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## **The Rationality of Trust**

(Russell Hardin: *Trust and Trustworthiness*. New York: 2002, Russell Sage Foundation)

Russell Hardin is one of the most respected scholars in political science and rational choice theory. His book is a summary of his decade long preoccupation with trust research. He has been a key figure in the Russell Sage Foundation monumental Trust project.

His present book is a groundbreaking achievement, which gives a highly consistent and systematic account of trust and related phenomena. Russell Hardin proposes to make a clear distinction between trust and trustworthiness. Trust is a cognitive act: A trusts B to do X. Trustworthiness is the moral quality of agent B with whom A interacts about doing X.

The distinction between trust and trustworthiness has wide-ranging consequences. Most of the arguments about trust in the contemporary literature are misplaced or simple wrong because they confuse trust with trustworthiness. For example, many scholars claim that trust is declining in our societies and more trust is better than less trust in a society. But, as Hardin points out, trustworthiness, and not trust, which is needed in a well-functioning society. Distrust might be a rational strategy if you deal with non reliable, that is, untrustworthy partners.

Hardin criticizes the concept of social capital as it is used by Coleman, Putman and Fukuyama who believe that trust is social capital or an element of social capital. Not trust but social relationships or networks of exchangers what constitute social capital. Such relationships – argues Hardin - enable people to undertake cooperative endeavors. These relationships ground trust among the participants in them. They do so because people in networks have incentives to be trustworthy to others thus making it beneficial to trust one another in various undertaking.

Hardin's main theoretical innovation is the concept of "trust as encapsulated interest". On this account A trusts B because A thinks that it is B's interest to take his or her own interest in the relevant matter seriously. It means that B values continuing the relationship with A and thus takes A's interest into account as part of his or her own interest. That is, B encapsulates A's interest in his or her own interest.

The major weakness of Hardin's theory comes from its strength, that is, the exclusive application of the rational choice theory. Hardin's model requires that agents base their trust on the calculated interests of others only. Although it works in many cases there are important cases where it does not. If your trust in your mother is simple based on calculated interest you might have a poor and breakable relationship with her. If your trust in a huge multinational company is motivated by the expectation that your interest is incorporated in the company's own interest you might be easily dissatisfied or even cheated.

Duty and love might have their own role in determining trust. We might arrive a richer account of trust presupposing that my trust in you can be based on the belief that you encapsulate my interest in yours, or you fulfill your duty toward me or you love me or any combination of these motives.

The other shortcoming of Russell Hardin's model is that it disregards the competence (or professional) aspect of trust. You might be trustworthy but not competent to do what I expect from you. It is not rational to trust someone who is not capable to satisfy your needs whatever trustworthy he or she might be. We want to interact with doctors, lawyers, administrators who are not only trustworthy but also competent professionals. I suggest that the two necessary conditions of the rationality of trust are trustworthiness

and competence. To develop trust in agents who are trustworthy but incompetent or non-trustworthy but competent or non-trustworthy and incompetent is a failure of rationality.

Russell Hardin distinguishes among different societal levels of trust relationships, namely interpersonal, group, and organizational. The great challenge is to develop a right model of trust in large-scale organizations like multinational companies, which manage billions of interactions with various stakeholders on a daily basis. How can we trust multinational companies or governments? Hardin notes that interest is not readily generalized from individual to group or higher levels. In the encapsulated-interest account we must know that the agents or the institution act on our behalf because they wish to maintain their relationship with us. That is not easy for large-scale organizations in business and politics.

Russell Hardin made fascinating explorations in the huge continent of trust. Other explorations are welcome too.