

CONFIDENCE IN GOVERNMENT AND PERSONAL NETWORKS*

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This Study empirically examines the core assumption of social capital argument that general trust promotes inter-group relation. More specifically, The study attempts to show how the trust in political institutions, which has been assumed to have close relationship with general trust, affects range and composition of personal network. Based on nationally representative data collected by ISDPR (Institute for Social development and Policy Research), this study shows that confidence in government increases the range of personal networks in terms of regional background. In addition, confidence in government also affects the composition of personal networks. The discussion focuses on the relationship between the instrumental value of social relationships and performance of the government. Although the mechanism varies across the characteristics of social parameter, this study concludes that the confidence in government increases the inter-group relationships.

Key Words: *Social Capital, Confidence, Personal networks, Instrumental Aspects of Social Relationships.*

INTRODUCTION

Trust is an essential element of social relationship. While most of classical sociologists implicitly deal with this topic (Mistral, 1996: 33-64), it was not long before it gets located at the center of sociological theorizing about contemporary society (Luhmann, 1979; Barber, 1983; Giddens, 1989). More recent studies on this topic, associated with popularity of social capital, emphasize the public good aspects of trust. Specifically, recent studies consider the trust as core dimension of social capital as a feature of communities and nation, inhered in social structure that produces socially beneficial outcomes. The school of social capital asserts that the high level of general trust toward people outside immediate kin or close social networks, is instrumental in effective

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governance, economic prosperity, and low crime rate and many other socially desirable outcomes (Coleman, 1988; Fukuyama, 1995; Putnam, 1993; Sampson et al., 1999; Wolcock, 1998). While earlier works on social capital are largely ignorant of the role of government, theoretically informed discussion and empirical studies suggest that the trust in government should be considered as one of essential elements of social capital (Levy, 1996; Brehm and Raun, 1997; Paxton, 1999).

The core assumption of those social capital studies is that the high level of general trust or strong confidence in government enables individuals to form a relationship outside close relationship where trust is based on direct knowledge on them. It is these ties that provide an opportunity to learn general reciprocity with each individual (Putnam, 1993), reduce transaction cost in economic transaction (Fukuyama, 1995; Arrow, 1974), and facilitate global coordination and cooperation among social groups, by forming cross-cutting ties between them otherwise segmented. (Granovetter, 1973; Wolcock, 1998).

However, this assumption that general trust promotes inter-group relation has never been empirically examined. The study attempts to show how the trust in political institutions, which has been assumed to have close relationship with general trust (Paxton, 1998; Brehm and Raun, 1997), affects range and composition of personal network.

TRUST, GENERAL TRUST AND TRUST IN POLITICAL INSTITUTIONS

Trust, defined here as expectation toward other social actors' intention and competence (Barber, 1983: 9), is an essential aspect of society, because the consequence of virtually all social action is contingent on other's fiduciary responsibility and technical competence. Very few inter-personal relationships are based entirely on what is known with certainty (Simmel, 1971: 178). In a demographically large and structurally complicated system, a person often should interact with others who are not known well or even at all (Lewis and Weigert, 1985: 973). The functional differentiation, technological progress, and development of expertise system (Giddens, 1989) requires individuals to adjust the trusting expectations to social roles such as lawyer or medical doctor, rather than persons (Sztompka, 1999; Seligman, 1997). Regardless of one's own trust toward political leaders, under the violence of property or other rights, individuals typically resort to legal authority rather than other private protection (Gambetta, 1988).

Those examples show the individuals in modern complex system

should have the expectation toward (1) individuals based on personal knowledge (2) “absent others” constructed as a real collectivity in our imagination (Sztompka, 1999: 42) and (3) various institutions. To clarify the diversity in the object of trust, Luhmann (1979) and Giddens (1989) propose the distinction between system trust and interpersonal trust. However, the relationships among these various dimensions of trust have not been discussed thoroughly. As following discussion clarifies, we will argue that the general trust has more common with trust in institution than interpersonal trust.

To begin with, the trust toward generalized other and other social institution results from the process of modernization characterized by complex social differentiation, while trust in familiar others is omnipresent in all human societies.¹ With the development of abstract systems, trust in impersonal principles, as well as in anonymous others, become indispensable to social existence (Giddens, 1989: 199-120).

Besides this genealogical dissimilarity between interpersonal trust and general trust, the bases of expectation of these two trust regarding person is quite different. The bases of interpersonal trust is information on trustee’s emotion, moral commitment and interest.² Note that if the interpersonal trust is based on the information one has about potential trustees, it cannot be a model for enduringly cooperative and trusting relationship between strangers (Hawthorn, 1988: 113).

In fact, the trust toward generalized others is not exactly the trust in the strict sense, because most of trusting relationship in this sense is context-specific. In other words, one’s trust toward a certain individual is regarding a specific context or the amount of pending interest. For example, As Wellman and Wortley noted (1990), the specific content of social support is different across the kind of relationship. Besides, the extent to trust which one needs to entering trusting relationship is the function of the potential gain (or loss) (Coleman, 1990). The higher interests at stakes, we need higher degree of trust.

From the perspective understanding the trust as third party relation

¹ Even in the so-called nature state without government, the minimum range of trust is essential. Gellner (1988) shows that the nature state is not struggle among everybody, but struggle between a number of cohesive social circles.

² When emotion is involved, the trust of A on B is based on the belief that B likes A so much that B would not do something harm to A. Morality based trust states that A trust B that B has strong moral commitment to reciprocate A’s favor. Interested driven trust is based on the belief that it is B’s incentive to honor A’s trust for seeking long-term benefit with A or the potential defamation of reputation if B.

including specific condition or context, the generalized trust is understood as “optimistic assessment of trustworthiness of generalized others” (Hardin, 2001: 15), “(which) ... must largely be learned ... from generalizations from past encounters with other people” (Hardin, 1993: 509). From this perspective, the trust toward general other is the outcome of individual's experience including those of socialization. If one encounters with more trustworthy people outside of her own networks than others, she is likely to have higher level of general trust.

In addition, the tension can be observed in knowledge based trust and trust toward generalized others. On the one hand, the developmental psychologists shows that the propensity to trust have been learned from the apparently justified trusting of family, friends, and others while infants and children. In this sense, interpersonal trust provides the framework for general trust in individual level. Therefore, the higher interpersonal trust would increase the possibility of entering trusting relations (Ho and Kochen, 1987). However, some sociologists present somewhat different view. As Blau and his colleagues suggest (1984: 12-13), the strong in-group bonds are disintegrative force because they tend to prevent extensive inter-group relation. In other words, The strong attachment to family, or other familiar social groups may lead to fragment the society into exclusive groupings. In the other direction of causality, the difficulty in inter-group relation might increase the necessity of knowledge based trust. For instance, the exclusion from main-stream society consolidates the solidarity of immigrants (Portes and Sensenbrenner, 1993).

Finally, there is inherent positive relationship between general trust and the confidence in government.³ From cumulative GSS data, Brehm and Rahn (1997) reports that there is reciprocal positive relationship between general trust and confidence in government measured in individual level. Especially, the magnitude of effect of confidence in government on general trust is substantial (Brehm and Rahn 1997: 1012). The similar reciprocal relationship is also observed in macro-level study. Knack and Keefer (1997) finds that (1) trust are linked to better performance of government institutions, and (2) the independence of courts have an positive influence on the level of general trust in nations. Those empirical studies support that the notion that the performance of government should play a critical role in raising or destroying the trust

³ This does not mean that they form a common factor (Smith, 1997), or the correlates of them are identical (Lipset and Schenider, 1987).

toward generalized others (Levy, 1996, 2000; Skocpol, 1996).

The fact that the trust presupposes uncertainty, which is critically dependent on the performance of government explains this pattern. The notion of Government as a provider of fair and consistent game of rule, is one of a key element in Weber's theory of capitalistic development (Weber, 1995). The central argument of this theory is that rational state and universally applies system of law provides the basis for rationality of capitalistic economic system, that is calculable and predictable system of banking, investment, contracts and property (Collins, 1986: 30).

Because trust is always to subject to possibility of being breached, trust requires "social structure in which it is to the potential trustee's interest to be trustworthy" (Coleman, 1990: 111). Unlike interpersonal trust where the decision of trust is based on personal knowledge, hence, the untrustworthy behavior can be punished in terms of degradation of reputation and honor, the formal institution is the only agency monitoring and sanctioning the conduct of the trustee in case of general trust. Hence, the strong confidence in government reduces the perceived risk in entering trusting relationship with others whose probability of keeping trust is not known to individuals. Alternatively, the competent and fair enforcement of private agreements and laws provides the incentive for everyone in society to be trustworthy, which increases the probability of encounters trustworthy people. If general trust is inducted generalization from past experience, as Hardin suggests, the more trustworthy people one meet, her general trust would be higher.

In sum, the fair performance of government is closely related to the general trust or general trustworthiness. Structurally, The fair performance of government is closely related to the general trust or general trustworthiness Cognitively, the confidence in government reduces the perceived uncertainty outside of close network, which increase the probability to placing toward others with little personal knowledge.

The preceding discussion argues that the general trust should be regarded as system trust with confidence in institutions. Based on this discussion, we can reformulate the core argument of social capital as following. System trust produce a set of socially desirable outcome by affecting the interpersonal trust.

CONFIDENCE IN INSTITUTIONS AND PERSONAL NETWORK

From previous studies on social capital and personal network, we can

find two sets of argument regarding the relationship between system trust and personal network.

Trust and range: The first line of argument predicts that the confidence in institutions or general trust affect diversity of personal network. The studies on social capital suggest that the tie beyond one's own intimate group diffuses norms of general reciprocity and facilitate global coordination in the community. We will discuss two most influential works. In Putnam's view, networks of civic engagement are an essential form of social capital, partly because it provides the opportunity for learning norms of reciprocity and partly because it facilitates the flow of information regarding individuals (1993: 173-174). The latter mechanism is based on the assumption that it functions as "weak ties ... encompass [ing] broad segments of society" (Putnam, 1993: 175). Though the casual direction is quite ambiguous between general trust and networks of civic engagement, he clearly links the broad inter-group interaction to trust. The central argument of Fukuyama (1995: 31) is that the trust beyond family affects firm size "in the long run ... affecting competitiveness." High degree of trust between individual who were not related to one another contributes to develop large, modern, rationally organized, professionally managed corporations (Fukuyama, 1995: 57). In sum, these arguments are, essentially, based on the notion that the general trust facilitates inter-group relations.

Some experimental studies (Yamagish and Yamagish, 1994; Yamagish et al., 1998) reports the results consistent with the prediction. Yamagish and Yamagish (1994) found general trust in Japan is lower than that of U.S., unlike common conception that Japanese Society is characterized by trust. The distinction between assurance and trust is proposed to solve this 'seeming inconsistency.' According to them, trust is based on the inference of the interaction partner's personal traits and intentions, whereas assurance is based on the knowledge of incentive structure surrounding social relationship. According to them, the formation of close and stable relationship reduces the risk resulting from inability to detect partner's intention by providing sufficient information on partner's intentions and developing mutual emotional attachment or relation specific assets. Therefore, the more one is skeptical about the intention of others beyond her personal knowledge, she is more likely to form committed relationship to the others. According to them, the long-term transaction relationship should be regarded as manifestation of actors' effort to reduce uncertainties outside those relationships,

where the bases of cooperation is transformed from trust to assurance. Consistent with this prediction as well as the social capital argument, low trusters tend to form committed relations more strongly than high trusters. In other words, low trust toward unfamiliar others reduce the probability of entering new relationships. Kollock's (1994) experiment also shows that the high uncertainty in transaction regarding the quality of goods increases the probability of committed relationship.

While these studies reports highly consistent result with the theories of social capital, there are also limitations. Because those result comes from experimental settings, the dependent variable of these experiments is not exactly about the probability of inter-group relation but duration and closeness, key aspects of tie strength. Though the tie strength is related to inter-group relation (Burt, 1991: 423), those studies do not provide direct support the effects of general trust on inter-group relation.

The following analysis, to my best knowledge, is the first attempt to showing the effects of confidence in government, or more generally system trust, on range of personal network in real world. In network approaches, the relations have range to the extent that they connect an actor with extensive diversity of other actors (Burt, 1983: 176). The diversity can be measured in two ways: diversity among alters and difference between alter and egos. While the former are interested in diversity *per se*, second measure is closely related to inter-group relations (Marsden, 1991: 404).⁴ Since the studies social capital focused on inter-group relations, (Wolcock, 1998; Paxton, 1999), this paper will concern difference between respondent and alters, in terms of age, education, sex and region.

Hypothesis 1: the more one has confidence in political institutions, the more heterogeneous one's network would be.

Hypothesis 1-a. the higher confidence one has in government, the more difference between one and one's alters in terms of educational attainment.

Hypothesis 1-b. the higher confidence one has in government, the more difference between one and one's alters in terms of age.

Hypothesis 1-c. the higher confidence one has in government, the higher proportion of alters have different regional background than ego.

Hypothesis 1-d. the higher confidence one has in government, the higher proportion of alters are different gender than ego.

⁴ Since most of personal networks tend to have at least some of homophilous ties, these two should be highly correlate.

Trust and Contact Status: The fair and effective performance of government affects to the extent how economic action is embedded in social relationship. Let's return to earlier example comparing rubber market with rice market. In this example, the social relationship with those producing rubber is more instrumental than that with farmer harvesting rice. This example shows that the effect of social relationship on economic welfare is contingent on the social uncertainty. DiMaggio and Louch (1998) report that the higher social uncertainty is related to active utilization of pre-existing networks.

Given social uncertainty is substantially influenced by universal and effective application of laws, the good performance of government can reduce the relative importance of social tie on social attainment.

The association between universal law and relative importance of social tie is well observed in the studies of U.S. labor market. Those studies suggest that the open hiring-posting or advertising, recruiting through employment agencies or promotion according to seniority, compared with referral hiring, substantially reduces the inequality across gender and race (Kallerberg et al., 1996; Reskin and McBrier, 2000; Waldinger and Bailey, 1991). In addition, Reskin shows that formalization of personnel practice tends to reduce gender inequality in getting ahead. The inequality in social capital across gender and race, with other subjective bias such as stereotyping, is responsible for this pattern (Reskin and McBrier, 2000: 226). That is, given the disadvantage of women and minority in social resource (Lin, 2002), The formalizing personnel practice and open hiring seem to reduce the influence of unequal social resource on the process of hiring and promotion.

Those studies indicate that the effective application of universal rules will be negatively related to the relative importance of social capital in individual attainments. Therefore, the less one has confidence in political institution, the more she is likely to try to organize her network instrumentally effective.

The studies of social resource consistently reports the effects of contact status. they consistently evidence that the status of influential person is positively associated with one's current status, controlling for education and first or prior job status. These studies suggest that network composed with high status alter tend to be instrumentally effective. Most of network studies (Burt, 1983; Lin et al., 1981; Campbell et al., 1986) considers mean or maximum status of alters as one of central aspect of network composition. Therefore, we can hypothesize.

Hypothesis 2: the more one has confidence in political institutions, the lower contact status of alters

Hypothesis 2-a. the higher confidence one has in government, the lower Highest contact status of alters

Hypothesis 2-b. the higher confidence one has in government, the lower mean contact status of alters

DATA AND METHOD

The data are national survey conducted by ISDPR (Institute for Social development and Policy Research) in Seoul National University. The sampling is designed for representative sample in terms of region, age and gender. Among 1768 respondents, highly educated was slightly over-sampled. However, the post-stratification weights does not results substantially. Therefore, the results presented below come from un-weighted data.

The data of personal network data typically have problem of sample selection because at least some of respondents do not report none of alters and their characteristics (Marsden, 1987). In addition, because the following analyses concern the characteristics of non-kin alters, the extent of exclusion is larger than previous studies based on similar instruments. The Heckman selection model (Heckman, 1979) is used for redress this issue. The preliminary analyses observe no effects of selection in models predicting homophily in region, age, and sex, we will just report the results of OLS (Ordinary Least Square method) regarding those variables. Regarding the educational difference and contact status, I will report the results of selection models.⁵

The independent variable of the analysis comes from items asking confidence in 10 institutions from administration to university. The result of exploratory factor analysis of those ten items is presented in table 1.

The rotated factor loading shows that the confidence in administration, party and court forms a distinctive dimension (i.e. the factor loading is higher than .6), while confidence in other institutions such as civic organization, press, military, university, large economic firms (jaebol). The reliability of three items regarding government are .7796, which is highly acceptable given small number of items. The mean of these items are constructed as "the confidence in governments."

⁵ Both results from selection model and OLS is substantially identical.

TABLE 1. THE ROTATED FACTOR LOADINGS OF 10 INSTITUTIONS
(Principal Component Analysis, Varimax Rotation)

	Facotr I	Factor II
Administration		
Congress	.834	
Court	.824	
Press	.750	
Civic organization		.739
University		.669
Military		
Religious organization		
Labor union		.733
JaeBol (large firms)		
Explained variance	34.09%	14.66%

* the factor loading whose absolute value is higher than .6 are presented)

Dependent variable: The early discussion suggests that the high trusters are more likely to establish a relationship with others who are different in various dimensions affecting social interaction. As noted earlier, out diversity measure taps the difference between ego and alters. Besides the fact that social capital school concerns the inter-group relations, The selection of this measure better serves to minimize the excluded cases given we are interested in relationship between ego and non-kin alters. We exclude kin-alter because most of kinship ties are given to others, hence, the effects of one's trust could not affect the diversity of kinship ties.⁶

Previous studies finds that the composition and characteristics of personal network are influenced by social-demographic characteristics such as gender, education (Marsden, 1987; Fisher, 1982), occupation (Laumann, 1973; Willmott, 1987), and regional characteristics (Fisher, 1982). Therefore, To estimate the effect of trust on network range and composition, age, gender, marital status, the region size respondents lives in, occupational characteristics are controlled. Male, and currently married status, metro-politan area are baseline category in following specification. Education and household income, originally asked in categorical terms, will be treated as interval scale using mid-point of

⁶ As Burt (1991) and Marsden (1987) reports, the kin-relationship increase homophily of race and religion, while it decrease the homophily of age, sex and education.

each category. If the square term of age was found to be significant, we report the results including square term. Otherwise, only linear term was presented in the results. To control the characteristics of the size of community, the area respondents inhabits was divided as the metropolitan area, city, and rural town, and city and rural area are included as dummy variables.

RESULT

Table 2 reports the bivariate correlations among variables in the model. It reveals a number of relevant points that would help to understand following analysis. First, the correlations among variables

TABLE 2. SAMPLE CHARACTERISTICS AND BIVARIATE CORRELATION

	Age	Female	Trust	Educa- tion	Income	profes- sional	Rural	City	Farm	Educ- at-ion - homo- phily	Regi- onal homo- phily	Mean age differ- ence	Sex homo- phily	Mean alter's educati- on	Maxi- mun alter's educati- on
Age	35.27														
Female	-.014	.49													
Trust	.18**	.06**	2.36												
Education	-.48**	-.17**	-.14**	12.57											
Income	-.11**	.02	-.01*	.32**	207.25										
Professional	.01	-.06*	-.03	.21**	.15**	0.04									
Rural	.13**	-.01	.07**	-.18**	-.19**	-.07**	.24								
City	-.06**	-.02	-.01	-.01	-.07**	.01	-.34**	.26							
Farm	.27**	-.12**	.04	-.31**	-.17**	-.07**	.41**	-.04	.10						
Education homophily	-.67**	.03	.00	.78**	.01	.01	-.05	-.00	-.09**	.59					
Regional homophily	-.13**	-.05	-.06*	-.04	-.04	-.09**	.12**	-.05	.12**	.03	.67				
Mean age difference	.20**	-.01	.08**	-.14**	-.05	.07*	.08**	-.03	.11**	-.21	-.09**	3.58			
Sex homophily	.11**	-.08*	.01	-.03	-.05	-.02	.01	.05	-.01	.08*	-.02	-.09**	.88		

* p.<.05 ** p.<.01

measuring respondent's characteristics exhibits expected direction⁷ except that age is negatively associated with household income. This unexpected direction is due to the fact that the extent of negative association between education and age is stronger than in that of U.S.⁸ Second, the relationship between three range variables reveals that there is some intersection effects between regional homophily and age difference. (Blau et al., 1984) Third, there are several respondent's characteristics associated with confidence in political institutions. Education and income shows negative association and female, age and residing in rural area have positive association.

Finally, the confidence in political institutions shows expected relationship with most of dependent variables. That is, it is negatively associated with composition of personal networks and positively associated with the range of personal networks except education difference and sex homophily.

We will examine whether the relationship between confidence and outcome variables are still observed when other characteristics are controlled. Before that, we will examine the factors affecting the confidence in political institutions more carefully.

Table 3 presents the results of regression on confidence in government. With Conventional 5% significance level, only two factors influence the level of confidence. First, income is negatively associated with confidence. The negative association between income and confidence is observed in the studies on the U.S. and other countries. This pattern is quite counter-intuitive if we assume that those with higher income tend to benefit from current political system. Hibbing and Thesis-Morse (1995: 115) attributes the negative association between income and confidence to higher expectation of those with higher income. The marginally significant ($p = .055$) negative coefficient of education is also quite consistent with their explanation.

Second, the older cohort exhibits stronger confidence in government. Though the careful examination of this pattern is beyond this paper's concern, one of possible explanation is related to the peculiar process of modernization in Korean. While the older cohort experience the benefits from rapid growth led by government before early 80s, the younger cohort provided the strong support for the social movement for the democracy. While representative democracy in formal sense is

⁷ For example, females are, on average, less educated. However, household income does not exhibit gender difference.

⁸ Controlling for education, income and age are positively related.

TABLE 3. THE RESULTS OF OLS ON CONFIDENCE IN GOVERNMENT

Independent variables	Unstandardized coefficients
Age20-29	.002 (5.67)
Age40-49	.128 (1.96)
Age50-59	.335 (4.50)
Female *	.077 (1.99)
Education (year)	-.008 (1.16)
Income	-.001 (2.45)
Rural**	.094 (1.8)
City**	.017(.38)
Farm***	-.095 (-1.33)
Professional***	-.064 (.630)
Constant	2.02
Adjusted R-square	.040

* baseline group is male

** baseline group is metropolitan area

*** baseline groups are While collar, Blue collar, students and housewife and others.

established in Korea, the actual process of political decision is still characterized by patron-client relationship between congressman and boss who tend to represent a specific local area. This quite pre-modern practice seem to obviously disappoint the younger generation who have also higher expectation of democratic political system.

The first three columns of Table 4 presents the results of three OLS regression on the homophily between nonkin alters and respondents in terms of age, gender and region.

Regional difference: the region is meaningful dimension of social interaction In Korea. As hypothesized, trust in confidence decreases the regional homophily. That is, the high truster are more likely to discuss important matters with those with different regional background. In addition, the first column of table 4 reveals that regional homophily is dominantly affected by opportunity structure of social interaction (Blau and Schwartz, 1984). Compared with metropolitan area, characterized by high mobility, and therefore diversity of population, residents in small city and rural area, especially in agricultural area exhibits higher regional homophily.⁹

Age difference: The effect of confidence in age difference is not

⁹ The expected relationship between confidence and regional homophily is observed in all of three regions.

TABLE 4. THE RESULTS OF OLS AND SAMPLE SELECTION MODEL (HECKMAN) ON SELECTED NETWORK CHARACTERISTICS AMONG NON-KIN ALTERS

	Regional homophily		mean educational status of alters		maximum educational status of alters	
Trust in						
government	-0.034	(2.08) *	-0.162	(1.93) *	-0.200	(2.15) *
age30-39	-0.121	(3.14) **	-0.104	(0.52)	0.019	(0.09)
age40-49	-0.115	(2.59) **	0.157	(0.66)	0.164	(0.64)
age50-59	-0.067	(1.28)	-0.314	(1.05)	-0.247	(0.76)
Female	-0.037	(1.43)	-0.225	(1.73)	-0.295	(2.05) *
Income	0.000	(0.14)	0.001	(1.60)	0.001	(1.90)
Education	0.000	(1.65)	0.022	(17.61) ***	0.021	(14.95) ***
Rural	0.097	(2.83) **	-0.655	(3.75) ***	-0.655	(3.38) ***
City	0.074	(2.49) **	-0.138	(0.91)	-0.162	(0.96)
Nevmar	0.091	(2.36) **	-0.029	(0.13)	0.149	(0.62)
Omar	0.027	(0.55)	-0.038	(0.14)	0.096	(0.33)
Farm	0.148	(2.95) **	-1.447	(5.59) ***	-1.369	(4.68) ***
_cons	0.845	(9.92)	10.937	(25.78)	11.468	(21.58)

* the t-values are presented in parenthesis

** *.<05 **<.01 ***<.001

significant, though the direction is consistent with our hypothesis. The older cohort shows more range in terms of age. In addition, being divorced, widowed, separated also increase the mean difference of age.

Sex homophily: there is no influence of confidence on age diversity. Compared with married people, never married or other married exhibits less degree of gender homophily. Interestingly, female is less likely to have gender-homophilous networks.

The last three columns of table 4 presents the results of Heckman selection regression on educational difference between egos and alters, mean education status of alters and maximum education attainment of alters. In terms of education homophily, confidence has no effects on the range of networks. The last two column of table 4 shows that the less confidence in government increase the maximum and mean status of alters measured as educational attainment. Note that this effect is observed controlling for opportunity of association measured as ego's education and person's regional characteristics, which has significant influence on both of dependent variables as well as regional characteristics. On the model measuring maximum education, the

negative coefficients of female, though not significant, is also consistent with previous studies. Therefore, we can conclude that the lower trusters tend to form an relationship with higher status alters, who are effective in the instrumental utilization of personal relationships.

DISCUSSION

The result of this study shows that confidence in government increase probability of inter-group relationships in terms of region. Though we do not observe the effects of confidence on inter-group relationships in other dimensions, we interpret these results supporting the basic assumption of social capital argument. Although the gender and age are significant factors in prescribing the adequate form of interaction especially in societies under the influence of Confucianism, they are not the major dimension of social cleavage in Korean society, especially in private social relationships. On the other hand, region is very important factors governing political and economic competition as well as marital formation. Therefore, the region is more suitable dimension to test the effects of system trust.

While system trust does not affect the inter-status group relationships, it affects the status of alters. We interpret this finding as suggesting that the lower level of confidence in government is linked to the perception of to what extent one's individual attainment depends on social resource one has. As we discussed, the lower trust is intrinsically related to sensitiveness to the value of social capital, because the efficient application of universal law is closely related to the extent how other factors besides one's own human or financial capital influence the process of social attainment. Therefore, we can conclude that the lower trusters are more likely to seek prestige in their association.

Let us assume that social interactions are only prescribed by "prestige hypothesis" suggesting that individuals want to associate with those with high status (Laumann, 1966). In this situation, While lower status people want to interact with higher status, their wish is not reciprocated by higher status people who has no incentive to interact with lower status people (Gould, 2002). Hence, we would observe association table characterized by perfect immobility suggested by "like-me hypothesis," alternative hypothesis of "prestige hypothesis." The above discussion suggests that the more people are sensitive to prestige of alters in their association, the less observed inter-group relationships in a given society. Hence, we can conclude that a high level of confidence in

government increases the permeability among status groups.

In sum, the effects of social capital on inter-group relationships depends on the parameters of social interaction. That is, in nominal parameters such as region, the system trust directly promotes inter-group relationships. On the other hand, though the causal mechanism is more complex in interval parameters, still we expect that system trust promotes inter-status group relationships.

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