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The Moral Foundations of Trust

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Trust and the Good Life

Sally Forth, office worker: "I can't believe you actually took Yolanda's chair, Ralph."
Ralph, office manager: "Come on Sally. She's overseas for six months. She doesn't need it. Besides, is it my fault she was so trusting as to leave her door open?"
Sally: "Although I notice your door has a double bolt."
Ralph: "Well, I know what kind of element I'm dealing with here."
– From the comic strip *Sally Forth*[1]

Trust is the chicken soup of social life. It brings us all sorts of good things, from a willingness to get involved in our communities to higher rates of economic growth and, ultimately, to satisfaction with government performance (Putnam 1993, 1995a; Fukayama 1995; Knack and Keefer 1997), to making daily life more pleasant. Yet, like chicken soup, it appears to work somewhat mysteriously. It might seem that we can only develop trust in people we know. Yet, trust's benefits come when we put faith in strangers.

Trusting strangers means accepting them into our "moral community." Strangers may look different from us, they may have different ideologies or religions. But we believe that there is an underlying commonality of values. So it is not quite so risky to place faith in others. If we share a common fate, it is unlikely that these strangers will try to exploit our positive attitudes. The perception of common underlying values makes it easier to cooperate with strangers (cf. Putnam 1993, 171). Trust isn't the only route to cooperation (Levi 1999, 14), but

[1] From the comic strip *Sally Forth*, *Washington Post* (September 1, 1998), D19.

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agreements based upon trust may be more lasting and don't have to be renegotiated at every step. When we trust other people, we *expect* that they will fulfill their promises, either because we know that they have usually done so in the past (Gambetta 1988, 217; Hardin 1992) or because we believe that we shall fare better if we presume that others are trustworthy (Baier 1986, 234; Pagden 1988, 130; cf. Chapter 2 in the present volume). Either way, when we trust other people, we don't have to face every opportunity to cooperate as a new decision.

When we perceive a shared fate with others, we reach out to them in other ways. We feel bad when those we trust have difficulties not of their own making. So people who trust others will seek to better the lives of those who have less, either by favoring government programs to redress grievances or, even more critically, by giving of their own time and money.

Presuming that strangers are trustworthy can't be based on evidence. So it must have a different foundation, and I maintain that it is a moral foundation (cf. Mansbridge 1999). Trust in other people is based upon a fundamental ethical assumption: that other people share your fundamental values. They don't necessarily agree with you politically or religiously. But at some fundamental level, people accept the argument that they have common bonds that make cooperation vital. And these common bonds rest upon assumptions about human nature. The world is a beneficent place composed of people who are well-intentioned (and thus trustworthy). As good as the world is, things are going to get even better and we can make it so (see Chapters 2 and 4). We have obligations to one another.

This moral foundation of trust means that we must do more than simply cooperate with others we know are trustworthy. We must have positive views of strangers, of people who are different from ourselves and *presume that they are trustworthy*. Our commitment to others means that we should be involved in good works in our communities, especially giving to charities and volunteering our time. We are all in this together, trusters say, and thus it is morally wrong if some people have advantages that others don't (see Chapter 7).

It also means that trust is not a cure-all. The moralistic foundation of trust connects us to people who are different from ourselves, not to people we already know or folks just like ourselves. So there is little reason to believe that people who join organizations made up of people with similar interests and backgrounds will be more trusting than stay-at-homes. There is even less reason to expect that trust will lead us to

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take part in conflictual activities such as political action. We have pictures of trusters as people who are joiners (Rosenberg 1956; Lane 1959; Putnam 2000). In a few instances this is true, but mostly it is not. Trust solves bigger problems than getting people to hang out with people like themselves. It connects us to people with whom we *don't* hang out. And that is why it helps us to solve larger problems, such as helping those who have less, both in the private and public spheres, and in getting government to work better.

If we believe that we are connected to people who are different from ourselves and have a moral responsibility for their fate, we see that trust is a fundamentally egalitarian ideal. When we take others' moral claims seriously, we are treating them as our equals. A belief in hierarchy is inimical to moralistic trust. A culture of trust depends upon the idea that things will get better for those who have less and that it is in our power to make the world better (see Chapter 2). While trust in others does not depend heavily upon our individual experiences, it does reflect our collective experiences, especially on the linkage between our sense of optimism and the distribution of wealth in a society. As countries become more equal, they become more trusting (see Chapter 8). As the income gap has increased in the United States, Americans have become less trusting (see Chapter 5).

This is a very different view of trust than the dominant one in the literature. Most discussions of trust focus on instrumental or strategic reasons why one should trust another. If you kept your promises in the past, I should trust you. If you have not, I should not trust you. Trust, on this account, is an estimation of the probability that you will keep your promises, that you are trustworthy (Gambetta 1988, 217; Hardin 1992, 163, 170; see also the discussion in Chapter 2). Yes, we talk of trusting specific people based upon our experience. But there is another side of trust as well that is not based upon experience and this is faith in strangers, the belief that "most people can be trusted" even though we can never know more than a handful of the strangers around us. And this faith in others is what I mean by the "moral foundations of trust."

CHALLENGING CONVENTIONAL WISDOM

My task in this book is to unravel the mysteries of trust – to show *how* trust matters and *where* it matters. My perspective on trust is different, though not unique (see Baier 1986; Pagden 1988; Fukayama 1995; A. Seligman 1997; and Mansbridge 1999). The moral foundations of trust

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argument takes aim at some key assumptions that others have made about trust. I begin with a survey of the arguments I shall challenge and my responses to them.

The conventional wisdom is that we trust other people because we know a lot about them. Instead, I argue that we can and do trust strangers. Indeed, the "standard" trust question ("most people can be trusted") really is about trusting people we don't know (see Chapter 3). There are different types of trust. Putting faith in strangers is moralistic trust. Having confidence in people you know is strategic trust. The latter depends upon our experiences, the former does not. Trust in strangers is largely based upon an optimistic view of the world and a sense that we can make it better. Our personal experiences – including how well-off we are – have minimal effects on whether we trust strangers (see Chapters 2 and 4). Sometimes we have to discount negative information in order to maintain trust.

The conventional wisdom argues that trust is fragile, easily broken when people let us down. Instead, I argue that trust is an enduring value that doesn't change much over time (see Chapter 3). Trust isn't static. But when it does change, it reflects big events in society, "collective experiences," rather than events in our personal lives (cf. Rothstein in press).

The war in Vietnam made people less trusting and the civil rights movement increased interpersonal trust in the United States (see Chapter 6). Even more critically, people are more likely to trust each other when they feel common bonds with each other. As the level of economic inequality increases, these bonds are increasingly frayed and trust in others declines (see Chapters 6 and 8).

Trust is a hot topic in the social sciences these days and much of the renewed attention comes from its purported role in getting people involved in their communities. The conventional wisdom holds that trusting people are more likely to join civic groups and have more social connections than people who don't trust others (Stolle 1998a, 1998b, 1999a). Even more critically, people learn to trust one another by interacting with them in civic groups (Tocqueville 1945; Putnam 1995a, 2000; Brehm and Rahn 1997). Trust, group membership, and cooperation thus form a "virtuous circle."

Once more, this view of trust is mistaken. It stems from two key mistakes as well as some issues of methodology. The first mistake is that *civic engagement can create trust*. By the time we get involved in either formal civic groups or even most of our adult socializing, our funda-

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mental world view has been largely set. We learn about trust from our parents, early in life (see Chapter 4). Even then, we hardly spend enough time in groups to change anything as important as our moral compass (Newton 1997, 579).

Second, when we socialize with friends or attend group meetings of civic associations, *we congregate with people like ourselves*. We don't expand the scope of our moral community. We might learn to trust our fellow club members more (Stolle 1998b), but we are merely reinforcing *particularized* trust (in our own kind) rather than *generalized* trust, the idea that "most people can be trusted" (see Chapters 2, 3, and 5). There is simply no way to get from trust in people you know to trust in people you don't know. And I use more elaborate – and more complete – statistical models to make my case (see Chapter 5). Bowling leagues and choral societies are wonderful ways to have fun and socialize with friends. Having friends over for dinner is one of the best ways I know to spend an evening. Yet none of these activities creates trust with people who are different from yourself. Because most of our social connections revolve around people like ourselves, both organized and informal social life are ill-suited to generate faith in strangers (see Chapter 7). There are exceptions, among them giving to charity and volunteering time. These activities represent stronger commitments to your community's welfare than joining groups. Such good deeds generate trust, but even more they depend upon it.

We need to be clear about when trust matters and when it doesn't. Misanthropes have social lives, too. Perhaps we should not be surprised that a moral value such as trust would be important for the routines of our daily lives. And you might even insulate yourself against people who are different. Congregating with your own kind thus might destroy moralistic trust and instead build in-group, or particularized, trust (see Chapters 2, 3, and 4).

If there is no evidence that most forms of civic engagement can create trust, then the decline in group membership can neither be the cause nor the effect of the decline in trust. Falling civic engagement in either the social or the political realm does not explain falling levels of trust in the country as a whole. Declining trust is also not responsible for trends in civic involvement. The decline in trust does *not* track membership in civic groups in the United States. Some groups with diverse memberships, which are thus capable of generating trust, actually saw increases in membership. And countries that are highly participatory are not necessarily more trusting (see Chapters 6 and 8).

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of the people in power and the institutions of government, as well as whether they agree with the policies of the incumbent regime. Confidence in government is based upon your experiences. Trust in other people is not. And this should hardly be surprising. Politics is inherently polarizing. It is about choosing sides and, ideally, also about selecting one ideology over another (Schattschneider 1960).

Interpersonal trust, volunteering, giving to charity, tolerance, and solving collective action problems is about bringing people together – and solving problems collectively – what Jewish tradition calls *tikkun olam*, or healing the world (see Chapter 5). Trust in government and faith in other people are both essential to democratic life, but their roots are very different and often hostile to one another (Warren 1996). Given this tension, it is perhaps reassuring that trends in political participation in the United States are virtually uncorrelated with trust in people (see Chapter 7) and that cross-national variations in political participation also have no relationship to faith in strangers (see Chapter 8).

Annie Oakley in *Annie, Get Your Gun* sings: "You can't get a man with a gun."[4] She was wrong: She got her man and kept her gun. But her general point was well-taken: You can't generate moral sentiments through the strong arm of the law. Countries with effective legal systems or well-functioning bureaucracies aren't more likely to have trusting citizenries. Neither civil liberties nor democratic regimes are sufficient (when appropriate controls are used) to induce trust. Democratic countries *are* more trusting, but this is largely because they depend upon cultural foundations (individualism, Protestantism, egalitarianism) that are conducive to faith in strangers.

Good government doesn't generate trust. But trust in others helps make governments work better. Congress was more productive when the American public was more trusting (Chapter 7). More trusting countries (without a legacy of Communist rule) are less corrupt, have better judicial systems, less red tape in bureaucracies, greater government spending (especially on education) as a percentage of gross domestic product, more redistribution of wealth from the rich to the poor, and more open economies (see Chapter 8). Trust is more the cause than the effect of good government, perhaps because trusting people are more likely to

[4] Annie Oakley was a famed sharpshooter, living in the United States in the 19th century. For a brief biography, see http://www.cowgirls.com/dream/cowgals/oakley.htm. The Broadway musical, *Annie, Get Your Gun*, is based upon Annie Oakley's life.

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endorse strong standards of moral behavior (such as not purchasing stolen property). Indeed, as trust has fallen, the crime rate in the United States has increased (see Chapter 7).

THE WAYS OF TRUST

Generalized trust is a feature of modern society; in older times, we rarely ventured beyond our village and even then had a very small circle of acquaintances (Lewis and Weigert 1985, 973; Earle and Cvetkovich 1995, 10–13). Strangers in one's midst were likely to be enemies (Seligman 1997, 36–7). Societies were also highly stratified. Each economic group had its place and social relations were based on fixed role expectations. People in the lower strata did what they were told to do. There was thus no room for trust to develop across broad sectors in a society (Seligman 1997, 36–7) while trusting outsiders seemed fraught with danger. As people began to live in larger communities, they increasingly came into contact with people who were different from themselves. They established trading relationships with people from afar that enabled their economies to prosper (Ostrom 1998, 2).

As feudal relationships broke up, social relations became more egalitarian. Lord Bryce saw social equality as the key to understanding why Americans were more trusting and generous than Europeans. Bryce (1916, 873–4) observed:

> People meet on a simple and natural footing, with more frankness and ease than is possible in countries where every one is either looking up or looking down. . . . This naturalness . . . enlarges the circle of possible friendships. . . . It expands the range of a man's sympathies, and makes it easier for him to enter into the sentiments of other classes than his own. It gives a sense of solidarity to the whole nation, cutting away the ground for the jealousies and grudges which distract people.

This new egalitarianism fostered social trust (Putnam 1993, 174; see Chapters 6 and 8). We know many more people: at work and in voluntary organizations, though we know few of them very well (Newton 1997, 578–9). While we may bemoan the loss of "thick" relationships, these "weaker" ties give us the opportunity to interact with people different from ourselves (Granovetter 1973; Wuthnow 1998). People willing to take the risk of dealing with a wide range of other people may reap the rewards of solving larger-scale collective action problems (including the gains from trade).

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The early discussions of trust (Rosenberg 1956; Lane 1959) painted a portrait of trusters as ideal citizens – people who tolerate those who are different from themselves, who feel good about themselves, and who take an active role in their communities. These early pictures are, with a few notable exceptions (see Chapter 7), remarkably accurate. Trust doesn't cure all of the ills of society, but it can help us solve collective action problems. It leads to "better" government (LaPorta et al. 1998) and a legislature where members are willing to defer to another's expertise and where members accept the decision rules as binding (Uslaner 1993 and Chapter 5 in the present volume). It leads people to take an active role in good deeds in their communities, including giving to charity and volunteering.

Trust is in shorter supply than it used to be – by quite a bit. And the decline in trust has consequences: Charitable contributions as a percentage of gross national product and the volunteering rate for the Red Cross are both down, and these declines closely track the fall in trust. As Americans are less likely to have faith in each other, they seem to be cocooning themselves into smaller, more homogeneous communities and worrying that people who are different from themselves (minority groups, gays, immigrants) are gaining special advantages over the majority. During boom times, we believed that an expanding pie would solve the problems of poverty and discrimination. With economic inequality growing, Americans have begun to look inward, as they have done whenever people felt economically insecure. Foreigners, minorities, and immigrants are increasingly seen as outsiders and threats to the majority's well-being as both isolationism and fundamentalism take center stage. Generalized trust gives way to particularized trust, where we only have faith in our own kind (see Chapter 5).

People who trust others have an inclusive view of their society. They are tolerant and welcoming of people different from themselves and want to expand opportunities for those who are less fortunate. They also welcome involvement of the United States in the world and favor opening markets to free trade (see Chapters 6 and 8). Particularized trusters take the opposite viewpoint: Too many groups are fighting for their own advantage. There is a common identity, but it is *my identity*. It is not a melting pot. And, as the share of generalized trusters drops, the claims that others are getting unfair advantages become more shrill.

While life in a trusting society is pleasant, life in a country where a majority distrusts other people is highly contentious. Where mistrust

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runs rampant, daily life can be a struggle to survive (Banfield 1958; Perlez 1996). Most societies are not torn apart by mistrust. But when close to two-thirds of Americans believe that "you can't be too careful in dealing with people," it should hardly be surprising that many key issues that confront the polity are more difficult to resolve.

THE PATH AHEAD

Demonstrating these claims is the path ahead. I support most of my claims through analyzing public opinion surveys in the United States. Because my claims are so broad, there is no single survey – or even set of polls – that provides the data I need. So I shall examine a wide range of surveys (see Chapter 3 for details). I shall also examine trends over time, sometimes by aggregating survey results (as in Figure 1-1) and at other times using time-series data for the United States derived from other sources.

This is primarily (from Chapter 2 to Chapter 7) a study of trust in the United States. But the theoretical framework is rather general and there are larger issues, such as whether institutional structures can generate trust, that cannot be discussed within a single-country study. Thus, I look beyond the United States to examine trust in comparative perspective (in Chapter 8) using aggregate data from a variety of sources, including the World Values Surveys that contain information for a large number of countries on both trust and optimism (among other variables).

There are diverse audiences for this argument. Some folks want to see all of the evidence, others find statistics tedious at best. So, taking Solomon's advice a bit too seriously, I have "split the baby in half." The statistical results are in tables, figures, footnotes, and appendices. I have tried to make the text as clear and jargon-free as possible, while still describing what I have found in my data analysis. There will be too little discussion of data for some, still too much for others.

I lay out the theoretical foundation for the study, distinguishing between moral (or generalized) trust from both strategic (knowledge-based) and particularized trust in Chapter 2. Then I demonstrate that interpersonal trust really *is* faith in strangers in Chapter 3 and also show there that trust is a rather stable value. Over the course of panel surveys (where the same respondents are interviewed at different points in time), interpersonal trust is among the *most* stable questions asked: not quite as consistent as party identification, but more so than abortion attitudes.

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I also take up some measurement issues in Chapter 3, including discussing the surveys I shall examine and arguing that the simple measure of trust is superior for my purposes than the more widely used "misanthropy" scale (Rosenberg 1956; Brehm and Rahn 1997).

Then I move to test the theoretical framework I set out in Chapter 2. In Chapter 4 I show that trust reflects an optimistic view of the world and the belief that you can control your own fate. And trust does *not* generally depend upon your life experiences, including your wealth, your marital status, and a variety of other factors. Only race and education are consistent demographic predictors of interpersonal trust. In Chapter 5 I show that joining civic groups or partaking in social activities does *not* generally either depend upon trust or produce trust. Volunteering and giving to charity are notable exceptions. The morally rich get morally richer. And I also show that the relationship between trust in government and trust in people is largely ephemeral.

Next I show what has shaped changes in trust, at both the individual and aggregate level in Chapter 6. Opposition to the Vietnam War made people less trusting of others in the 1970s, my analysis of panel surveys shows, while support for civil rights helped build trust in strangers. At the aggregate level, increasing economic inequality and greater pessimism led Americans to become less trusting over time. And, of course, as economic inequality grew, so did pessimism. One generation defied the general trend: Early Baby Boomers, who became more trusting and more optimistic as they fared relatively well economically, with fewer people being very rich or very poor than the cohorts before or after them. On the other hand, most Americans became less trusting, even of their own groups. Growing inequality tore apart many different social fabrics and made American political and social life more combative.

Then I turn to the consequences of trust in Chapter 7. Generalized trusters are more tolerant of people who are different from themselves. They favor government policies that redress inequalities and don't feel threatened by immigrants or free trade. They also see society as having a common culture and oppose proposals that would isolate one ethnic community from another. As trust has declined, however, American society has become more contentious, making it harder to enact major legislation, leading to less volunteering and a smaller share of our national wealth going to charities.

Finally, I look at the relationship between government and social trust (Chapter 8). As I noted above, trust in government is not strongly related to trust in people. What shapes support for one is *not* what generates

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met. If you live in a rural area along the Maryland-Delaware border, you are likely to know many (maybe even most of your neighbors) and you can determine whether most of them are trustworthy. But they are not the primary patrons of a fruit stand on the road to the beach. Big-city folks – strangers – have been the customers whenever I stopped there and there is no way that the owner can have any knowledge of their characters.[2] The fruit stand owner might just as well shut down his wooden shack.

The fruit merchant demonstrated faith in others *without expecting anything specifi c in return* This type of trust in strangers is an essential foundation of a civil society. I call it "moralistic trust." This is trust in people whom we don't know and who are likely to be different from ourselves. We can't base trust in strangers on their trustworthiness, because there is no way for us to know whether they *are* honorable. Instead, we must presume that other people are honorable.[3] We believe that others share our fundamental moral values. Moralistic trust provides the rationale for getting involved with other people and working toward compromises.

A week and a half after our 1996 stop at the fruit stand, I left a cooler to guard a parking space at the beach. When I arrived with the car, the space was still there, but the cooler was gone. My wife turned to me and said, "You believe too much in what you write about. You trust people too much." We don't give others the benefit of the doubt because trust "pays" better than mistrust. I saved at most a dollar or two by buying

[2] Jane Mansbridge (personal communication) suggests that the fruit store owner might simply be a rational actor seeking to make the best use of his time. He might have put out a basket or two of fruit initially to free him from having to tend his stand. When he found that people paid for the fruit, rather than stealing it, he would then incrementally increase the amount of fruit in the stand as his experiences proved "fruitful." This is an alternative account, but it did not square with my discussion with this particular fruit stand owner. On the relationship between trust and community size, Putnam (2000, 138) argues that data from the 1972–96 General Social Survey (GSS) and the DDB Needham Life Style surveys show that people from big cities are less trusting than are folks from small towns, but this relationship vanishes when I analyze the GSS data separately by race. Then, for whites, there are no statistically significant differences by size of community. In the 1972 American National Election Study, people born in rural areas are *substantially* (by more than 10 percent) less likely to trust others, to say that you should be cautious in dealing with strangers, and to have negative views toward out-groups (such as customers shopping at your fruit stand).

[3] Hardin (2000, 10) argues that claims about the moral foundations of trust are really misplaced claims about trustworthiness rather than about trust. But if moralistic trust is based upon *presumptions* of trustworthiness, rather than actual evidence, then either Hardin is wrong or the debate is beside the point.

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fruit from the "trusting vendor" rather than under the watchful eye of a salesperson at a stand down the road. My trusting behavior in leaving the cooler on the road cost me $15. Was this a bad deal? Would I have been better off not being so trusting? In the short run, yes. But in the long run, no. I no longer leave coolers in parking places. Yet my overall faith in others remains unshaken.

Should the fruit stand owner trust people he will never meet? Should my own faith in humanity have been revised in light of this bad experience? Conventional accounts of trust would answer "no" to the first question and "yes" to the second. In this chapter I shall show why this view of trust is incomplete. I offer an alternative view of trust as a moral value that reflects an optimistic worldview and helps us explain why people reach out to others in their communities who may be different from (and less fortunate than) themselves. How others treat you is less important than your general worldview in shaping moral trust.

The "standard" account of trust, what Yamigishi and Yamigishi (1994) call "knowledge-based trust," presumes that trust depends on information and experience. Offe (1999) states that "trust in persons results from past experience with concrete persons." Hardin (2000, 10) is even more emphatic: "My trust of you must be grounded in expectations that are particular to you, not merely in generalized expectations." On this account, the question of trust is strategic and not at all moral (Hardin 2000, 76, 97).

Consider two people who will join us in this chapter: Bill and Jane. If Jane trusts Bill to keep his word and if Bill trusts Jane to keep her word, they can reach an agreement to cooperate and thus make each other better off. Even without some external enforcement mechanism (such as an arbitrator, the police, or the courts), they will keep to their agreements.

If Jane and Bill did not know each other, they would have no basis for trusting each other. Moreover, a single encounter will not suffice to develop trust. Jane and Bill have to interact over time to develop reputations for keeping their word. And, even when they get to know each other better, their mutual trust will be limited to what they know about each other. Jane and Bill may feel comfortable loaning each other $20. They know from experience that each will pay the other back. But Bill won't trust Jane to paint his house and Jane will not trust Bill to repair her roof since neither has any knowledge of the other's talents in this area (Coleman 1990, 109; Hardin 1992, 154; Misztal 1996, 121 ff.).

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The decision to trust another person is essentially *strategic*. Strategic (or knowledge-based) trust presupposes risk (Misztal 1996, 18; Seligman, 1997, 63). Jane is at risk if she does not know whether Bill will pay her back. And she is at risk if she knows that Bill intends to default on the loan. As Dasgupta (1988, 53) argues: "The problem of trust would . . . not arise if we were all hopelessly moral, always doing what we said we would do in the circumstances in which we said we would do it." Trust helps us solve collective action problems by reducing transaction costs – the price of gaining the requisite information that Bill and Jane need to place confidence in each other (Putnam 1993, 172; Offe 1996, 27). It is a recipe for telling us *when* we can tell whether other people are trustworthy (Luhmann 1979, 43).[4]

This account of trust is incomplete. First, it seems a bit strange to talk of trust *as an alternative to moral reasoning*. Second, it is not at all clear why strategic trust should be of interest to anyone other than game theorists, who are interested in why people cooperate in different strategic situations, and philosophers, who make their living parsing the intricacies of daily interactions. Most critically, there is a wide range of trusting behavior that simply doesn't fall under traditional conceptions of strategic trust.

Unlike strategic trust, moralistic trust is not primarily based upon personal experiences. The fruit store owner could not have any experience with his customers, yet he put his faith in them. Even though people would occasionally take his fruit without paying, he remained a trusting person. I did not lose faith in humanity when someone took my cooler and someone else broke into my house. Both incidents were disturbing, but it would make little sense to judge *most people* on the basis of a few actions, particularly when they are of minor consequence.[5] Moralistic trust is not about having faith in particular people or even groups of people. It is a general outlook on human nature and *mostly* does not depend upon personal experiences or upon the assumption that others are trustworthy, as strategic trust does (Hardin 2000, 14, 174). Instead,

[4] The term "strategic trust" is mine. Most of the people I cite would like find the terminology congenial. Hardin (1992, 163) emphatically holds that "there is little sense in the claim of some that trust is a more or less consciously chosen policy." Trust based on experience can be strategic even if we do not make a deliberate choice to trust on specific occasions.

[5] Brehm and Rahn (1997, 1012–13) in the GSS find that experiencing a burglary in the past year makes people less trusting. Stolle (1998a) reports that being betrayed by someone also makes you less trusting. But my models in Chapter 4 are different and find little impact for such personal experiences.

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moralistic trust is a commandment to treat people *as if* they were trustworthy. It is a paraphrasing of the Golden Rule (or Kant's "categorical imperative"), which can easily be seen to demand trust (cf. Baron 1998, 411).[6]

Moralistic trust is the belief that others share your fundamental moral values and therefore should be treated as you would wish to be treated by them. The values they share may vary from person to person. What matters is a sense of connection with others because you see them as members of your community whose interests must be taken seriously. Other people need not share your views on policy issues or even your ideology. They may have different religious beliefs. Yet, despite these differences, we see deeper similarities. Fukayama (1995, 153) states the central idea behind moralistic trust: "Trust arises when a community shares a set of moral values in such a way as to create regular expectations of regular and honest behavior." When others share our basic premises, we face fewer risks when we seek agreement on collective action problems.

Placing trust in others does *not* require agreement on specific issues or even philosophies. Instead, it is a statement of toleration of differing ideas because each side sees something that binds it to the other. Seeing others as part of your moral community may mean very different things in some societies than in others. We can't say that it requires agreement on, say, the Ten Commandments, because moralistic trust does not *logically* depend upon a Judeo-Christian culture (although empirically it seems once again to do so, as I show in Chapter 8). We can't say that moralistic trust depends upon democracy, becauses this type of trust *does not logically depend upon democratic governance* (although empirically it seems once again to do so, as I show in Chapter 8).

Rather, moralistic trust is based upon "some sort of belief in the goodwill of the other" (cf. Yamigishi and Yamigishi 1994, 131; Seligman 1997, 43). We believe that others will not try to take advantage of us (Silver 1989, 276).[7] Moralistic trust is not a prediction of how others

[6] Hardin (1998a, 13–14) sees strategic trust as knowledge, rather than action. Moralistic trust, in contrast, must also take action into account. What sense would it make to say that we need only *think about* doing unto others as they do unto us?

[7] The original trust-in-people scale designed by Rosenberg (1956; cf. Brehm and Rahn, 1997) included a question of whether people were basically fair or would try to take advantage of them. The two ideas are related in the General Social Survey (tau-b = .421, gamma = .763), though they are clearly not the same thing. Almost 20 percent more people say that "most people are fair" (61.5 percent) than agree that "most people can be trusted" (42.5 percent). People who think that others will try to take advantage of

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will behave. Even if other people turn out not to be trustworthy, moral values require *you* to behave *as if they could be trusted.*

It is easier to specify what moralistic trust *is not*: the mistrust that characterizes some societies marked by strong class, ethnic, or racial divisions. Such conflicts lead to strongly polarized societies, where people do *not* see common interests with other groups. In such societies, people are likely to begin with the premise that members of out-groups are *not* trustworthy. And personal experience may be a very good guide to such expectations.

A history of poverty with little likelihood of any improvement led to social distrust in the Italian village of Montegrano that Edward Banfield (1958, 110) described in the 1950s: "Any advantage that may be given to another is necessarily at the expense of one's own family. Therefore, one cannot afford the luxury of charity, which is giving others more than their due, or even justice, which is giving them their due."

Montegrano is a mean world, where daily life is "brutal and senseless" (Banfield 1958, 109), much like Hobbes's "nasty, brutish, and short" existence. All who stand outside the immediate family are "potential enemies," battling for the meager bounty that nature has provided. People seek to protect themselves from the "threat of calamity" (Banfield 1958, 110).[8] Yet, Montegrano is the extreme case. It is hardly unique: One can think of many other cases, such as contemporary Bosnia or for minority groups in the American inner cities, who have long faced dire economic circumstances. In most cases, however, the evidence about the trustworthiness of others is not so overwhelming as to deter people from putting faith in others.

There is a lurking suspicion that trust has ethical roots, even among some who hold that trust is essentially strategic. Putnam (1993, 170)

them are almost certain (83.8 percent) to distrust others. But agreeing that most people are fair is no guarantee, and not the same as saying that most people can be trusted: Only 59 percent of people who say that people are fair trust others.

[8] Forty years after Banfield wrote about Montegrano, Jane Perlez (1996, A3), *a New York Times* reporter, uncovered Old Tropoje, Albania, where "[w]eapons . . . are valued as much as human life" and "unchecked violence . . . is combined with extreme poverty." Families fight blood feuds with each other, seeking revenge for age-old conflicts. People design their houses as military fortresses. Perlez adds: "The Communist-era hospital has been looted so often that robberies have subsided because there is nothing left to steal. International aid agencies are too frightened to come to help. Many families make do with one chicken a week made into broth and served with a plank of hard cornbread. There is no industry and only families who have men abroad . . . can make ends meet."

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of trust rather strange. It has neither a direct nor an indirect object. But ordinary language usage supports my distinction between the two types of trust: We *do* speak of "trusting people" generally, much as the grammar of moralistic trust would lead us to expect.

Moralistic and strategic trust play different roles in resolving collective action problems. Beyond the range of trust – whether we place confidence in selected persons for specific purposes or people in general – the two types of trust have different foundations. There is no single definition of strategic trust. Yet, there is a common thread: Strategic trust is an expectation that Bill's behavior will meet Jane's expectations at least on one specific task. Bill could let Jane down, but he won't (Dasgupta 1988, 51; Misztal 1996, 24). Strategic trust is a prediction about another person's behavior (Hardin 1992).[11] Prescriptions about how you ought to behave depend upon the fulfillment of your trust. If Bill proves trustworthy (in a particular circumstance), Jane should reciprocate. But this dictate is merely strategic: Jane will be better off if she trusts Bill in turn. The claim has no moral force (Levi 1998, 81).

Strategic trust can help overcome the temptation to simply walk away from a deal. You can't be sure that your roofing contractor is honest or competent, so you check his references as best you can and rely upon this information in your decision to let him do the job. You really don't want to – or can't – do the job yourself. When you make inquiries about a contractor, you focus on his qualifications for *this job*. You don't inquire about his personal life (would it bother you if he were divorced and didn't pay child support?) or about his expertise in other areas (would it bother you if he flunked high school algebra?).

Strategic trust is not predicated upon a negative view of the world, but rather upon uncertainty. Levi (1997, 3) argues: "The opposite of trust is not distrust; it is the lack of trust" (cf. Hardin 1992, 154; Offe 1999). Strategic trust is all about reducing transaction costs by gaining additional information, be it positive or negative. But moralistic trust must have positive feelings at one pole and negative ones at the other. It would be strange to have a moral code with good juxtaposed against undecided. So we either trust most people or we distrust them.

[11] Not all who discuss strategic trust agree. Luhmann (1979, 88) and Offe (1999), following him, distinguish between confidence (which they see as a prediction) and trust, which both leave undefined but imply is somewhat more ephemeral than a simple calculation. Cf. Luhmann's (1979, 32) statement that "[t]rust rests on illusion."

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Strategic trust reflects our expectations about how people *will* behave. Otherwise there is no deal. Moralistic trust is a statement about how people *should* behave. *People ought to trust each other.* The Golden Rule does *not* demand that you do unto others as they do unto you. Instead, you do unto others *as you would have them* do unto you. The Eighth Commandment is *not* "Thou shalt not steal unless somebody takes something from you." Nor does it state "Thou shalt not steal from Bill."

Moral dictates are absolutes (usually with some exceptions in extreme circumstances). Adam Seligman (1997, 47) makes a telling distinction: "the unconditionality of trust is first and foremost an unconditionality in respect to alter's response. . . . Were the trusting act to be dependent (i.e., conditional) upon the play of reciprocity (or rational expectation of such), it would not be an act of trust at all but an act predicated on [one's expectations of how others will behave]" (cf. Mansbridge 1999).

Moralistic trust is predicated upon a view that the world is a benevolent place with good people (cf. Seligman 1997, 47), that things are going to get better, and that you are the master of your own fate. The earliest treatments of interpersonal trust put it at the center of an upbeat worldview (Rosenberg 1956). The moral dictate to treat people as if they were trustworthy cannot persist in a world of pessimists. Only someone with a positive view of human nature and its prospects could treat others as trustworthy on faith. Optimists not only believe that things will get better. They also maintain that *they can make the world better by their own actions* (Rosenberg 1956; Lane 1959, 163–6).

TRUST AND EXPERIENCE

Strategic trust lowers transaction costs by providing concrete information about other players in a collective action dilemma. In experimental games, Jane may worry that Bill will not cooperate with her, so she will observe his initial moves before deciding on her own strategy. In everyday life, Jane may worry that a contractor may try to take advantage of her by doing a shoddy job even though she pays him handsomely. So she seeks out additional information about him from references or consumer affairs bureaus of our local government. She might even ask to see some of his work on other houses. In each case, Jane bases her strategy – cooperate with Bill, hire the contractor, look for someone else, or do the job herself – on her experiences. Once she has gathered the data she

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needs, she has a shortcut to future decision making. She knows whether she can count on Bill to cooperate with her in future games. And she may now have found a reliable contractor who can do other work on her house, and whom she can refer to friends.

Let us not draw this distinction so sharply that we partition the world into strategic and moralistic trusters (but see Yamigishi and Yamigishi 1994, 139; Seligman 1997, 94). All but the most devoted altruists will recall – and employ – the Russian maxim (adopted by President Ronald Reagan in dealing with the Soviets): trust but verify. When dealing with specific people, we use strategic trust. It is hardly contradictory for someone who places great faith in *people* to check out the qualifications and honesty of *specifi c persons*, such as contractors, mechanics, and doctors. Moralistic trust is *not* faith in specific people; rather, it is faith in the "generalized other." On the other hand, people who are *not* generalized trusters can only rely on strategic trust. For them, "trust" means experiences with specific persons.

Strategic trust develops slowly, as people gain knowledge about how others behave. They engage in a Bayesian decision-making process: Bill continuously updates his experiences with Jane each time they meet (Rempel et al. 1985, 96–7; Dasgupta 1988, 51, 64–5; Gambetta 1988, 217). Hardin (1992, 165) argues:

> Suppose . . . that I started life with such a charmed existence that I am now too optimistic about trusting others, so that I often overdo it and get burned. Because I am trusting, I enter into many interactions and I collect data for updating my Bayesian estimates very quickly. My experience soon approaches the aggregate average and I reach an optimal level of trust that pays off well in most of my interactions, more than enough to make up for the occasions when I mistakenly overrate the trustworthiness of another.[12]

Strategic trust is fragile, since new experiences can change one's view of another's trustworthiness (Bok 1978, 26; Hardin 1998a, 21). Trust, Levi (1998, 81) argues, may be "hard to construct and easy to destroy" (cf. Dasgupta 1988, 50).

Moralistic trust is a moral dictate to treat others well, even in the absence of reciprocity. Values are not divorced from experience, but they

[12] Hardin (1992, 154) is emphatic that trust depends upon experience with a particular person in a particular context, but this quotation (see also Hardin [1992, 170]) comes perilously close to an experience-based view of moralistic trust. In Hardin (2000, 145), you must know more than how someone has acted toward you in the past to trust her. You must also know whether she is taking *your interests* into account in her behavior.

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are largely resistant to the ups and downs of daily life. Moralistic trust is thus *not fragile at all, but quite stable over time* (see Chapter 3). It is more difficult to build than to destroy because trust is not so easily transferable from one person to another. Putnam (2000, 21) points to this *generalized reciprocity*, where we do things "without expecting anything specific back . . . in the confident expectation that someone else will do something for me down the road." We can express faith in others even without demanding that someone, sometime will reciprocate, even though we may expect that others will not let us down more generally (Silver 1989, 276–7).[13]

People realize that it is not wise to extrapolate from individual cases to the general. Instead, we either seek some rationalization for our disappointing experience or simply wave it away as irrelevant (cf. Baker 1987, 5; McKnight et al., in press). This reflects the optimistic worldview that underlies moralistic trust. Optimists are not worried that strangers will exploit them. If they take a chance and lose, their upbeat perspective leads them to try again. Setbacks are temporary; the next encounter will be more cooperative (M. Seligman 1991, 4–5).

Optimists are prone to discount bad news and give too much credence to good tidings. Pessimists overemphasize adversity and dismiss upbeat messages. Both groups look at evidence selectively. Their reasoning is a "cognitive 'leap' beyond the expectations that reason and experience alone would warrant" (Lewis and Weigert 1985, 970; cf. Baron 1998, 409, and Mansbridge, 1999). It may be a good thing that moralistic trusters aren't concerned with reciprocity, for they might well make erroneous decisions about who is trustworthy and who is not. Orbell and Dawes (1991, 521, 526) report results from an experimental game showing that trusters are overly optimistic about the motivations of others. They use their own good intentions (rather than life experiences) to extrapolate about whether strangers would cooperate in experimental games.

Moralistic trusters are also significantly more likely than mistrusters to say that other people trust them.[14] People who feel good about them-

[13] The distinction here is between expectation of help and a generalized view of others as having good will. In practice, the distinction is likely to be minimal.

[14] This finding comes from the Pew Research Center for the People and the Press's 1996 Trust and Citizen Engagement Survey in metropolitan Philadelphia. Ninety-seven percent of moralistic trusters said that other people trust them, compared to a still very high eighty-six percent of mistrusters (tau-b = .174, gamma = .627). This result may reflect either reality – perhaps we are more likely to trust people who trust us – or it may also be part of the general syndrome of overinterpretation.

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selves interpret ambiguous events in a positive light, while people who have a poor self-image and who look at life pessimistically interpret the same experiences negatively (Diener, Suh, and Oishi 1997). Since moralistic trusters look at the world with (at least partial) blinders on, it should not be surprising that this type of trust is not at all fragile.

Where does moralistic trust come from? Mostly, though hardly exclusively, from our parents (see Chapters 4 and 5). Our parents are our first moral teachers. Children respect parental authority and they also follow parental guidance as a way of expressing their love (Damon 1988, 51–2). Children are likely to have positive views of themselves if their parents have a strong sense of self-esteem and if they have warm relationships with their parents (Parcel and Menaghan 1993; Smith 1999b). For both children and adults, an upbeat view of yourself is one of the strongest predictors of trust. We develop our disposition to trust or distrust early in life (Erikson 1968, 103), which explains why trust is so stable.[15]

WHOM DO YOU TRUST?

Beyond the distinction between strategic and moralistic trust is a continuum from particularized to generalized trust. Generalized trust is the perception that *most* people are part of your moral community. Its foundation lies in moralistic trust, but it is not the same thing.[16] Generalized trust is a measure of the scope of our community, and it is based upon both morals and our collective experiences. The optimism that underlies generalized trust is not a constant. Sometimes things look good and sometimes they don't. Our values (moralistic trust) don't change readily. But the way we interpret them does reflect some experiences from daily life. And this is what distinguishes generalized from moralistic trust: Generalized trust goes up and down, though it is basically stable. Moralistic trust is a more lasting value.

The difference between generalized and particularized trust is similar to the distinction Putnam (2000, 22) draws between "bonding" and "bridging" social capital. We bond with our friends and people like ourselves. We form bridges with people who are different from ourselves. ***The central idea distinguishing generalized from particularized trust***

[15] Even Hardin (1992, 173) admits that children learn about trust early in life from their parents.

[16] I am indebted to Jane Mansbridge for emphasizing this distinction.

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we know what to expect of them (Silver 1989, 275–6; Misztal 1996, 123). Our connections to family and friends are based upon "thick" trust, which "is generated by intensive, daily contact between people, often of the same tribe, class, or ethnic background. Communities of this kind are generally socially homogenous, isolated, and exclusive, and able to exercise the strict social sanctions necessary to enforce thick trust" (Newton 1997, 578).[21] Thick trust is based upon what Granovetter (1973) calls "strong ties." It is based on staying with the familiar and shunning the uncertain. We trust people we know well. Generalized (or "thin") trust is based upon "weak ties," bonds formed by occasional interactions with people who are different from ourselves.

Thick trust is ubiquitous. The 1990 World Values Survey in the United States and the 1996 Trust and Civic Engagement Survey in metropolitan Philadelphia (conducted by the Pew Center for the People and the Press) report that 97.9 percent and 96.6 percent, respectively, of respondents claim to trust their families.[22] And we are also likely to place great faith in people we interact with regularly and closely. I report the percentages of groups the two surveys examined in Table 2–1.

We place our highest levels of trust in people we interact with most closely and who are most like ourselves: our family and our friends. We also trust people whom we may not know but whom we admire. Respondents to the Pew survey trusted firefighters slightly more than they did their own families.[23] We reserve our highest levels of trust for people who share our values, especially people who go to the same churches we do. Not far behind are people we know well – who belong to the same clubs we do, who work with us, and who live in our neighborhoods. We place less faith in people whom we know only slightly – the folks who work in the stores where we shop – and only a modest amount in strangers –

[21] The concept of thick trust was originally formulated by Williams (1988).

[22] The World Values Study posed these specific questions as a five-category scale ranging from "strongly trust" to "strongly distrust." I collapsed the five categories into a dichotomy with the middle (neither trust nor distrust) as indicating lack of trust.

[23] If we only consider "trust a lot" rather than "trust a lot" *and* "trust some," families outpace firefighters by 86 percent to 79.5 percent. The World Values Survey shows that Americans trust Canadians, whom they are likely to perceive to be much like themselves, about as much as they do American blacks. Canadians rank higher than American Hispanics, who are slightly more trusted than Mexicans, who rank at about the same level as "most people." We are considerably less likely to trust people who either look different from ourselves or live in societies with different forms of government that have traditionally been at odds with our own, for instance the Chinese and the Russians.

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TABLE 2-1. *Whom Do We Trust? Levels of Trust Americans Place in Various Groups*[a]

1990 World Values Study		1996 Trust and Civic Engagement Survey	
Family	97.9	Fire Department	97.8
Americans	73.9	Family	96.6
Canadians	61.4	People at Your Church	95.5
Blacks	60.2[b]	Your Neighbors (Suburbs)	93.1
Hispanics	55.7	People at Your Club	91.9
Mexicans	51.8	People You Work with	89.3
Chinese	44.5	Police	86.0
Russians	41.7	Your Boss	84.6
		Your Neighbors (total)	85.3
		People Who Work Where You Shop	80.8
		Public Schools	79.3
		Television News	75.8
		Your Neighbors (Center City)	73.9
		Daily Newspaper	72.9
		State Government	61.0
		People You Meet on Street	57.0
		Federal Government	54.4
Most People	51.0	Most People	44.3

[a] Percent trusting.
[b] For whites only, 59.2 percent.

people we meet on the street (just 57 percent in the Pew survey). We have considerable confidence in institutions we either admire or know well (firefighters, the police, public schools, and even television news), but less in structures that may change more frequently or seem more remote (local, state, and especially federal governments).

We are predisposed to trust our own kind more than out-groups (Brewer 1979). Messick and Brewer (1983, 27–8; italics in original) review experiments on cooperation and find that "members of an in-group tend to perceive other in-group members in generally favorable terms, particularly as being *trustworthy, honest, and cooperative*." The Maghribi of Northern Africa relied on their extended Jewish clan – and other Jews in the Mediterranean area – to establish a profitable trading network in the twelfth century. Models from evolutionary game theory suggest that favoring people like ourselves is our best strategy (Hamilton 1964, 21; Trivers 1971, 48; Masters 1989, 169).

The more dependent we are on our close associates and kin, the more we think of the world in terms of "we" and "they." We won't trust "most

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people," especially strangers (Pagden 1988, 139). Particularized trust, in contrast to generalized trust, may lead to situations where in-groups pursue policies that harm out-groups, perhaps even exploiting them (Baier 1986, 231–2; Levi 1996). Or it may lead to a civic dead-end, where people participate only with their own kind, neither contributing to nor taking away from trust in the larger society.

The differences between particularized and generalized trusters stem from their view of the world, and what strangers can offer them. Particularized trusters view the outside world as a threatening place, over which they have little control. They may even see conspiracies against them. They are self-centered, fear that the deck is stacked against them, and have authoritarian tendencies; they often have difficult times establishing personal relationships. Most of all, they are pessimistic about the future and their own ability to control it. They thus shy away from close contact with strangers, who may be trying to exploit them. Tocqueville (1945, 98) worried about such disengagement, which stemmed from what he called "individualism": "Individualism . . . disposes each member of the community to sever himself from the mass of his fellows and to draw apart with his family and his friends, so that after he has thus formed a little circle of his own, he willingly leaves society at large to itself."

Particularized trusters (such as "outlaw" bikers and members of hate groups) try to segregate themselves from the outside world. Rituals, symbols, and other signals help members distinguish in-group from out-group members. And these rituals (initiation rites and private parties) and symbols (clothing) separate them from the larger society. They are signals to group members about whom they can trust and whom they should avoid (Wijkstrom 1998, 35).[24]

A high school student in Littleton, Colorado justified membership in cliques after two other students went on a rampage and killed 12 other students and a teacher in 1999. This student explained: "Because the good times in my clique have convinced me that I am an O.K. person, I can take risks and get involved outside my group without worrying – very much – about failure. There will always be my closest circle of friends to fall back on." Sounds good, but the link to outsiders seems more tenuous when we realize that "[e]ach of these groups is as

[24] Some religious groups, such as Chasidic Jews and the "plain people" among the Amish and Mennonites, also wear distinctive clothing that sets them apart from others in society. These groups mostly reserve trust for their own kind and avoid unnecessary contact with the larger society.

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autonomous as any sovereign nation" (Black 1999, A29). Some people (like this young man who wrote so well in an Op-Ed piece in the *New York Times*) might well use their inner circles as bridges to the outside, but others might not. The student himself wrote: "By excluding the outsiders, the members of a clique feel secure, even superior to those they are shutting out" (Black 1999, A29).

It would be easier to monitor trustworthiness if we could simply look at people and determine whether we should trust them. Their appearance would send us a signal that they would not betray us. In a world where knowledge is costly and sometimes scarce, we often find this tactic a useful device to reduce uncertainty.

One fail-safe solution to the problem would be for trusters all to wear outfits with a "T" and mistrusters to wear clothes marked with an "M" (cf. Frank 1988). Clearly this is infeasible. So for good or ill, we are likely to trust people who look and think most like ourselves. People who look like ourselves are most likely to share our values. So beyond people we know from our places of work and worship, we are most likely to trust people from our race, our ethnic group, or our religious denomination, or any other group with which we strongly identify.

Particularized trust offers a solution to the problem of signaling. Maghribis and other Jews did not wear clothing with a "J" (for Jew) or "T" (for trustworthy). But, as a small enough minority group, Jews could identify each other. They believed that others in their in-group were more likely to deal honestly with them, so they could minimize being exploited when trading with people they did not know (Greif 1993). As long as members of an in-group can identify each other, they can limit their interactions to people they expect to be trustworthy.

Using signals such as appearances or ethnic identification may be useful in determining trustworthiness (Bachrach and Gambetta 2000), but only for particularized trusters. Generalized trust, after all, is not based upon trusting specific people, and it does not depend on evidence.

THE WORLD VIEWS OF GENERALIZED AND PARTICULARIZED TRUST

When you feel good about yourself and others, it is easy to have an expansive moral community. *Generalized trusters have positive views*

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toward both their own in-group and out-groups. But they rank their own groups less highly than do particularized trusters. If you believe that things are going to get better – and that you have the capacity to control your life – trusting others isn't so risky. Generalized trusters are happier in their personal lives and believe that they are the masters of their own fate (Rosenberg 1956, 694–5; Lane 1959, 165–6; Brehm and Rahn 1997, 1015). They are tolerant of people who are different from themselves and believe that dealing with strangers opens up opportunities more than it entails risks (Rotter 1980, 6; Sullivan et al. 1981, 155).

When you are optimistic about the future, you can look at encounters with strangers as opportunities to be exploited. Optimists believe that they control their own destinies. Perhaps you can learn something new from the outsider, or maybe exchange goods so that you both become better off. Even if the encounter turns out to be unprofitable, you can minimize any damage by your own actions. For pessimists, a stranger is a competitor for what little you have. She may also represent the sinister forces that control your life (as pessimists believe). Montegranans suspect that outsiders are trying to exploit them. And, given their long-term history, they have reason for such suspicion. But they might also overestimate the likelihood of a bad experience with a stranger, depriving themselves of the opportunities of mutual exchange. Just as some bad experiences are not going to turn optimists into misanthropes, a few happy encounters with strangers will not change long-term pessimists into trusters. Change is possible, but it is likely to occur slowly.

This portrait of generalized and particularized trusters captures their traits well. The 1972 American National Election Study (ANES) contains the largest number of questions on trust, optimism, and control over one's life of any survey. I constructed a measure of particularized trust that I shall discuss in Chapter 3; I use the standard interpersonal trust question to measure generalized trust.[25] The bivariate patterns are clear, and most hold up in a multivariate analysis: Generalized trusters expect that life in the United States will get better in the next five years, find their own lives satisfying, and believe that they have had fair chances

[25] Briefly, the measure is derived from feeling thermometers for blacks, whites, Southerners, Catholics, and Jews. Each respondent is characterized as being part of the in-group or out-group for each demographic group. I then calculated in-group thermometers (adjusted for varying means) and out-group thermometers by averaging in-group and out-group ratings. The measure I employ here is the in-group score minus the out-group score.

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nature. Two years later someone broke into our house when we were in Australia. Yet neither I nor my wife became ill-disposed toward others. Even betrayal by a close friend or a spouse should not change your fundamental worldview. But consistent bad experiences, rarely punctuated by expressions of good will, can readily lead people to mistrust most people. Even then, there must be a presumption of others' ill will and a deeper-seated sense of pessimism. Many poor people don't see the deck stacked against them (see Chapter 4).[29]

Indeed, among African-Americans objective measures of life experience including income and education have rather modest effects on interpersonal trust for blacks.[30] Blacks with high incomes and at least a high school education are about as trusting as lower-income whites who only completed eight years of school. Lower trust among African-Americans reflects years of discrimination and dashed hopes, not individual setbacks. Moralistic trust is not immune from personal experience. They are just not the most important factors shaping our values. I cannot rule out indirect effects of personal experiences on trust, since I have not investigated all of the roots of optimism. While the evidence in Chapter 4 suggests that optimism does not strongly depend upon personal circumstances, it is likely that some of the measures of optimism and control that shape interpersonal trust do depend more heavily on life circumstances.

[29] The simple correlation between the best measure of optimism in the General Social Survey, whether the "lot of the average person is getting worse," and family income is only .129. For African-Americans, the correlation is only .061. The wealthiest group of African-Americans (on the 13-point GSS scale) is *more* pessimistic than the poorest group of whites.

[30] In the 1972–96 General Social Survey, the correlations for income and education with interpersonal trust are higher for whites (.228 and .123) than for blacks (.128 and .117). Forty-one percent of whites who attended high school trust others compared to 28 percent who only went to grade school. For African-Americans, the comparable figures are 13 percent versus 12 percent. Fifty-five percent of whites who attended or graduated from college, but only 22 percent of blacks with the same education, are generalized trusters. Sixty-seven percent of whites who attended graduate school are trusters, compared to 36 percent of African-Americans. While blacks who attended graduate school are three times as trusting as those who only went to high school, just 2 percent of African-Americans in the 1972–96 GSS sample continued their education beyond college. Indeed, even for two measures of optimism that are strong predictors of social trust (see Chapter 4) – whether it is fair to bring a child into the world and whether the lot of the average person is getting better or worse – the correlations are considerably higher for whites than blacks (.254 versus .179 for fair to bring a child into the world, and .215 versus .094 for lot of average person).

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Yet there are some types of experiences that matter mightily for generalized trust: *collective experiences*. At the individual level, trust is rather stable over time. In the aggregate, there is considerably less trust in the United States now than 40 years ago. Much of this change is generational: Young people are less trusting than their elders (see Chapter 6 and Putnam 2000, 140–1). But simply noting demographic changes doesn't explain why young people have become less trusting or why Early Baby Boomers have become *the most trusting cohort*.

Collective social experiences, such as the civil rights movement and the war in Vietnam in the United States (see Chapter 7) and the history of labor strife in Sweden (Rothstein, in press), lead us to become more or less trusting. Not just any "collective" experience will change trust. Only major events that lead to ruptures (the Vietnam War) or repairs (the civil rights movement and the labor peace in Sweden) in the social fabric will reshape trust. So experience may matter mightily.

These collective events shape the ways we interact with one another, and how we view others as part of our moral community. The civil rights movement initially made American political and social life highly contentious, but eventually it created much more goodwill, especially among the cohort that came of age during the years of protest. The civil rights movement was *all about* accepting *all* Americans as part of our moral community. Vietnam, on the other hand, split the country apart and led people to distrust each other. Increasing economic inequality has similarly fostered distrust, not only in the United States, but also cross-nationally (see Chapter 8).

Collective events have the potential to redefine our sense of community in the way that individual experiences don't. Bill may treat Jane badly, even deceive her. But there would be little reason for Jane to change her worldview based upon a single bad experience, or many bad experiences. Even the most committed generalized trusters must know many people they consider untrustworthy. Unless you live in a truly mean world such as Montegrano, your daily experiences will not make you more or less of a generalized truster. Your own experiences are simply too limited to generalize to the larger society. But collective events speak precisely to the inclusiveness of others in our moral community. It is easy to see the effects of "big events" such as the civil rights movement or the Vietnam War in the United States, as well as the destructive consequences of ethnic conflict in Bosnia and Rwanda. But these are not the only types of collective experiences that may matter.

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The distribution of resources in society also shapes generalized trust, for two reasons. First, optimism for the future makes less sense when there is more economic inequality. People at the bottom of the income distribution will be less sanguine that they too share in society's bounty. There are fewer trusters in American society today because there are fewer optimists. We have less faith in the future because economic inequality has grown dramatically over the past four decades (see Chapter 6). How well the country is doing collectively, rather than how well any of us is doing individually, leads to changes in interpersonal trust (cf. Kinder and Kiewiet 1979).

Second, the distribution of resources plays a key role in establishing the belief that people share a common destiny and have similar fundamental values. When resources are distributed more equally, people are more likely to perceive a common stake with others. If there is a strong skew in wealth, people at each end may feel that they have little in common with others. In highly unequal societies, people will stick with their own kind. Perceptions of injustice will reinforce negative stereotypes of other groups, making trust and accommodation more difficult (Boix and Posner 1998, 693).

Putnam (1993, 88, 174) argues that trust will not develop in a highly stratified society. And Adam Seligman (1997, 36–7, 41) goes further. Trust *cannot* take root in a hierarchal culture. Such societies have rigid social orders marked by strong class divisions that persist across generations. Feudal systems and societies based on castes dictate what people can and cannot do based upon the circumstances of their birth. Social relations are based on expectations of what people must do, not on their talents or personalities. Trust is not the lubricant of cooperation in such traditional societies. The assumption that others share your beliefs is counterintuitive, since strict class divisions make it unlikely that others actually have the same values as people in other classes.

TRUST AND CIVIC ENGAGEMENT

In between the arguments that strategic trust is tough to create and that moralistic trust is difficult to destroy there is a third thesis: Trust can be built up and destroyed fairly easily. When we interact with other people, we become more trusting.

This approach is rooted in strategic trust, but it tries to establish a linkage between trusting people we know and people we don't know. Our experiences with people we know give us the confidence

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to have faith in others. As Putnam (2000, 288–9) argues (cf. Hardin 2000, 187):

> People who have active and trusting connections to others – whether family members, friends, or fellow bowlers – develop or maintain character traits that are good for the rest of society. Joiners become more tolerant, less cynical, and more empathetic to the misfortunes of others. When people lack connections to others, they are unable to test the veracity of their own views, whether in the give-and-take of casual conversation or in more formal deliberation. Without such an opportunity, people are more likely to be swayed by their worst impulses.

Putnam sees the relationship between both formal and informal social ties, on the one hand, and trust, on the other hand, as "mutually reinforcing": "The more we connect with other people, the more we trust them, and vice versa" (1993, 180; 1995b, 665).[31]

Tocqueville (1945, 108–9) offers the most famous statement on how socializing builds trust:[32]

> Feelings and opinions are recruited, the heart is enlarged, and the human mind is developed only by the reciprocal influence of men upon one another. . . . These influences are almost null in democratic countries; they must therefore be artificially created, and this can only be accomplished by associations.

Putnam (1993, 90) writes: "Participation in civic organizations inculcates skills of cooperation as well as a sense of shared responsibility for collective endeavors." And Stolle (1998b, 500) elaborates: "Membership in voluntary associations should increase face-to-face interactions between people and create a setting for the development of trust. . . . The development of interpersonal trust and cooperative experiences between members tends to be generalized to the society as a whole" (cf. Levi 1998).

In other words, our direct experience (strategic trust) with people like ourselves (particularized trust) leads us to have faith in people we don't

[31] Later, Putnam (2000, 137) argued: "The causal arrows among civic involvement, reciprocity, honesty, and social trust are as tangled as well-tossed spaghetti."

[32] Tocqueville himself offers contradictory explanations. Only a few pages after arguing that reciprocity can only be developed through group membership, Tocqueville (1945, 121, emphasis added) reverses the causal ordering, from trust to civic engagement: "I have already shown . . . by what means the inhabitants of the United States almost always manage to combine their own advantage with that of their fellow citizens; my present purpose is to point out *the general rule that enables them to do so.*" Tocqueville's "present purpose" was to describe "self-interest rightly understood," or the generalized trust that leads us to recognize that "man serves himself in serving his fellow creatures."

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know (generalized trust). As Dasgupta (1988, 64–5) argues (cf. Luhmann 1979, 74):

> Society is not composed of culturally alienated beings. In dealing with someone you learn something not only about him, but also about others in his society. You learn something about population statistics. Therefore, if you meet several honest persons and no dishonest ones you might want to revise your prior opinion of the society at large.

The link between particularized and generalized trust sounds nice. But a little reflection reveals two fundamental difficulties. First, if generalized trust only weakly depends upon life experiences, it is unclear why socializing or group membership should lead people to have greater faith in others. Most people spend minuscule amounts of time in voluntary organizations and even the most committed activists rarely devote more than a few hours a week to group life – hardly enough time to shape, or reshape, an adult's values (Newton 1997, 579). People join groups too late in life to shape their fundamental disposition. Even joiners aren't more likely to discuss civic affairs (Mondak and Mutz 1997), so they may not forge enough common ground with others to generate trust at all. And when people do discuss civic affairs, they talk to people who already agree with them, mostly family members (Bennett, Flickinger, and Rhine 2000).

Second, and more critically, there is little evidence that people extrapolate good feelings from groups or informal circles they join to the larger society. Stolle (1998b, 500) argues that the extension of trust from your own group to the larger society occurs through "mechanisms not yet clearly understood." An even more skeptical Rosenblum (1998, 45, 48) calls the purported link "an airy 'liberal expectancy'" that remains "unexplained."

Most of the time, membership in voluntary organizations and informal socializing does not require faith in people who are different from ourselves. We socialize with people we already know. We join bowling leagues with friends or at least people with similar interests, and, most likely, worldviews as well. You don't have to be a truster, or an especially nice person, to join a bowling league. There is little evidence and a shaky theoretical foundation for assuming that either formal or informal social connections can produce trust in people we don't know, especially when they are likely to be different from ourselves (and our friends).

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optimism is the beginning of the causal chain – leading to trust and then to good deeds – and then back to more optimism. Thus, the morally rich get morally richer.

Particularized trusters may help their friends, their family, and people like themselves. But generalized trusters will reach out to others. They are more tolerant of people unlike themselves. The view that people who are different are part of your moral community leads generalized trusters to feel guilty when others face discrimination or cannot get by. This leads them to take action, both in the private sector (volunteering and giving to charity) and through government programs (civil rights and other antidiscrimination laws). This breadth of view also allows generalized trusters to solve collective action problems such as enacting legislation in Congress and having more efficient and less corrupt government across nations. It will also produce more open markets, greater economic growth, and more redistribution from the rich to the poor (see Chapters 7 and 8). Particularized trust may make life better for your own kind, but it will not make a society prosper. Only generalized trust can do that (Woolcock 1998).

TRUST AND THE STATE

Levi (1998), Offe (1999), and others (Pagden 1988, 139; Misztal, 1996, 198; Cohen, 1997, 19–20) argue that a state, and particularly a democratic state, can produce trust in people. Levi (1999, 82) maintains that states build trust through "the use of coercion" and that "democratic states may be even better at producing generalized trust than are nondemocratic institutions . . . because they are better at restricting the use of coercion to tasks that enhance rather than undermine trust." Rothstein (in press) elaborates on the link between trust and coercion: "If people believe that the institutions that are responsible for handling 'treacherous' behavior act in fair, just and effective manner, and if they also believe that other people think the same of these institutions, then they will also trust other people." Levi (1998, 87) holds that "[t]he trustworthiness of the state influences its capacity to generate interpersonal trust." Rothstein (in press) elaborates on this linkage:

> If you think . . . that these . . . institutions [of law and order] do what they are supposed to do in a fair and effective manner, then you also have reason to believe that the chance of people getting away with such treacherous behavior is small. If so, you will believe that people will have very good reason to refrain from

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acting in a treacherous manner, and you will therefore believe that "most people can be trusted."

A strong legal system will reduce transaction costs, making trust less risky. The more experience people have with compliance, the more likely they are to have confidence in others' good will (Brehm and Rahn 1997, 1008; Levi 1998; Offe 1999).

So Bill knows that if he hires Jane to paint his house and she accepts his payment and does a poor job, he can take her to court for redress. Thus, he won't worry so much if he has to look for a new painter. My own family benefited from this very type of protection: We hired a contractor to repave our driveway and he used an inferior grade of concrete. After a year or more, the Maryland Home Improvement Commission ruled in our favor and we recovered our initial investment. Cohen (1997, 19) argues that "legal norms of procedural fairness, impartiality, and justice that give structure to state and some civil institutions, limit favoritism and arbitrariness, and protect merit are the *sine qua non* for society-wide 'general trust,' at least in a modern social structure."

There is plenty of evidence that people are more likely to obey laws and pay taxes if they believe that laws are enforced fairly and if people trust government (Tyler, 1990; Scholz and Pinney 1995). But the link between government and trust in people is tenuous. Across 42 nations, there is but a modest correlation ($r = .154$) between trust in people and confidence in the legislative branch of government.[34] If trust in people is a long-standing value that changes but slowly *and* if trust in people is not largely based upon our experiences, then it is hard to see how government can generate faith in strangers. If trust in people were simply a form of strategic trust – where it is reasonable to withhold confidence until you have evidence that others are trustworthy – then government could generate faith in others. For Levi and others are certainly right when they argue that trust in government is contingent.[35] And they are just as assuredly wrong when they argue that generalized trust in people rests primarily upon demonstrations of trustworthiness (see Chapter 5).

[34] See Chapter 8 for a description of the data base. I focus on the legislative rather than the executive branch since most democratic governments are parliamentary systems. The correlation is not much different for nations with and without a legacy of Communist rule ($r = .143$ and .189, respectively).

[35] Fenno (1978) and Bianco (1994) provide compelling arguments that members of Congress must expend much effort to develop trust among their constituents.

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Maybe we've been concentrating on the wrong type of trust in our search for how faith in other people helps solve collective action problems. Moralistic trust is, I suggest, the key to a wide range of collective action problems, and to creating a climate in which people reason well together. Even in experimental situations, the impacts for measures of trust are often – dare I say usually – stronger for moralistic trust compared to knowledge-based faith in others (see Rotter 1971, 1980; Yamigishi 1986, 1988; Wrightsman 1991; Yamigishi and Yamigishi 1994). Moralistic trust is a message of shared values and shared concerns for others. It unlocks lots of doors, even though its gratifications may not be as immediate as those of chicken soup.

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