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EXAMINING STRUCTURAL RELATIONSHIPS AMONG TRUST IN GOVERNMENT, PERCEIVED IMPACTS AND COMMUNITY SUPPORT FOR SPECIAL ECONOMIC ZONES IN THAILAND: A CASE STUDY OF TAK SEZ

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ABSTRACT

This study develops a comprehensive model of residents' trust in government actors and their support for the Tak Special Economic Zone (SEZ) based on social exchange theory (SET) and the institutional theory of political trust (ITPT). The model was tested on a sample of 400 residents of the Mae Sot district, Tak province, Thailand, using confirmatory factor analysis and a structural equation modelling procedure. The findings indicated a significant relationship between trust in government actors and residents' support for the Tak SEZ. The results also revealed that residents' perceptions of the benefits and costs of the Tak SEZ were significant determinants of their support for government. The study established that SET and the ITPT were appropriate for explaining residents' trust in government actors and perceptions toward public support for SEZs project. The researcher suggested that if a public project is properly managed and developed, it can have beneficial political effects for government, such as increasing its legitimacy among the public.

Keywords: trust, trust in government, perceived impacts, SEZ, Tak Province

INTRODUCTION

Public trust in government is considered essential for political support. Political scientists state that a high level of public trust leads to reduced administrative costs and greater compliance by citizens with laws and regulations (Levi, 1998; Tyler, 1998). Trust in government also helps reconcile the need for political accountability and the demand for the discretionary power needed to create a flexible administration by encouraging citizens to accept expanded government authority (Kim, 2005). Indeed, trust is central to a modern society and is essential for social, political and community relations. Consequently, the notion of trust has attracted the attention of several social science researchers. To them, trust allows a government to maintain effective legitimacy and authority in decision-making and is important for good governance, the sustainability of the political system, and democratic consolidation (Christensen and Lægred, 2005; Park and Blenkinsopp, 2011). Thus, maintaining citizens' trust is an important political objective of any government in power.

Trust in government is stated to increase acceptance of government policies and a greater government role in certain policy areas. It continues to be recognised as a significant factor that influences public support for the expansion of government roles and policy implementation. For instance, trust will guide citizens to decide whether to support increased government spending in a particular policy area (Hetherington, 2004; Rudolph and Evans, 2005). An equally important impact of trust in governance is that it affects citizens' support for the governance structure. When citizens have high trust in government, the government bureaucracy is considered to be the most reliable and consistent service delivery system. In contrast, if citizens do not have confidence in the government-bureaucracy system's service delivery, market-driven structures, such as privatisation, get more support from citizens. That

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is, trust is inarguably important to shaping citizens' attitude toward a government-oriented governance structure (Hetherington, 2004). In sum, trust in government has the prominent impact on the scope of government roles and service delivery structures. Most importantly, when a citizen accepts that the government is a reliable entity, that citizen's attitudinal trust is transformed into the behavioural response called "political support" (Zand, 1982).

SEZs can be compared to their predecessors, Free Trade Zones and Export Processing Zones, in that they are aimed at stimulating foreign direct investment and rapid, export-led, industrial growth. The essential characteristic of such schemes is that they allow the bypassing of particular social legislation or tax provisions which are perceived to be an impediment to progress or the competitiveness of an export-oriented activity. For Thailand, the SEZ is a development method that has been studied for a long time. Developing an area into a SEZ aims to expand development into different areas through various economic activities as the core of the development. This brings about some investment and improvement of the quality of life of people in a specific area and other areas nearby. However, the method of developing and mobilizing the SEZ has received a clearer development direction after the National Council for Peace and Order has been managing the country. The National Council for Peace and Order issued order no. 72/2014 to appoint the Commission of Special Economic Development Zone Policy. In the meeting no.1/2014 of this Commission on 15 July 2014, chaired by Gen. Prayuth Chan-Ocha – the head of National Council for Peace and Order – approval was given to the areas with suitable potential to be a SEZ. Among five areas that were approved, one of the most important areas is the SEZ of Mae Sot District, Tak Province.

Despite the huge approval rating for the establishment of SEZs, and their apparent success around the world, the development of SEZs has faced considerable opposition and is stalling in some cases. This resistance has arisen because of various controversial aspects regarding the establishment of SEZs. At the heart of the problem is the resistance from the communities that are directly affected. Researchers need to consider trust as an important ingredient for cooperation among stakeholders in SEZ development studies. One of the gaps in existing studies on government policies and community political support is that the majority of them have omitted trust as a key component in the structural relationship. Hence, to contribute to the existing literature, the study attempts to develop a comprehensive model and examine the underlying relationship among perceived impacts and support for SEZ development projects based on SET and the ITPT in Tak Province, Thailand.

LITERATURE REVIEW

Recent researches have shown that political trust has the potential to shape public preferences for policies and services. Many scholars have documented the relationships between trust and various attitudes and behaviour at the individual level. For example, research has demonstrated that political trust affects attitudes toward governmental policy (Hetherington and Globetti 2002; Rudolph, 2009) and can also impact individual behaviour related to governmental policy (Scholz and Lubell, 1998; Tyler and Huo, 2002). On the other hand, while many studies have focused on the uncertainty that comes with SEZ projects, there are a number of studies that explore the relationship between residents' perceptions of the benefits and costs of development projects in other different contexts. A review of related literature indicates that two major theories are appropriate for explaining residents' perceptions toward the impacts of transnational highway development: SET and the ITPT.

SET and Trust in Government

SET is a social psychological and sociological perspective that describes social change as a process of negotiated exchanges between individuals or groups. This theory, dating back to the early 1920s (Malinowski, 1922), rooted in economic theory and modified by Thibaut and Kelly (1959) for the study of social psychology of groups, focuses on the perceptions of the relative

costs and benefits of relationships and their implications for relationship satisfaction. According to Cropanzano and Mitchell (2005), SET is one of the most influential conceptual paradigms in organisational behaviour.

This theory posits that ‘all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives’ (Hormans, 1958; Kang et al., 2008). In other words, it suggests that people engage in interactions or reciprocate with other people because they expect to receive benefits or incentives from the other party (Blau, 1964) or that the interaction generates obligations between the parties (Emerson, 1976). In an infrastructure development context, it argues that residents evaluate infrastructure development in terms of its expected benefits and costs. Hence, human relationships are formed by the use of subjective cost-benefit analysis, creating mutual obligations, reciprocity or repayment over time (Cropanzano and Mitchell, 2005).

In a political context, the outcomes of a social exchange relationship between the government and citizens influence political trust. Government institutions create policies and, in return, receive trust from those individuals who are satisfied with these policies, and cynicism and mistrust from those who are dissatisfied with them. Trust is a relational construct (Markova and Gillespie, 2008) that is inherent to SET (Blau, 1964). Trust between actors (e.g. residents and government) is fundamental to the emergence and maintenance of the social exchanges between two parties (Cropanzano and Mitchell, 2005). In other words, political trust (i.e. residents’ trust in government) is the belief that the political system (or part of it) will produce preferred outcomes even in the absence of constant scrutiny. Studies on political trust are driven by the importance of linking citizens to institutions, the desire to achieve good governance, and the need to gain public support for development (Scheidegger and Staerkle, 2011). Political trust, as a result, is important because it conveys a message to the governing elite as to whether or not their policy decisions conform to the expectations of the governed.

To explain this in greater detail, trust is an important relationship and an interpersonal construct (Duck, 1997; Leonidou, Talias and Leonidou, 2008). It is a psychological state, a positive attitude toward the partner, confidence that the exchange partner will perform (Nguyen and Rose, 2009). A number of studies investigate citizens’ trust in government institutions in an attempt to build relationships that underlie economic development, ensure the legitimacy of institutions, and promote outcomes which are in the best interests of society (Gilson, 2003). Thus, for the purpose of this study, the residents’ exchange partner is the government, and we conceptualize “trust” as residents’ trust in government institutions involved in public project planning and development. Citizens’ trust in government institutions is commonly referred to as “institutional trust”, defined as confidence that political institutions will not abuse power (Lühiste, 2006).

The trust of the exchange partner (i.e. residents) in the other actor (i.e. government) is important for the emergence and maintenance of social exchanges between them (Blau, 1964). Trust stimulates cooperation, reduces risks in the transaction, enhances satisfaction, increases partners’ commitment to the exchange (Morgan and Hunt, 1994), and creates goodwill that preserves the relationship, and decreases fear and greed (Hwang and Willem, 1997). Trust between exchange partners can be generated through the regular discharging of obligations and through the gradual expansion of exchanges over time (Blau, 1964). The extent to which a partner has proven to be reliable in previous social interactions with another actor determines the level of trust between them. Trust is also determined by the expectations of one partner (e.g. residents) from another (e.g. government) in a social exchange and the extent to which the partner (e.g. government) appears benign (Yamagishi and Yamagishi, 1994). An exchange partner uses several cues, such as benevolence, and positive and negative outcomes, to assess the trustworthiness of another partner (Sheppard and Sherman, 1998).

Positive economic and social outcomes resulting from an exchange increase partners' trust in each other and commitment to maintain the relationship (Blau, 1964). Farrell (2004) also asserts that the economic and non-material benefits resulting from an exchange relationship influence the level of trust between the actors. In a political context, Critin (1974) suggests that cumulative outcomes between political authorities and citizens determine the level of public trust in government institutions. Based on the theoretical postulates of SET and the arguments that positive and negative outcomes from an exchange influence trust, it is reasonable to extrapolate that residents' trust in government actors may be predicted by the benefits and costs of project development. Higher perceptions of benefits will lead to higher levels of trust in government actors and, conversely, higher perceptions of costs will negatively influence trust. Based on these arguments, the following hypotheses are formulated:

Hypothesis 1 (H1): There is a direct positive relationship between the perceived benefits of an SEZ project and residents' trust in government actors.

Hypothesis 2 (H2): There is a direct negative relationship between the perceived costs of SEZ project and residents' trust in government actors.

ITPT (Performance and Power)

The ITPT is based on the assumption that trust stems from the extent to which people perceive political institutions to work effectively (Hetherington, 1998, 2004). Here, trust is dependent on how people evaluate the performance of institutions with respect to their expectations (Lühiste, 2006). In development in general, citizens often hold the government responsible for policy decisions and call upon the state to improve projects or practices that affect their daily lives (Bramwell, 2011). Institutionalists who uphold this theory argue that the economic performance of government institutions is one of the strongest determinants of citizens' trust (Mishler and Rose, 2001; 2005). Citizens trust government to the extent that its institutions produce desired economic outcomes and meet their expectations in the economic domain (Lühiste, 2006). A government's inability to deal with economic challenges such as unemployment and poverty impinges on citizens' trust. Moreover, the performance of government actors also covers issues such as the extent of corruption among public officials, fair treatment of citizens and the protection of their rights in development, and a democratic form of governance (Wong, Wan and Hsiao, 2011). Based on this discussion, the following hypothesis is developed:

Hypothesis 3 (H3): There is a direct positive relationship between residents' perceptions of the performance of government actors and their trust in government actors.

Power is defined as the capacity of individuals to make decisions that affect their day-to-day lives (Johnson and Wilson, 2000). In general, the relationship between power and trust is considered to be complementary and opposing components of social behaviour. They function as alternative ways of controlling an exchange relationship, although with different effects. However, power is often a precondition rather than an alternative to trust (Bachmann, Knights and Sydow, 2001). Power influences trust because it influences the partners' evaluation of the relative worth of the exchange relationship and the kinds of cooperation that take place on the basis of trust (Farrell, 2004). In other words, power inequalities create grounds for distrust and block the possibility of trust (Cook, Hardin and Levi, 2005). Farrell (2004) also argues that trust is difficult to achieve when a disparity of power exists. Hence, in the event of power inequalities resulting from the political arrangements of government institutions, political trust is hindered. A number of studies suggest that power positively influences the level of trust one actor places in the other actor in a social exchange relationship (Nunkoo and Smith, 2013). According to these arguments, it is reasonable to propose that powerful residents will have a higher trust in government actors compared to less powerful ones. Based on the above concept, the following hypothesis is developed:

Hypothesis 4 (H4): There is a direct positive relationship between residents' perceptions of their level of political power and their trust in government actors.

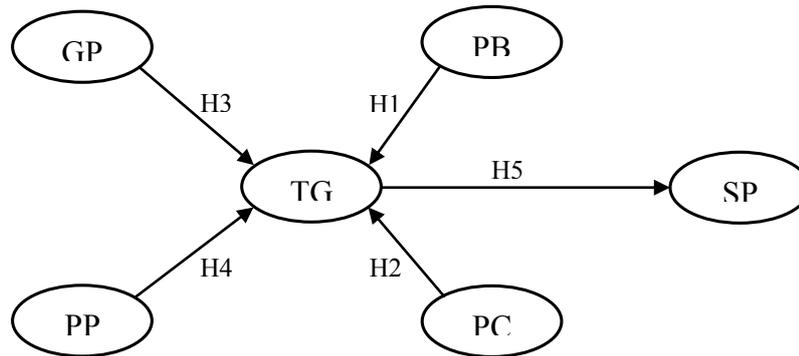
Trust in Government and Political Support

According to the conventional wisdom, trust is a key component of the relationship between individuals and government institutions and is important for consensual decision-making and actions in development. Discussing the importance of public trust in government in a democratic society, Nye, Zelikow and King (1997) noted that if people believe that government is incompetent and cannot be trusted, they are less likely to provide resources. Without critical resources, government cannot perform well, and if the government cannot perform, people will become more dissatisfied and distrustful of it. Such a cumulative downward spiral could erode support for democracy as a form of governance.

In development, generally, once trust is established, people are willing to commit more time and resources to developing the relationship. Trust is not only about a set of positive expectations, but it also includes the willingness to act on those beliefs (Luhmann, 1979). These beliefs shape the attitudes and behaviour of the actors in social exchanges (Sheppard and Sherman, 1998). For example, residents rely on their trust in institutions before making judgments about the acceptability of development projects and policies (Bronfman, Vazquez, and Dorantes, 2009). Easton (1965) further notes that citizens' trust in institutions affects their attitudes toward government policies. He further argues that if residents trust ministries, they tend to support governmental policies and keep their demands reasonable. Residents' trust strengthens their feelings that institutions are acting fairly and are providing equitable benefits to all citizens. However, low trust in public institutions makes an activity unacceptable to the citizens (Bronfman et al., 2009). Citizens' trust in institutions is important to achieving good governance, legitimacy and collaborative planning. A number of studies have generally reported a positive relationship between trust in institutions and political support for government policies (e.g. Hetherington, 2004). Taking into account the predictions of SET and the empirical findings from the literature, it is logical to extrapolate that residents' trust in government actors is likely to be a determinant of their level of support for tourism development. Hence, the following hypothesis is developed:

Hypothesis 5 (H5): There is a direct positive relationship between residents' trust in government and their political support for it.

From the above literature review, it is clear that in assessing impacts relating to transnational highway infrastructure projects on a host community, SET and the ITPT are appropriate. This is because these theories have been used predominately in several past studies and accepted as accurate predictors. In this respect, this study employs the SET and ITPT in exploring the underlying relationship among perceived benefits, costs, government performance and power by residents with trust in government and political support. Based on this assumption, the researcher developed a conceptual model for empirical testing. The illustrated model postulates that exogenous variables have direct effects on trust in government and political support by residents (endogenous variables). Specifically, the theoretical model to be tested, as shown in Fig. 1, involves six latent constructs: perceived government performance; perceived political power; perceived benefits; perceived costs; trust in government; and political support.



Key:

SP: SEZ Project Support; PB: perceived benefits of R3A; PC: perceived costs of R3A; TG: trust in government; GP: perceived government performance; PP: perceived political power.

Figure 1 The proposed theoretical model linking residents' perceptions, trust in government, and political support

METHODOLOGY

Mae Sot district, Tak Province, is the research site for this study as it is the location of Tak SEZ. The study population is the household members of Mae Pa, Mae Ku and Mae Kasa sub-districts (Tambon). Specifically, this target population consists of residents who are over 18 years old in the community of these Kasa sub-districts.

The data for this study were collected by a stratified sampling method based on population size. A stratified random sample was used to reflect the diverse geographical distribution of the residential area of the community (Zikmund, 1997). First, the study areas were identified, and then the sample size of each district was determined by the proportional population of each city/town over the total population of the research area. The sample size was 400, with a sample error of 5% and a confidence level of 95% (Yamane, 1973).

The data were collected during March–April 2016 using a structured self-administered questionnaire that was hand-delivered by the authors and research teams. The interviewer gave a brief explanation of the study to the interviewee and invited them to participate in the study. To minimize possible bias due to interviewer–participant interaction, it was communicated to participants that their partaking was voluntary and anonymous and they were encouraged to state their own personal opinion as truthfully as possible. Only one person in each household was invited to participate, as people from the same household often hold similar views. As a result, 400 completed questionnaires were retained and used for subsequent data analysis.

A self-administered questionnaire was developed for the purpose of this study. The questionnaire comprised two main sections. The first concentrated on generating a demographic profile of the respondents, including district, gender, age, level of education, occupation and level of income. The second section contained statements assessing resident members' perceptions of local government actor and the impacts that Tak SEZ may have on their community. Participants were asked to rate each statement on a nine-point Likert-type scale. A value of one denoted a negative response (strongly disagree) and a nine represented a favourable response (strongly agree). Some items were reverse coded during data entry for consistency.

To purify the scale items, the questionnaire was tested empirically using a pilot study with a series of on-site interviews (n = 30) to ensure clarity, reliability and comprehensiveness.

The pilot study allowed for the opportunity to gain feedback on the clarity of the directions, the chance to check the face validity of the statements, and to establish a baseline for the length of time needed to complete the questionnaire. Then, an exploratory factor analysis (EFA) using a principal component method with varimax rotation was performed on each construct. The purpose of the EFA was to group together correlated variables (Tabachnick and Fidell, 2001). In each EFA, attributes that had factor loadings of lower than 0.40 and attributes that loaded on more than one factor were eliminated from the analysis, as recommended by Chen and Hsu (2001). The items that remained after these steps and the results of the EFA are presented in Table 1. The measurement scales were revised based on these results and the survey was sent to the research team in Tak Province.

Respondents were requested to explain their perceptions of the benefits and costs of Tak SEZ on their community, plus their perceptions toward government performance and trust in government actors by using the nine-point Likert-type scale for each statement (1 = strongly disagree; 5 = neutral; and 9 = strongly agree). Factor analysis was conducted to assess the dimensionality of the 14 items (indicators). All exploratory factor analyses were initially performed using the principal axis factoring method and varimax rotation with Kaiser Normalization. The Bartlett test of sphericity was significant (Chi-square = 3359.318, $p < 0.000$) (Bartlett, 1954). The Kaiser-Meyer-Olkin measure of sampling adequacy was computed to quantify the degree of intercorrelations among the variables, and the results indicate an index of 0.839. Since the Kaiser-Meyer-Olkin measure of sampling adequacy was larger than 0.60, it showed that the use of factor analysis was appropriate (Kaiser, 1970; 1974).

Table 1 EFA ($N = 400$)

Scale items	Factor loadings	Eigenvalue	% of variance explained
<i>Perceived benefits of SEZ (PB)</i>		7.64	39.23
1. Employment opportunities	0.88		
2. Opportunities for local business	0.79		
3. More investment	0.77		
<i>Perceived costs of SEZ (PC)</i>		5.49	20.04
1. Environmental pollution	0.86		
2. Landloss	0.77		
3. Crime rate	0.70		
<i>Perceived government performance (GP)</i>		3.26	7.67
1. Local government effectively uses SEZ to improve the local economy	0.87		
2. Local government is responsive to the needs of the residents in SEZ project	0.77		
<i>Perceived political power (PP)</i>		2.80	6.77
1. Personal influence in planning and development of SEZ	0.93		
2. Opportunities to participate in planning and development of SEZ	0.88		
<i>Trust in government (TG)</i>		1.69	5.74

1. Trust in decisions made by local government	0.94		
2. Trust in local government officials	0.82		
SEZ Project Support (PS)		1.59	3.99
1. I support Tak SEZ	0.98		
2. I support the current local government in Tak SEZ management	0.96		

For scale development, a cut-off factor loading of 0.30 and an eigenvalue greater than or equal to 1 were used (Pallant, 2007). The principal component analysis (with varimax rotation) of the 14 items resulted in a six-factor solution that explained 83.46% of the total variation (explaining 39.23%, 20.04%, 7.67%, 6.77%, 5.74% and 3.99% of the variance, respectively). Each of the items loaded strongly on one of the six factors. An inspection of the scree plot revealed a clear break after the sixth component. As a result, using Catell's (1996) scree test, it was decided to retain six components for further investigation as the six-component solution explained a total of 83.46% of the variance.

Cronbach's internal consistency reliability is the reliability test method most widely used in designing a reliable instrument. Nunnally and Bernstein (1994) recommended that a score of 0.7 or higher is desired reliability, while 0.6 or higher is an acceptable reliability coefficient for research in the early stage of the scale development. Cronbach's alpha coefficients for the six factors ranged from 0.58 (lowest) to 0.81 (highest), with a total scale reliability of 0.86. This indicates that the variables exhibited a strong correlation with their factor grouping and thus were internally consistent. Table 1 illustrates the items, factor loadings and percentage variance explained for each item in the model.

FINDINGS AND DISCUSSION

Four hundred responses from residents of the Mae Pa, Mae Ku and Mae Kasa sub-districts in Mae Sot district, Tak Province were obtained from the survey team. The data were first analysed to present a description of the participants in the study and provide a description, computed as averages, for each statement in the survey instrument. The data obtained were then subjected to a confirmatory factor analysis and the model was tested using structural evaluation modelling (SEM).

The initial data analysis finds the majority of the participants were aged 40–60 years of age – this group comprised approximately half of the total respondents. There was a roughly even distribution of men and women, with 55% for men and 45% for women. Most of the respondents were married (66.8%), while 33.3% were still single. The average income of the household surveyed reported ranged from less than 5,000 Baht a month (46.5%) to 5,001–10,000 Baht a month (37.5%). With regard to educational background, 43% of the respondents were high school diploma holders, while 38% had attained elementary education level.

Confirmatory Factor Analysis

SEM involves the testing of a confirmatory measurement model and a structural equation model. Before testing the overall measurement model, the unidimensionality of each construct was assessed by confirmatory factor analysis using the AMOS package (Version 23) with the maximum likelihood estimation method. The fit of the indicators to the construct, construct reliability and validity were tested. Generally, the item having a coefficient below 0.3 is unacceptable, and thus should be deleted from the further analysis (Joreskog, 1993). However, none of the exogenous variables or the endogenous variable were deleted. Thus, as shown in Table 1, 14 indicators of the latent constructs for Tak residents' perceived benefits, costs, government performance, political power, trust in government, and SEZ project support were identified.

Table 2 Goodness-of-Fit Measures for the Measurement and Structural Model ($N=400$)

Absolute Fit Measures		Incremental Fit Measures			Parsimonious Fit Measures				
χ^2	GFI	RMSEA	AGFI	NFI	TLI	PNFI	CFI	IFI	RFI
(103)	0.95	0.040	0.93	0.96	0.98	0.73	0.98	0.98	0.95
169.55									
$p = 0.000$									

Measurement and Structural Equation Model

The resulting measurement model (Table 2), with three constructs and 14 indicators, was derived from the confirmatory factor analysis. Three types of overall model fit measures were utilised in this study: absolute fit measures, incremental fit measures, and parsimonious fit measures. An absolute fit index directly assesses how well an *a priori* model reproduces the sample data. On the other hand, an incremental fit index (IFI) measures the proportionate fit by comparing a target model with a more restricted, nested baseline model (Hu and Bentler, 1995). The values for goodness-of-fit (GFI), comparative fit index (CFI), normed fit index (NFI), Tucker Lewis index (TLI) and IFI range from 0 to 1, with values greater than 0.90 indicating a good model fit (Hair, Black, Babin, and Anderson, 2010). The value of root mean-square error of approximation (RMSEA) should be less than 0.06 for a model to have a good fit (Bagozzi and Yi, 2012); however, a value less than 0.08 is acceptable (Browne and Cudeck, 1993). As Table 3 shows, the overall measurement model exhibits a good level of fit on all three types of model fits: $\chi^2(103) = 169.55$, $p = 0.000$, GFI = 0.95, RMSEA = 0.040, adjusted goodness-of-fit (AGFI) = 0.93, NFI = 0.94, non-normed fit index (NNFI) or TLI = 0.98, parsimonious normed fit index (PNFI) = 0.73, CFI = 0.98, IFI = 0.98, and relative fit index (RFI) = 0.95. In other words, the result indicated that the model was a good fit to the data.

Table 3 Confirmatory Factor Model ($N=400$)

Construct and Indicators	Standardized loadings	Composite reliability	AVE
<i>Perceived benefits of SEZ (PB)</i>		0.85	0.65
1. Employment opportunities	0.74		
2. Opportunities for local business	0.85		
3. More investment	0.84		
<i>Perceived costs of SEZ (PC)</i>		0.87	0.69
1. Environmental pollutions	0.86		
2. Traffic problems	0.86		
3. Crime rate	0.77		
<i>Perceived government performance (GP)</i>		0.81	0.69
1. Local government effectively uses SEZ to improve the local economy	0.78		
2. Local government is responsive to the needs of the residents in SEZ project	0.88		
<i>Perceived political power (PP)</i>		0.77	0.63

1. Personal influence in planning and development of SEZ	0.71		
2. Opportunities to participate in planning and development of SEZ	0.88		
<i>Trust in government (TG)</i>		0.74	0.59
1. Trust in decisions made by local government	0.77		
2. Trust in local government officials	0.77		
<i>SEZ Project Support (PS)</i>		0.87	0.78
1. I support Tak SEZ	0.87		
2. I support the current local government in Tak SEZ management	0.90		

The measurement model was further evaluated for its reliability and validity. The reliability of measurement models should also be assessed by the composite reliability and average variance extracted (AVE) of each construct. Values of composite reliability and AVE should be 0.70 or greater and 0.50 or greater, respectively. In addition, an indicator is considered to be reliable if its loading score is at least 0.50 or above (Bagozzi and Yi, 2012). As indicated in Table 3, the composite reliability and AVE scores for each construct were above the recommended threshold of 0.70 and 0.50, respectively. Also, the loading scores of each indicator were well beyond the recommended value of 0.50. These results suggested that the measurement model was reliable.

After assessing the overall model, each of the constructs is evaluated separately by examining the completely standardized loading, error variance, the construct reliability and variance extracted, as shown in Table 3. The *t*-value associated with each of the completely standardized loading exceeds the critical value (2.58) at $p < 0.0$ significance level and the construct reliability of all six constructs (0.85, 0.87, 0.81, 0.77, 0.74, and 0.87) exceeds the recommended level of 0.70. After assessing the structural model, the results showed that both the structural and the measurement models had been identified. Hence, the entire model is identified.

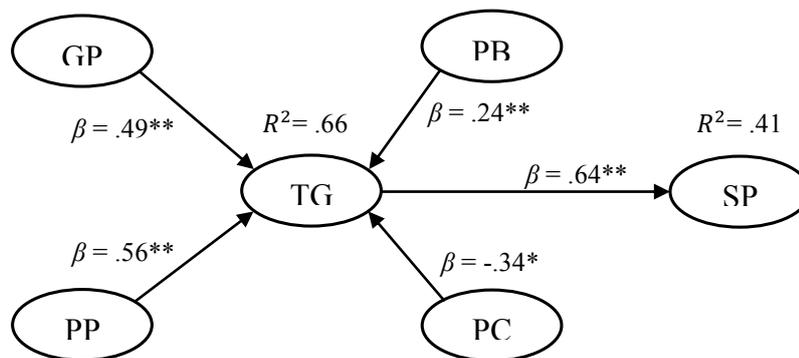
Results of Hypotheses Testing

This study tested a model that predicted residents' perceived benefits, costs, government performance and political power for SEZ project development with trust in government and political support. H1, which proposed a direct positive relationship between the perceived benefits of Tak SEZ project and residents' trust in government actors, and H2, which proposed a direct negative relationship between the perceived costs of SEZ project and residents' trust in government actors, were both supported ($\beta = .24, t = 2.53$; $\beta = -.34, t = -2.56$). H3, which postulated a direct positive relationship between residents' perceptions of the performance of government actors and their trust in government actors, was also supported ($\beta = .49, t = 3.79$). Moreover, H4, which proposed a direct positive relationship between residents' perceptions of their level of political power and their trust in government actors, was supported ($\beta = .56, t = 5.49$). These results are consistent with the ITPT, which suggested that residents who perceived that they had a strong influence in decision-making were more likely to trust the government.

Moreover, the results provided support for H5, which proposed a direct positive relationship between residents' trust in government and their support for the SEZ project ($\beta = .64, t = 10.87$). This finding is consistent with the study of Nunkoo and Smith (2013). The results also suggest that Tak residents who trust local government are convinced that officials will act in the interests of the community, prompting them to support and select the same candidate again when elections come. Therefore, from a theoretical perspective, these results

provide support for SET and ITPT, as it suggested that the model explained 66% of the variance in trust in government and 41% in political support in the specific context of transport infrastructure development.

The direct positive relationship between residents' perceived benefits and trust in government indicates that local residents believe that SEZ project will create employment opportunities, generate economic benefits for local people and business, and attract more investment in their community. On the contrary, the direct negative relationship between residents' perceived costs and trust in government indicates that local residents believe that SEZ project will create environmental pollution, landloss and higher crime rate. On the other hand, a direct positive relationship between residents' perceptions of the performance of government actors suggests that local residents believe that government uses SEZ effectively to improve the local economy and is very responsive to the needs of the residents. Furthermore, the direct positive relationship between residents' perceptions of their level of political power and their trust in government actors suggests that the local residents believe that they have personal influence and opportunities to participate in the planning and development of SEZ. Lastly, the direct positive relationship between residents' trust in government and their support for SEZ project indicates that the local residents support the current government and are willing to support it in the future as long as the government has their trust.



Fit indices: $\chi^2(103) = 169.55$, $p = 0.000$, GFI = 0.95, RMSEA = 0.040, AGFI = 0.93, NFI = 0.96, NNFI or TLI = 0.98, PNFI = 0.73, CFI = 0.98, IFI = 0.98, RFI = 0.95

Notes:

χ^2 = Chi-square; * $p < .01$; ** $p < .001$

Figure 2 The Tested Structural Equation Model with β Coefficients and R^2 Values.

CONCLUSION AND RECOMMENDATIONS

This study tested residents' perceived impacts and the support model based on two different theories: SET and ITPT. All of the study's findings reinforce the results of previous research. The study also provides new theoretical perspectives on the determinants of residents' perceived benefits, costs, government performance and political power in Tak SEZ, with trust in government actors and SEZ policy support. The study found SET and ITPT to be highly relevant because the level of perceived benefits and perceived costs were found to be significant predictors of trust in government actors. However, at the moment, Tak SEZ project is in its early stages. Hence, it is possible that the local residents have yet to realise the true benefits and costs of Tak SEZ. To sum up, this research demonstrates that the perception of benefits, costs, government performance and political power are important determinants of trust in government and political support within the development context.

The study clearly shows that residents' trust in government actors and their level of political support are complex issues that are determined by several factors. A single theory is unlikely to provide a comprehensive understanding of residents' trust and political support for the Tak SEZ project. Based on the results of this research, future researchers are urged to avoid using a single theoretical perspective when investigating public trust and support for local development and planning. Adopting more than one theoretical perspective in such studies is likely to provide a broader and deeper analysis of findings, prevent premature acceptance of plausible explanations, increase confidence in developing concepts or constructs in theory development, and reduce potential biases in and improve the credibility of research findings.

While the findings suggest trust is a key ingredient of a democratic and sustainable development, more rigorous testing of the model is required with different samples. In addition, researchers should further identify and examine other factors that may influence local residents trust in government and political support in the SEZ project context, such as government competency, openness and transparency, bureaucratic politics and political ideology. The integration of these constructs into the model might help researchers and practitioners further grasp the factors that influence local residents support for SEZ projects.

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