fight poverty and inequality, namely, redistribution of income from the rich to the poor through taxation. Lower support for the latter is expected among the wealthy, since this survey item proposes a mechanism for improving the well-being of the poor that is likely to have a direct negative impact on the incomes of affluent individuals. Therefore, the second dependent variable poses a greater challenge to interpersonal trust, since it is expected that interpersonal trust will also substantially increase support among the wealthy for public policies that can clearly work against their economic interests.

The survey data come from the 2008 AmericasBarometer surveys by the Latin American Public Opinion Project (LAPOP) for twenty Latin American and Caribbean countries. The 2008 project uses a stratified probability sample design representative at the national level of the voting-age population of each country, involving over 33,000 face-to-face interviews.[1] The description of the survey data for the twenty national surveys is presented in Appendix A.[2]

With this number of cases, the data set makes it possible to assess regional patterns. Additionally, as a robustness test of the findings, data for a single case are analyzed with the objective of further examining the effect of interpersonal trust on public policy preferences. Specifically, data for Jamaica are used for examining the determinants of citizen support for redistribution through taxation, corresponding to the second dependent variable. The 2008 AmericasBarometer survey for Jamaica is the only LAPOP questionnaire that includes an item on support for income redistribution through taxation, explaining why only data for Jamaica are taken into account for the analysis of the second dependent variable.

Theory and Hypotheses

Rational choice theories for explaining the formation of individual preferences predict that high support from the rich for reducing economic inequality is very unlikely as "self-interest" is a critical determinant of citizens' support for public policies (Meltzer and Richard 1981; Persson and Tabellini 2000). For example, Meltzer and Richard's (1981: 921) well-known utility-maximizing model on preferences for social protection, in the form of government spending, predicts that, "the higher one's income, the lower the preferred tax rate." Correspondingly, the higher one's income or wealth, the lower his or her support for government redistribution or government expenditure on the poor. Conversely, as Rehm (2007: 48) points out, "disadvantaged individuals, that is, poor people, are in favor of income redistribution because they hope to gain from it." Generally speaking, the empirical literature supports the rational choice hypothesis (Edlund 2007; Iversen 2005; Rehm 2007). Individualistic interests largely guide one's preferences for government policies; deep-pocket individuals are less likely to support redistribution or policies that benefit the poor.

Recent empirical evidence for West European countries, however, has challenged rational choice accounts, indicating that support for redistribution or public policies that help the poor varies across individuals with similar income levels, even after holding constant other intervening variables (Kumlin and Svallfors 2007). Hence, it would appear that the relationship between support for redistribution and individual economic status is conditioned on factors overlooked by utility-maximizing models. Kumlin and Svallfors (2007) interpret variations in support for welfare policies among the rich as likely "policy feedback" effects. They theorize that in countries with strong welfare states, the rich are likely to have been socialized by welfare state institutions, resulting in a higher likelihood of appreciating the value of equality. In turn, according to these authors, smaller differences in the extent of support for redistribution across economic groups are observed in welfare states.[3]

The literature also suggests that another explanatory factor overlooked by the rational choice approach is the role that individuals' views about the main beneficiaries of welfare policies may play in determining their level of support for such policies. In general, the few works that have examined this issue find that individuals are more likely to support redistributive policies when they believe that the beneficiaries are similar to themselves (Mau and Veghte 2007). Luttmer (2001: 500) finds that in the United States, "individuals' preferences for income redistribution are not only determined by financial self-interest but also affected by the characteristics of others around them." He concludes that "interpersonal preferences" (preferences that depend on the characteristics of others) are an important determinant of citizens' support for redistribution.

Similarly, rational choice accounts ignore the possibility that sympathy toward underprivileged individuals or social capital in the form of interpersonal trust can boost the level of support for redistributive policies among wealthy individuals. If interpersonal trust, by definition, rests on equality and solidarity principles, as Seligman (1997) and Uslaner (2002) strongly argue, then, contrary to the rational choice theory, we would expect *trusting* well-off individuals to show higher support for governmental action to reduce poverty and inequality, even if this requires a sacrifice in the form of a higher tax rate. Yet, largely absent in the theoretical and empirical literature is the likely mediating effect of interpersonal trust on the link between individual economic status and support for welfare policies. This article explores this link in the context of Latin America and the Caribbean.

Specifically, taking into account the suggestions and findings of previous works, this article tests the following hypotheses:

> *H1: Economically better-off individuals are more likely to express lower levels of support for public policies aimed at reducing poverty and economic inequality.*
> *H2: Individuals with high levels of interpersonal trust are more likely to exhibit high support for public policies aimed at reducing poverty and economic inequality, regardless of their personal economic status.*
> *H3: Other things being equal, economically better-off individuals with high levels of interpersonal trust are more likely to show high support for public policies aimed at reducing poverty and economic inequality.*

Each of these hypotheses is tested while controlling for other relevant individual-level variables, including three major factors that have been cited in the public opinion literature as important determinants of citizens' support for redistributive or welfare policies: participation in voluntary organizations, ideology, and political trust.

As with interpersonal trust, civic participation is theorized to enlighten citizens and teach them important values, such as mutual respect, solidarity, and tolerance (Putnam 1993, 2000). Uslaner (2002, 2004) has, however, overturned classical thinking in the social capital literature, demonstrating that the cornerstone of social capital is interpersonal trust rather than participation in civic organizations. Regarding citizens' support for redistributive policies, Uslaner (2004) also shows that, in the United States, what matters most is interpersonal trust, not civic participation.

This article examines the impact of interpersonal trust vis-à-vis participation in civic organizations on citizens' support for reducing economic inequality.

Besides interpersonal trust and civic participation, ideology is also likely to play a role in the extent to which citizens support public policies that seek to reduce the gap between rich and poor. By definition, individuals on the right of the ideology continuum are expected to be less likely to support government intervention, while those on the left more likely to support an active role of the government in the economy. However, evidence for the United States suggests that "political trust" or trust in government, not ideology, is the main determinant of citizens' support for redistributive public policies (Hetherington 1998, 2005). Hetherington (2005) argues that if citizens do not trust the government, they are less likely to support the implementation of public policies, especially when such policies do not benefit them directly. Ideology and political trust compete with interpersonal trust as some of the most important factors for promoting citizen support for government intervention to reduce economic inequality.

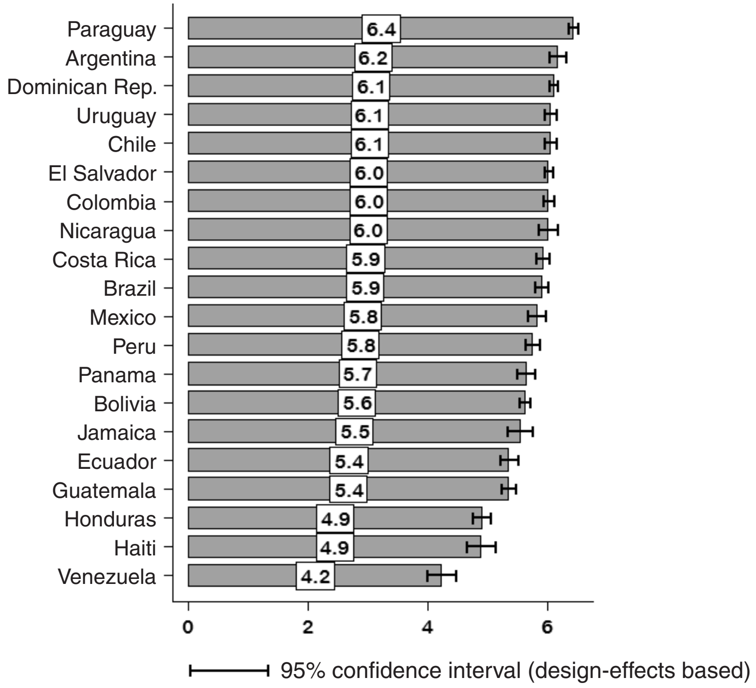
In sum, this article examines the role of interpersonal trust and personal economic status relative to civic participation, ideology, and political trust, while also taking into account other variables that may also condition support for welfare policies such as individuals' interest in politics, citizens' perception of the national and personal economic situation, years of schooling, and demographic characteristics, including an objective measure of individual economic status or wealth based on the distribution of household assets.[4]

Support for Public Policies to Reduce Economic Inequality

In the 2008 round of LAPOP surveys, for the first time, a series of items on the role of the state was included in the core questionnaire, along with an item asking respondents about the extent of their support for the implementation of public policies oriented toward fighting economic inequality. This item is used as one of the dependent variables in this article. As previously mentioned, data for twenty countries are employed for analyzing this survey question, which makes it possible to draw conclusions at the regional level. The survey item reads: "The (nationality) government should implement firm policies to reduce inequality in income between the rich and the poor. To what extent do you agree or disagree with this statement?" The response ranges from 1, strongly disagree, to 7, strongly agree.

Figure 1 shows the average level of support for public policies to reduce income inequality by country. The survey results indicate that citizens' support for the implementation of public policies to reduce the gap between rich and poor is high in most Latin American and Caribbean countries, although some variations are observed. Paraguay shows the highest average level of support (6.4). While in Haiti, the average score is 4.9, and in Venezuela it is 4.2, perhaps reflecting the heightened political polarization between those who support Hugo Chavez's government and those who oppose it.

Figure 1. **Average Support for Public Policies to Reduce Economic Inequality by Country**



Another way to analyze the data is to look at the overall level of support in the region and examine the percentage of the population that falls in each category of the original scale for this survey item; about 48 percent of the population in Latin America and the Caribbean "strongly agree" (score of 7) with government intervention for the purpose of improving the distribution of income, while 9.7, 13.0, and 17.6 percent of the population gave scores of 4, 5, and 6, respectively. However, only a small portion of the population at the lowest end of the scale, 3.8 percent, "strongly disagrees" with the implementation of public policies to reduce inequality.

In order to explore the extent of class conflict in the Latin American and Caribbean region, the likelihood of "strongly agree" with the implementation of public policies to reduce economic inequality was compared across economic groups. For this purpose, the probability of providing a score of 7 was evaluated at different points in the "wealth" distribution.

A wealth index was estimated taking into account the distribution of ten household assets in urban and rural areas in each country using principal component analysis (Córdova 2009; Filmer and Pritchett 2001; McKenzie 2005). The LAPOP surveys ask respondents whether their household has access to the following goods and services: indoor plumbing, indoor bathroom, television, refrigerator, conventional phone, cell phone, vehicle, washing machine, microwave oven, and a computer. Taking into account this list of assets, individual wealth scores are estimated based on the first principal component. Formally, the wealth index for household *i* is the linear combination:

$$Y_i = \alpha_1\left(\frac{x_1 - \overline{x}_1}{s_1}\right) + \alpha_2\left(\frac{x_2 - \overline{x}_2}{s_2}\right) + \alpha_k\left(\frac{x_k - \overline{x}_k}{s_k}\right)$$

where, $\bar{x}_k$ and s_k are the mean and standard deviation of asset x_k, and α represents the weight for each variable x_k. The first principal component *y* yields a wealth index that assigns a larger weight to assets that vary the most across households so that an asset found in all households is given a weight of zero (McKenzie 2005). Thus, luxury assets such as a vehicle and a computer are weighted more heavily to reflect a higher economic status. With the objective of facilitating the analysis of the data, the wealth index or first principal component *y* was ordered from low to high and divided into three economic groups or terciles. Applying this methodology using the LAPOP data on household assets yields a valid and reliable measure of economic status (Córdova 2009). A wealth indicator is preferred to income-based measures because of the high nonresponse rate as well as under- or overreporting typically found in income items utilized in household surveys.

The odds of giving a score of 7 or strongly agreeing with the implementation of public policies to reduce economic inequality was computed at each wealth level, while holding constant the age, size of place of residence, years of schooling, and sex of respondents. Dummy variables for each country were also included in the regression models to account for country fixed effects.[5]

In Latin America and the Caribbean, the odds of strongly agreeing with the implementation of public policies to reduce income inequality is significantly higher for individuals in the first and second terciles of wealth in comparison to richer individuals or those in the third tercile (the reference category in the regression models) (see Table 1). The odds of having the highest level of support (a score of 7) are about 1.21 times greater for citizens in the first tercile relative to those at the top of the wealth distribution. For individuals in the second tercile, this probability is only about 1.11 times greater. In sum, the first assessment of the data indicates significant disagreement between the rich and poor in Latin America and the Caribbean on the role of the state in closing the income gap, which supports the first hypothesis of this article.

I now explore the possibility that individuals with higher levels of interpersonal trust, regardless of their economic status and other confounding factors, manifest greater support for reducing economic inequality. The dependent variable in this case corresponds to the full scale of the survey item in order to gauge the average effect of each independent variable on the probability of situating oneself on a higher level of support on the 1–7 scale. Given the nature of the dependent variable, ordered logistic regression was employed as a method of estimation (O'Connell

Table 1

The Effect of Individual Wealth on Support for Public Policies to Reduce Economic Inequality: Regional Evidence (logit model)

	Odds ratio
Tercile of wealth 1	1.208***
Tercile of wealth 2	1.110***
Age	1.000+
Large city (capital city; large cities =1; otherwise= 0)	0.985
Years of schooling	0.999
Sex (1 = male; 0 = female)	1.047*
No. of cases	31,278

+$p < 0.10$, *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$; standard errors take into account the effect of sample design; country fixed effects are included in the model but not shown.

2006). Interpersonal trust was measured using an item from the LAPOP survey that taps into the extent of trust to people living in one's neighborhood. The question reads: "Now, speaking of the people from around here, would you say that people in your neighborhood are generally very trustworthy, somewhat trustworthy, not very trustworthy, or untrustworthy?"

Since the 1990s, LAPOP has included an item on trust toward neighbors in the surveys, because pretests of the questionnaires have repeatedly demonstrated that traditional measures of interpersonal trust found in other barometers that do not provide a reference group (e.g., neighbors) but ask about trust toward "most people" in general, are problematic.[6] LAPOP has found that, in the case of Latin America, interviewees are often hesitant to answer such general questions on trust stating that they do not understand the question and asking interviewers what they mean by "most people." LAPOP's item on trust toward neighbors has proved to perform better; its meaning is quickly grasped and enjoys high internal validity. Previous studies that have utilized the LAPOP item demonstrate that measuring interpersonal trust this way is strongly correlated with central values for democracy, including social and political tolerance (Córdova 2008; Seligson, Cordova, and Moreno 2007).[7]

Using LAPOP's measure of interpersonal trust, the results of the ordered logit models support the hypothesis that individuals with high levels of interpersonal trust are more likely to show higher support for public policies to reduce the gap in income between the rich and poor (see Table 2). The average effect of interpersonal trust on support for reducing economic inequality is statistically significant even after taking into account the effects of intervening variables such as personal wealth, ideology, and trust in government.[8]

Table 2

The Effect of Interpersonal Trust on Support for Public Policies to Reduce Economic Inequality: Regional Evidence (ordered logit models)

	Coefficients		
	Model 1	Model 2	Model 3
Interpersonal trust	0.147***	0.143***	0.150***
Terciles of wealth	–0.084***	–0.080***	–0.085***
Trust in government		0.053***	0.059***
Ideology			–0.041***
Participation in religious organizations	–0.050+	–0.046	–0.043
Participation in parents organizations	0.077**	0.071**	0.086**
Participation in community organizations	0.072*	0.061+	0.080*
Participation in work-related organizations	–0.041	–0.031	–0.054
Participation in political parties	0.026	0.017	0.035
Interest in politics	0.001*	0.001*	0.001**
Perception of personal economic well-being	–0.003***	–0.004***	–0.004***
Perception of national economy	–0.004***	–0.004***	–0.004***
Number of children	0.032***	0.031***	0.031***
Age	–0.003**	–0.003**	–0.002*
Large city (capital city; large cities = 1; otherwise = 0)	0.015	0.022	0.015
Years of schooling	0.008*	0.010**	0.016***
Sex (1 = male; female = 0)	0.058*	0.061*	0.082**
F	30.272	30.056	32.877
No. of cases	29,007	28,545	23,392

+$p < 0.10$, *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$; standard errors take into account the effect of sample design; country fixed effects are included but not shown.

As to the control variables included in the model, the findings overall also meet expectations. Individuals with a higher level of trust in their national government are more likely to support government involvement in reducing economic inequality. Individuals who place themselves on the "right" of the ideology scale show lower support for welfare state policies. Besides personal wealth, citizens' perceptions of the national or personal economic situation also shape their opinions on the role of the state in fighting economic inequality. Personal demographic characteristics are also important, with parenthood or the number of children standing out as a significant factor, perhaps reflecting parents' concern for the future of the country where their children will grow up.

In contrast to the suggestions of Putnam's (1993) social capital theory, however, not all types of civic participation are associated with solidarity toward underprivileged groups, namely, support for policies that benefit the poor. Of the five types of civic organizations considered, only participation in parents and community organizations yielded statistically significant results. The mixed effect of civic participation on political outcomes had already been documented in previous studies (Seligson 1999).

Finally, to test the hypothesis that wealthy individuals with high levels of interpersonal trust show higher support for government actions to reduce inequality, an interaction term between interpersonal trust and the variable terciles of wealth was included in the regression models (see Table 3). The positive and statistically significant coefficient of the interaction term does suggest that the higher the level of interpersonal trust, the higher the likelihood that economically better-off individuals agree with the implementation of public policies oriented toward reducing economic inequality. In fact, when the interaction term is included in the models, the coefficient of interpersonal trust is smaller and only significant at 10 percent, suggesting that the model is better specified when a reinforcing effect between interpersonal trust and personal wealth is considered. In sum, the results give support to the hypothesis that, among trusting individuals, solidarity and generosity triumph over self-interest.

Figure 2 shows the marginal effect of interpersonal trust on the probability of "strongly" agreeing with the implementation of public policies to reduce economic inequality at each level of wealth.[9] The solid line depicts the estimated marginal effect, while the intermittent lines are the corresponding upper and lower bounds of a 95 percent confidence interval. The positive slope of the solid line demonstrates that as the level of wealth increases, interpersonal trust exerts a stronger effect on boosting the level of support. Moreover, the fact that the line set at the zero value does not overlap with the confidence interval indicates that the marginal effect of interpersonal trust is statistically significant across the three levels of wealth, suggesting a linear effect.

Predicted probabilities of "strongly" agreeing with the implementation of public policies to reduce economic inequality were also estimated to further gauge the impact of interpersonal trust. All continuous variables in the model were set to their mean value and dichotomous variables were equal to zero. Among individuals in the first tercile of wealth, the probability of strongly agreeing or giving a score of 7 is about 10 percent higher for those who find people in their neighborhood "very trustworthy" relative to those who find them "untrustworthy." Among individuals in the third tercile, as interpersonal trust increases, this probability jumps 16 percentage points from about 37 percent to 53 percent.

Table 3

Interpersonal Trust as a Mediating Factor Between Individual Wealth and Support for Public Policies to Reduce Economic Inequality: Regional Evidence (ordered logit models)

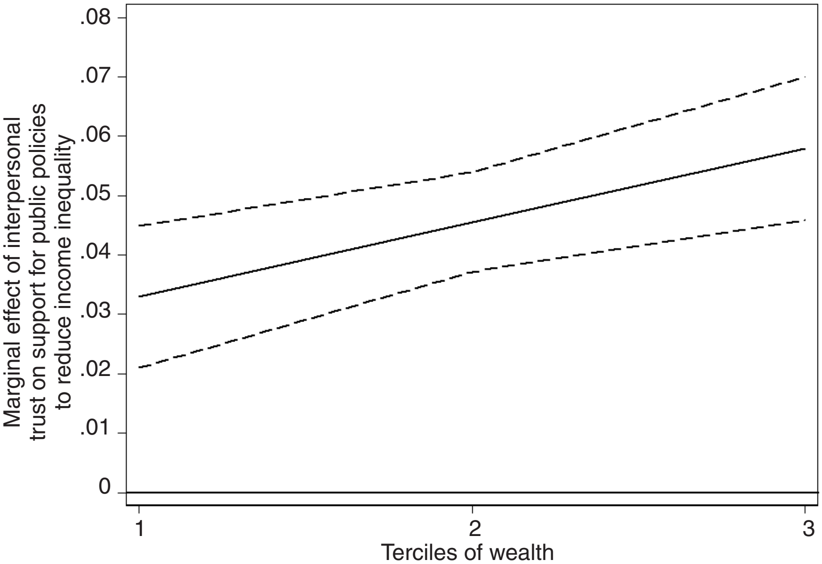
	Coefficients		
	Model 1	Model 2	Model 3
Interpersonal trust	0.075+	0.065+	0.076+
Terciles of wealth	–0.184***	–0.188***	–0.185**
Interpersonal trust × terciles of wealth	0.037*	0.040*	0.037*
Trust in government		0.053***	0.059***
Ideology			–0.041***
Participation in religious organizations	–0.049	–0.045	–0.042
Participation in parents organizations	0.076**	0.070**	0.085**
Participation in community organizations	0.072*	0.061+	0.080*
Participation in work-related organizations	–0.041	–0.031	–0.054
Participation in political parties	0.027	0.018	0.036
Interest in politics	0.001*	0.001*	0.001**
Perception of personal economic well-being	–0.003***	–0.004***	–0.004***
Perception of national economy	–0.003***	–0.004***	–0.004***
Number of children	0.032***	0.031***	0.031***
Age	–0.003**	–0.003**	–0.002*
Large city (capital city; large cities = 1; otherwise = 0)	0.013	0.021	0.014
Years of schooling	0.008*	0.010**	0.016***
Sex (1 = male ; female = 0)	0.058*	0.062**	0.082**
F	29.696	29.499	32.168
No. of cases	29,007	28,545	23,392

+$p < 0.10$, *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$; standard errors take into account the effect of sample design; country fixed effects are included in all models but not shown.

Support for Income Redistribution Through Taxation

The second dependent variable evaluated is measured using the following item in the 2008 LAPOP survey for Jamaica, which refers to citizen support for income redistribution through taxation: "Which of these two statements do you agree with the most? (1) Taxing those with high incomes to help the poor is only fair, or (2) Taxing those with

Figure 2. **Marginal Effect of Interpersonal Trust on Support for Public Policies to Reduce Inequality**



high incomes to help the poor only punishes those who have worked the hardest."

Jamaica shares an important characteristic with other nations in Latin America and the Caribbean, and that is its high level of economic inequality. According to recent estimates, the overall level of economic well-being in Jamaica is reduced by about 24.4 percent when inequalities in wealth are discounted (UNDP 2010). Sharp differences in the economic conditions of the rich and poor in that country are likely to result in a very different set of preferences on redistribution across economic classes. The data confirmed that this is the case.

Evidence for Jamaica indicates that opinions are particularly divided when it comes to income redistribution through taxation. About 48.7 percent of the population in Jamaica opposes taxing the incomes of well-off individuals in order to help the poor. Moreover, there is clear evidence that respondents largely based their answer to this question on their own economic situation. As shown in Table 4, individuals in the first tercile of wealth are 78.3 percent more likely to favor policies that tax the incomes of the rich relative to those in the third tercile, ceteris paribus.

Yet, trust matters, and wealthy Jamaicans who generally trust others are much more likely to support income redistribution. Indeed, although at first glance, interpersonal trust does not appear to have a statistically significant effect on approving the transfer of income from the rich to the poor (see models 1–3 in Table 5), the statistically significant and positive interaction effect between interpersonal trust and personal wealth suggests otherwise. The interaction term remains statistically significant even after taking into account the effect of trust in government, ideology, and other

Table 4

Impact of Individual Wealth on Support for Income Redistribution Through Taxation: Evidence for Jamaica (logit model)

	(Odds ratio)
Tercile of wealth 1	1.783***
Tercile of wealth 2	1.325+
Age	1.000
Large city (capital city; large cities = 1; otherwise = 0)	0.774
Years of schooling	0.997
Sex (1 = male ; 0 = female)	0.847+
No. of cases	1,481

+$p < 0.10$, *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$; standard errors take into account the effect of sample design.

likely intervening factors (see models 4–6). Similar to the results for the previous dependent variable, ideology and trust in government are important determinants of citizen support for income redistribution; however, perceptions of the personal and national economy, participation in different kinds of civic organizations, and the other variables included in the models are not statistically significant predictors.[10]

In conclusion, the results indicate that models 4–6, which include the interaction term, are better specified, as interpersonal trust does not have a uniform impact across wealth levels on support for redistribution. Figure 3 illustrates the marginal effect of interpersonal trust on support for redistribution through taxation at each tercile of wealth. As can be observed, the horizontal line at the zero values only does not intercept the 95 percent confidence interval at the highest level of wealth. Thus, interpersonal trust has only a positive and statistically significant effect on support for redistribution among individuals at the top of the wealth distribution, suggesting that, regardless of their level of trust in others, the poor and the middle class show high support for income redistribution. In contrast, only wealthy individuals who have high levels of interpersonal trust are willing to support redistributive policies.

Predicted probabilities were also estimated in order to evaluate the magnitude of the effect of interpersonal trust on support for income redistribution.[11] Evidence for Jamaica shows that among those in the first tercile of wealth, the probability of approving income redistribution through taxation is high, above 60 percent. In sharp contrast, that figure is about 30 percent for Jamaicans in the third tercile of wealth. However, individuals in the third tercile who find people in their neighborhood "very trustworthy" show a probability of supporting redistribution through taxation similar to that of the poor, namely, 60 percent, confirming the importance of social capital for fostering support among the wealthy for public policies that do not benefit them directly.

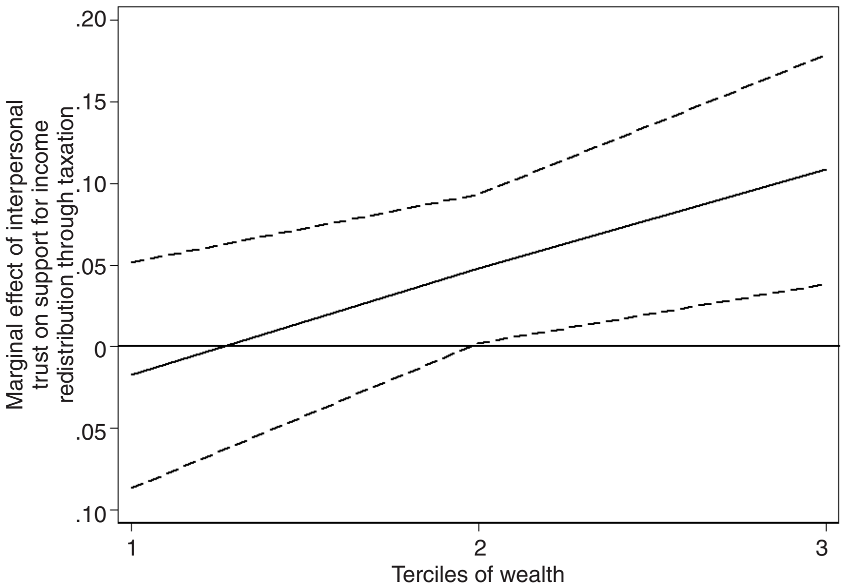
Table 5

The Effect of Interpersonal Trust on Support for Redistribution of Income through Taxation: Evidence for Jamaica (logit models)

	Coefficients					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Interpersonal trust	0.188+	0.145	0.200+	–0.341	–0.364	–0.456
Terciles of wealth	–0.280**	–0.279**	–0.303**	–1.039**	–1.005**	–1.212**
Interpersonal trust × terciles of wealth				0.268*	0.257*	0.320*
Trust in government		0.195***	0.203***		0.191***	0.197***
Ideology			–0.085*			–0.088*
F	2.798	4.987	4.949	2.611	4.790	4.850
No. of cases	1,291	1,262	1,102	1,291	1,262	1,102

+$p < 0.10$, *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$; standard errors take into account the effect of sample design; models account for the effect participation in different types of civic organizations, perceptions of the national and personal economy, interest in politics, size of the place of residence, number of children, years of schooling, sex, and age (coefficients not shown).

Figure 3. **Marginal Effect of Interpersonal Trust on Support for Income Redistribution Through Taxation**



Conclusion

Latin American and Caribbean countries have traditionally been characterized by political inequality and instability, which has been attributed, first and foremost, to the region's deep-seated economic disparities (Gasparini and Molina 2006). Accordingly, the fight against poverty and economic inequality has constituted one of the most pressing issues for the achievement of stable democracy in the region. Previous studies from other parts of the world have demonstrated that, in order to increase the chances that governments will implement serious policies to shrink the gap between the rich and poor, citizens' support for those policies is fundamental.

This research demonstrates that an important source of political discord in Latin America and the Caribbean is the divide in opinions between the rich and poor on the role of government in reducing income inequality. This is likely to explain, in part, why governments have typically postponed carrying out serious fiscal reforms in favor of the economically disadvantaged. The findings of this article show that the wealthy are substantially less likely to support government involvement in reducing economic inequality, in particular public policies that entail taxing the incomes of the rich to help the poor.

However, this article also finds that not all wealthy individuals oppose closing the gap between the rich and poor; those at the top of the economic ladder with high levels of social capital, specifically interpersonal trust, have more benevolent attitudes toward the poor and are willing to support measures to increase the well-being of those in need, even if this signifies higher taxes. Thus, this article identifies interpersonal trust as a core element for achieving more caring societies, and therefore for increasing the chances that government will implement policies to ensure more equal democracies.

A policy implication of this study is that governments and nongovernmental institutions alike should prioritize programs that foment social cohesion, and therefore interpersonal trust, as a core mechanism to instill broad citizen support for welfare policies. How to do that in practice is beyond the scope of this work, but failing to do so, the findings here suggest, will leave unresolved some of the most worrisome problems in Latin America and the Caribbean, namely, the deep political and economic inequalities the region has historically faced.

Notes

1. Financial support for the AmericasBarometer 2008 project was granted by the United States Agency for International Development (USAID), as well major support from the Inter-American Development Bank (IDB), the United Nations Development Programme (UNDP), Vanderbilt University, University of Notre Dame, Brigham Young University, and the Pontifical Catholic University of Chile.

2. For more information about the LAPOP surveys, see www.lapopsurveys.org.

3. Following a similar argument, Edlund (1999: 360) explains the higher level of support for government redistribution in Norway relative to the United States as a result of the former's long-standing welfare state tradition, concluding that "the results endorse arguments emphasizing that the design and scope of welfare policies shapes and determines its own legitimacy."

4. The exact wording of all the variables included in the regression models of this article can be found in Appendix B.

5. In all regression models in this article, standard errors were estimated taking into account the complex sample design of the LAPOP surveys; that is, the multivariate statistical analysis takes into account the design effect due to clustering, weighting, and stratification (Kish 1995). Standard errors were computed employing the command "svy" in STATA v.10 using the Taylor series linearization procedure.

6. The traditional survey item usually reads: "Generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people?"

7. Analysis of the data also indicated that the reported levels of interpersonal trust in the LAPOP surveys are not associated with the economic status of neighborhoods, demonstrating that residential segregation does not have an effect on the extent to which individuals trust their neighbors. In other words, wealthy neighborhoods do not necessarily show higher levels of interpersonal trust. Weak correlations were found between the level of interpersonal trust and the average wealth or income at the cluster or block level (the lowest unit of analysis in the LAPOP surveys). The pairwise correlation between interpersonal trust and wealth is only 0.021 with a p-value equal to 0.59, and its correlation with household income equal to 0.05 with a p-value of 0.10.

8. The number of observations in the model that includes the ideology variable is smaller due to the high nonresponse rate associated with this variable. For this reason, separate models were estimated, including and excluding the ideology item, in order to test the stability of the results when a higher proportion of missing values is involved.

9. Marginal effects were computed using the command "margins" in STATA. This command uses the delta method for computing standard errors and therefore confidence intervals.

10. Due to space limitation, control variables are included in all models in Table 5 but not shown.

11. Once again continuous variables were set at their average and dichotomous variables at the value of zero.

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Appendix A

Description of Survey Data

Country	Sample size
Mexico	1,560
Guatemala	1,538
El Salvador	1,549
Honduras	1,522
Nicaragua	1,540
Costa Rica	1,500
Panama	1,536
Colombia	1,503
Ecuador	3,000
Peru	1,500
Bolivia	3,003
Paraguay	1,166
Chile	1,527
Uruguay	1,500
Brazil	1,497
Venezuela	1,500
Argentina	1,486
DominicanRepublic	1,507
Haiti	1,536
Jamaica	1,827
Total	33,297

Note: Sampling errors for all countries ±2.5 percent, except for Ecuador (±1.8 percent), Bolivia (±1.8 percent), and Paraguay (±2.9 percent).

[For Appendix B, see following page.]

Appendix B

Wording and Description of the Survey Items Employed

Variable	Question
Interpersonal trust	Now, speaking of the people from here, would you say that people in this community are generally very trustworthy, somewhat trustworthy, not very trustworthy or untrustworthy?
Support for redistributive policies	The (country) government should implement firm policies to reduce inequality in income between the rich and the poor. To what extent do you agree or disagree with this statement? (1–7 scale)
Participation in meetings of religious organizations	I am going to read a list of groups and organizations. Please tell me if you attend their meetings at least once a week, once or twice a month, once or twice a year, or never. Meetings of any religious organization?
Participation in meetings of parents' organizations	Meetings of a parents' association at school?
Participation in meetings of community organizations	Meetings of a committee or association for community improvement?
Participation in meetings of work-related organizations	Meetings of an association of professionals, traders or farmers?

Participation in meetings of political parties	Meetings of a political party or political movement?
Interest in politics	How much interest do you have in politics: a lot, some, little or none?
Political trust	To what extent do you trust the national government? (1–7 scale)
Ideology	On this card there is a 1–10 scale that goes from left to right. According to the meaning that the terms "left" and "right" have for you, and thinking of your own political leanings, where would you place yourself on this scale?
Perception of personal economic situation	How would you describe your overall economic situation? Would you say that it is very good, good, neither good nor bad, bad or very bad?
Perception of national economy	How would you describe the country's economic situation? Would you say that it is very good, good, neither good nor bad, bad or very bad?
Education	What was the last year of education you completed?
Quintiles of wealth	Own estimations based on LAPOP's household assets and access to basic services series and principal component analysis methodology.
Number of children	How many children do you have?
Large cities (capital city and large cities = 1; otherwise = 0)	Based on LAPOP's size of place variable.