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TRUST AND DISTRUST: A SUITABLE THEME FOR HISTORIANS?

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ABSTRACT. In the last twenty years or so, sociologists have shown that trust is an especially problematic but also especially important feature of modern societies, in which traditional and familiar social ties have been broken up and reconfigured in new patterns. On the whole, however, sociologists do not attempt a historical analysis, contenting themselves with the distinction between modern and pre-modern societies. With few exceptions, historians, who could give a more differentiated account, have not shown much interest in trust. Even those who deal with themes like religion, ethnicity, gender and the family tend to interpret them through power relationships rather than trust relationships. There are very good reasons, though, why historians should tackle the theme of trust. In this essay it is argued that the manner in which trust works in any given society is vital to the understanding of most social phenomena. An account is attempted of certain crucial junctures in European history when the radius of trust has broadened relatively rapidly. Finally the essay offers some suggestions as to why a perceived ‘crisis of trust’ has arisen, both in the contemporary western world and in the global economy, and what might be done about it.

Trust is one of the most pervasive – and perhaps for that reason least noticed – aspects of social life. We need to display trust in order to live at all. As the German sociologist Niklas Luhmann remarked, ‘A complete absence of trust would prevent [one] even getting up in the morning.’¹ Life confronts us every day with unfamiliar situations and people we have never met before. We constantly have to take decisions without being able to gather all the information we would need to take them in a completely rational manner. Which of us, before boarding an aircraft, checks every rivet, joint and fuel duct in it? Or even the qualifications of the engineers responsible for maintaining and repairing those parts? The answer is obvious. Yet our lives depend on the impeccable working order of those parts, the skill and conscientiousness of the engineers. The fact is, we take them on trust because everyone else does so, because planes do not usually crash, and because to do otherwise would require us to have both time

¹ Niklas Luhmann, *Trust* (Chichester, 1979), 4.

and skills we do not possess. We do not 'decide' to board an aircraft: we just do it. Every day we exercise trust in a myriad such unnoticed ways.

Trust is necessary, then, in order to face both the known and the unknown, whether another human being, or simply the future and its contingent events. It offers us a way of reducing uncertainty. It lies somewhere between hope and confidence, and involves an element of semi-calculated risk-taking. It is simply essential to any kind of social life. As Georg Simmel has said,

Without the general trust that people have in each other, society itself would disintegrate, for very few relationships are based entirely on what is known with certainty about another person, and very few relationships would endure if trust were not as strong as, or stronger than, rational proof or personal observation.²

Trust also makes an essential contribution to our cognitive equipment. It forms a constitutive part of the way in which we conceive the world. We learn about the world first of all from our parents, and later through our contacts with partners, friends, colleagues and people with whom we feel an affinity. Since we cannot learn everything by personal experience, we take on trust much of what they tell us. At an even deeper level, their discourse, their ways of mentally constituting the world in which they live becomes a usually unnoticed but firmly embedded part of our own world-picture.

Over the last twenty years or so, sociologists have been taking an increasing interest in trust, because of the way the modern world fragments communities but also diversifies choice and offers us the opportunity to take up relationships with distant people and impersonal institutions. Anthony Giddens, for example, writes that 'In circumstances of uncertainty and multiple choice, the notions of trust and risk have particular application. Trust... is a crucial generic phenomenon of personality development, as well as having distinctive and specific relevance to a world of disembedding mechanisms and abstract systems.' In Giddens's vocabulary the term 'disembedding mechanisms' refers to the processes in modern life which detach us from our immediate locale, family and friends, requiring us regularly to interact at a distance and with people we have never met before. In these circumstances trust offers a

'protective cocoon' which stands guard over the self in its dealings with everyday reality. It 'brackets out' potential occurrences which, were the individual seriously to contemplate them, would produce a paralysis of the will... Trust is a medium of interaction with the abstract systems which both empty day-to-day life of its traditional content and set up globalising influences.

² Georg Simmel, *The Philosophy of Money*, ed. David Frisby, trans. Tom Bottomore and David Frisby, 2nd enlarged edn (London, 1990), 178–9.

Modernity, then, changes the nature of trust, but does not eliminate the need for it.³

On the contrary, the issue of trust is crucial today. In the decade and a half since the end of the cold war, most nations and a good many international organisations have been looking for ways to reconcile bitterly divided communities, to create and maintain peace. ‘Truth and reconciliation commissions’ have endeavoured to enable former oppressors and their victims to live in the same society without tearing each other apart. ‘Peace-keeping’ has become the principal business of many national armies, and that sometimes seems to mean creating a peace where there was none to keep. In the Balkans, the former Soviet Union, Angola, Indonesia and elsewhere international organisations have been seeking ways to promote social cohesion and the stability which encourages economic growth. Failure in this endeavour is far more dramatic and ‘interesting’ than success, and gets itself better reported in the media, so that the ordinary newspaper-reader or television-watcher gains the impression that promoting trust is hopeless, and we are certainly not well informed on the ways in which success is sometimes achieved.

In advanced western societies trust is also a serious problem: there is growing public distrust of the institutions, official and professional, in which we used to place our confidence, and as a result, there is more litigation, more overworked teachers and demoralised social workers, greater reluctance to help the police, greater recourse to private health care and the like. Michael Power has shown that both governments and the public have become more distrustful of professional people and try to check on their performance by means of inspections, audits and the meeting of targets.⁴ Robert Putnam has suggested that since the 1960s membership in associations of civil society in the USA has drastically declined, and that as a result the peaceful and mutually trusting interaction of citizens necessary to democracy may be under threat.⁵ In her Reith Lectures of 2002 Onora O’Neill argued that the decline in trust is undermining some of our most cherished ideals – like freedom of the

³ Anthony Giddens, *Modernity and Self-Identity: Self and Society in the Late Modern Age* (Cambridge, 1991), 3. Among other important recent sociological studies are Anthony Giddens, *The Consequences of Modernity* (Cambridge, 1990); Luhmann, *Trust*; Barbara Misztal, *Trust in Modern Societies* (Cambridge, 1996); Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (London, 1996), and also his *The Great Disruption: Human Nature and the Reconstitution of Social Order* (London, 1999); Piotr Sztompka, *Trust: A Sociological Theory* (Cambridge, 1999).

⁴ Michael Power, *The Audit Society: Rituals of Verification* (Oxford, 1997).

⁵ Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York, 2000).

press – and cannot be restored unless we are prepared to balance our freedoms and rights with equivalent responsibilities.⁶

I became aware of the problem of trust through trying to understand the history of Russia. It seemed to me that what distinguished Russia from other European countries was its means of conducting government and preserving internal peace. Right into the twentieth century it had both a very strong state and very strong local communities, but between them there was very little, other than patron–client networks, which depended on persons rather than institutions and laws for their operation.

Local communities functioned on the basis of ‘joint responsibility’, a system that both preserved internal peace and provided a way of interacting with higher authorities. It grew out of the needs of both state and peasant community. The state needed to be able to collect taxes, recruit soldiers and apprehend criminals; the peasant community needed to ensure its own survival in a harsh climate and on relatively infertile soils. The state made its needs known, but usually it was the village that took the essential decisions about how taxes should be apportioned, which young men should be sent to the army and how criminals should be discovered and brought to justice. That saved the state and its local agents a lot of trouble, a very important matter when Russia was claiming European great power status with very scanty resources. To decide how to discharge its duties and how to handle the communal aspects of economic life, the village had a ‘democratic’ general assembly, the *skhod*, consisting of all heads of households – nearly always older men – who took decisions by discussion and consensus. The basis of that consensus was ultimately *pravda*: everything that is true, just, morally right, in accordance with God’s law or with accepted custom. Similarly, peasant courts, which consisted of the ‘best people’ – usually the most trusted or experienced householders – of the village or *volost’* (canton) would deal with civil disputes and petty criminal offences as far as possible in a way that reflected *pravda* and that removed causes of possible future conflict in order to preserve the peace.

To ensure that taxes could be paid, many villages periodically awarded extra land to households that were growing, and took it away from those that were shrinking. The more land a household held, the higher the taxes it had to pay, and vice versa. Arable land, then, was conceived as a communal resource, available to all who needed it; similarly, access to timber, meadows, watercourses.

‘Joint responsibility’ profoundly affected the peasants’ outlook on law, property and authority. Everyone had an interest in everyone else’s welfare. If your neighbour did not pay his taxes, you would have to help make up the shortfall. If your neighbour’s son absconded from the

⁶ Onora O’Neill, *A Question of Trust* (the BBC Reith Lectures 2002) (Cambridge, 2002).

army, or was found to be unfit for military service, your son might have to serve instead.

As a result, it was accepted that, if a household got into difficulties, the others should rally round and help. It might be the illness or death of a family member; it might be a fire or bad weather. In any case, bread would be put aside for a starving family, herbs or other medical help would be provided for the sick, neighbours would lend a hand with the reaping at harvest time. This kind of mutual aid was not altruism, but common sense in the circumstances.

It sounds attractive, but it had its dark side too. Villagers kept a close watch on each others' lives and constantly exchanged information – gossip, to put it more simply. Heavy drinking, stealing or marital discord could wreck the economic life of a household and so drag its neighbours into extra expense or labour. Furthermore, extremes of wealth were regarded with suspicion: a poverty-stricken household was a burden on the rest of the community, while a wealthy one was probably engaged in sharp practice or criminality which might threaten the orderly life of the village. As a popular saying had it, 'Wealth is a sin before God, and poverty is a sin before one's fellow villagers.'⁷

'Joint responsibility' is by no means unique to Russia. All European and many Asiatic countries had similar institutions for centuries. What is distinctive about Russia is that modernisation did not weaken those institutions, but actually strengthened them. From the seventeenth to nineteenth centuries, when analogous customs in most European countries were giving way to institutions and laws based on the principle of individual personal responsibility, the Russian state exploited 'joint responsibility' more systematically, because it was such a convenient way to collect taxes and recruits, and no other sinews of power were available.⁸

I would argue that 'joint responsibility' continued in modified form even under the Soviet regime. In place of institutions and laws that embodied the principle of legal responsibility and equality before the law, the Soviet regime perpetuated personalised power systems that made heavy demands on the population. Recent research has shown

⁷ Quotation from B. N. Mironov, *Sotsial'naiia istoriia Rossii perioda imperii* (St Petersburg, 1999), i, 330. My account of *krugovoiia poruka* and its effects draws on V. A. Aleksandrov, *Sel'skaia obshchina v Rossii (xviii-nachalo xix veka)* (Moscow, 1976), chs. 2–3; M. M. Gromyko, *Traditsionnye normy povedeniia i formy obshcheniia russkikh krest'ian xix veka* (Moscow, 1986); Stephen P. Frank, 'Popular Justice, Community and Culture among the Russian Peasantry, *Russian Review*, 46 (1987), 239–65; Alena Ledeneva, 'The Genealogy of *krugovoiia poruka*: Forced Trust as a Feature of Russian Political Culture', in *Trust and Democratic Transition in Post-Communist Europe*, ed. Ivana Marková, Proceedings of the British Academy, no. 123 (Oxford, 2004), 85–108.

⁸ On the abandonment of 'joint responsibility' in other European countries, see Jerome Blum, 'The Internal Structure and Polity of the European Village Community from the Fifteenth to the Nineteenth Century', *Journal of Modern History*, 43 (1971), 543–76.

that at the workplace in the Soviet enterprise, at the dwelling place in the communal apartment, and in the labour camps, systems of 'joint responsibility' reasserted themselves. Each person's welfare depended on how his colleagues performed, and deviations from the norm were regarded with suspicion. Mutual surveillance became even more marked, because a communal apartment is more claustrophobic than a village, and because it was backed up by a formidably inquisitive security police. One of the reasons for the ubiquity and savagery of Stalin's terror was that people denouncing their neighbours were often convinced they were morally justified in doing so.⁹

The post-Soviet period, however, saw a disastrous clash between the customs of 'joint responsibility' and the institutions of the Americanised market economy, depending as they do on contract, property, the rule of law, transparent corporate governance and the public provision of social welfare and infrastructure. Structures of social solidarity inherited from the USSR, however primitive and under-productive they may have been, did more or less guarantee a basic minimum for everyone, no matter how poorly educated they were, or how bad their health. Now those structures were fatally undermined without the benefits of a genuine market or the rule of law being put in their place. The gap was filled by 'oligarchs', who played roughly the same role as the mafia in nineteenth-century Sicily: they regulated the economy in their own interests by creating extensive monopolies, protecting their clients and enforcing contracts where necessary through their private armies.¹⁰ The result was a disastrous drop in productive output, extreme social inequality, the degradation of the health and education systems and a steep rise in the mortality rate.

Thinking about this Russian disaster led me on to broader questions about how societies and economies function. The vital question, it seems to me, in Russia as elsewhere, is the reason why people trust one another – and why they distrust one another. In other words, we need to supplement the abundant accounts we have of power structures with an account of trust structures. If we do not study systematically the structures of trust and social cohesion, we risk missing essential features of a society and are likely to make serious mistakes in dealing with it.

That is what the International Monetary Fund and other international financial institutions have done in Russia, Mexico, Indonesia and

⁹ Geoffrey Hosking, 'Forms of Social Solidarity in Russia and the Soviet Union', in *Trust*, ed. Marková, 47–62.

¹⁰ David E. Hoffmann, *The Oligarchs: Wealth and Power in the New Russia* (Oxford, 2002); Joseph Stiglitz, *Globalization and its Discontents* (London, 2002), 160–2; Diego Gambetta, 'Mafia: The Price of Distrust', in *Trust: Making and Breaking Cooperative Relations*, ed. Diego Gambetta (Oxford, 1988), 158–75.

elsewhere. It took for granted that the forms of trust associated with modern financial and fiscal institutions, contract and the rule of law could easily be established by a few simple reforming steps. But in those countries most people placed their trust in quite different ways, incompatible with modern institutions. They depended for their economic well-being on personal patrons, whether in government structures, in private firms or in local communities: those patrons carried out a modest redistribution of wealth in favour of their clients and thus smoothed out some of the glaring social inequalities, though in a rough and ready manner which left many people still extremely deprived. The IMF demanded that, since official procedures were corrupted by such patronage, markets be deregulated, state budgets be balanced by cutting expenditure and the stability of the currency be maintained. These policies entailed curtailing social services, education, health care and pensions, without which many people's capacity to contribute to the economy was degraded. Where there is no trust in institutions, the deregulation of markets tends to mean that individuals will use what assets they can seize to provide for their own security at everyone else's expense, and if necessary defend them by creating private armies. The result is capital flight and extreme social inequality, which are not only inhumane, but undermine the potential for further economic development.¹¹

Our own modern legal and financial institutions have grown out of centuries of gradual relocation of the focus of trust. Their origin often lies with arrangements initially improvised in order to foster familiarity and trust. The English legal profession was born in the Inns of Court and Chancery in London, where apprentice practitioners learned their trade from their seniors, and also ate their dinners together. The latter practice was presumably intended to promote conviviality and mutual confidence, as well as the exchange and discussion of experience. Since attendance was expensive, especially for those who lived outside London, its members had the comforting consciousness of belonging to an elite club. That is one of the ways in which mutual trust is built up, and the motive is evidently still at work: to the present day aspiring barristers must dine thirty-two times over at least eight terms in order to qualify.¹²

Similarly, both insurance companies and stock exchanges originated in seventeenth-century London coffee houses, where merchants, shipowners and bankers would gather to exchange news about commodities, technical novelties and commercial voyages. At establishments such as Jonathan's or Garraway's in Exchange Alley in the City, buyers and sellers of securities

¹¹ Stiglitz, *Globalization*, esp. 160–2.

¹² J. H. Baker, 'The English Legal Profession, 1450–1550', in *Lawyers in Early Modern Europe and America*, ed. Wilfred Prest (London, 1981), 16–41; Richard L. Abel, *The Legal Profession in England and Wales* (Oxford, 1988), 38.

could be brought together and matched. Not far away, Edward Lloyd's Coffee House specialised in marine insurance and Tom's and Causey's in fire insurance. With the help of the latest information and of various colleagues' estimates of it, those involved could better assess the price one should pay for particular goods and services, and the risk one was assuming in undertaking certain types of transaction. The informal bonhomie of such establishments was very helpful, perhaps indispensable, in generating the mutual confidence necessary for commercial and financial operations.¹³ In recent decades this kind of background trust has become acknowledged as an essential aspect of 'social capital'. Institutions based on it reduce uncertainty and cut transaction costs; they thus play a crucial role in economic growth.¹⁴

Yet when economists write about insurance companies and other modern financial institutions, they do so without seeming aware that the trust which makes them effective has been created by historical evolution, and cannot be conjured up mechanically in institutions which lack that evolution.

The fragility of institutions not based on such historically developed trust is brought out in an excellent study by Craig Muldrew, who reminds us that today, when the values of free competition are constantly preached, 'we must understand that the full realisation of such values, without a concurrent emphasis on trust, sociability and the redistribution of wealth, would be the creation of a world of Hobbesian insecurity and debtors' prisons'.¹⁵ He provides ample evidence for his assertion in a rich study of credit relations and the way they gradually became embedded in English social structure in the sixteenth to eighteenth centuries. He shows that from the mid-sixteenth century trade expanded at a much faster rate than the supply of coinage, so that it inevitably depended on the growth of credit. Such credit was sometimes entered in account books, but much of it was given orally, in the presence of witnesses. The calculation of whether one could offer credit and, if so, how much derived from one's assessment of the standing and hence imputed trustworthiness of the potential debtor. For the consumer, then, much of social life consisted in displaying one's creditworthy credentials in the form of dress, behaviour, the furnishing of one's house and/or shop, the nature of one's relations with others and so on. All traders had to enter into this intricate web of calculation, since, as Daniel Defoe remarked, 'He that gives no trust and

¹³ Ranald C. Michie, *The London Stock Exchange: A History* (Oxford, 1999), 20; P. G. M. Dickson, *The Financial Revolution in England: A Study in the Development of Public Credit* (Aldershot, 1993), 590.

¹⁴ Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge, 1990).

¹⁵ Craig Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (Basingstoke, 1998), 333.

takes no trust, either by wholesale or by retail . . . is not yet born, or if there were ever such, they are all dead.¹⁶

Another historian who has alerted us to the importance of understanding the origins of modern economic practice is Margot Finn. In her study of the evolution of credit practices in eighteenth- to early twentieth-century England she suggests that the modern concept of economic man as an autonomous individual motivated by material interest and bound by contract emerged only slowly from a quite different set of representations. She shows that for most of the eighteenth and nineteenth centuries a lot of retail trade was carried on through credit, which ‘made a degree of mutual trust integral to buying and selling’. Retailers and purchasers were ‘bound . . . in networks of mutual lending that encouraged all parties to surround their contractual agreements with a scaffolding of extra-legal customs, obligations and expectations’. Since not all transactions could take place between people who knew each other well, ‘creditors sought constantly and unsuccessfully to read debtors’ personal worth and character from their clothing, their marital relations, their spending patterns and their perceived social status, attempting to assign stable cash values to consumers in markets continuously buffeted by the vagaries of credit’. Those anxious to consume but lacking the necessary wherewithal would take care to project a personality that ‘drew upon the perceived verities of social capital rather than upon the monetary values of the cash nexus alone’.¹⁷

One famous literary example of the paradoxical results of such a financial-social calculus is Rawdon Crawley, from Thackeray’s *Vanity Fair*, who ‘lived comfortably on credit. He had a large capital of debts, which, laid out judiciously, will carry a man along for many years, and on which certain men contrive to live a hundred times better than even men with ready money can do.’¹⁸

Muldrew and Finn have shown that modern impersonal, rational *homo economicus* has emerged from a complex evolution of expectations embedded in societies which were hierarchical, clientelistic and ‘prejudiced’, and whose members were extremely attentive to nuances of personal behaviour.

It remains true that most historians have not yet built trust as a crucial determining factor into their studies of social evolution. There are, however, two whose work I have found very useful in trying to understand the role trust has played in past societies, by directing our attention away

¹⁶ From Daniel Defoe, *The Compleat English Tradesman*, quoted in Muldrew, *Economy of Obligation*, 95.

¹⁷ Margot C. Finn, *The Character of Credit: Personal Debt in English Culture, 1740–1914* (Cambridge, 2003), 21, 95, 320.

¹⁸ Thackeray, *Vanity Fair*, ch. 17.

from vertical power-based relationships articulated in juridical documents to horizontal, community-based relationships articulated in non-verbal customary practices. They are Susan Reynolds, for the middle ages, and Peter Blickle, for the early modern period.

Susan Reynolds contends that in our accounts of what most historians call 'feudal society' we have tended to overemphasise power relationships and the boundaries between hierarchical social categories. We have been unduly influenced by lawyers seeking retrospectively to justify authoritarian social relationships by drawing up documents based on Roman or canon law, which drew too sharply the demarcation between rulers and ruled. She suggests that parishes, village communities, guilds and lay fraternities had their own forms of internal solidarity which were not necessarily laid down in written form. Writing of guilds and fraternities, she argues that

they relied first and foremost on affective bonds, modelled on the ideal of sibling relationship or monastic community, reinforced by oaths, and maintained by the collective jurisdiction over their members that all collective groups tended to assume . . . They would drink together, swear solidarity and pledge themselves to mutual good works. Above all, they would do for one another the one act of mercy that everyone needed, by giving each other honourable burial and a helping hand into the next world.¹⁹

As for villages, she proposes that they

acted collectively in running their agriculture, their parish churches and fraternities, their local government and perhaps a good deal more besides. Many of the groups seem to have consisted of peasants, both free and unfree, who were united partly by subjection to the same lordship, but partly by their common rights and duties as farmers, parishioners and neighbours.²⁰

In general, between 900 and 1300, she asserts

that lay society and government depended in a mass of different ways on the collective activities of a wide range of people; that this activity was undertaken as a matter of course in support of government, as well as in opposition to it; and that in all its aspects it reveals a very homogeneous set of values, which combined acceptance of inequality and subordination with a high degree of voluntary cooperation.²¹

The implication of her account is that trust, directed both horizontally and vertically, played a greater role in medieval society than we have commonly realised.

Writing of a later period, Peter Blickle likewise finds the terms used to describe social change in early modern Europe – feudalism, absolutism, capitalism – insufficient. He proposes a fourth to complement them: communalism. Most villages as well as towns, he points out, had their own

¹⁹ Susan Reynolds, *Kingdoms and Communities in Western Europe, 900–1300*, Oxford, 1984, 77–8.

²⁰ *Ibid.*, 152.

²¹ *Ibid.*, 332.

standardised institutions and procedures for keeping the peace, promoting the common weal, distributing dues and obligations and ensuring that each household had its own subsistence – what the Germans called *Hausnotdurft*: sufficiency according to its size and function. Certain values underlay these practices: tradition, right behaviour, fairness, natural law, God's law. At most times these values could be promoted in cooperation with feudal lords or the agents of the absolutist state, but at certain times both rural and urban communities acted together to defend them from encroachment by superiors, either through collective petitions or on occasion through armed resistance.²² Blickle specifically argues that communalism 'harmonised extremely well with the New Testament notion of love for one's fellow man' and so played a major role in generating the rural and urban unrest in southern and western Germany in the 1520s. 'What made the reformation so dangerous was the fact that theologians were playing dangerously with the social movement of communalism, and this compelled the princes to take a stand against the communal reformation.'²³

'Communalism', then, implies that, in Blickle's words,

the community has the right to determine its own internal regulations, its own administration and judicial institutions, that the fulfilment of everyday needs and the preservation of peace within and without are communally organised and that all members of the community are equally obliged to observe the legal norms which they entail and are also empowered to enforce them as rights rooted in the locality.²⁴

Compared with social scientists, historians have two great advantages when approaching questions of trust. The first is that they do not examine economies, political structures or social welfare systems in isolation: they are interested in whole societies. Western economists working in the former Soviet Union in the 1990s were probably excellent economists, but they did not seem able to place their economic counsel in a wider context, to see that measures which promote growth in one society will stifle it in another, or even endanger the social fabric. An economy is part of a web of inter-relationships which make up society as a whole. Historians are better placed than most social scientists to study the entirety of that web.

²² Peter Blickle, 'Kommunalismus: Begriffsbildung in heuristischer Absicht', in *Landgemeinde und Stadtgemeinde in Mitteleuropa: ein struktureller Vergleich*, ed. Blickle (Munich, 1991), 5–38; see also his 'Introduction' and 'Conclusions', in *Resistance, Representation and Community*, ed. Blickle (Oxford, 1997), 1–4, 325–38. Other papers in this volume develop these themes at some length; see especially Hugues Neveux and Eva Österberg, 'Norms and Values', 155–215.

²³ Peter Blickle, *Communal Reformation: The Quest for Salvation in Sixteenth-Century Germany*, trans. Thomas Dunlap (New Jersey, 1992), 181, 184.

²⁴ Peter Blickle, 'Kommunalismus, Parlamentarismus, Republikanismus', *Historische Zeitschrift*, 242 (1986), 535.

Secondly, historians locate their studies in the flow of time. A social problem is not like a chess problem, where the previous moves needed to reach the position on the board are irrelevant to the solution. Societies are composed of people whose mentality and outlook have been constituted by their previous life experience and that of those around them. Their future actions will be strongly, perhaps decisively, influenced by that experience. It is vital, then, when studying any society, to know what social actors' past was and to understand how they reacted to it.

In principle, then, historians could be useful in providing an insight into the different ways in which trust functions in different societies, and in which social cohesion is or is not sustained. Yet actually, when I look at what most of my colleagues are doing, with exceptions mentioned above, I have to admit that the generation of peace and stability is not high among their priorities. To take just one simple example: far more studies have been written of the breakdown of the Weimar Republic before 1933 than of the establishment of the German Federal Republic after 1945. Yet the latter is the more unusual and remarkable story, and understanding it at least as important to us today. Nowadays we have histories of many things: war and revolution, political power, ethnic and national identity, economic development, the family, gender, religion and so on. But not of trust – and its opposite, distrust – which partly underlie all these phenomena.

Trust is not an invariant entity, present in different societies at the same level and in the same forms. On the contrary both its incidence and its social forms vary greatly. Some societies seem peaceful and stable, and their members relate to each other without acute or chronic distrust for generations; other societies are riven by apparently unceasing distrust, so that conflict between individuals or groups is always either present or latent, ready to break out at the slightest provocation. No society can survive, however, on a diet of total distrust. As Adam Smith once said, 'Society . . . cannot subsist among those who are at all times ready to hurt and injure one another . . . If there is any society among robbers and murderers, they must at least . . . abstain from robbing and murdering one another.'²⁵ Furthermore, the transition from widespread trust to widespread distrust can take place remarkably quickly during, for example, an economic crisis, or a period of ethnic strife. As the post-Yugoslav wars broke out in the early 1990s the Croat writer Dubravka Ugrešić noted with alarm 'the terrifying speed with which all [her] colleagues change colour, flag, symbols, the genres of oral and written confession with which they cleanse themselves of Communism and Yugoslavism' in order to take up their new identity of Serbs and Croats,

²⁵ Adam Smith, *Theory of Moral Sentiments* (Oxford, 1976), 86.

denouncing each other.²⁶ The result was a drastic hardening of identity and narrowing of trust, characteristic of a community faced with great danger.

The opposite can also be true; as John Plumb remarked in the preface to one of the few historical works which explicitly aims to explain the onset of social cohesion: 'Political stability, when it comes, often happens to a society quite quickly, as suddenly as water becomes ice.'²⁷ The association of freezing is perhaps unfortunate, but the physical metaphor of a critical stage where social molecules rearrange themselves quite rapidly in a different and more stable configuration is suggestive and I think appropriate for certain junctures in the history of societies.

The valuable work that sociologists have done on trust is not strongly based historically. They usually study only the modern world, and they confine themselves to a broad distinction between forms of trust in pre-modern and modern societies. Anthony Giddens, for example, posits that in pre-modern societies trust reposed in kinship and local community, and was backed up by tradition and by a religious cosmology. Kinship and local community offered 'a nexus of reliable social connections', which inevitably involved tension and conflict between persons, but were 'very generally bonds which could be relied upon in the structuring of actions in fields of time-space'. Tradition offered continuity and habit which removed the necessity for complex calculations in unfamiliar contingencies, while religious cosmology provided a framework for explaining events and situations and suggesting responses, as well as 'moral and practical interpretations of personal and social life . . . , which represented an environment of security for the believer'. Together these mechanisms presented a way of coping with risk and uncertainty. In general, then, traditional trust was personal, moral and limited in radius.²⁸

In modern societies, on the other hand, according to Giddens, the interchanges of kinship and local community have been largely replaced by more long-distance, impersonal and instrumental interchanges which take place in the context of institutions having their own procedures and practices. Trust is projected over extended time and space and is placed in systems; it 'takes the form of faceless commitments, in which faith is sustained in the workings of knowledge of which the lay person is largely ignorant'. Religious cosmology and tradition have largely been supplanted by 'reflexively organised knowledge, governed by empirical observation and logical thought and focused upon material technology

²⁶ Dubravka Ugrešić, *The Culture of Lies*, trans. Celia Hawkesworth (University Park, PA, 1998), 42.

²⁷ J. H. Plumb, *The Growth of Political Stability in England, 1675–1725* (London, 1967), xvii.

²⁸ Giddens, *Consequences of Modernity*, 100–6.

and socially applied codes'. Modern trust, in short, is impersonal, instrumental and much broader in radius.²⁹

Giddens's generalisations about pre-modern and modern societies are useful rules of thumb, but, as historians will realise, the nature of kin, of local community, religions and traditions has been almost infinitely diverse. For the historian perhaps the most useful sociological approach to trust is that adopted by the Polish sociologist Barbara Misztal, who treats it as a 'habitus', in Bourdieu's sense, that is, as a constituent of a socially learned environment, and therefore as something whose nature changes from one society to another. She sees trust as 'a protective mechanism relying on everyday routines, stable reputations and tacit memories, which together push out of modern life fear and uncertainty as well as moral problems'.³⁰ Actually, in my view trust is not quite as effective as that, but Misztal's emphasis rightly suggests that the historian has an important function, in elucidating how routines, reputations and memories have been generated in particular societies, and what their effect is on people's perceptions and behaviours.

Everyday routines and habits are a crucial aspect of trust. They reduce social complexity, enabling us to function 'on auto-pilot' for much of our life, and so they save our effort and attention for the unfamiliar and challenging. Families, friends and work colleagues develop familiar practices which simplify mutual interaction and construct a community identity, consisting of those people with whom we feel most at ease and with whom we communicate most readily.³¹ By the same token those practices delineate boundaries separating the 'in-group' from the 'out-group'. Trust and distrust exist in mutual symbiosis.

Memory bolsters and enlarges the sphere of routine and habit. It creates and sustains the sense of collective identity. It 'reduces the complexity and restricts the uncertainty of our social environment. Individuals seek to impose legibility on the irregularities in institutions and values, and thus provide for the comprehension and continuity of their historical experience.'³² For that reason, all societies, even those which aim to build a wholly new world, like France after 1789 or Russia after 1917, seek a past to attach themselves to and create myths, symbols and rituals which evoke that past – as France did under Napoleon and Russia under Stalin.³³

²⁹ *Ibid.*, 88, 109.

³⁰ Misztal, *Trust*, 102.

³¹ *Ibid.*, 105–11.

³² *Ibid.*, 139–56; quote on 139.

³³ Maurice Agulhon, *Marianne into Battle: Republican Imagery and Symbolism in France, 1789–1880*, trans. Janet Lloyd (Cambridge, 1981), 32–4, 182–4; Richard Stites, *Revolutionary Dreams: Utopian Vision and Experimental Life in the Russian Revolution* (Oxford, 1989); David Brandenberger, *National Bolshevism: Stalinist Mass Culture and the Formation of Modern Russian National Identity, 1931–1956* (Cambridge, MA, 2002).

The good reputation of a leader, a military commander, a business company, a lawyer or doctor likewise generates trust, by enhancing the probability that expectations will be met and thereby creating a stable environment. Reputation is built up gradually, from an accumulation of events and actions. In a face-to-face society, it is the subject of frequent gossip and exchange of opinion; in societies where contact is less direct it is formalised in procedures like letters of reference or checks of creditworthiness.³⁴

There is not only one kind of pre-modern configuration of trust, then, but a great variety of different kinds, corresponding to different social structures. Their nature can change quite fast. Breakdowns of trust are especially abrupt, and the historical literature is full of them. However, in the spirit of Plumb, as quoted above, I would like to suggest six conjunctures in European history, when I believe trust broadened relatively rapidly, to create new kinds of social cohesion. Very often these were societies in which significant economic growth had recently taken place, but which faced particular threats or dangers, which could be adequately met only by creating institutions embodying new and broader forms of trust.

1. Athens of the late sixth century, like other Greek communities, had been basically a tribal society. However, its growing wealth and the diverse networks of trade it had built up increasingly divided the rich and the poor from each other, especially since those who fell into debt became slaves to their creditors. This polarisation not only generated serious social conflict, but also weakened the city's defences, since slaves could not serve in the army. Customs and forms of trust appropriate to tribal society, where there was no such gap between rich and poor, were sapping the vitality of a great trading city. The reforms of Solon redrew the property-owning map by forgiving debt, freeing indebted slaves, redeeming their land and forbidding future debt bondage. Those of Cleisthenes, some decades later, reconstituted the tribes on a geographical basis, so that they formed the constituencies for a new kind of rule, the polis or city-state, governed by its own citizens, rather than by tribal leaders or tyrants. These reforms represent the stage when Athenian society moved from the forms of trust associated with tribal society to those appropriate to a city-state, where one had to accept, tolerate and work with people quite outside one's kin, of very different wealth and social status. They laid the foundations for Athens's prosperity and her extraordinary culture over the next couple of centuries.³⁵

³⁴ Misztal, *Trust*, 120–39.

³⁵ Philip Brooks Manville, *The Origins of Citizenship in Ancient Athens* (Princeton, 1990); Christian Meier, *The Greek Discovery of Politics* (Cambridge, MA, 1990); Simon Hornblower, 'The Creation and Development of Democratic Institutions in Ancient Greece', in *Democracy: The Unfinished Journey, 508BC–AD 1993* (Oxford, 1993), 1–16.

2. Rome of the first century BC was in a state of chronic crisis caused by the incapacity of city-state institutions to cope with governing what by then had become a far-flung empire. A few oligarchs enriched themselves through colonial plunder, while much of the population was poverty-stricken. A former soldier might return after giving of his best in Rome's wars to discover that an oligarch had bought up his farm and evicted his family. Much of the power in the state had devolved to military leaders who each took a province as a base and used their wealth to provide for these impoverished soldiers, turning them into clients in private armies. Those warlords were powerful because the soldiers invested their trust in them. When Augustus seized power he outbid the warlords by converting the army from a citizen one into a professional one, using his own immense wealth and that of the Roman treasury to pay for it as well as to endow needy veterans with their own land. He also provided famine relief, municipal works and public entertainments for Rome's own poorest inhabitants. Both soldiers and citizens were able to redirect their trust towards him. Acting as a kind of super-patron, he was able – without admitting it – to supersede the city-state and erect administrative and financial structures capable of governing the empire. His super-patronage enabled Rome finally to bridge the gap between city-state and a huge and diverse territorial empire. This was the basis for the *pax Romana* of the next two centuries or so.³⁶

3. The city-states of late medieval Italy were wealthy thanks to industry and trade, especially the maritime ones, Venice and Genoa. But they were faced with a breakdown of public order caused by the weakening power of the Holy Roman Emperor. To protect themselves against destructive aristocratic feuds they formed their own self-defence associations, taking oaths of mutual protection. These associations gave them an intense attachment to their 'commune'. The loyalty and mutual trust thus generated enabled them to experiment with new economic institutions, such as deposit banking, the bill of exchange and the *compagnia*, precursor of the modern corporation. Italian cities also pioneered the floating of long-term loans against the provision of annuities for borrowers. These innovations not only made trade easier; they actually increased it considerably by making it less dependent on coinage. They stimulated the provision of credit – the economic version of trust – and thereby engendered economic growth beyond the bounds set by the limited supply

³⁶ Michael Crawford, *The Roman Republic*, 2nd edn (London, 1992), chs. 9, 15; P. A. Brunt, *The Fall of the Roman Republic and Related Essays* (Oxford, 1988), 68–81, 240–81; J. B. Campbell, *The Emperor and the Roman Army, 31 BC–AD 235* (Oxford, 1984), 157–76.

of coins.³⁷ (We should note, of course, that the increased use of credit in an economy also renders it more liable to panics, crises and depressions. Trust is ubiquitous, but it is also fragile.³⁸)

4. In the fifteenth to seventeenth centuries Italy was replaced as the focus of international credit by the Netherlands, first of all centred in the city of Antwerp, then Amsterdam. Its pre-eminence rested on the growing prosperity of the Dutch economy, especially in agriculture, fishing, shipping and the Baltic maritime trade. Like the Italians, the Dutch had a strong sense of solidarity focused on their municipalities. We may hypothesise that this solidarity was generated by the long defensive battle against the sea, and by the gradual reclaiming of polder land, for which purpose special citizens' associations were set up. This solidarity was certainly intensified by religious conflict with Spain, followed by the long war of independence – nearly eighty years altogether. During this period, which one might have expected to be especially unstable, the Dutch cities developed and extended the technique first devised in Italy: floating large public loans paid back in the form of annuities, which had a first claim on their tax revenue. These proved very attractive to potential lenders, since municipal councils and provincial estates represented the real wealth of the country, and they could not afford to let their credit be undermined. Lending to them was, therefore, more reliable than lending to absolute monarchs. As a result the United Provinces raised a long-term debt which considerably exceeded their annual income.³⁹

5. Mid- to late seventeenth-century England suffered from instability engendered by the attempt to impose a European-style absolute monarchy on a nation some of whose structures of trust were intensely local, while others were already supra-national, linking the home-country with overseas colonies. When William III seized power in 1688, the great landowners and city merchants bound him to a constitutional style of rule in which they consented to being seriously taxed in order to establish trustworthy forms of public credit, in return for gaining control over parliament, the army and navy and the fiscal system. For the first time the Italian and Dutch method of raising public loans was fully applied at the level of a large European monarchy, and it could only be done by a constitutional monarchy, whose parliament could render credible the

³⁷ Lauro Martines, *Power and Imagination: City States in Renaissance Italy* (New York, 1980), 111; Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, 1993), 121–51; Carlo M. Cipolla, *Before the Industrial Revolution: European Society and Economy, 1000–1700*, 3rd edn (London, 1993), 160–4, 179–82.

³⁸ Charles P. Kindleberger, *Manias, Panics and Crashes: A History of Financial Crises* (Basingstoke, 1996).

³⁹ James D. Tracy, *A Financial Revolution in the Habsburg Netherlands: Renten and Renteniers in the County of Holland, 1515–1565* (Berkeley, 1985).

promise to make repayment the first charge on the public revenues. The result was what the historian John Brewer has called the ‘military-fiscal state’, far more efficient than its great rival France at raising both taxes and loans, so that with more modest resources it was able to mobilise much greater economic power for war-making purposes.⁴⁰ Forms of trust came into being which subsequently underlay both the nation-state and the capitalist economy.

6. After 1945 it was clear that the kind of solidarity which focused on the nation-state, while it had mobilised unprecedented human resources, had also brought unparalleled destruction and death to millions in Europe and Asia. It seemed imperative to set up international institutions which would prevent nationalism getting out of hand again and enable nations to work together – to create in fact global structures of trust. That was the purpose of the United Nations, the Bretton Woods currency agreement, the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade. The USA also distributed Marshall Aid, mostly in the form of grants, to European countries, to help them overcome post-war economic dislocation and establish stable constitutional political systems. Meanwhile the Europeans themselves were beginning to create supra-national institutions, first the Coal and Steel Community, then Euratom, then the European Economic Community, which has evolved into the European Union of today. The express aim of its founders was to break down distrust between nations, and thereby to eliminate war as an instrument of state policy and also to lay the basis for a more prosperous world.⁴¹

In each of my six examples of trust-broadening, operations involving money played a key role. This is not accidental. It may make sense to regard money as the key symbol of the modes of trust existing in any given society. This was the major insight of the sociologist Georg Simmel, in his work *The Philosophy of Money*, first published just over a century ago. Money makes possible the exchange of infinitely diverse goods and services, which are an essential part of the life of any society. It can take many forms, from sheep or corrie shells through coins and bills of exchange to electronically mediated credit. But it always both presupposes a measure of social trust – consensus that a monetary unit has a certain value and will continue

⁴⁰ Dickson, *Financial Revolution*; Niall Ferguson, *The Cash Nexus: Money and Power in the Modern World, 1700–2000* (London, 2001), ch. 4; Douglass C. North and Barry R. Weingast, ‘Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in 17th Century England’, *Journal of Economic History*, 49, no. 4 (Dec. 1989), 803–32; John Brewer, *The Sinews of Power: War, Money and the English State, 1688–1783* (London, 1989); Patrick K. O’Brien, ‘Fiscal Exceptionalism: Great Britain and its European Rivals from Civil War to Triumph at Trafalgar and Waterloo’, in *The Political Economy of British Historical Experience, 1688–1914*, ed. Donald Winch and Patrick K. O’Brien (Oxford, 2002), 245–66.

⁴¹ Tony Judt, *Postwar: A History of Europe since 1945* (London, 2005), esp. ch. 8.

to have it – and also confirms and extends that trust. One might add that money, being neutral, precisely calculable and infinitely fungible, represents the ideal symbol of the impersonal and instrumental forms of trust that exist in the modern world. This was the characteristic of money which led Karl Marx to complain that ‘The bourgeoisie, whenever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations . . . and has left remaining no other nexus between man and man than naked self-interest, than callow cash payment.’⁴²

Another feature of my six examples is that in all except the second a broader institutional basis was created for the input of ordinary people into public life and politics. Even in the Roman case it could be argued that the taming of the warlords of the late republican period, even by autocratic means, made it easier for both patricians and plebs to feed their aspirations and grievances into the political process. As societies become more complex, it is evidently crucial that they find a way of involving people of different status and function in tackling common problems. Without that involvement, certain categories of the population feel permanently excluded, without a legitimate and acknowledged way of influencing their own life chances. In that way trust is undermined and social conflict, potential or actual, is built into the system.

To conclude, then, I believe that one of the major challenges standing before historians today is to delineate the forms of trust which have existed in the past and to use those forms to interpret the discourses and practices of any given society. Without such interpretation we lack tools to understand cardinal features of social structure, since trust is crucially involved in fundamental social phenomena.

Let me finally essay one speculative hypothesis. As we have seen above, at least four of the six historical conjunctures where social cohesion has rapidly crystallised was preceded by an act of economic generosity or of extremely enlightened economic self-interest which had the effect of rather suddenly broadening the radius of economic trust.

Today’s global economic order was a great achievement in its time, after 1945. It now operates, however, in such a manner that it manifestly undermines trust between different nations, and especially between the affluent western (in part east Asian) world and the rest. Just as one example: the affluent nations, and the international financial institutions they dominate, expect developing ones to operate a free market policy and to open their economies fully to international trade. But they protect the vulnerable sectors of their own economies – agriculture, textiles, steel – from the competition which such free trade implies.⁴³ Both within and between nations, the systems of trust I have outlined above will only

⁴² *Manifesto of the Communist Party* (Moscow, n.d.), 52.

⁴³ Stiglitz, *Globalization*.

operate successfully provided they are not seen to promote blatant injustice. Rebellions and wars break out when trust is clearly seen to be abused. A history of trust is of necessity also a history of distrust.

If we want to create a more stable global order and a more prosperous global economy, the world's rich nations need to attempt some act of economic generosity or enlightenment, analogous to those outlined above, whether it lies in debt forgiveness, aid, redistribution of income or the opening of frontiers to trade and labour. Either globalised trust becomes more real, or distrust continues to break out in ever more virulent forms at the next level down, the nationalist movement or the international religious fraternity. That is the pattern the history of trust suggests, and it is being played out before us today.

Using the concept of trust also helps us to understand the greatest obstacle to such steps of economic enlightenment. Nowadays in advanced western societies we place our trust in institutions connected with the operations of money, and these will only work well where there is continuous economic growth. Where we used to look to family, local community or religious institutions to help us face life's risks, today we depend on state welfare, savings banks, insurance policies and pension funds. On the whole, it must be said, this works better, or at least more predictably. But it has a downside. Since insurance companies and pension funds are obliged to invest where they can find the highest return, 'shareholder value' dominates the outlook of business enterprises. When it falters our pensions are at risk. It is extremely difficult for national economies run on this basis to act generously or even with intelligent foresight towards the world around them.

The more we place our trust in institutions whose *raison d'être* is monetary operations, the more we reshape our social lives according to the standards set by those operations. Because money is a universal and neutral instrument with a precise, calculable value, it tends to reduce all our social actions to a series of quantitatively conceived means without ends and without autonomous significance.⁴⁴ It favours those who, in Oscar Wilde's words, 'know the price of everything and the value of nothing'. That is the situation we increasingly find ourselves in today in the globalised world. Even relationships between sub-units of companies and institutions tend to be mediated in monetary terms, and therefore justified in those terms too. For that reason the practices of accountants, auditors and corporate lawyers determine much of the routine of our professional lives, imposing on us forms to fill in, reports to write and targets to meet, for it is they who will pronounce on whether or not we are providing 'value for money'. In this way, as Onora O'Neill showed in

⁴⁴ Simmel, *Philosophy of Money*, 431.

her Reith Lectures, efforts to bolster trust in practice generate distrust.⁴⁵ We feel that ‘the imitation of activity is squeezing out real activity’ – to quote the Russian philosopher Alexander Zinoviev, who ironically was describing the Soviet planned economy, not contemporary globalised capitalism.⁴⁶ Activities which cannot be codified and assessed in the appropriate auditorial and juridical templates are perceived as lacking in genuine substance.

In brief, then, I believe that examining the way trust has worked in different societies can provide a way in towards investigating problems which are otherwise difficult to conceptualise adequately. That is a good reason for suggesting that historians should ask more systematic questions about the operations of trust. This essay has aimed to offer a few hypotheses as an impulse towards asking those questions.

⁴⁵ See also Power, *The Audit Society*, and Kieron O’Hara, *Trust from Socrates to Spin* (Cambridge, 2004), ch. 9.

⁴⁶ Alexander Zinov’ev, *Ziaushchie vysoty* (Lausanne, 1976), 191–3.