

***Trust and Corruption:  
Escalating Social Practices?***

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## *Trust and Corruption: Escalating Social Practices?*

### **Abstract**

Escalating social practices spread dynamically, as they take hold. They are self-fulfilling and contagious. This article examines two central social practices, trust and corruption, which may be characterized as alternative economic lubricants. Corruption can be a considerable instrument of flexibility while trust may be an alternative to vigilance (or a collective regime of sanctions). Rational equilibrium explanations and psychological accounts of trust and corruption are rejected in favour of a model open to multiple feed-backs. Although there can be too much trust and too little corruption, and (unsurprisingly) too little trust and too much corruption, a state is unattainable in which these forces are in balance. Practices of trust alone can form stable equilibria, but it is claimed that such states are undesirable for economic and moral reasons. By contrast, practices of corruption are inherently unstable. Implications for strategies of control in organizational relations are drawn.

## **Introduction**

Trust and corruption appear to be opposite social forces. A trusted agent is held to the performance of a given (or implicit) undertaking while a corrupt attitude remains permanently open to changing incentives. Not only is ‘[E]very deal you cut ... a fresh deal’, as Jon Elster puts it (1989: 272, n.107), quoting a novel on Chicago’s machine politics. In an environment of corruption, every deal you cut may be renegaded on.

Corruption can be a considerable instrument of flexibility. It may keep channels open under circumstances associated with personalist styles of decision-making, or changes in governments, boards or policies (Leff 1964: 396). Corruption therefore can be a socio-economic lubricant. Transactions may be carried out which, in its absence, would have folded. Trust, too, has been praised for its lubricating effects (Arrow 1974: 23). As an alternative to vigilance (or a collective regime of sanctions) it may significantly reduce the costs of social and economic cooperation.

So are trust and corruption alternative lubricants? Do we have to choose one over the other to govern exchange relations? This paper argues that trust and corruption both are dynamic social practices which respond in complex ways to feed-backs. Although there can be too much trust and too little corruption, and (unsurprisingly) too little trust and too much corruption, a state is unattainable in which these forces are in balance. Practices of trust alone can form stable equilibria, but it is claimed that such states are undesirable for economic and moral reasons. By contrast, practices of corruption are inherently unstable.

This analysis is anchored in politico-philosophical arguments, leading to a critique of static accounts of the psychological condition of affective trust. The idea of trust inventories conducted by traditional empirical instruments is fundamentally flawed (e.g. Cummings and Bromiley 1996). Similarly, it is shown to be misleading to

approach dynamic practices from a narrowly business ethical angle, as it is commonly done for corruption (e.g. Mahoney 1995).

The paper is structured in the following way. The first section contemplates the nature of socio-economic lubricants. Then rational equilibrium models are assessed and a dynamic model of escalating social practices is sketched, following philosophical models of 'convention'. Thirdly, static, non-systemic accounts of trust and corruption are criticized. Finally, implications for strategies of control in organizational relations are drawn.

### **The Nature of Socio-Economic Lubricants**

Most social interaction and economic exchange depends on a leap beyond the available evidence. In a post-barter society, goods, services, information typically are not transacted simultaneously. One agent must put itself into the other's hand, at least for a limited period. An efficient socio-economic lubricant facilitates this move.

For trust, Karen Jones (1996: 22) identifies two kinds of leaps: 'when trust is governed by forward-looking or instrumental considerations, and when trust is governed by backward-looking considerations of evidence but our responses seem to outstrip the evidence'. (Lewis and Weigert 1985 introduced the idea of cognitive leaps into the trust literature; this terminology is also adopted by Bradach and Eccles 1989). Corrupt practices leap via changes in the incentive structure of a transaction partner, by offering bribes or enticements of power. Corruption, in this light, has no past. It is a forward-looking leap, relying on ambiguous instrumental considerations. By resorting to corrupt methods, an agent may succeed in reducing the immediate uncertainty associated with emerging business systems. But equally, engaging in corrupt practices may lead to procrastination and delay for the purpose of increasing size and number of bribes, involving spiraling costs for competing agents.

Socio-economic lubricants are related to John Dunn's notion of 'modality of action', understood as 'a more or less consciously chosen policy for handling the freedom of other human agents or agencies' (Dunn 1988: 73). In adopting trusting or corrupt social practices, agents attempt to overcome failures of control.

Socio-economic lubricants can be institutionalized as 'social capital' (Coleman 1988) serving all members of a network of transactors (Dei Ottati 1994), or all members of a society (Fukuyama 1995). This is most plausible for trust which may be backed up by mechanisms of reputation formation or a collective regime of sanctions. By contrast, the lubricating benefits of corruption appear to wane if it develops into a 'system of well-defined, transferable rights. Once that happens, the economy gets stuck there' (Cheung 1996: 1).

In the next section, a more precise conception of the lubricating leap is developed. Is it a rational or non-rational process? How do individual leaps spread into fields of institutional practices?

### **Models of 'leaping' Socio-Economic Practices**

Social scientists operating within the rational choice paradigm have concentrated on forward-looking leaps. They present situations of trust as 'a subclass of those involving risk' (Coleman, 1990: 91). The most concise definition of trust in this vein comes from Deutsch (1962). According to Deutsch, trust is behaviour that

- (a) increases one's vulnerability,
- (b) to another whose behavior is not under one's control,
- (c) in a situation in which the penalty suffered from abuses of that vulnerability is greater than the gains from compliance.

In this definition, we recognise the Prisoner's Dilemma, a game theoretical model developed during the 1950s with which Morton Deutsch (a psychologist!) became deeply impressed. Within the Prisoner's Dilemma game, trusting behaviour by a player has come to mean choosing the cooperative option (Luce and Raiffa 1985 [1957]). Deutsch's question was (which has lost nothing of its topicality), whether there was a psychological solution available where, rationally, there appeared to be none (Deutsch 1958). I shall return to his concerns later.

In choosing the cooperative 'trusting' option in a Prisoner's Dilemma type situation, a person puts herself at hazard – she undertakes a risk. The standard conception of risk is in terms of subjective probabilities (Bernstein 1996). Trust, under this conception, rests on an implicit assessment that the probability of another person not exploiting someone's vulnerability is high enough for that person to engage in cooperative action. Gambetta (1988: 217) claims that 'there is a degree of convergence' towards this definition of trust, at least amongst contributors to his seminal collection *Trust: Making and Breaking Cooperative Relations*.

The interchangeable use of the terms trust and risk supports a very narrow forward-looking conception of the leap. The leap may be *rationally* required. Thus game-theorists and transaction cost economists have focused on solving the paradoxical nature of the rationality in question: If in prototypal social interaction under partial conflict, we are rationally compelled to reject a mutually beneficial outcome (as most game theorists think the Prisoners must under the Dominance Principle), the prospects for social theory based on the maximizing behaviour of rational individuals are rather bleak. (According to the Dominance Principle, 'it is rational to perform an action  $\alpha$  if it satisfies the following two conditions: (a) Whatever else may happen, doing  $\alpha$  will result in your being no worse off than doing any of the other things open to you; (b) There is at least one possible outcome in which your having done  $\alpha$  makes

you better off than you would have been had you done any of the other things open to you'; Sainsbury 1988: 56).

Game theoretical analysis of sequential games (Kreps and Wilson 1982) and tit-for-tat solutions to repeated Prisoner's Dilemmas (Axelrod 1984) have sought to show that it can be calculatively rational to become trusting and trustworthy. Similarly, according to Williamson's revisionist account (1993), practices of trust as risk should really be explained by calculative reasoning within the axioms of transaction cost economics. Knowledge about other commitments of a transaction partner, the prospects of repeat business, reputation effects within networks of commercial actors all contribute to the subjective probabilities assigned to the outcome of risk-taking behaviour. Trust then merely reduces the costs of using the market. Trust in this sense is an alternative form of contracting. It is 'commercial exchange for which cost-effective safeguards have been devised in support of more efficient exchange' (Williamson 1993: 463).

If the cooperative leap is rationally required, 'trust' as a psychological term does not need to be used – that at least is the claim. There are at least three problems with this narrowly forward-looking conception of socio-economic lubrication. One weakness is that affective trust (as vulnerability beyond rational risk assessment) simply becomes inexplicable within the calculative economic framework. Williamson relegates affective trust to an obscure psychological condition reserved for 'personal relations in which it really matters' (483). In Williamson's socio-economic world, exchange institutions need only rely on a 'functional substitute for trust', as Granovetter (1985: 488) critically remarks.

A second, more pertinent weakness of calculative theories is their difficulty to explain how socio-economic leaps become possible in the first place. In conditions where there is no mutual trust (or its substitute), how could anyone rationally place themselves at hazard (Baier 1994: 176). Trust (or its substitute) is hardest to get when

it is most needed. (This paradox continues to haunt much of the consultancy literature on trust. Flexible organisations with flatter hierarchies require higher levels of organisational trust – which has just been sacrificed by redundancies, or the threat thereof; cf. Handy 1995).

A third weakness relates to a bizarre implication of calculative accounts: Trusting behaviour becomes most rational under institutional conditions of predictability. A slave should trust his master more than husband and wife should trust each other. This is inefficient as well as morally reprehensible. In one sense, calculative accounts deny the insightful conception of trust as a social lubricant.

For corrupt practices, too, rationalistic accounts have had their difficulties. The first problem is another version of the Prisoner's Dilemma. Competing agents would benefit to agree on the lowest efficient amount of bribery but do even better if all bar one (each individual agent) agreed. A defecting agent offering bribes more readily than its competitors reaps the benefits of a controlled environment without spiraling costs. Thus systems of corruption should be unstable.

A second problem is located between briber and bribed. I have argued above that corruption is best understood as a practice without history (i.e. changing incentive structures imply immediate behavioural responses). If the benefits of corrupt practices cannot outlast current incentive structures, corrupt practices only *appear* to render volatile environments more predictable. Bribes can act as a lubricant. But their very lubricating effect undermines the predictability of socio-economic exchange.

These arguments suggest that the rationalist explication of socio-economic leaps is insufficient. Defenders of the role of corruption in correcting market distortion and improving allocative efficiency (e.g. Lui 1996) may point out that it is wrong to define corruption as a practice without history. I submit that under this interpretation

corruption would lose its distinctiveness. Either it turns into a case of standardised access payments (which is reasonably well defined and may even be expected to supplement low public salaries) or will be submerged under the wider problem of trust (regarding repeat performances or transferable rights).

An alternative starting point to modelling 'leaping' socio-economic practices may be inspired by Albert Hirschman's memorable aphorism:

[Trust (with love and civic spirit) is among those resources] 'whose supply may well increase rather than decrease through use ...; like the ability to speak a foreign language or to play the piano, these moral resources are likely to become depleted and to atrophy if *not* used' (Hirschman 1984: 93).

This rings true. Practices of trust appear to increase and spread with use, so does corruption. The expectations implicit in these social practices may be self-fulfilling. If trust and corruption are endemic, a dynamic model of socio-economic lubricants may be more promising than rational equilibrium approaches.

Thomas Schelling's theory of focal points is the *locus classicus* of iterative process of social interaction. In a coordinated action, agents try to pick out what they perceive as salient features of a situation – salient not to each agent but to what each agent expects the interacting agent to expect. Schelling (1960) asked a sample of test subjects to name a place in New York City where they would go in the hope of finding a partner with whom they are unable to communicate. More than 50 percent chose the same place: Grand Central Station. This was in the late 1950s. Today the outcome might be different, reminding us that expectations under the notion of prominence depend on 'imaginative leaps and associations of ideas' (Sugden, 1986: 121) which change with given historical situations.

The leap required to meet at Grand Central Station is not a rational one. Iterative processes look back- and forward. They may be set off by imaginative associations,

affective dispositions or chance events. However, they unfold in predictable ways once they have developed a critical dynamic. Coordination, then, turns into convention. Following philosopher David Lewis (1969), a behavioural regularity R is maintained as a convention if

- (a) everyone conforms to R
- (b) everyone expects everyone else to conform to R
- (c) everyone *prefers* to conform to R since R is a *solution to a coordination problem*.

In the environment of economic exchange, condition (c) should be given a wide interpretation, since economic agents have other preferences than those they can only satisfy together (game theory calls that a ‘cooperative game’). Still, in dynamic economic situations of partial conflict (which game theorists term ‘non-cooperative games’) agents may end up in different equilibria (Elster 1989: 39; Peyton Young 1996).

Lewis reports from 1950s America that in some areas (including Oberlin, Ohio) all local phone calls were cut off without warning after three minutes. Soon after the practice had began, a convention grew up that when a call was cut off the original caller would call back while the called party waited.

The introduction of obligatory cut-offs constitutes an institutional crisis. Agents find it problematic to handle the freedom of other agents. In a second phase, caller and called party try to match their expectations. Once they encountered success (which may take many attempts), the convention will spread rapidly. In a third phase, patience after being called will become a way of life in Oberlin, Ohio. People moving into the area will be initiated, and the conventions of calling may appear so stable as to belie their precarious origins.

Note that this whole process, after the initial shock of cut-offs, is driven by nothing but expectations feeding back on themselves: I do what I expect you to expect me to do, and so on – in ‘infinitely reflexive mutual expectations’ (Schelling 1960: 70). Which reasons (as affective dispositions, path-dependent leaps, accidents) could start off practices of trust and corruption? Deutsch argues from an empirical study of Prisoner’s Dilemma type situations, that we are subject to psychological constraints, linking either *trusting and trustworthy* or *suspicious and untrustworthy* attitudes. Only very few of us are able to be suspicious while being trustworthy or behave trustingly while being untrustworthy. Deutsch calls this a constraint of *cognitive consistency*: ‘do unto others as you expect others to do unto you and expect others to do unto you as you do unto them’ (Deutsch 1973: 206 note).’ (This constraint is *not* the Golden Rule of ethics: ‘do unto others as you would have others do unto you’)

It is tempting to view *corrupt* attitudes as violating Deutsch’s constraints of consistency. This might account for the fact that corruption does not easily form stable practices. In offering a bribe, an agent must be trusting yet prepared to be untrustworthy. However, if an agent is consistent in Deutsch’s sense, the dynamics of social interaction become more predictable. If two (slightly) trusting and trustworthy individuals are paired by chance, mutual expectations *will* escalate. Other empirical tests have indicated that reciprocity may indeed be such a basic element of human behaviour (Berg et al. 1995).

The explanation of simple social practices from 1950s America (calling in Oberlin, Ohio; meeting at Grand Central Station) elegantly demonstrates the potential of dynamic theories, incorporating three distinct processes into one model: (1) institutional crisis, (2) dynamic spread from individual to institutional environments, (3) apparently stable conventions. Granovetter claims that ‘social relations, rather than institutional arrangements or generalised morality, are mainly responsible for the production of trust in economic life’ (1985: 491). Dynamic models are promising

candidates for such an explanation of socio-economic lubricants. However, they pose distinct methodological problems for concrete empirical circumstances because there is no clear line from assumptions about the past to present practices. As Elster says (1989: 39): ‘people may have similar values, within and across societies, and similar institutional structures and yet, for accidental reasons, end up in different equilibria’.

Related claims are promoted by currently fashionable theories of complexity (Kauffman 1993; Thiétart and Forgues 1995), increasing returns (Arthur 1994; 1996) and system cybernetics (Beer 1966; Oliver and Montgomery 1998). The following section investigates traditional, static psychological and business ethical approaches which try to locate recognisable empirical phenomena at a given point in time.

### **Non-Systemic Accounts of Trust and Corruption**

Theories of trust may be grouped into those that treat trust as an *explanans* or *explanandum* (Craswell 1993). For trust as an *explanandum*, the reasoning typically takes a reconstructive form. Looking at puzzling social practices, such as relying on promises when there is a painless opportunity to defect, the theorist stipulates a mental attitude – ‘trust’ – which might account for this behaviour. This attitude, then, may be given various rationales: ‘calculative’ – a route favoured, for example, by transaction cost economists, or ‘conventional’ – supported by dynamic theories.

One might argue that in order to embark on a meaningful reconstructive account of trust, one needs a good prior conception of the psychological phenomenon called ‘trust’. Any theory has to start somewhere. Thus psychologists have treated trust as an *explanans*, a complex syndrome in need of explication which may then play a part in various socio-economic theories.

How have psychologists approached the affective condition of trust? Cummings and Bromiley (1996: 303) define trust

‘as an individual’s belief or a common belief among a group of individuals that another individual or group (a) makes good-faith efforts to behave in accordance with any commitments both explicit or implicit, (b) is honest in whatever negotiations preceded such commitments, and (c) does not take excessive advantage of another even when the opportunity is available’.

Butler and Cantrell (1984), later adapted by Schindler and Thomas (1993), develop five dimensions of trust which partly overlap with Cummings and Bromiley’s three-fold account:

An individual A’s trust in individual B implies that B

- (i) is honest and truthful (condition of *Integrity*)
- (ii) has the technical and interpersonal knowledge and skills needed to perform (condition of *Competence*)
- (iii) is reliable and predictable (condition of *Consistency*)
- (iv) is willing to protect and save face (condition of *Loyalty*)
- (v) is willing to share ideas and information freely (condition of *Openness*).

These psychological dimensions are supposed to explicate what we expect in trusting a person. Both sets of conditions (which are the ones most widely used in empirical studies of organizations) suffer from problems of circularity and conceptual parsimony. I shall set out these problems, and then argue that they are indicative of a deeper fallacy of psychological accounts of trust.

Successful social interaction (be it coordinating, contractual or affective) incorporates two assumptions which continue into trust relationships:

- (1) the assumption of sincerity, i.e. that the interacting agent *means* to deliver what has been undertaken, and
- (2) the assumption of competence, i.e. that the interacting agent is *able* to deliver what has been undertaken.

Traces of these assumptions can be found in Cummings and Bromiley's conditions (a) of behavioural reliability and (b) of honesty. In Butler and Cantrell's list, they are mainly spread over conditions (i) integrity (as honesty) and (ii) competence (as knowledge) and (iii) consistency (as reliability). What lifts a trusting relationship beyond a contractual interaction, however, is a third element:

(3) the assumption of good will

If spelled out, this should subsume a whole range of provisions, including assumptions

- (3') not to deliberately withhold or manipulate relevant information to an interacting agent, leading to false expectations;
- (3'') to take reasonable care not to lead the interacting agent to form false expectations;
- (3''') not to take excessive advantage of unforeseen opportunities or changing circumstances.

(For a careful philosophical account of principles implicit in the utterance 'Trust me!', see Scanlon 1990). We can now see that the psychological accounts of Cummings and Bromiley, and Butler and Cantrell liberally sprinkle these normative assumptions over different dimensions. Butler and Cantrell's condition (iv) 'loyalty' is a variation of (3''') while (v) 'openness' subsumes (3') and (3'') which can also be said of their condition (i) 'integrity' conflating sincerity with good will. In the case of Cummings and Bromiley, their condition (b) 'honesty' covers my assumptions (3') and (3'') while (c) reflects (3''') the assumption not to take advantage.

Conceptually improved psychological accounts of trust should separate out predictive and normative elements. Would such an account anchor a more satisfactory theory of trust? Cummings and Bromiley present the contrast between Williamson's transaction

cost economics and their own view of socially embedded human interaction as one of pessimism vs. optimism (1996: 303). My analysis suggests that the contrast is rather between reconstructive and descriptive theoretical approaches. Williamson does not claim that we *think* calculatively when we keep our promises, but that our behaviour can be *explained* in that light. Williamson admits that

‘[p]ervasive calculativeness notwithstanding, the rhetoric of exchange often employs the language of promises, trust, favors, and cooperativeness. That is understandable, in that the artful use of language can produce deals that would be scuttled by abrasive calculativeness. If, however, the basic deal is shaped by objective factors, then calculativeness (credibility, hazards, safeguards, net benefits) is where the crucial action resides’ (1993: 467, n. 70).

Psychological accounts stubbornly point to a normative element in trusting behaviour (i.e. the assumption of good will) that reconstructive, calculative accounts try hard to explain away. Psychological accounts, again, have little to say on which *grounds* trusting agents leap beyond the vigilance, guiding many of our socio-economic interactions. By contrast, reconstructive accounts insist that it is often ill advised to expect good will on narrowly forward-looking considerations. This stand-off is doubly unsatisfactory. In eliminating normative elements, reconstructive calculative accounts are unnecessarily restrictive while descriptive psychological ‘inventories’ become quite meaningless without a model of the underlying leap beyond vigilance.

Practices of trust are prone to these theoretical problems because they often appear to be quite open and stable. Corruption does not possess that virtue. Signals need to be coded, intermediaries used, formal agreements shunned. Corruption indeed may be corrupting (Rose-Ackerman 1978: 8). Thus practices of corruption reveal the pitfalls of non-systemic analysis more immediately.

In the vast politico-economical literature on the subject, no agreement has emerged on why corruption occurs, which system is most likely to promote it, and what policies governments or organizations ought to pursue. Deregulation and market forces have

been both blamed for and presented as the solution to burgeoning corruption. In a recent Institute of Development Studies (IDS) volume, economic liberalisation is held responsible for rising corruption in South Korea (Kong 1996) and China (White 1996) while the processes of democratization are said to have contributed in Latin America (Little 1996).

Corruption may be bad because bribed preferential treatment leads to an inefficient allocation of resources related to the deficiency of monopolies (Becker 1994). Yet conversely, in societies where favouritism is rampant, efficiency may be promoted by corruption. It cannot be assumed that relatives or friends of bureaucrats are good entrepreneurs but the highest bidder for a public contract may well be the most efficient firm (Bayley 1966).

While it seems pretty clear that dictatorial regimes lacking corruption are economically less successful, and corruption 'can help offset the inefficiencies of a communist or hierarchical system, as the economy makes a transition toward private property' (Cheung 1996: 1), policy implications are generally not well supported. India's first premier Nehru claimed (Myrdal 1968: 408-9): 'Merely shouting from the house-tops that everybody is corrupt creates an atmosphere of corruption... People feel they live in a climate of corruption and they get corrupted themselves.' By contrast, public outrage eliminated an entire governing elite from politics in Italy: 'In February 1992 the discovery of a minor instance of political corruption in Milan triggered a broad judiciary investigation which rapidly led to the collapse of the political regime that had governed Italy for over forty years' (Giglioli 1996: 381).

Another study (Rijckeghem and Weder 1997) conducted under the wings of the IMF (which is considering tying loans to specific anti-corruption measures) sought to

establish a correlation between low public sector wages and high corruption. They found that ‘while higher pay for public servants may indeed reduce corruption, the benefits may be smaller than the added costs’ (*Economist*, August 16th, 1997).

I suggest that our limited theoretical understanding of corruption is no accident, nor is our lack of practical remedies. For reasons yet to be fully explored, corruption does not appear to form stable practices. Attempts to curb corruption by clamp downs from the top (‘war against crime’) are often unsuccessful. Tinkering with established practices may go both ways, escalating or diminishing corruption.

There is some support for this claim from recent game theoretical modelling and catastrophe theory: Bicchieri and Rovelli (1995) show that the presence of a small number of honest players drives a corrupt system towards a catastrophic point. The following revolutionary systemic transition results in a different equilibrium, which is cooperative in that all players choose to be conditionally honest. A catastrophe model of corruption and black markets, developed by Vandemortel and Cornelisse (1994) allows two-way relations with different reaction speeds:

‘The exercise illustrates ... how corruption – itself a function of morality – can taint morality and, thereby, lower the threshold for corruptive practices. Thus, beyond a certain point corruption can become self-propellant. For a similar reason corruption can linger even after a drastic reduction of public intervention.’

These are of course *a priori* claims, derived from axiomatic settings; different rules would produce different results. Other recent game-theoretical treatments of corruption include Manion 1996, and David and Fechtinger 1996.

If practices of corruption are indeed dynamic, traditional business ethical analysis is likely to be disappointing: According to Mahoney (1995: 226), ‘Commercial bribery can be faulted ethically on three general grounds: as being bad for business, bad for

the participants, and bad for the society in which it occurs'. Business ethical treatment of corruption suffers from similar deficiencies as psychological accounts of trust. Without a model of the processes of 'leaping' socio-economic practices, outcomes are difficult to evaluate.

### **Trust, Corruption and Control**

Practices of trust and corruption exist in all societies. Corruption generally is thought to be a bad thing, while trust is almost universally welcome as a source of social order. In this paper, I suggested reasons why the analysis must be rather more complicated. Socio-economic lubricants are responses to failures of control. Reconstructive calculative models of trust explain stable, hierarchical environments as the most suitable to trust, but these might be neither economically beneficial nor morally welcome. Corruption can help here. *Vice versa*, without any leaps of vulnerability facilitated by trust, the world would be even bleaker. A trustless environment is one of permanent institutional crisis, a view reflected in Plato's claim of distrust as an evil associated with sea-faring traders: they might not come back (*Laws* 4.705a, cited in Baier 1994: 97).

Dynamic accounts might explain how the threat of permanent institutional crisis can be overcome, as trust increases with use. But the process is going to be less tightly controlled than Charles Sabel hopes in his exploration of how 'thin' or vigilant trust can be transformed into 'thick' human relations (1993: 1143):

'trust is both a thick and thin human relation. It is thick in that each party must suppose ... that the other have at least an intuitive understanding of what it means to make oneself vulnerable to others and are capable – because there is no other choice – of sometimes doing so. But it is thin in that it supposes that each party might decide after due and prudential deliberation, and well understanding the gravity of the act, to put its trust elsewhere'

Sabel briefly considers auto-poetic, reflexive models (1153, n. 16) but settles in the end for a language closer to theories of collective action. A feed-back account of trust appears to be better placed to supersede the conceptual dichotomy of the economic and the psychological. From a thin, vigilant, but not fully calculative motivational source of reciprocity (supported as cognitive consistency), rich affective trust may spring, spreading – as it takes hold – from individual to generalised, collective trust.

If ‘leaping’ socio-economic practices are ‘self-fulfilling and contagious’ (Baier 1994: 197) following iterative, dynamic models, a balance between vigilant, calculative trust and the vulnerable trust of personal relations will be hard to strike. Violations of trust may lead to a sudden rupture of the dynamic spiral of social practices rather than a gradual decline. As Kelley and Stahelski show (1970), ‘[t]rust when violated, is more likely to turn into suspicion than negated suspicion is to turn into trust’. For most of its history, trust remains precarious. This suggest that there can only be limited control over the ‘state of trust’ within and between organizations. Without a careful processural analysis, snap-shots of the ‘state of trust’ in specific organisational settings can be entirely misleading. Corruption, too, does not appear to respond well to strategies of control.

The most promising methodological approaches to ‘leaping’ socio-economic practices still date back to the 1960s and 1970s: Deutsch’s work on the resolution of conflicts (1958; 1962; 1973) or Zand’s (1972) spiral reinforcement model of trust, from increasing vulnerability (1), over disclosure of information, thoughts and feeling (2), accepting the influence of others (3), loosening control (4) back to trust (1). These approaches should be elaborated into dynamic feed-back model in the sense defended here. Meanwhile, we might do best in following Dr. Johnson’s advice (*Rambler*, 1750):

‘It is happier to be sometimes cheated than not to trust.’

And we might add (*Anonymous*):

‘It is happier sometimes to cheat than always to trust.’

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