

FÜZÉR, KATALIN

fuzer.katalin@pte.hu

assistant lecturer (University of Pécs, Department of Sociology, Hungary)

The Social Theory of Trust and the Sociological Theory of Social Capital



Abstract

The paper offers a theoretical contribution to the post-millennial debates on social capital. The sociological theory of social capital is reconstructed via the social theory of trust. The paper shows how the various kinds of interpersonal and institutional trust, combined with norms of cooperation form themselves into social networks to be studied by the three ideal types of social capital: bonding, bridging and linking social capital. This version of social capital theory lends itself to the complex empirical analysis of varied social phenomena from child abuse to projectification, shedding light both on the sunny as well as on the dark side of social capital, covering also its dynamic aspects.

KEYWORDS bonding social capital; bridging social capital; linking social capital; interpersonal trust; institutional trust

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The much debated sociological theory of social capital is reconstructed here in a version that builds upon the social theory of trust – a theoretical reservoir rarely utilized by contemporary theorists and researchers of social capital. It is out of the three dimensions of trust, norms of cooperation and networks that we develop three ideal types of social capital: bonding, bridging and linking social capital, and provide the rudiments of their operationalisation for empirical research purposes.

In comparison to other forms of capital, the key characteristic of social capital is that it cannot be possessed individually, like money or human capital: it is an essentially social resource which makes cooperation among people in and across groups possible. In very basic terms, bonding social capital is an asset based on intensive trust among e.g. family members; bridging social capital is made useful (or harmful) e.g. in collegial relations based on a weaker form of trust; whereas linking social capital is embodied e.g. in the potentials inherent in the relationships of the electorate and elected representatives.

The concept of social capital, however, became a success in contemporary social science in a much less differentiated version, finding its way into significance in the policy world as well. The concept has had a spectacular carrier in the social sciences. While the 1980s had been marked by the complex theoretical contributions of Pierre Bourdieu and James Coleman (FÜZÉR et al. 2005), the main protagonists of the 1990s were Robert Putnam and Francis Fukuyama: the two of them put the concept in the limelight for its political and economic significance and put forth two similarly formulated theses. Putnam's Neo-Toquevillian thesis (BERMAN 1997) on the need for a strong civil society (lots of bridging social capital) for stable democracy (PUTNAM 1993) and the destabilizing effects of weak or weakening civil society (depleted stocks of bridging social capital) and his analyses of processes threatening American democracy (PUTNAM 1995, 2000) as evidenced by the shift from bowling in clubs to bowling alone, resulted in an explosion of social science literature on social capital (FÜZÉR et al. 2005. 12., 2006. 337.). The parallel thesis by FUKUYAMA (1995, 1999) on global competitiveness supported by spontaneous sociability (lots of bridging social capital) in certain economies and the limits of economies in familial societies relying primarily on bonding social capital, has had significantly less resonance in spite of being based on a theoretically much more elaborate conception of social capital. In the meantime, the practical world of policy making too, has discovered and made social capital a success story: besides international development agencies (like OECD, World Bank or UNDP), many national development strategies too set out to develop social capital (in the UK, Ireland, Canada, Australia, New Zealand). In the US, the doyen of social capital research, Robert Putnam initiated a national social capital revival strategy in the form of the Saguro Seminar and supported concrete projects in the framework of the movement, Better Together (FÜZÉR et al. 2005. 25–65.).



The triumph of the concept did not go hand in hand with its theoretical clarification backed by the research community, the anchoring of conceptual elements, the delineation of social spheres where social capital can play itself out or with the institutionalization of its modes of operationalization for empirical research. As many definitions and measurement tools as researchers – note many when faced with the Kuhnian pre-paradigmatic conditions. It is no wonder that parallel to the lines of success, traits of criticism have also built up around social capital. The concept has been criticized (e.g. by PORTES 1998) for its undertheorized nature, and for the practice of using the concept as an explanatory tool for way too many types of favourable

social phenomena: better health, improving criminal statistics, better school performance, labour market successes, improving quality of life, good government performance, and, of course, economic growth – they have all been attributed to social capital according to these analyses (FUKUYAMA 1995; PUTNAM 1993, 1995, 2000). In the practical world of development policy too, the social capital approach invited criticism in its application as panacea for a wide array of social problems (WOOLCOOK–DEEPA 2000; WOOLCOOK 2001). The thrust of these criticisms is well founded, for the literature on social capital is predicated upon distinguishing this approach from that of social network analysis (CSIZMADIA 2008; SZÁNTÓ – TÓTH 2006), and in doing so intends to ground the concept of social capital in three established sociological categories: trust, social norms and networks. The problem is that these categories have been handled theoretically, but especially empirically, rather casually. In the policy world, on the other hand, we see that the programs for the development of social capital are considered to be relatively inexpensive solutions for complex problems such as poverty or economic backwardness. This means that the optimism attached to social capital promises a less expensive alternative and not a complement to other, very expensive means of development (FÜZÉR et al. 2005).

In response to criticisms, one of the most fruitful theoretical developments has been the introduction of distinctions among three types of social capital: bonding, bridging and linking (WOOLCOOK 2001. 13–14.; FIELD 2003. 42–43.; HALPERN 2005. 26–31.). This move has allowed for reconnection to the sociological theories that have always stood in background of social capital and made possible a more complex and robust re-theorisation of how trust, networks and social norms intertwine in the three forms of social capital. The present undertaking joins these efforts, with the specific aim of anchoring the sociological theory of social capital in the social theory of trust.

The key concepts of the social theory of trust are reconstructed here on the basis of theoretical work and interconnected empirical inquiries in a number of academic contexts. The concepts of basic trust, particular interpersonal trust, generalized interpersonal trust, trust in abstract systems and institutional interpersonal trust in the representatives of abstract systems shall be elaborated below. The introduction of these interrelated concepts into the theory of social capital shall, I believe, help to establish the concept of social capital on solid theoretical grounds.

Trust is a universal social phenomenon, but it is not an innate human faculty: trust is a social capacity acquired in the course of socialization, rooted in infancy. Several psychological and social psychological schools (GIDDENS 1990. 92–110.; FUKUYAMA 2000; ERIKSON 2002; BEREZKEI 2009) analysed the phenomenon of *basic trust* that develops in the course of early interaction with significant others: the presence of caregivers, the development of trust in their return, this elemental reliance on significant others is the key to both self-confidence as well as the capacity of interpersonal trust. This basic trust, “ontological security” (GIDDENS 1990. 92–100.), also termed strong attachment, develops only under the right conditions, and its deficiency can be traced back to the dysfunctions of early experiences of being taken care of, the quality of early interactions with significant others. Instable self-confidence, anxiety, excess aggression and a suspicious character tend to be rooted in the foundations of basic trust.

Interpersonal trust develops on the foundations of basic trust, the capacity to rely on self, others and the world, in a subsequent phase of socialization, one that embraces the normative dimension, the acquirement of the rules of social intercourse. (Homo sociologicus develops out of the figure of homo fidens.) On various terrains of socialisation (family, peer groups, educational institutions, media) the norms of social intercourse, the rules of cooperation expected in

diverse networks are inoculated. Children are introduced to and internalize the rules of how to cooperate with parents, siblings, relatives, friends and people in other roles, and at the same time develop a horizon of expectations of such roles, an (implicit) catalogue of other actors' motivations and the normative context of roles (SELIGMAN 1997). Norms of cooperation related to interpersonal trust come in not too wide an array: the phase in which basic trust develops is not dominated by mutuality but by altruism assumed exclusively by care givers. Networks, in which interpersonal trust per se is embodied, are characterised by norms of mutuality such as honesty, trustworthiness, reliability. It is to be noted here, that distrust, even if psychologically burdensome, can very well be called for (LUHMANN 1979; BARBER 1983; GAMBETTA 1990a, 1990b) and is even explicitly expected in certain social contexts, to which we come back below.

Typical examples of networks involving interpersonal trust are friendships, partnerships, family relations, relatives, and communities that expect loyalty from members and enforce norms other than rule of cooperation among members, such as certain religious or ethnic communities. The norms of cooperation of interpersonal trust are predicated upon (frequently only implicit) ethical or moral principles which are expected to be followed by those who are part of such networks. Interpersonal trust is also presumed in organisations established and functioning with the assistance of spontaneous sociability, such as civil organisations, or "economic organisations", i.e. firms for that matter.

A decisive momentum of the social theory of trust for our investigations is that societies differ as to the rules of cooperation that form the background of interpersonal trust: there are societies in which boundaries of expecting and enforcing the norms of honesty, trustworthiness, reliability are rather narrowly confined. Societies with a *narrow radius of trust*, dominated by *particular interpersonal trust* are exemplified by so called familial societies (BANFIELD 1958; PUTNAM 1993; FUKUYAMA 1995; UTASI 2002; 2008, 2013), in which relations with family and relatives are defined by strong, almost unconditional loyalty, whereas in relation to non-kin, norms of cooperation do not demand honesty, trustworthiness or solidarity and in certain cases not only allow but in effect prescribe distrust and untrustworthiness (BANFIELD 1958). Examples of fundamentally familial societies are Southern Italy, France and also Hungary. A similar pattern of trust can develop in certain religious or ethnic groups: loyalty, honesty inside, distrust and lack of solidarity to the outside. Societies with a narrow radius of trust thus not only confine trust to particular groups but typically also display distrust towards those who are not members of these particular groups.

In another type of societies, particular interpersonal trust does not bar individuals from those outside family, kinship, religious or ethnic groups. Societies with a *broad radius of trust*, dominated by *generalized interpersonal trust*, socialize individuals for norms of cooperation with people outside particular groups: in the background of generalized trust stand requirements and expectations of honesty, trustworthiness, reliability relevant for all in society, and utilized in voluntary organizations such as associations, civil organisations, social movements, or businesses that go beyond the family (PUTNAM 1993; FUKUYAMA 1995). Further norms enforced in societies with a broad radius of trust are tolerance, cooperation, politeness, and solidarity with groups and individuals in unfavourable circumstances. Examples of such societies are Northern Italy, Scandinavian societies, Holland, Germany, Japan and the US.

The combinations of particular and generalized interpersonal trust are identified as key social factors of stable democracies (PUTNAM 1993, 1995, 2000) and successful economies (FUKUYAMA 1995, 1999). In societies, namely, where spontaneous sociability (FUKUYAMA 1995), the

art of association (PUTNAM 1995, 2000) is present, a strong civil society guarantees democratic stability, whereas corporations and their networks extending beyond entrepreneurial families but not run by the state, guarantee the success of these economies in the context of global market economy.

One frequently encounters the dichotomy of premodern and modern societies in the social theory of trust, and the concomitant setting against of particular interpersonal trust and generalized interpersonal trust along this dichotomy. As we have seen above, the two versions of interpersonal trust do show traits can be irreconcilable, but modernity does not necessarily bring along the diminishing significance of particular interpersonal trust. What it does bring along, is the challenge of new forms of trust related to (late) modern societies' differentiation, its abstract (chiefly technical) systems, and "impersonal" bureaucratic institutions. These can, indeed, be contrasted to the predominantly face-to-face relations of premodern societies. Modernity, we claim with SIMMEL [1908] 1973, LUHMANN 1979, 1990; BARBER 1983; GIDDENS 1990, 1991; MISZTAL 1996; SELIGMAN 1997; and SZTOMPKA (1999), constitutes a system of uncertainties and risks in which "we only have to know a person's certain external qualities in order for the trust required for our joint venture to be vested in him ... we no longer need actual personal knowledge" (SIMMEL ([1908] 1973. 323.). This condition of modernity is attributed by Simmel to "the thousand preconditions of life which the individual cannot trace and vindicate to its fundamentals and in connection with which ... one is to rely on trust" (SIMMEL [1908] 1973. 317.). The operation of innumerable technical systems and lots of institutions is predicated upon the confidence that considers their construction problemless, does not wish to understand or influence their workings. Let us think of air traffic, the internet or health care institutions: there are only very few who have expert knowledge about the workings of these abstract systems, and it really is not necessary for lay people to comprehend their workings. What is key is that we, as lay people, can commit ourselves to the expertise embodied in them. This phenomenon is termed **institutional trust**. Naturally, the human factor is never absent: we are also called upon to trust the representatives of abstract systems, as well as those who guarantee the expertise and integrity of those representatives (such as aircraft pilots, anaesthesiologist or teachers) via likewise institutionalized processes (such as regular psychological tests, or via supervisions). Thus beside institutional trust, we have to conceptualize **institutionalized interpersonal trust** as well.

The above outlined social theory of trust is capable of grounding a version of the sociological theory of social capital that conceptualizes three types of social capital along the various forms of trust discussed and the associated norms of cooperation.

TABLE 1 ♦ *The three types of social capital and the underlying types and sources of trust*

| | bonding social capital | bridging social capital | linking social capital |
|------------------|--|---|--|
| forms of trust | particular interpersonal trust | generalized interpersonal trust | institutional trust and institutionalized interpersonal trust |
| sources of trust | <ul style="list-style-type: none"> - attachment parenting (basic trust) - indirect socialisation (family, peer groups, media) - community norms | <ul style="list-style-type: none"> - cultural habits - indirect socialisation (school, workplace) - group experiences - formal teaching of cooperative skills - group work | <ul style="list-style-type: none"> - direct socialisation (school education, hidden curriculum, socialisation at workplace) - experiences with operability of institutions, technical systems - political socialisation |

| | | | |
|--|--|--|---|
| norms of cooperation, sources of trustworthiness | <ul style="list-style-type: none"> - altruism - parental commitment - child's attachment - partnership fidelity - friendship loyalty - familial, kinship, religious, ethnic community loyalty - reciprocity | <ul style="list-style-type: none"> - trustworthiness - honesty - reliability - good reputation - goodwill - recognition - reciprocity | <ul style="list-style-type: none"> - (legal) rule following - competence - expertise - fiduciary responsibility - prestige - respect for authority - respect for tradition - equity |
| personality traits | <ul style="list-style-type: none"> - self-confident - copying skills - assertive - attachment, commitment | <ul style="list-style-type: none"> - truthfulness - veracity - tolerance - courtesy - patience - capacity for cooperation - spontaneous sociability - moral autonomy | <ul style="list-style-type: none"> - integrity - credibility - subjective competence |

We conclude the reconstruction of the social theory of trust for the purposes of the present undertaking by highlighting the connection that the particular interpersonal trust that dominates societies with a narrow radius of trust, shows openness towards institutionalized interpersonal trust and institutional trust, while we find generalized interpersonal trust that dominates societies with a broad radius of trust, exhibiting an aversion towards institutionalized interpersonal trust (PUTNAM 1995, 1999).



The manifestations of the three types of social capital shall be discussed in what follows by taking note of both positive and negative embodiments and by extending the conceptualization of social capital as a dynamic phenomenon to include the perspective of the erosion as well as the development, accumulation of social capital.

TABLE 2 ❖ *Manifestations of the three types of social capital*

| | bonding social capital | bridging social capital | linking social capital |
|---|--|---|---|
| manifestation of social capital with fundamentally positive overall societal affect | <ul style="list-style-type: none"> - partnership - friendship - family, relatives - family business - certain ethnic communities - certain religious communities | <ul style="list-style-type: none"> - neighbourhood - condominium residential communities - school class communities, reunions - teacher-parent associations - sports/training in groups - team based workplace - teambuilding training - volunteering - (return of) favour - civil organisations, movements - religious organisations - political organisations - corporations - networks of corporations | <ul style="list-style-type: none"> - public safety - citizenship (rights and obligations) - representative democracy - demonstration, petition - lobby - trade union - consultation - public services - development projects - tax paying - hierarchical, bureaucratic organisations (state, public company, hospital, school, army, church) |

| | | | |
|--|---|--|--|
| manifesta- tion of social capital with detrimental societal affect | <ul style="list-style-type: none"> - domestic violence - sexual abuse of children - sexual abuse (familiar perpetrator) - ethnic or religious conflicts, wars | <ul style="list-style-type: none"> - school bullying - harassment at workplace - cyber bullying - bad neighbours - usury (poor neighbourhoods) - intolerance - prejudice - totalitarian denunciation - cartel - organised crime - civil war - familism | <ul style="list-style-type: none"> - corruption - nepotism - patron-client relations - discrimination - violation of secret keeping (confession, medical, legal information) - nomenclature - totalitarian claim to trustworthiness of citizens |
| lack or erosion of social capital | <ul style="list-style-type: none"> - one parent families - old age isolation - totalitarian atomisation - anxiety, angst - lack of self-confidence - aggression | <ul style="list-style-type: none"> - isolation related to unemployment - isolation affect of entertainment media - frequent changes in business law - circular debt - defensive driving - suspicion, ill will | <ul style="list-style-type: none"> - tax evasion - expansion of security and protection markets - antisystem protest - extension of parochial political culture - Politikmüdigkeit (turning away from political institutions) |
| development or accumula- tion of social capital | <ul style="list-style-type: none"> - parental skills development in Sure Start programs - ICT supporting the cultivation of connections: Skype, social media, chat apps | <ul style="list-style-type: none"> - pedestrian friendly streets - compulsory community work - stronger neighbourhoods (community coaching) | <ul style="list-style-type: none"> - civic education - compulsory community work - participatory methods in development policy (e.g. CLLD, foresight) |

Above, we have uncovered the perspectives along which assets and changes in the stocks of the three types of social capital can be studied empirically. As a trait of ideal typical theory making, we have seen that the models of bonding, bridging and linking social capital have been, so to speak, hovering above social reality, having been delineated, as it were, as mere measurement tools: our references to empirical reality themselves have also touched only further ideal types. The proof of ideal types comes in their application to the interpretation of concrete social processes. As the starting point of any social capital research, it seems useful to sketch out on the basis of available knowledge, how the patterns of interpersonal trust are drawn out in the society/societies we plan to study: are we confronting societies with a narrow or a broad radius of trust? In case we are investigating Hungarian society, we are in a good starting position, for a series of excellent studies have concluded that we are confronted by a society with a narrow radius of trust (UTASI 1991, 2002, 2008, 2013). This is to be taken into account when formulating hypotheses, especially in case of comparative studies.

Whichever manifestation of social capital we plan to explore, our research questions and operationalisations should cover the forms of trust and norms of cooperation that stand behind the various types of social capital. It makes sense, furthermore, to consider whether our studying of social capital can be extended to cover the aspect of changes in social capital, the processes of its accumulation, or its erosion. The above discussion, we hope, contributes guidelines for such extension as well. *

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