# RESEARCH INSIGHTS

## What Role Does Trust in Government Play in Support for Public Policies to Improve Air Pollution?

- Trust in government and the perceived quality of public services are positively correlated with support for an additional tax to improve air quality.
- Trust in government and the perceived quality of public services are positively correlated with a preference for government retention of revenue from fees collected from polluting firms as opposed to distribution of revenue directly to citizens.
- Trust in government and the perceived quality of public services are not significantly correlated with citizens' preferences on the allocation of those revenues between public spending and private goods.

## CONTEXT

Air quality is a major environmental and public health concern facing governments in low- and middle-income countries, and millions of lives are lost every year because of air pollution. Although citizens may recognize the substantial costs of air pollution, their actions and demands for public policy may be constrained by their trust in the government. If citizens do not believe that the government has the capacity and commitment to implement effective long-term solutions, they may not be willing to support policies that require short-term costs and long-term commitments to deliver long-term benefits that are difficult to observe and measure.

## PROJECT

We use data from household surveys conducted in randomly selected neighborhoods of Mexico City from June-August 2019. Participants reported their trust in political figures and institutions, people encountered on the street, neighbors, and family and friends. For comparison, we collect data on participants' perception of the quality of the roads and the provision of water in their neighborhoods. In particular, we measure support for an additional tax to improve air quality, preference for government retention and control over revenue vs. distribution to citizens, and preference for public spending on environmental public vs. private goods.

## RESULTS

The empirical analysis shows that trust is significant in explaining citizens' attitudes and public policy demands. Reported support for an additional tax that would help to alleviate air pollution problems is high. About 3 out of 4 participants would be willing to pay a Mex$100 additional tax to prevent *contingencias*—environmental emergencies declared on days when air pollution levels exceed or are predicted to exceed official Mexican standards and trigger measures such as restrictions on driving and industry, the suspension of some construction activities, and suspension of outdoor activities at day care facilities. Support for that tax increases with trust in the government. As shown in Figure 1, reported willingness to pay the tax is 3-5 percentage points higher for each 1-unit increase of trust in the President (measured on a 4-point trust scale).

In general, participants prefer to allocate more of the potential fees paid by polluting firms to citizens rather than allowing the government to control the revenue. However, those who trust political figures, such as political parties or the Mayor of Mexico City, are willing to let the government retain a larger share of the revenue. Finally, we find that participants are more likely to report that they prefer allocating the revenue received by the government to providing public goods rather than providing private goods to individuals. Trust in government is not correlated with preferences for environmental public goods.

These results are consistent when using the perceived quality of public services as an alternative measure of trust. The perceived quality of roads and water provision captures one dimension of trust in government (competence) that may suffer less measurement bias.

Key Concept

**CONTINGENCIA**

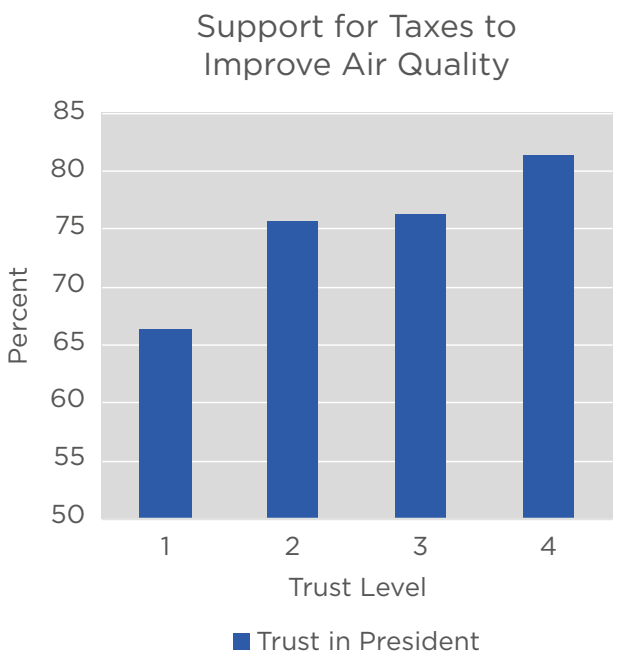
Environmental emergency that is activated on days in which air pollution exceeds or is predicted to exceed official Mexican standards and trigger restrictions on industry, vehicle circulation, and outdoor activities.

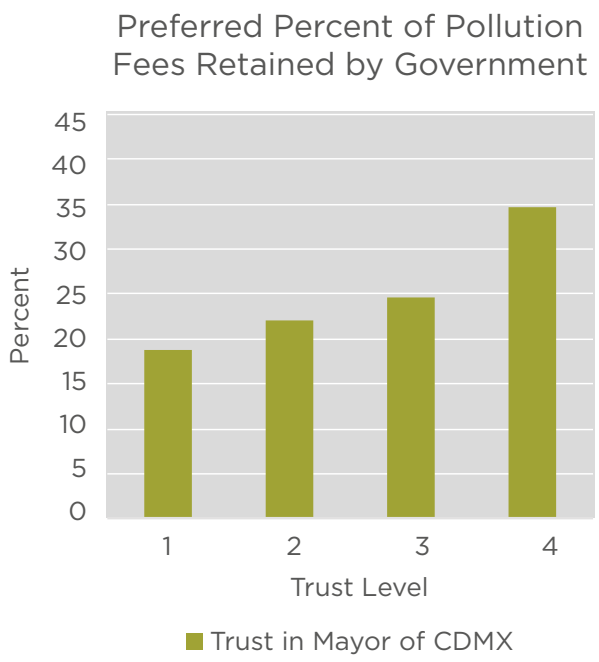
## POLICY IMPLICATIONS

The results have important implications for Latin America and the Caribbean, where less than a third of people trust the government. Trust in government determines what policies citizens will support, and in low-trust contexts governments may not be able to garner support for policies that have intertemporally unbalanced costs and benefits, require high levels of competence to implement, have an effectiveness that is difficult to observe, and give governments a high level of discretion over how to allocate resources. These problems are particularly acute in environmental public policy, where implementation often requires long-term investments and commitments on the part of the government in order to deliver benefits that are difficult for citizens to measure. For example, air quality depends on emissions, which can be influenced by policies and regulations, but also on weather and thermal inversions. Given multiple influences on air quality and citizens' perceptions of their relative importance, politicians may act opportunistically.

Furthermore, many environmental public policies deliver improvements in public goods, which citizens may not trust the government to provide. This indicates that improving trust in government is not only an end in itself, but also a means to better air quality. Fortunately, many steps that governments can take to increase citizens' trust are simply good policies. For example, providing high-quality public services and local investment, implementing effective responses to crises and disasters, and increasing the transparency of their actions all provide direct benefits to citizens, while also leading to greater trust. In the long run, there is a virtuous circle connecting policies that generate greater trust with demand for better policies. Understanding the role of trust in the demand for air quality and climate change policies is particularly important, since these are among the largest collective actions problems of our time.

## Figure 1. Trust and Support for Taxes and Government Use of Public Funds to Combat Air Pollution




### FULL STUDY

Cafferata, Fernando G., Bridget Lynn Hoffmann, and Carlos Scartascini. 2021. *"How Can We Improve Air Pollution?: Try Increasing Trust First."*

### IDB RESEARCH ON TRUST

This paper is part of a broad agenda of the Research Department and the Institutions for Development Sector Department on the role of trust in citizens demand for public policies and represents ongoing cooperation between the Research Department and the Climate Change and Sustainable Development Sector Department on air pollution and environmental issues.

### DEPARTMENT OF RESEARCH AND CHIEF ECONOMIST

The Department of Research and Chief Economist generates new ideas to enrich the knowledge base that supports the policy agenda of the Inter-American Development Bank (IDB) and its member countries for achieving sustainable and equitable development in the region. To maximize the impact of its research, the Research Department carries out activities that serve as inputs to other IDB departments, governments, the academic community and public opinion in the region.

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