The role of governance in SDG through public trust in government: Study in selected OIC member states

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Abstract. This study's focus addresses how governance—the leading indicators in the 16th Goal of Sustainable Development Goals (SDG)—affects the government public trust that plays an essential role in SDG achievement. This study examines the effect of governance on public trust in the government using six governance indicators from the World Governance Index for 24 Islamic Cooperation Organizations (OIC) member countries during the 2011-2018 period. This study also examines the effect of two macroeconomic indicators, namely real GDP growth and the unemployment rate, to determine the potential influence of a country's economic conditions in determining the level of public trust in the government. This study uses the Fixed and Random Effect Regression for panel data. The results show that two governance indicators, Political Stability and Absence of Violence/Terrorism and Control of Corruption, proved to influence the level of public trust in the government positively. However, Voice and Accountability indicator and the unemployment rate are found to negatively affect public trust in government. Standardized Coefficients Regression is also used to compare the effects of governance and macroeconomic indicators and it is found that macroeconomic conditions' influence is slightly above the governance aspects in determining the level of public trust in government.

1. Introduction
One of the main drivers in the success of government programs for development is public trust. The higher trust leads citizens to become active in supporting and overseeing government policies when they believe that the government works under public interests. With support from the masses, the government can carry out public policies formulated more effectively because of the willingness and awareness of the citizen to follow the government [1]. Thus, it is a crucial element needed by the government to support the advancement of Sustainable Development Goals (SDG) [2]. Conversely, the low level of public trust affects government efforts to implement public policies. Consistently. It causes a decrease in political participation and makes it difficult for the government to carry out administrative tasks, mobilize resources, and manage state affairs effectively for the public interest [3]. Other than that, the lack of government trust hinders citizens' support and becomes a hurdle for the government to promote sustainable development goals, which require empowered citizens and active participation from all parts of society [4].

However, people in various countries seem to experience a decrease in government trust [5,6]. Some claims state that nowadays, many citizens lack trust in government and public services, which
show erosion of trust and credibility becomes more common [7]. For example, the decline in public confidence happened in some democratic countries, such as Canada, Sweden, the United Kingdom, and the United States (US) [7]. The decreasing level of trust in government co-occurs in countries with different political systems and cultures is not limited to developed countries. The decline in trust can be one of the main problems in modern politics [6]. Several researchers have put forward several reasons regarding the cause of the declining trust in government. One of them states that a low level of trust results from ineffective government governance [3]. Furthermore, public disappointment towards the government arises caused by the global crisis, a vacuum in political leadership, and the widespread impact of corruption within the country [8]. The economic condition also causes that after the 2008 global financial crisis [9, 10]. The negative assessment of citizens on the condition of the national economy, pressure in competition, and dislocation of the local economy due to globalization also triggered a loss of public trust in the government [11]. Thus, it can be stated that governance quality and the national economic condition are essential elements related to people's trust in the government. This issue is mainly related to the 16th goal of sustainable development. That aims to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels [12]. The aspects of governance are mainly included in the 16th Goal's Indicator, such as reducing violence and corruption, promoting the rule of law, developing accountable and transparent institutions, and ensuring inclusive and participatory decision-making at all levels [13]. A study found that governance variables play an essential role in SDG achievement [14]. Therefore, when governments managed to improve and strengthen its governance, not only does it accelerate the achievement of the 16th goal of SDG, but it also supports the achievement of other goals because trust in government will be increased. Moreover, higher trust leads to an active and participative society to advance sustainable development goals.

Based on the previous findings of the driver of public trust in government, this study aims to analyze which governance indicators determine the public trust in the government in Islamic Cooperation Organizations (OIC) member countries. Besides, researchers also want to see whether macroeconomic indicators in the form of economic growth and unemployment rates can also affect public trust in the government. This study's results can shed light on the public and government institutions to know which indicators matter in building citizens' trust. This study also compares the effects of governance relative to macroeconomic indicators. Therefore, organizations and governments may prioritize whether to improve the performance of governance or the national economy to build and increase the level of public trust in the government that encourages the achievement of sustainable development goals.

1.1. Theoretical frameworks
Trust itself is a fairly complex concept, and the meaning depends on the context, type of relationship, and dimensions considered in the study [15]. Specifically, this research focus on trust in government. The meaning of trust in government trust tends to be conceptualized as a correlation or cause of various social behaviors with significant direct or indirect consequences for the political process's outcome, such as practical and stable governance within the government [7]. Besides, the meaning of governance in this study explicitly discusses governance values adopted by the government to build efficiency, legitimacy, and greater credibility in a system called good governance. Through good governance, the government strives for the function and role of state institutions and institutions oriented and committed to development to improve people's quality of life [16]. Governance is seen as a tradition and institution used by authorities in a country covering three areas [17]. There are two governance measures, each built following the three areas above, which produce six dimensions or governance indicators in the World Governance Index. The definition of each indicator is as follows:

1. Voice and Accountability: This indicator shows the extent to which citizens can choose the government and the extent to which they can exercise democratic rights [17].
2. Political Stability and Absence of Violence/Terrorism: This indicator shows the likelihood of domestic political instability or the tendency for an unconstitutional coup to happen in the country [17].

3. Government Effectiveness: This indicator shows the quality of public and civil services, the level of independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to the policies that have been formulated [17].

4. Regulatory Quality: This indicator shows the government's ability to create and implement sound policies and regulations that enable the development of a fair and competitive business world to encourage the private sector [17].

5. Rule of Law: This indicator shows the extent to which individuals in society have trust and abide by the law. That also includes the enforcement of contracts or agreements in business, protection of property rights, police and court institutions' role, and the tendency of crime and violence in the community [17].

6. Control of Corruption: This indicator shows the extent to which public power is used for personal gain. That includes small and large forms of corruption and the state for the interests of the elite and private in the country [17].

Moreover, the relationship between the public trust level in government and governance is generally seen as closely related to each other [18]. Other arguments stated that trust in public sector institutions—associated with governance—is essential for government functioning [19]. The public trust is the result and determinant of governance in an inclusive government whereby increasing public trust can effectively facilitate government institutions' functioning, improving the quality of governance [20]. In other words, all aspects of good governance must be practiced and improved by the government to build public trust.

In addition to governance aspects, economic conditions—especially economic conditions at the macro level—have also directly impacted society. The better the overall condition of the country's economy, the more satisfied they will be. This overall satisfaction will increase their trust in the government so that the citizens are incentivized to support policies and steps taken by the government in achieving development goals. On the contrary, when citizens are dissatisfied with economic performance, distrust in the government will increase[9]. Therefore, unfulfilled promises and crises that aggravate the economic situation eventually erode public trust in the government[10]. Thus, macroeconomic conditions can become an essential determinant of the government’s level of public trust. Based on the explanation of the above conceptual foundation supported by the results of previous studies, the relationship between variables in this study is illustrated in the following framework:

![Figure 1. Theoretical Framework [21].](image)
2. Method
This study used 24 OIC member countries as a sample out of 57 OIC member countries in total as the population. The selection of the number of countries is based on the availability of the data from the Gallup World Poll (GWP) survey, which provides data for public trust in the government at the country level. Some OIC members are excluded from the sample because they were not included in the survey. Some others are excluded because their survey results were missing for the designated period. The OIC member countries selected as samples and become the objects of this research study consisted of Afghanistan, Azerbaijan, Bangladesh, Benin, Burkina Faso, Cameroon, Chad, Gabon, Guinea, Indonesia, Iraq, Kazakhstan, Kyrgyzstan, Mali, Mauritania, Niger, Nigeria, Pakistan, Palestine, Senegal, Tunisia, Turkey, Uganda, and Yemen. The selection of those countries as the sample is based on the data from the GWP survey. Those countries passed the screening process of sample criteria requiring complete data for eight years of research from 2011 to 2018. The study began with years of observation since 2011, adjusting to data available from the dependent variable trust in government obtained from the Gallup World Poll. The observation ends in 2018 as the latest year available data from the World Governance Indicators. Data for the level of public trust in the government obtained from the Gallup World Poll survey. The GWP survey has been recognized by the OECD (2017) as the most trusted cross-country survey and includes the largest number of countries in the assessment of trust in government [22]. Data for six good governance indicators are then taken from the World Governance Indicators (WGI)—indicators of the World Bank that are most widely used in governance [17]. The main advantage of using WGI indicators is that it allows researchers to measure governance performance accurately and make cross-country comparisons because it has covered more than 200 countries [17]. Next, the researcher uses the World Bank data bank for real GDP growth data and OICstat the unemployment rate.

In this study, there are two separate models to examine the effect of governance indicators and macroeconomic indicators on the level of public trust in government. This study explores the relationship of each of the governance indicators to the government's level of public trust before examining the effect of governance indicators and macroeconomic indicators simultaneously on public trust in the government. The following is the regression equation used for hypothesis testing consisting of two research models:

\[ \text{Trust}_{it} = \beta_0 + \beta_1 \text{VA}_{it} + \beta_2 \text{PS}_{it} + \beta_3 \text{GE}_{it} + \beta_4 \text{RQ}_{it} + \beta_5 \text{RL}_{it} + \beta_6 \text{CC}_{it} + \alpha_i + \mu_{it} \]  
\[ \text{Trust}_{it} = \beta_0 + \beta_1 \text{VA}_{it} + \beta_2 \text{PS}_{it} + \beta_3 \text{GE}_{it} + \beta_4 \text{RQ}_{it} + \beta_5 \text{RL}_{it} + \beta_6 \text{CC}_{it} + \beta_7 \text{GDPgrowth}_{it} - \beta_8 \text{Unemployment}_{it} + \alpha_i + \mu_{it} \]  

(1)  

(2)

Annotation:

\( i = \) Country  
\( t = \) year  
\( \text{Trust}_{it} = \) Trust in government in the country \( i \) for year \( t \)  
\( \text{VA}_{it} = \) Voice and accountability  
\( \text{PS}_{it} = \) Political stability and absence of terrorism/violence  
\( \text{GE}_{it} = \) Government effectiveness  
\( \text{RQ}_{it} = \) Regulatory quality  
\( \text{RL}_{it} = \) Rule of Law  
\( \text{CC}_{it} = \) Control of Corruption  
\( \text{GDPgrowth}_{it} = \) Real GDP growth  
\( \text{Unemployment}_{it} = \) Percentage of unemployment to the total labor force  
\( \alpha_i = \) unobserved effect in each country  
\( \mu_{it} = \) error
Model (1) or the 1st model is the primary model in this study that tests the six indicators of governance from the World Governance Indicators for their effect on trust in the government for each of the 24 OIC member countries period 2011-2018. The six governance indicators become independent variables where each can influence the dependent variable, the government’s trust level. Model (2) or the 2nd model is an extended model in which this model adds macroeconomic indicators as additional explanatory variables. There are two types of independent variables in this model, governance with its six indicators, and macroeconomic with its two indicators. This model allows researchers to test the robustness of the results obtained from the first model. Then the model used to compare the effect of governance relative to macroeconomic conditions in determining public trust in government.

This study used two methods following the Hausman test results for each model, the Fixed Effects and the Random Effects. This study also applied the clustering of standard errors at the country level to control heteroscedasticity problems and autocorrelation of errors in the research model. To provide direct comparisons between the coefficients results from governance and macroeconomic indicators in which both have a different unit of value, this study standardized the second research model's independent variables. That standardized coefficients or beta is derived by re-running the 2nd research model's regressions with the standardized variables.

3. Results and discussion

3.1. Regression Result

This study uses Stata software to see the results of the regression model. In this study, regression was carried out using two methods following the Hausman test results, the Fixed Effect method for the first research model and the Random Effect method for the second research model. The following is a summary of the results of the regression model for the two research models, which can be seen in the following tables below:

| Variable | Hypothesis | Coefficients | P-Value |
|----------|------------|--------------|---------|
| C        | +          | 0.4840039    | 0.000***|
| lnVA     | +          | -0.0414788   | 0.083*  |
| lnPS     | +          | 0.1085141    | 0.062*  |
| lnGE     | +          | -0.0244205   | 0.244   |
| lnRQ     | +          | 0.0112809    | 0.633   |
| lnRL     | +          | 0.457001     | 0.426   |
| lnCC     | +          | 0.027775     | 0.214   |

| Variable | Hypothesis | Coefficients | P-Value |
|----------|------------|--------------|---------|
| C        | +          | 0.5663314    | 0.000***|
| lnVA     | +          | -0.056718    | 0.001** |
| lnPS     | +          | 0.0987548    | 0.018** |
| lnGE     | +          | -0.0093392   | 0.535   |
| lnRQ     | +          | 0.0094427    | 0.676   |
| lnRL     | +          | 0.0506502    | 0.292   |
| lnCC     | +          | 0.0375717    | 0.031** |
| GDP growth | +     | -0.0004408   | 0.864   |
| Unemployment | -     | -0.0108649   | 0.000***|

In the first and second research models, the regression results for the Voice and Accountability—which illustrates people's ability to participate in elections and practice their democratic rights—
significantly affect the government's level of trust. However, this variable's coefficient's negative value is contrary to the research hypothesis, which states that this variable has a positive effect. Two possibilities can explain the results of the negative influence of this variable. First, it can be caused by the weakness of the democratic order and the lack of openness and transparency of the government from the beginning in the OIC member countries [23]. Second, it can be caused by the situation of weak democracy and low accountability [24]. The development of democratic practices and the right of honest opinion can cause people to become increasingly distrustful of the government because information about the government and opinions from various media and groups will increase drastically in the public sphere [24].

The next governance indicators significant from the regression results show that political Stability and Absence of Violence/Terrorism affect the government's trust level in the first and second research models at the alpha level of 10% and 5% with p-values of 0.062 and 0.018, respectively. The results of this significant influence are consistent with previous studies that found a significant positive relationship between the level of trust and political stability [25]. Several reasons can cause a significant of that indicator. First, the high level of instability and acts of terrorism in countries included in the study sample results from the people's dissatisfaction with the government towards poor socioeconomic conditions. Another study also found that increased dissatisfaction and prolonged frustration provoked citizens to direct clashes with state apparatus [26]. Second, the high level of instability and acts of terrorism in countries included in the study might also be caused by public distrust in the government. The government's inability to maintain domestic stability and security for citizens further erodes their trust [27]. Eventually, some of these countries fell into civil war and became very vulnerable to instability.

The control of the corruption variable significantly influences the government's public trust level at an alpha level of 5% (p-value 0.031) in the second research model regression. These significant influence results are consistent with several previous studies, which also found that corruption within the country—and especially those associated with government—significantly influences public trust in the government [28, 29]. The public considers the high level of corruption and bribery practices as obstacles to development and economic performance, which results in the loss of the quality of public services——so that corruption is one of the main reasons behind citizens' dissatisfaction with the government [23]. Furthermore, a decreased level of trust caused by corruption can undermine citizens' commitment to contribute to activities and support the government in finding solutions to corruption [29]. The public will be discouraged from obeying the rules and eventually becoming involved in corruption, which encourages bribes and malpractice forms if that situation continues [23]. Therefore, strict control and law enforcement on corruption cases and practices are significant to maintain public trust in the government.

The Unemployment Rate variable is the only macroeconomic indicator that is significant at the alpha level of 1% with a p-value of 0.000 in the second research model's regression results. This significant influence is consistent with previous studies that found an increase in the unemployment rate significantly reduced trust in the government and a strong relationship between unemployment and political distrust [30, 31]. That is because the economy movement and development determine the government's public trust level in the countries included in the study. It can be seen from the main messages that demonstrators brought in protest actions to the government that occurred in several OIC member countries [32]. They demanded the government provide jobs and economic opportunities because the government's promise of job creation and economic stability failed [32]. In OIC member countries, young people's overall unemployment rate is 16% above the average of non-OIC developing countries and developed countries [33]. The high population of young people is not matched by economic opportunities, thus creating widespread unemployment that causes increased citizen dissatisfaction and becomes one of the revolutions [34].

3.2. Beta Result
To directly compare the results obtained by the governance indicators with macroeconomic indicators in the second research model, this study uses standardized or beta coefficients from running the regression using independent variables that have been standardized or rescaled. Standardized coefficients, also referred to as z-scores, are variables that have been scaled to have a zero mean and a standard deviation of one. Some reasons behind the use of standardized variables in this study are to ensure that all independent variables contribute equally to a scale when the variables are tested together and interpret the results of regression and other analysis easier. The table presented below is the results of standardized coefficients of the independent variables used in the second research model:

| Variable      | Hypothesis | Coefficients | P-Value  |
|---------------|------------|--------------|----------|
| C             | +          | 0.5288542    | 0.000*** |
| lnVA          | +          | -0.0386546   | 0.001**  |
| lnPS          | +          | 0.0615092    | 0.018**  |
| lnGE          | +          | -0.0045223   | 0.535    |
| lnRQ          | +          | 0.0065436    | 0.676    |
| lnRL          | +          | 0.0245931    | 0.292    |
| lnCC          | +          | 0.0269129    | 0.031**  |
| GDPgrowth     | +          | 0.0269129    | 0.864    |
| Unemployment  | -          | -0.0658816   | 0.000*** |

The result of beta coefficients shows that the coefficient for the unemployment rate is 0.066. This value is slightly above the estimated coefficient obtained for the Political Stability and Absence of Violence / Terrorism and Control of Corruption variables, each of which has a beta coefficient of 0.062 and 0.027. These results indicate that the macroeconomic condition—represented in this study by the unemployment rate—has a slightly larger quantitative impact as a determinant of trust in the government compared to aspects of good governance as reflected by political stability and control over corruption. Thus, relatively, economic achievement by reducing the unemployment rate will have a slightly more significant effect than improving aspects of good governance by the government in helping foster public confidence in the government.

4. Conclusion
The results of this study found that there are several aspects of governance that affect the level of public trust in the government. In other words, this study found that not all governance indicators play an essential role in the level of public trust in government. The study found that there are only three governance indicators proven to significantly determine the level of public trust in government, which are Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Control of Corruption. However, the Voice and Accountability indicator coefficient is negative, so it does not fit the research hypothesis. Moreover, the comparison results from beta coefficients indicate that the unemployment rate has a slightly more significant influence than the governance indicators of Political Stability and Absence of Violence/Terrorism and Control of Corruption in determining public trust level in the government. Based on this, macroeconomic conditions reflected in the unemployment rate are slightly more important than governance aspects as a determining factor in public trust in the government. These findings show that the economic aspect is also a significant predictor of public trust, with a little difference in the beta results' impact. Without diminishing the role of governance itself, this study shows that government and organizations should improve quality governance and strengthen the economy to gain higher public trust and accelerate the achievement of Sustainable Development Goals.
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