

# Trust in Contemporary Society

*Edited by*

Masamichi Sasaki



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# The Experience of Trust: Its Content and Basis

*Jack Barbalet*

## 1 Introduction

The idea that trust is a perennial and core concern within social relations between persons is supported in commentaries by the frequently quoted statement, first published in 1900, that ‘Without the general trust that people have in each other, society itself would disintegrate’ (Simmel 1978: 178–79). The context of this statement is a discussion of the relationship between persons and a particular social artifact, namely money. Simmel’s proposition claims that the social effectiveness of money cannot be based on ‘rational proof or personal observation’ but rather must be founded on ‘trust’. Indeed, at the time of Simmel’s writing the term ‘trust’ typically referred to a form of corporate governance, as when property is held in trust, and the relationship indicated by Simmel would have been better translated as ‘confidence’ rather than ‘trust’. Indeed, to draw on sources such as Simmel – who was writing at the turn of the twentieth century – masks the fact that social science research interest in trust is relatively recent, beginning in the late 1970s.

This last proposition is supported by the findings of a Google Scholar search for the term ‘trust’ by decade from 1900, which reveals that up to 1950 the scholarly literature on trust predominantly refers not to interpersonal relations of support and cooperation, as the term is widely understood today, but rather to corporate trusts and anti-trust legislative measures. This pattern begins to change, however, from the 1950s through to the 1970s when a different understanding of trust emerges in the scholarly literature through the publications of social psychologists interested in interpersonal trust (Rotter 1967) and pursuing such themes as trust and suspicion (Deutsch 1958), trust and surveillance (Strickland 1958), trust and the F-scale (Deutsch 1960), and so on, reflecting the concerns and dispositions of the post-World War II period. During the following decade, 1970–80, management researchers began to turn their attention to trust. A landmark text of this literature is Zand (1972), whose focus on ‘Trust and Managerial Problem Solving’ raised problems that continue to occupy the management literature. It is only by the 1980s that trust becomes established as a theme firmly located in sociological research, encouraged by Luhmann’s (1979) essay and Barber’s (1983) short monograph, and marked by the revisions

presented by Lewis and Weigert (1985) among others. From this time a number of key sociological monographs on trust began to appear, the most notable including Misztal (1996), Seligman (1997), Sztompka (1999) and Möllering (2006).

In addition to the relative recentness of sociological interest in trust is the growing intensity of that interest. Scholarly and research outputs on trust have increased at expanding rates from 1900 to the present time. This is partly a result of the increase in the numbers of disciplines that have turned to treating the problem of trust as they conceive it. Up until the 1950s economists and legal researchers were practically alone in their interest in corporate trusts, and during the 1950s and 1960s psychologists began to turn their attention to interpersonal trust, as noted above, joined by management researchers in the 1970s and researchers in both of these disciplines were joined in their respective publications on social trust by sociologists from the 1980s. But the growth in the rate of English-language publications on trust reflects not only expanding disciplinary interests but growing research activity within all of these disciplines, but especially in business studies and sociology. The figures in Table 1.1 reveal a notable growth in publications on trust from the decade beginning in 1960 and a quantum leap from 1990. The data in this table is less important than the trend it reveals.

TABLE 1.1 Number of items published in English with the word 'trust' in the title, by decade

Decade	Number of items
1900–1909	13,700
1910–1919	15,400
1920–1929	15,800
1930–1939	19,100
1940–1949	20,100
1950–1959	22,600
1960–1969	46,500
1970–1979	136,000
1980–1989	306,000
1990–1999	1,460,000
2000–2009	2,030,000

SOURCE: GOOGLE SCHOLAR, ACCESSED 4TH FEBRUARY 2019

The growing research on and publications about interpersonal or social trust suggested here is not simply an observation regarding shifts in scholarly tastes. The growing attention given to trust over recent years is evidence of change in the social base of knowledge that promotes an interest in trust as a phenomenon requiring investigation. Indeed, a consideration of the social basis of an apprehension of trust by present-day social scientists can contribute to an understanding of the concept of trust itself. It is implicit in some discussion that trust becomes of interest or concern only under certain conditions, as when it is held that the function of trust is to reduce social complexity (Möllering 2001: 409–10), the latter being an historically emergent property of social systems. While different theorists draw upon distinctive vocabularies there is arguably a convergence of ideas which suggest that in late modernity trust becomes important for the maintenance of social order by preserving the viability of social relationships. It will be shown below that in late modernity a set of experiences arise that are expressed through a vocabulary of trust.

This is not the only strand of a basis for the growing interest in the notion of trust in social science literatures. The idea that trust, regarded sociologically, 'is an integrative mechanism that creates and sustains solidarity in social relationships and systems' means that it is 'a public good' (Barber 1983: 21), means that it is a 'property of *collective* units' (Lewis and Weigert 1985: 968; emphasis in original), an idea supported by the easy assimilation of the notion of trust into theories of social capital (Fukuyama 1995; Ostrom and Ahn 2003). But even then trust necessarily remains the property of (non-isolated) individuals who engage in trust relations. Trust operates in terms of dispositions, beliefs or cognitions and feelings or affects and emotions, and these are always properties of individual persons. A person who trusts avoids isolation in the sense that trust is necessarily extended from one person to another. But trust, unlike status or social norms and similar phenomena, cannot be defined in terms of third-party involvement, facilitation or enforcement. Trust relations are always essentially dyadic, between two individuals, even if one of those 'individuals' is a collective entity in the form of an institution, such as money or the government, or an organized body such as a profession. In all of these and similar cases the trust-giver him- or her-self is always an individual person.

The aspect of trust indicated here, then, resonates with emergent social conditions which are reflected in a number of recent developments. In broad terms, a growing research focus on trust coincides with the emergence and rise of rational choice theory, in which individual preference is treated as an independent variable (Coleman 1990; Goldthorpe 2000). It also coincides, more substantively, with a decline in institutional participation and commitment that arguably renders social life increasingly personalized, privatized and

individualized (Putnam 2000; McPherson et al. 2006). These trends converge with another, commonly known as neo-liberalism. Trust, then, as a means through which individuals connect with others, is methodologically, epistemologically and ideologically convergent with these other trends of late-modern social life and ideational formations. In spite of the insistence that trust must be conceived as a 'property of collective units', as reported above, the concept of trust refers to relations in which an individual, through their decision to trust, is the pivot and anchor of the implied connection. Only persons as individual actors can provide or reciprocate trust, or be the objects of trust.

## 2 What Trust Is

Those who give trust and those who receive trust are necessarily persons. The following section will consider the relation between trust and 'artificial persons', namely collective entities of various sorts. If we accept that trust givers and receivers are persons, then a characterization of trust requires a statement of the properties of trust as they relate to the actions of persons as individuals. For it to have any significance trust must make a difference to the actor's orientation and to the outcome of the action undertaken through an engagement of trust. To say that someone trusts someone else means one of two things and frequently both of these things together. First, for a person to trust another person means that that person believes or feels that the person they trust is reliable, that their needs or interests will be not contravened but in some way satisfied by the other person. This is more than an expectation of benign intent and typically includes a sense that dependence on the other's capacities or actions will not lead to a loss for the trustor, either through the other's incompetence or incapacity or through their pursuit of self-interest at the expense of the trust-giver: indeed, an engagement of trust implies that trust will yield some benefit to the giver and possibly the recipient of trust. Internal to this proposition, as noted here, is the idea that trust is a belief or a feeling. In the literature there is some discussion about whether it is belief or emotion that is operative in trust (Möllering 2001; Shapiro 2012). The point being made here, though, is that when belief or feelings about the other's intentions are indicated it is because there can be no certainty about those intentions. Trust is based on something other than, and less certain or solid than knowledge, namely a belief or a feeling. This connects with the idea that trust is always based on a certain type of expectation; trust, then, is by its nature future orientated. Trust is not simply a belief or feeling about another person but a belief or feeling about what that person is likely to do in the future.



What has been said so far is fundamental in understanding trust. It is generally stated that trust entails a belief or feeling about the reliability of another, so that in depending on another through trust one expects not to be subject to incompetent support or betrayal. It is possible, indeed likely, that a trusted person has been reliable in the past. But trust is necessary in a continuing (or new) relationship because the trusting person wishes to rely on the other at some future time, and only the future will tell whether the trust will (continue to) be honoured. The reliance of one person on another, implicit in the provision of trust, is always in terms of entering some type of prospective or future engagement with the other, some type of relationship in which cooperation between the trustor and the trusted is underscored by the vulnerability of the trust giver, which is an element of all relations of trust as a consequence of the trusting person's dependence in some way on the other in the absence of a known future outcome. This future related orientation is the second necessary element of trust.

If trust facilitates relations between persons then an absence of trust, on the basis of the above account, would lead to an inference that in the absence of trust relationships and cooperation might not occur. Indeed, implicit in this idea is the more positive supposition that given the prevalence of social relations it can be assumed that trust is self-enforcing and that the provision of trust in relations between persons leads to the generation of trust in others. An implication of the passage quoted from Simmel at the beginning of this chapter is that the fact that there are relationships in society may be taken as evidence of the supportive role of trust for social being. In a landmark discussion the argument concerning the self-enforcing nature of trust is presented in terms of the embeddness of trust in social relations (Granovetter 1985). Granovetter (1985: 487–93) argues that through repeated exchanges participants in social relations acquire information about each other so that should opportunistic behavior occur it would be exposed, thus generating in others prosocial conduct through a fear of acquiring a reputation for unreliability or untrustworthiness with consequent loss of future opportunities to engage in relations with others. In this way trust arises out of socially embedded relations and those relations are in turn encouraged by trust. While Granovetter's argument has been cited in subsequent studies of trust its limitations are not typically explored. Granovetter (1985: 491) makes the obvious point himself:

... networks of social relations penetrate irregularly and in differing degrees in different sectors of economic life, thus allowing for what we already know: distrust, opportunism, and disorder are by no means absent ... [and] while social relations may indeed often be a necessary condition

for trust and trustworthy behavior, they are not sufficient to guarantee these and may even provide occasion and means for malfeasance and conflict on a scale larger than in their absence.

The acknowledgement here, that while social relations may be a necessary condition for trust they are not sufficient to guarantee trust and may indeed be a source of malfeasance, encourages critical reflection on the type of argument offered by Granovetter (1985) that underpins a great deal of subsequent research on and discussion of trust in social science literature.

The prospect that trust may be the source of malfeasance is the foundation of an entire criminal industry, namely that of the con-artist (Goffman 1952; Frankel 2012). The basis of this industry can be easily stated. It is nicely summarized in a cartoon that readers may know in which a prosecutor asks the defendant: 'How could you swindle those good people who trusted you?' The defendant responds with what for our purposes is an important axiom: 'You can't swindle people who don't trust you.' But even in the more agreeable world of everyday interactions not only is trust in itself more precarious that is assumed in the literature mentioned above, but the inhibitions on the betrayal of trust, that have been suggested are internal to social relationships, in fact have little reliability. There are a number of reasons why this is so but two in particular can be mentioned here.

The provision of trust, like all investments, not only contains an element of risk but also a sense of commitment. In giving trust there is an implicit commitment to the relationship in question and the other participant or participants in that relationship. As with commitments in general the commitment inherent in trust relations includes a loyalty to the other and to the connection with them. This is seldom discussed in the relevant literature but it is important to appreciate that in making a commitment to the other, which is part of the experience of trust, the potential for cognitive distortion and misinterpretation of relational information is higher than would otherwise be the case. One who is committed to a trust relation really *wants* it to work and perception of any signals that it may not be working are frequently misread in favour of an optimistic interpretation of information that those outside the relationship would more likely regard with caution. The outcome of this pattern of over-estimation of the reliance of the trusted partner is that trust relations are less vulnerable to disruption by betrayal than Granovetter's argument would suggest. But this is not the only reason why trust is an unreliable basis for the security of social relations.

The arguments of Granovetter and others tell us that broken trust will lead to an interruption in the social relations in which the betrayed and the betrayer

are implicated. This follows from the idea that those relations are formed through or are in other ways dependent on trust. What this perspective fails to recognize, however, is that social relations are compelling irrespective of any other consideration through the practical interdependencies that they generate. Indeed, social relationships have a gravity of their own; they frequently contain an irresistible element and generate sanctions against defection or departure, even in the face of a failure of trust. Once entered into relationships have a tendency to 'lock in' their participants, irrespective of whether there is trust between them. Granovetter makes much of the argument that failure to respect trust in networks of social relations would lead to disclosure and that this inhibits betrayals of trust. But an experience of a betrayal of trust within an existing relationship is itself unlikely to lead to exposure of the betrayer. Broken trust not only reveals the limitations of the trusted betrayer but also limitations in the judgement of the trust giver; and it is always likely that this fact will inhibit public declaration of betrayal of trust. Much more significantly, though, is that any given relationship in most settings will have unavoidable elements that can and probably must continue even in the face of a betrayal of trust. The betrayal of trust in many instances will therefore not disrupt the affected relationship. A betrayed trust giver may continue to rely upon the trust betrayer in a number of ways. What characterizes these situations is not necessarily a disruption of a relationship but a new sense of the other, no longer trusted and regarded now with distaste, and a personal sense of injury. This is a shift of the consequences of betrayed trust to a plane of social reality distinctively different from the actual disruption of relations supposed by Granovetter.

In revising our understanding of the consequences of broken trust it is possible to propose a revised notion of trust, different from the statement concerning the nature of trust that we began this section with.

### 3 Varieties of 'Trust'

The characterization outlined in the preceding section of the paper does not exhaust the qualities that can be attributed to trust. It does, though, offer some basis on which to distinguish between trust and social phenomena that have frequently been taken as particular forms or variants of trust but which might better be characterized in terms of a different terminology, as will be indicated below. There is in the social science literature many instances of the model of interpersonal trust, more or less as indicated above, that is taken to be a variant form of trust correlative to what is described as 'generalized' or 'pervasive social trust'. These latter might simply be described, rather, as broad attitudes

of acceptance of social and especially political institutions. This is not to say that a person may not have trust in a collective entity; it is entirely meaningful to say that a person trusts the bank with which they have a mortgage. But this is more than a feeling that the bank is 'legitimate' or that they feel confident that the bank can perform its functions. The trust in the bank that a mortgagee might experience relates to a direct relationship with a bank predicated on the bank's actions in an effective engagement with the particular person who experiences a sense of trust in this context. As we shall see, the notion of generalized trust is something less than trust as indicated here and outlined above; in fact it is a different type of relationship than that covered by the term 'trust' as it is more consistently understood.

The issues underlying the concerns indicated here can be explored by considering notions such as 'trust in abstract systems' (Giddens 1990: 83–8) or 'system trust' (Luhmann 1979: 22, 88–9), trust as a 'prerequisite of order' (Miztal 1996: 26–32) and similar notions indicating an orientation of acceptance regarding social and political organizations and also various types of knowledge or information systems. This preparedness of sociologists to connect individuals to institutions through trust in this manner follows a political science tradition in which citizens are asked questions in surveys concerning their trust in government and associated institutions of state. While often methodologically sophisticated this literature is marked by a lack of conceptual clarity, with frequent confusion between 'trust' and 'confidence' in both the survey instrument and the title of publications (e.g., Cook and Gronke 2005). Research in this tradition typically finds that the association between social trust and political trust is at best weak (Nannestad 2008; Zmerli and Newton 2008), which in light of an underlying assumption of not only social capital theory (Fukuyama 1995) but also social exchange theory (Blau 1964) and network analysis (Buskens 2002), that trust begets trust, is suggestive of dissimilarity between these concepts.

Whether citizens would be prepared to say that they trust their government will be largely dependent not only on perceptions of the legitimacy or rightness of political rule, but more directly on the government's performance in the provision of economic wellbeing, social welfare, or some other good that might result from practices or policies of the institution in question. That there is 'trust' on the part of citizens in this situation must derive from a different sense of the term than the one outlined in the preceding section of this paper; rather than focused on the substance of an interactive relationship between the trust giver and the trusted, in the context indicated here 'trust' refers to a more procedural concern related to the behaviour or standing of the institution in question irrespective of direct interaction with it. In the history of

political philosophy this comes close to the Lockean conceptualization of the relationship between a government and those governed by it as one of 'trusteeship' (Locke 1963: 348–50). But in spite of the terminological similarity the relationships of trusteeship are formal, unlike those of trust, because they refer to the sustainability and effectiveness of (implicit) contract. The relations of trust are never formal in this sense but derive instead from the disposition of the trust-giver.

The difference between trust as it is understood in the previous section and the 'system trust' of political subjects is clear in the different relation each has to action. If it is to be meaningful, the possession of a sense of trust will make a difference to how a person behaves or acts. In the broad understanding of interpersonal trust, by giving trust to another an actor feels that they are able to engage in an activity that they would otherwise not participate in. In this sense trust is one form of access to enabling relationships, and even though the trust giver is dependent in such relationships, the dependency is accepted in order to actively achieve or create an outcome. Trust in this sense, then, includes a requisite disposition for action. 'System trust', on the other hand, and the implicit contract it assumes, provokes the action of individuals not in its operation but in its failure, when it breaks down. In Locke's classic account trusteeship does not require action; rather, it is a breach in trusteeship that calls for action. A properly functioning trustee acts for those subject to it and a trustee's incompetence, corruption or collapse justifies – indeed requires – the remedial action of those who had relied upon it (Locke 1963: 459–62).

Consideration of whether professionals might be trusted, described by Giddens (1990: 83–8) as the 'faceless commitments' that characterize 'trust in abstract systems', typically concerns beliefs about the adequacy of a knowledge base or its application, because these are the grounds on which professionals instruct lay persons about their best interests and how satisfaction of those interests might be achieved. A key element of such situations is the fiduciary obligation that putatively attaches to expertise as a societal norm (Barber 1983: 14–7). The obverse of such an obligation, on the part of those who receive professional services, is confidence that it will be honoured. But if such confidence were betrayed it is not the judgment of the confidence-giver that is brought into doubt, as would be the case if this were an instance of trust, as we shall see in a moment, but rather the competence or rectitude of the professional provider. Generalized 'trust' in professionals and other purveyors of abstract systems is another form of (implicit) contract in which there is an assumed or ascribed trusteeship. If the knowledge base of such systems were more diffuse and their services were provided by a third-party, such as the state or an insurer, then the language of the market rather than of trust would be

more readily seen to apply. In that case, reference to market confidence, which is entirely appropriate to these circumstances, would not lead to any assumptions concerning a necessary continuity of 'confidence' with 'trust'. Trust may assume confidence, but confidence does not imply trust.

In everyday usage the terms 'trust' and 'confidence' are frequently interchanged. Nevertheless, the differences between these terms can be meaningfully identified. Confidence is not the same as trust, not because of a difference in the degree of certainty attached to each (Misztal 1996: 16), but because of a difference of attribution between them (Luhmann 1990: 97). Confidence relates to contingent events whereas trust relates to the subject's own engagements. Confidence is a feeling or belief about a state of affairs or an event and in that sense pertains to facts or things that actually happen. In this sense confidence is extensive insofar as it primarily refers to something independent of the self that experiences it. Trust, on the other hand, rather than being extensive is intensive insofar as it primarily relates to the person's commitment to a behavioural or agential disposition. For instance, my mistaken confidence about the likelihood of rain is a judgement concerning the weather; my mistaken trust, on the other hand, reflects on my judgement about another. While the other may be responsible for actually breaking a trust, they could only have done so because *I trusted them* and what they did or failed to do in the relationship of trust ultimately reflects my internal and mistaken assessment of their qualities or capacities. It is possible, nevertheless, to say that 'trust implies confidence' (Rose-Ackerman 2001: 526; see also Giddens 1990: 34) because trust is given to another who has independence of action; trust in another provides no control over them; I give my trust to another (an intensive state) because I am confident about what they might do (an extensive consideration). The frequent confusion between trust and confidence, then, understandably arises from the interplay between them in the direct experience of the provision of trust.

An additional use of the term 'trust' that similarly fails to include much of the substance of trust, as previously specified, is the idea of trust as a sense of personal reliance and security between persons, typically rooted in family experience, although possibly extending to those who, as Locke says, 'have some Acquaintance and Friendship together' (Locke 1963: 383). This is 'trust' as the basis of what Giddens (1990: 92–100) calls 'ontological security'. It is of interest that Charles Horton Cooley (1964), writing at approximately the same time that Simmel wrote the passage with which this chapter began, classically indicates that such a sense of security results from experience in primary groups; but he finds no reason to describe the phenomenon he refers to as trust and fails to use the term at all in this context preferring instead the notion of 'sympathy' (but see Barber 1983: 26–44). The idea that 'trust' meaningfully indicates

the reliability of others in familial associations refers to an aspect of relationships that is more completely described in triadic rather than dyadic terms. The obligatory nature of both kin and marital relations not only goes beyond the voluntary basis of trust as it is properly understood but draws upon third-party facilitations that are commonplace not only in intergenerational but also conjugal family relations, involving adult siblings, in-laws and others. The increasing use of the term 'trust' in the context of familial and intimate relationships indicates the degree to which these have been affected by individualizing forces derived both from the marketization of social life and by neo-liberal state policies and practices.

#### 4 Where Trust Is Absent: Chinese *Guanxi*

The discussion so far has addressed formulations concerning the currency of trust. There are, though, cultural situations in which the concept of trust fails to resonate with the actual relations between persons. This is particularly so in the case of China and a typically Chinese mode of relationship known as *guanxi*. By way of brief introduction, it is important to notice that in Chinese culture malfeasance tends to be dealt with by attempts to return the relations between disputants to a situation of harmony rather than by attempting to correct wrongs with rights. In these circumstances courtesy is more important than verisimilitude, and not telling the truth is not necessarily regarded as lying (Blum 2007). An underlying requirement of trust relations, on the other hand, is strict truthfulness, the absence of which can be readily taken as evidence of untrustworthiness. A significant difference between Chinese culture on the one hand and West European and American cultures on the other is the different understandings and evaluations of strict truthfulness as a result of the hierarchical nature of social relations and the determination of social obligation through role requirements in China and the cultural significance of horizontal equivalence between persons in Europe and America. It is of particular interest that the majority of social science discussions of *guanxi* insist that it operates in terms of trust between *guanxi* participants. This can be taken as further evidence of the distorting consequences of the overwhelming dominance of the 'trust discourse' in the social sciences today.

Exchanges of gifts and the resulting obligations that give rise to favours are a fundamental element of traditional Chinese culture that continues to be significant in mainland China and Chinese cultural areas. This pattern of practices is systematized in *guanxi* as a form of asymmetrical exchange of favours between persons on the basis of enduring sentimental ties in which

enhancement of public reputation or 'face' is the aspirational outcome (Lin 2001; Qi 2011, 2013). A feature of the discussion of *guanxi* in the social science literature is the assumption that *guanxi* is a trust-based relation, in contradistinction to relations founded on more formal instruments of interaction and exchange, such as legal contract (Boisot and Child 1996; Lovett, Simmons, and Kali 1999; Tong and Yong 1998; Tsang 1998; Yeung and Tung 1996). Trust is not only regarded as the basis of *guanxi* relations in the relevant literature but these relations are also held to generate trust (Lee and Dawes 2005; Smart 1993). A generally agreed feature of trust, though, is that it is given by one person to another as a matter of individual choice and that compulsion has no role in trusting another (Luhmann 1979: 41) and therefore that it is 'not possible to demand the trust of others' (Luhmann 1979: 43). In Chinese society, on the other hand, and in *guanxi* relations in particular, close personal monitoring, pervasive hierarchy-based dependence and role obligation together mean that trust, as it is normally understood, is simply not possible. In addition, the invasiveness of official powers and the high incidence of corruption, among other things, produce low levels of social trust in China. Personal trust in business communities is also low given the prevalence of family involvement in business, which means that non-family members tend to be regarded with suspicion (Ermisch and Gambetta 2010; Whyte 1996: 3–4). Particular book-keeping practices, including the provision of inaccurate reporting of transactions to business partners (Kao 1996: 66; Wank 1999: 73 note 4), also lead to the absence of trust in business communities.

Rather than 'trust' the effective bond between *guanxi* participants is what might be described as 'sincerity', 'integrity', 'credibility', 'reputation' or possibly 'trustworthiness', captured by the Chinese term *xinyong* (Tong and Yong 1998: 85). Indicators of reliability are displayed through habituated behaviour which expresses role obligation through signals of probity and they are achieved through repeated and close contact and other bases of familiarity designed to reassure the other of the dependability of the person entering a *guanxi* exchange or continuing in a *guanxi* relationship. Trustworthiness, as distinct from trust (Hardin 1993: 512–13; Hardin 1996), is here premised on a social perception of reliability expressed as reputation or face. The distinction between trust and trustworthiness is frequently ignored, and while confusion between the two is almost a constant in discussion of both trust and *guanxi* it is in the study of *guanxi* that the importance of the distinction becomes especially clear. It was mentioned above that successful *guanxi* exchanges enhance the standing or reputation of the participants, that is to say, in their practice of *guanxi* participants gain face (*mianzi*) (Ho 1976; Hwang 1987; Qi 2014: 143–64).



Face and reputation stand as proxies for reliability or 'trustworthiness' in *guanxi* relations.

A point to notice in this brief account is that reputation, and especially its regulatory mechanism in face, do not operate in terms of dyadic relations, as with trust, but in triadic relations in which reputation and therefore 'trustworthiness' is a function of the public visibility or third-party judgements of performance of expectations regarding *guanxi* decorum and adherence to *guanxi* norms (Barbalet 2014: 63–4). This aspect of *guanxi* assurance is frequently noted in the literature. In his discussion of relations within the business community in a Taiwanese city DeGlopper (1995: 205–06) indicates that the 'firm's most valuable asset is *hsin-yung* [*xinyong*] ... a reputation for meeting one's obligations'. The achievement of this reputational trustworthiness, he goes on to say, is in the fact that '[a]ll transactions take place before an audience or chorus of *nei-hang-ren* [fellow businessmen], who continually observe and comment on each other's doings' (DeGlopper 1995: 206). That *guanxi* exchanges necessarily involve third-party observation through which the currency of reputation is maintained and sanctions against possible defection from agreements are executed indicates a triadic form quite unlike the structure of trust relations (Barbalet 2014). Assurance in *guanxi* relations therefore derives not from interpersonal trust but from public or third-party scrutiny in which successful adherence to the norms and expectations of participation leads to enhancement of reputation or the gaining of face, and defection or incompetence in maintaining the decorum or norms of *guanxi* leads to loss of reputation or loss of face. Knowledge of adherence to these norms derives from mutual surveillance and close monitoring.

While the assurance mechanism of *guanxi* is triadic, in the actual formation of a *guanxi* relation participants relate to each other in dyadic form, often disclosing personal information as evidence of sincerity. It is possible that these practices of self-disclosure may be seen to be similar to those that are regarded by some writers as generative of what has been called 'swift trust' (Meyerson, Weick, and Kramer 1996; Robert, Dennis, and Hung 2009) and 'fast trust' (Blomqvist 2005; Perks and Halliday 2003). In the present case, however, the notion of trust – swift, fast or otherwise – as a basis of *guanxi* cooperation is misplaced. This is because the intimate bonding practices of *guanxi*, while convivial, also possess an underlying coercive element that is the obverse of trust. This latter factor is not pernicious, as in blackmail, but only because the covert potential threat is mutual rather than asymmetrical. These bonding practices are close to those of 'sworn brotherhood' (*jiebai xiongdi*), entailing not only secrecy but self-interest dressed as group loyalty. The basis of

cooperation in these cases, then, is not conceivably based on trust but is in fact its opposite.

The absence of trust in Chinese *guanxi* and Chinese social relations in general is largely a consequence of the continuing significance of intergenerational obligation in Chinese family life and social structure (Qi 2015, 2018; Yeh et al. 2013; Whyte 1997). In Europe, on the other hand, by the ninth century extended kinship structures ceased to underlie economic, social and legal forms and relations, and non-kin cooperation and impersonal exchanges were supported by developments that reinforced a generalized morality and a formalized infrastructure of enacted codes and regulations (Greif and Tabellini 2010). By the sixteenth century in England these developments were more or less completed (Stone 1975). In China, on the other hand, kinship solidarity and clan structure were the primary source of public goods, including education, welfare and public safety; economic and civic cooperation was sustained by family obligation and reputation (Hamilton 1990). Dispute resolution did not enforce an abstract morality or legal framework, as in Europe, but arbitrated compromise. Rather than an interdependence of ascriptive relations based on role obligation, persons in Western societies experience themselves as autonomous and independent from others, constrained only by the rules and requirements of the institutions that provide the basis of social being in the absence of socially determinative inter-generational kin relations.

## 5 Institutions and Trust

A conclusion to be drawn from the preceding discussion is that the framework in which trust operates as a meaningful category is a developed institutional structure characteristic of European and American economic, legal and familial refinement, but absent in China. Institutions permit trust between otherwise independent and autonomous persons because they provide sets of general rules and norms which support a number of qualities that encourage a sense of collective belonging (Offe 1999: 70–6), and at the same time and just as importantly provide third-party sanctions against defection from trust and compensation or protection for those whose vulnerability is exploited by untrustworthy compatriots, in the form of legally-based guarantees or means of compensation in the event of a failure of trust. West European and American individuals can feel that they might trust another, then, because they are supported by institutions that provide a sense of common belonging through rules and norms as well as sanctions and insurance enforced by third-party mechanisms and organizations, so that while trust always involves some risk it

is not reckless to risk trust when supporting institutions operate that provide respite to trustors.

This argument supports the proposition that while the notion of trust is out of place in consideration of Chinese social relationships it is central for understanding West European and American social relationships. This is because the persistence of kinship based norms and intergenerational family obligation in China means that the preconditions for trust, namely that it is prior to obligation and based on an unimpeded choice to trust or not to trust, are not available although they are defining of the social conditions that characterize Western European and American social life. In these latter, then, persons are independent of each other and also commonly subordinate to universalistic rule-governed and normatively-prescriptive institutions. The institutional framework through which trust is possible is typically not addressed in the literature on trust, but the normative orientations implicit in institutions and the sanctions and other functional supports of trust relations, including the instruments of legal protection that reduces the consequences of risk for trust-givers, have been present in varying degrees since the late-eighteenth century with the rise of liberal democratic polities. The broad institutional argument itself, then, does not explain the recent social science interest in trust which is taken here to reflect the historical newness of trust discourse in everyday experience and in social science exploration of that experience.

In a classic account Polanyi (2001) shows how customary society is subverted through the emergence and development of national markets. As he describes it, in customary society persons are inter-dependent members of kin-based collectives. The extension of market prerogatives in this context undermines customary society by ultimately constituting persons as self-sufficient and independent entities. The political corollary of this development is a state sovereignty which relates to individual persons as citizens defined by their political rights and freedoms. These dual processes of market and political individuation converge in constituting the experience of self as essentially isolated from other selves. In these circumstances, then, cooperation is necessarily based on relations of trust between persons who otherwise have no foundation for the formation of relationships or obligation to others.

It is necessary to schematically distinguish two distinct phases of this process. In the first phase the emergent self is not only independent but regarded by participants and observers alike as rational in being both proprietors of their own capacities and able managers of their own interests. The sense of rationality here, and the effectiveness of (calculative) consciousness as its mechanism, requires that persons have a sense of being able to exert some influence on the processes to which they are subjected. This is possible because in this phase

of development the scale of organizations in society is both effective and not overwhelming for persons. Cooperation between individuals based on trust relations at this time is perceived by participants to derive from conscious calibration of interests and is experienced in consciousness as secondary to those interests and simply a means of realizing them. In a second phase of the historical development of institutionalized society, however, while experience of self as an independent being continues the sense of possessing a capacity to exert an influence on market and state administrative processes is diminished and becomes remote so that there is a qualified reconceptualization of the notion of the self. The self in this phase is orientated not only to consciously managing external forces but is significantly experienced as an arena in which the psychic processes of individual being require self-management (see Barbalet 2001: 172–74). Trust as self-awareness is now experienced as belief and feeling; it emerges in these circumstances as a primary focus of interpersonal relations and consequently becomes an object of social science enquiry.

## 6 Conclusion

The growth of the social science interest in trust coincides with what was described at the beginning of this chapter as 'late modernity'. This is not the place to survey the literature on late modernity, but two of its features can be readily identified, namely its being global in its reach and comprising a public that 'shatters into a multitude of fragments' (Berman 1982: 17). These two elements, conjoined and complimentary, are widely regarded as forming the constitution of late modernity (Bauman 2000; Beck and Beck-Gensheim 2002; Giddens 1990). Their relevance here is that such developments are experienced by individuals as increased insecurity that leads to a sense that trust is necessary for social life even though it is perceived as precarious in itself. The salience of trust as a substance of experience is heightened in these circumstances and social science research interest in it follows the experiential concerns of persons as they navigate their relations with strangers in order to achieve future benefits. The effectiveness of trust, however, in realizing opportunities in social relations is largely over-estimated when only the sense of the importance of trust on the part of lay participants is the basis of research. This arises when the specific institutional context which supports the possibility of trust relations is not part of the framework of analysis. In these circumstances the fact that trust, as a social phenomenon, is a reactive attitude to late modernity and its precarious institutional maturity rather than a means of providing a basis to relational efficiency is incompletely understood in the literature that claims trust as its object.

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