

Trust in Family Context: The Case of Turkey

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Abstract:

Recent studies associate trust with better economic performance. Trust enhances cooperative behavior, lowers transaction costs and fosters exchange and trade. Data from various surveys indicate that the level of generalized trust in Turkey is particularly very low. Cross-country studies usually identify cultural transmission of trust through shared values at societal level, there are limited studies (Dohmen et al., 2012) which focus on transition at the household level. In this paper, we explore the inter-generational transmission of trust in Turkey using the ad-hoc module of SILC 2013 survey. We estimate a family transmission model of trust which also take into account assortative mating using spousal characteristics. Our results indicate that family is a crucial source of cultural transmission and trust attitudes of children are strongly affected by parental background as well as socio-economic characteristics of the household. We further discuss the possibility of a low trust-trap mechanism related to social exclusion.

Keywords: trust, intergenerational transmission, family economics

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