

# ORGANIZAÇÃO



# THE INFLUENCE OF TRUST IN THE CONSTITUTION OF A BRAZILIAN COOPERATIVE OF SELECTIVE WASTE PICKERS

A INFLUÊNCIA DA CONFIANÇA DE IMERSÃO SOCIAL NA CONSTITUIÇÃO DE UMA  
COOPERATIVA BRASILEIRA DE CATADORES DE RESÍDUOS SÓLIDOS URBANOS

Dayanne Marciane Gonçalves

Universidade Estadual do Centro-Oeste - UNICENTRO

Ivan de Souza Dutra

Universidade Estadual de Londrina - UEL

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**Data de submissão:** 30 mar. 2015. **Data de aprovação:**

30 nov. 2015. **Sistema de avaliação:** Double blind review.

Universidade FUMEC / FACE. Prof. Dr. Henrique Cordeiro

Martins, Prof. Dr. Cid Gonçalves Filho, Prof. Dr. Luiz Claudio

Vieira de Oliveira

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## ABSTRACT

*Since the Brazilian public policy started to encourage solidarity economy in 2003, the number of projects and enterprises in this sector has steadily increased. Embeddedness has contributed to the understanding of organizational phenomena of solidarity economy and cooperatives. The aim of this study was to understand the influence of trust, from the perspective of Mark Granovetter's social networks, on the constitution of a cooperative of urban recyclable waste pickers in southern Brazil between 1996 until early 2012, considered the foundation period. We used the qualitative method with a historical approach to social relationships and content analysis. Possible influences of trust were analysed based on the economic, social and political history of the cooperative. Among the main results, we highlight the existence of social relations before the constitution, defined by trust due to family identity and reputation built over time.*

## KEYWORDS

*Trust. Embeddedness. Social Networks. Cooperative.*

## RESUMO

A partir da política pública brasileira de estímulo à Economia Solidária, em 2003, aumentaram os projetos e empreendimentos no setor. A Imersão Social tem contribuído para a compreensão de fenômenos organizacionais da Economia Solidária e do Cooperativismo. O objetivo do estudo foi compreender a influência do elemento “confiança” da Imersão Social, sob a perspectiva de Redes Sociais, de Mark Granovetter, na constituição de uma cooperativa de catadores de resíduos sólidos urbanos do sul do Brasil, entre 1996 e 2012, considerado o período fundacional. Adotou-se o método qualitativo, abordagem histórica das relações sociais e análise de conteúdo. Possíveis influências da “confiança” nessa constituição foram analisadas com base no histórico social, político e econômico da trajetória da cooperativa. Entre os principais resultados, destacam-se a existência das relações sociais em rede antes da constituição, definidas pela confiança devido à identidade familiar e à reputação construídas ao longo das vidas dos membros da cooperativa.

## PALAVRAS-CHAVE

Confiança. Imersão Social. Rede Social. Cooperativa.

## INTRODUCTION

The most important discovery in recent historical and anthropological research, according to Polanyi (2002), is that economy, as a rule, is embedded in social relations. This means that one does not act to safeguard one's individual interest in the possession of material goods, but one's social situation, social needs, social patrimony.

Seeking to safeguard a social situation, which Granovetter (1985) refers to as social reputation, reveals the embeddedness of economic action in social relations. This assumption brings forth the New Sociological Economics, which analyses the core of Economic Science from a sociological perspective, i.e., the market considered as a 'social structure' (SWEDBERG, 1994, p. 255).

Embeddedness may contribute to under-

standing organizational phenomena arising from Solidarity Economy and Cooperatives, since the former uses social relations to respond to poverty and unemployment and the latter structures basic values of equality and democracy, seeking economic independence. There is thus a convergence in the nature of these three dimensions.

In Brazil, since the creation of the National Secretariat for Solidarity Economy - SEN-AES, on June 26, 2003, the number of solidarity economy projects and enterprises has increased, aiming at the expansion of that alternative economy. Thus, a cooperative of recyclable waste pickers with a Solidarity Economy status emerges in the north of Paraná State, Brazil. The research problem that originated this article addresses the constitution of this cooperative from the embeddedness

point of view, especially the element of trust.

Embeddedness is, according to Granovetter (1985), composed of three elements: trust, opportunism and order. Trust, however, is very difficult to measure (WELTER; SMALLBONE, 2006).

With regard to solidarity economy and the stimulus provided by Brazilian public policy to cooperatives that work in this field, quantitative studies of trust are scarce, which may be explained by this measurement difficulty. However, other factors may play a role here, such as historical and current contexts, influences on inter and intra organizational dimensions, flows and inflows of solidarity initiatives etc., as well as the types and patterns of their relationships. These aspects are all challenges that led to the constitution of the cooperative of urban solid waste pickers, which we call fictitiously COOPEROCHA<sup>1</sup>

The focus question that arises in this context is what has influenced the element of trust of embeddedness in the constitution of COOPEROCHA in the period 1996-2012?

Trust was investigated in the history of social relations between the pickers and social actors (social worker) and analyzed through the specific categories of Granovetter (1973, 1985, 1994): a) Identification/family; b) Continuity/permanence of relationships; c) Intimacy/mutual confidentiality and reciprocity; d) reciprocal services which characterize the tie of social relationship; e) Reputation, transparency and clarity.

This is a case study. Data collection took place by means of interviews (18), documents (Minutes of the Foundation of the Cooperative) and systematic observation

(visits to sorting centres). The latter was a support technique to identify episodes of trust and opportunism based on the testimony of two (2) subjects who have accompanied the establishment of the cooperative from the beginning.

This article comprises five macro sections besides this introduction, namely: a) theoretical framework, b) methodology; c) the object of study and its history; d) the empirical base of social relationships on the dynamics of interest surrounding the cooperative, guided by Granovetter (1973, 1985, 1992b, 2005) element of trust. It encompasses the historical record of the socio-economic and political context that contributed to the constitution of COOPEROCHA, in period considered foundational between 1996 until early 2012, and the identification of episodes of established trust among its founder pickers; e) Final Considerations.

## **THEORETICAL FRAMEWORK**

### **The New Economic Sociology:**

#### **Origin of Embeddedness**

Embeddedness is an important area in economic sociology, “[...] because it advances our understanding of how social structure affects economic life” (UZZI, 1997, p. 35). This understanding should extend the vision of future research, seeking to focus on the formation of social networks and their consequences (POWELL; SMITH-DOERR, 1994).

Following the line of thought on embeddedness, Polanyi (2002), known to be the precursor of the term, used the concept to describe the social structure of modern markets, while Granovetter (1985) revealed its robust effect on economic action, espe-

<sup>1</sup> The denomination ‘ROCHA’ (Rock) is a combination of the first syllables of the first names of Robert Owen and Charles Fourier in tribute to these social reformers of the late seventeenth and nineteenth century, respectively, considered the founders of cooperatives.

cially in the context of inter-firm networks and between individuals. It has encouraged research on industrial districts, marketing channels, immigrants, entrepreneurship, credit relations, decisions location, acquisitions and organizational adaptation. The idea that economic action is embedded in a social structure reignited the debate about the positive and negative effects of social relations on economic behaviour.

In particular, Granovetter (1985) endeavored to identify the forms of social integration of economic actions and their influence on economic outcomes. Besides being one of the pioneers of the New Economic Sociology, he addresses and represents the line of thought related to the structural focus of the market, seen as the establishment of interpersonal networks.

Granovetter (1985) follows a tradition started by Max Weber in attempting to develop a sociological theory complementary to economic theory (STEINER, 2006). In other words, economic sociology would aim to remedy the gaps left by economic theory, reason why it did not aim at replacing it.

Bringing this issue into the present and into the field of cooperative solidarity economy raises some questions: as to the social relations established among the waste pickers for the constitution of COOPEROCHA, did State authority and civil society contribute to its genesis and formalization of the enterprise. How did the element of trust influence its formation?

To obtain some answers to these questions, we need to examine the origin of embeddedness and set the perspective of social relations to describe this phenomenon, showing the categories of analysis for the present research.

Therefore, we discuss embeddedness here first: its origin, definitions and perspectives. We address the conceptual aspects of embeddedness regarding the main epistemological and methodological approaches used in research. Then, we present a synthesis of Granovetter's works (GRANOVETTER, 1985, 1992b, 2005) on embeddedness, following the author's analysis procedures in this field. Next, we study the influence of trust from the perspective of the author's works. Finally, we present some critical considerations on the author's approach.

### **The over socialized and under socialized visions**

The goal of Granovetter (1985) was to develop a theoretical concept of social embeddedness. Initially, he identifies the under and over socialized visions. The former arises from classical and neoclassical economics and refutes the relevance of social structure and social relations on production, distribution and consumption, while the latter considers people as being sensitive to the opinions of others and hence obedient to norms and values internalized through socialization. Despite the seeming contrast between the two views, the author points out that both presuppose man as an atomized actor, *Homo economicus*. Hence, he criticizes both, because actors do not behave or make decisions as atoms outside of a social context.

He concludes that “[...] the under and oversocialized solutions to the problem of order thus merge in their atomization of actors from immediate social context”, reducing the scope of understanding of the influence of social relations on economic behaviour (GRANOVETTER, 1985, p 485).

## The Embeddedness of Social Network

Embeddedness assumes that the actions and decisions of actors are immersed in social relations. However, what kind of actions are analyzed from the point of view of Granovetter's embeddedness? The author bases his analysis on individual economic action and addresses the hard core of the economy when he defines, following Weber (1978), they comprehend the needs of any kind, from food to religious buildings, that are short of goods and services relative to the demand. He criticizes most neoclassical work on institutions that emphasize static comparative analysis of equilibrium and states:

Without explicit dynamic argument, we have the irony that economics, despite its devotion to methodological individualism, finds itself with no ready way to explain institutions as the outgrowth of individual action, and so falls back to accounts based on gross features of the environment. (GRANOVETTER, 1992b, p. 4-5).

The definition of embeddedness by the lies in between the under and over socialized views, presenting it as a "meso" vision.

He grounds his ideas on three major assumptions: economic action is a form of social action, economic action is socially contextualized, and economic institutions are social constructions. This is why Granovetter (1992b) seeks to explain the patterns that go beyond individual actions called 'economic results'. Beckert (2009) criticizes this perspective of Granovetter's embeddedness as the central position of the New Economic Sociology, because it focuses exclusively on the process of market exchange itself and not on the broader social system,

i.e., the economic action viewed from three problems of social coordination that actors face in market exchanges: value, competition and cooperation.

On the other hand, Granovetter (1985) as well as other authors explain that embeddedness refers to the fact that economic action and outcomes are affected by dyadic (pairwise) relationships (UZZI, 1997) and the structure of the overall network of relations.

Granovetter highlights that in some social structures such as the overseas Chinese one there is a pattern of coupling and decoupling abroad that produces highly cohesive groups, which are well defined. Trust is available, but non-economic demands are illegitimate outside the borders of this group. Therefore, "These mechanisms of coupling and decoupling, that define the boundaries of trust and social affiliation, must become central matters for a theory of economic institutions." (GRANOVETTER, 1992a, p. 7).

Granovetter's embeddedness is based on the social structure. He also addresses relational embeddedness, which relates closely to the construction of social structures and carries a history of interactions based on which individuals determine their personal relationships. Calls this the social effects of embeddedness on the individual. Structural embeddedness, however, features more subtle effects on economic action and is directly related to the behaviour of institutions (ZUKIN; DIMAGGIO, 1990), which he defines as the right thing to do.

Importantly, embeddedness as proposed by Granovetter (1985) leads to networks of personal relationships that further vital information for the establishment of trust among the actors built on reputation within

a social network (GRANOVETTER, 1985; WELTER; SMALLBONE, 2006). The effect of reputation, however, does not prevent opportunistic and dishonest behaviour in a network; on the contrary, it can even provide occasions to engender malfeasance. Nevertheless, the concern for reputation may discourage opportunistic behaviour (WELTER; SMALLBONE, 2006).

Thus, it appears that categories such as trust, opportunism and order (which make up Granovetter's embeddedness) determine the intensity and reciprocity of ties, interfering with the construction of a social structure over time, giving it mobility and continuous transformation, characteristic to embeddedness.

In our research on the constitution of the cooperative, trust, in particular, emerged as a strong element of explanatory evidence in the social relations among members. Hence, it directed most of the discussions of this study.

### ***Granovetter's Embeddedness Social Network: Trust and malfeasance in economic life***

The author considers trust the circumstance around a transaction that leads to the belief that partners will behave properly for reasons that transcend self-interest. It goes beyond the atomization of the individual of the under or over socialized perspective, as the former lies trust in the degree of market competition and the latter, in the relations of persons, where they are more sensitive to the values and guidelines of their social groups.

Hence, in the under socialized vision, if competition is high, traders can simply switch dealers willing to act honestly in case of malfeasance or opportunism. This

vision is based on self-interest. The over socialized vision would rely on a 'generalized morality', assuming that individuals act morally, whatever the incentives (GRANOVETTER, 1992a).

Trust as part of embeddedness as proposed by Granovetter (1985) does not rule out the possibility of malfeasance; on the contrary, the author emphasizes that it may engender it. Granovetter's approach differs from the under and over socialized visions in that he studies how trust arises in social relationships and interferes in the decision making process.

Granovetter (1992b, p.42) addresses the problems related to trust and opportunism or malfeasance in economic life based on the individual, when each level of the involved actors begins to trust each other. He sets out three motives for individuals to act in economic transactions:

- 1) (Social or economic) interest to establish the transaction;
- 2) The believe it is morally right;
- 3) The actors see it as a part of the settled expectations that characterize their personal relationship with their transaction partner.

Embeddedness, according to Granovetter (1985), concerns this third motive, since the first two are, respectively, under and over socialized. The third motive shows that, though the under and over socialized visions are important, they are embedded in a social structure in a systematic and predictable way, i.e., both institutional arrangements and moral principles are socially constructed.

Whereas Welter and Smallbone (2006) distinguish personal trust as social reputation from institutional trust in institutional environments and promoted through sanc-

tions, Granovetter (1985) only refers to trust as social reputation, a result of personal relationships.

Therefore, Granovetter (1985) uses a broader concept of trust, designing it through examples of episodes experienced by people in both personal and institutional environments, but referring only to social reputation.

### **Privacy or mutual confidentiality and reciprocity**

Intimacy or mutual confidentiality allows of greater proximity between persons, determining the structure of relations. In this sense, Granovetter (1973, 1985) discusses these relationships as an informal aspect within organizations difficult to capture. However, these relationships are often responsible for the formation of social structures, and it would be naïve to relegate them to a peripheral and less important role. For informal relations of friendship and understanding may interfere with the construction process of social relations networks and their influence on the social structure.

According to Uzzi (1997), some more effort of one of the parties to satisfy the need of the counterparty is often called 'favour' and may result in preferential treatment for the exchange partner, by offering overtime for an urgent last minute task or benefits intended to help a partner in a certain period. Although Granovetter (1985) argues that social relations are mainly responsible for the production of trust in economic life, he seeks to clarify that there is, however, a risk of exchanging one kind of optimistic functionalism for another, 'in which networks of relationships, rather than morality or arrangements, are

the structure that fulfils the function of sustaining order' (p. 491). In order to eliminate optimistic functionalism, he recognizes two ways to reduce the risk: 1) networks of social relations penetrate irregularly and in differing degrees into the various sectors of economic life, allowing of phenomena such as malfeasance, opportunism, and disorder; 2) social relations networks may contribute to the building of trust and honest behaviour as well as they may provide favorable opportunity for malfeasance and conflict on a larger scale than in their absence.

### **Reputation, Transparency and Clarity**

Cohesion calls on a high-density network, where nearly everyone is connected to each other. In other words, it refers to the ties of a particular actor connected to all other actors. In contrast, a low number of connections among members identifies a low-density network (COLEMAN, 1994; GRANOVETTER, 1992b; BURT, 1992; KILDUFF; TSAI, 2008). A large number of relationships with a low degree of cohesion enables the dissemination of new knowledge in the company, while a high degree of integration between the company and its counterparts better absorbs new knowledge. This 'bipolarity', according to Andersson, Johanson and Holm (2006, p. 1), reveals itself when the network structure is analyzed, allowing the assertion that some favour open structures while others favour closed ones. The fact that each company has restrictions in terms of resources highlights the issue of how network configurations and relationships influence the possibilities for companies to find and exploit opportunities

Granovetter (1985, p. 490) suggests em-



beddedness grounded on concrete personal relations and networks of such relations to be the origin of trust and the discouragement of malfeasance. This means ‘the widespread preference for transacting with individuals of known reputation implies that few are actually content to rely on either generalized morality or institutional arrangements to guard against trouble’.

However, he points out that personal reputation must not become a commodity through incentives not to cheat each other, as did the economists, because this attitude would lead to the under socialized concept. Rather, it is guided by the confirmation of honesty based on reliable information of those who transacted in the past with the individual and consider him honest.

**RESEARCH METHODS**

The method adopted for the research is characterized by the nature of the focus question, that is, how trust was established

between the social relations of the cooperatives during the foundation of COOPEROCHA? Therefore, according to Godoi, Melo e Barbosa (2010) and Stake (1994), the approach is qualitative, with a case study strategy, and explanatory in nature because it searches for elements or attributes that may contribute to the occurrence of phenomena and attempts to deepen the knowledge of reality, the cause of things.

The qualitative approach allowed of the historical deepening of the relations through the methodological tool of ‘oral history.’

In the operationalization of the research, we used categories and subcategories of analysis from the properties of Relations and Social Network as presented by Granovetter (1973) for the preparation of the interview and data collection (see Figure 1).

For analysis purposes, we used the interactive method, in which the flow of interactions (or influences) and their comments are the central focus. Power is a

**FIGURE 1 – Operationalizing of generic and specific categories**

Specific Aims	General Categories	Specific Categories	AUTHORS
Bring up a historical record of the socio-economic and political context that contributed to the constitution COOPEROCHA	Historical	a) Political; b) Economical; c) Social.	(Besen, 2005); (National Secretariat of Sanitation, 2007); Journal of Londrina.
Identify episodes of trust between the actors who formed the COOPEROCHA	Trust	a) Identification/family; b) Continuity/permanency of the relations(time spent together); c) Intimacy (mutual trust); d) Reciprocal services which characterize the tie; e) Reputation or honesty in the way he trades (duration of the relation); f) Transparency/clarity.	Granovetter (1973)  Granovetter (1985, 1992b); Tichy, Tuschman and Fombrum (1979).

Source: Elaborated by the authors.

constraint to guide these flows (TICHY; TUSCHMAN; FOMBRUM, 1979).

Initially, only interviews with the founders of the cooperative had been planned, i.e., the unit of analysis would consist of those persons listed in the Minutes of the General Assembly of Constitution of the Cooperative, totalling twenty (20) members. However, in early interviews there was mention of some names that were not among the founders, raising the need to interview these persons too. This worked as a guiding line to reach the main sources of the context in which the cooperative arose.

The interviewees were the 'actors' of the constitution of the cooperative and

classified into four types: a) cooperative: non-leader, b) leader: cooperative leader, c) ex-cooperative: off, d) Agent: person from the government or other institutions in direct or indirect relation to the constitution of the cooperative, as Figure 2.

Some persons not listed in the Minutes of the General Assembly of the Constitution were mentioned during the interviews, such as the Manager of the Selective Urban Waste Collection of Londrina (CMTU-Traffic and Urbanization Company of Londrina) at the time the formation of the cooperative, the current Manager and four members who were dismissed from the cooperative (see Figure 3).

**FIGURE 2 – Respondents enrolled in the Minutes of the General Assembly of the Constitution of COOPERROCHA**

Interviewee	Nature of activity	DATE OF THE INTERVIEW
E0	Cooperative	19/07/2011
E1	Cooperative	19/07/2011
E2	Leader	14/12/2011
E3	Leader	20/03/2012
E4	Social Worker	29/03/2012
E5	Cooperative	12/05/2012
E6	Agent	12/05/2012 27/07/2011
E7	Cooperative	14/05/2012
E8	Cooperative	17/05/2012
E9	Cooperative	21/05/2012
E10	Ex-cooperative	19/05/2012
E11	Ex-cooperative	15/05/2012
E12	Cooperative	25/05/2012

Source: Elaborated by the authors.

**FIGURE 3 – Respondents not enrolled in the Minutes of the General Assembly of the Constitution of COOPERROCHA**

E13	Ex-cooperative	28/03/2012
E14	Ex-cooperative	28/03/2012
E15	Agent	15/04/2012
E16	Ex-cooperative	19/05/2012
E17	Ex-cooperative	19/05/2012

Source: Elaborated by the authors.

In the end, we held eighteen (18) open interviews according Haguette (1990) and Triviños (1994) in 11 months. We also visited some of the cooperative screening units and, on some occasions, we observed the behaviour of group members. A documentary search allowed of raising historical, political, social and economic data related to the constitution of COOPEROCHA.

## ANALYSIS AND RESULTS

### History of the Constitution of COOPEROCHA

Investigation showed there are three (3) phases in the Selective Waste Collection of Londrina that stand out historically in the establishment of the COOPEROCHA (see Figure 4).

The first phase (1996-2001) is marked by an open dump when waste picking was accomplished under illegal, unhealthy and inhumane conditions. The removal of the dump pickers occurred in 2001, when a tractor that was compacting the trash crushed a picker to death.

This triggered the Public Prosecution Service (PPS) to require the expansion of recycling and an immediate stop to waste picking in the dump. Pressed by the PPS, workers, the local press and organized society, the Municipal Company of Traffic and Urbanization - CMTU created the first NGO to absorb the approximately fifty (50) waste pickers (SOUZA, 2009).

The social worker E4 followed the entire transformation process of the selective

waste collection in the city and stated that, in 1996, there were no policies aimed at human development yet. The importance of E4 for the study, beyond her direct contribution to the constitution of COOPEROCHA, lies also in her professional practice, because she was in charge of the distribution of basic food baskets to the needy, which made her engage in political and regional development, encouraging the pickers to group cooperatively.

The second phase (2001 to 2008) is marked by the withdrawal of the waste pickers from the dump, who went to the Fazenda Refúgio - location designated by the municipal government to learn about selective waste collection. They were then encouraged to organize into Non-Governmental Organizations (NGOs), which triggered the process of decentralization and institutional formalization of the selective waste collection (National Secretariat of Sanitation, 2007). According to E4, 'The first proposal was a project called A Thousand NGOs, which played an important role, as it brought forth the proposal of the cooperative' (E4, March 29, 2012).

The third phase (2008-2012) is marked both by 2008 global crisis, which led to the fall in the prices of recyclable materials, and by claims of environmental movements that there were irregularities in the selective waste collection system, such as material deposited in valley floors and household backyards. This chaotic situation made the pickers demand a contract for

**FIGURE 4 – Historical, political and social time line of the constitution of COOPEROCHA**

Phase 1 (1996-2001)		Phase 2 (2001-2008)		Phase 3 (2008-2012)	
Luiz Eduardo Cheida 1993 - 1996	Antonio Casemiro Belinati 1997 - 2000	Jorge Scaff 2000 - 2000	Nedson Luiz Micheleti 2001 - 2008	José Roque 2009 - 2009	Barbosa Neto 2009

Source: Elaborated by the authors.

their services from the municipal government. Under the auspices of the Municipal Solidarity Economy - MSE, there was a rapprochement between the various associations (NGOs), which until then had had a history of individualism caused by the dispute of sectors, resources and power. Nine NGOs became Triage Centres, all represented by their presidents in the constitution of COOPEROCHA.

The history of the cooperative of solid waste pickers itself already presents a contribution to this study, as it will allow of better understanding of how their social relations influenced its establishment, topic addressed in the next section.

### **Social Relations surrounding the Cooperative**

#### *Episodes of trust*

The first step was to recall episodes of trust in the lives of the respondents at the time of the constitution of the cooperative and its current directors.

Social worker E4 explained that trust among the waste pickers is one of the most truncated relationships she knows of: 'They do not know the word trust. [...] They come with biblical sayings [...] "shame on the man who trusts a man!" I do not know where this is written in the bible. I think there should be a problem with their bible! '(E4, March 29, 2012).

The following items specifically address the subcategories of trust within embeddedness and show the way the pickers work and the reasons that make them distrust the persons, whether pickers or not, involved in their economic activity.

### **Family and Identification**

E4 affirms 'picking' is a legacy, fruit of

the family. This statement is important for it determines the essence and the soul of the waste pickers and the construction of their relations of trusts around their work. She listed two reasons for the pickers to inherit and keep their business in the family: talent and trust.

Talent, still according to E4, refers to the legacy of the act of picking 'if your grandfather, father, uncle are already pickers, this facilitates the entry into this market' (E4, March 29, 2012). It is a business of trust relations, because it involves the buying and selling of material through intermediaries. This interviewee also states 'Then you would better buy and sell stuff to your father and your mother to selling to someone else. Hence, all this resistance and distrust.'

In the perspective of Granovetter (1973) and Smalbone and Welter (2006), this attitude of distrust of the pickers as to the collection and separation of recyclable material brings forth two general consequences. Firstly, the formation of stable prices for a commodity or wage differences between certain classes of workers. The second involves private organizations, more complex to the extent that it refers to a set of actions.

Given this suspicious attitude and a history of interactions limited to the family circle, the researchers questioned how these pickers were able to gather in a collective work based on a cooperative perspective. How did they manage to form a cooperative? Finally, how did they entrust their autonomous work after years of experience, in many cases with captive clientele, to a collective organization of waste pickers?

The first possible answer would be the

2008 crisis, mentioned before. However, it would be too simplistic and limited. There are many forces surrounding the waste pickers linked to their culture and beliefs, their life experiences and their social relationships, which eventually led them to the organization of collective work.

Thus, the legacy that E4 refers to is the profession or occupation<sup>2</sup> transmitted from parents to offspring, passed on from generation to generation. A family of waste pickers confirmed this: E11 (father), E16 (wife) and E17 (son). E17's grandfather was also a waste picker and taught his craft to the other members of his family, by the way, all recyclable material collectors, reaching the 3rd generation in this occupation (E16, May 19, 2012).

E4's assertion that there is a relationship of trust between the family members called the attention to the fact that interviewees (cooperative or off) have close relatives assisting them in the process of selective collecting. All of them had these family ties in their work environment: E8 and E9 are husband and wife, who began as individual waste pickers and are still working together, now for another Cooperative of Selective Waste Collection. The manager of COOP-ERROCHA (E2) has a sister working within the cooperative and the chief manager (E3) has nephews, among other relatives, linked to COOPERROCHA. E12 reported working in the backyard with his parents and E10 used to work with his father-in-law. E5 is the niece of a former cooperative member of the Supervisory Board<sup>3</sup>. E7 worked with her husband and E1 works with her husband and mother in the cooperative.

Why do waste pickers hold these kinship relations in the workplace? The answer to this question calls on the relationship of 'trust'.

According to the social worker, the world of waste is based on the exchange of goods and 'economically poor people often do not have experience in trading commodity exchange. Either they buy or they are given it. It is the first experience in administration that I see among the poor: purchase, sale, accumulation. And they come with stories of some disappointments' (E4, March 29, 2012). These disappointments are marked by a breach of trust, lack of transparency and clarity and lack of mutual confidentiality and reciprocity in relationships, explains Granovetter (1973, 1985). In contrast, they also create mechanisms to increase trust, as happened with the Thousand NGOs programme, consisting of 33 NGOs, led by the municipal government, as E4 states:

'All the NGOs belonged to six persons. It was he and his family, you know? If, on the one hand, the experience of NGO, Statutes, Registration, Documentation, renting a shed, making an agreement was something essential to a much larger organization, on the other hand, it crystallized the transformation process into a cooperative, with a delay of eight years' (E4, March 29, 2012).

The search for relationships of trust among relatives permeates the issues of strong ties that, according to Granovetter (1973), may include disappointments.

An example of disappointments, related

2 The occupation/profession of waste picker now exists in the Brazilian Code of Occupations, 5192-05 being the code that defines the duties of the "recyclable material picker – scrap metal collector; paper and cardboard collector; scrap collector; drink container collector; scrap baler (cooperative), scrap sorter (cooperative), pickers of recyclable materials".

3 Suffered a stroke, so he could not be interviewed, and left the cooperative.

to the exchange of materials and told by the cooperative coordinator of the Triage Centre (E12), demonstrates the difficulty of the pickers in effecting economic transactions before the constitution of the cooperative. She (E12) said she did not have a vehicle to transport her solid waste to the sorting station. Therefore, she and her parents held an agreement at that time with the husband of interviewee E1, who had a truck, as to taking the recyclables to her home. On the way, however, the owner of the truck used to remove the material of greater economic value and therefore better for him and his family, depositing the remaining material of low economic value and higher degree of sorting difficulty in E12's backyard. According to E12, such experiences of deceit instilled in their perceptions distrust in relationships that were not kin. By the way, while interviewing E12 at her residence, we saw the backyard where the material used to be deposited, corroborating the problems pointed out by environmentalists at the time of the constitution of the cooperative.

Therefore, attempting to avoid such events, the pickers follow the pattern of negotiating within the family, as E4 explains:

'That is why there are many families in this branch of activity. To give you an idea, I have worked with a picker aged 30, 35, who used to take his mother and explore her. Many have young children who the father explores. [...] but they prefer to rely on a son of a bitch of a father to trusting somebody who is a stranger to them. They also do not accept very different people' (emphasis by the authors).

### **Continuity or permanence in relationships**

A process of identification, permanence or continuity in social relations occurred between the founders and their respective Triage Centres (former NGOs). E2, for instance, started her activities with relatives and neighbors and they have stayed together for fifteen (15) years. She refers to the Women's Group<sup>4</sup>, whose members had problems with domestic violence, breadwinning and trafficking in the region. E2 (14 Dec. 2012) reported that many had lost children to trafficking and that this similarity united them even more:

'There were times ... we had one funeral a week. And all had the understanding that they had to stop and pay solidarity indeed. Because of trafficking. And many children of women who work there with us are involved in trafficking, right? So there was an understanding that we had to stop and offer solidarity to the person who was working with us for so many years and faced this loss. There was not something like "oh she is waking her son, let's go home" ... No, we stopped and stayed together. This is very strong. Today this does not exist among people any more. It is less common. However great the problem, we still find ourselves among women' (emphasis by the authors).

The Women's Group (currently one of the nine-triage centres of COOPEROCHA) is rooted in obvious similarities between the women members, either financial difficulties or a lack of safety, which made them

4 'Women's Group', fictitious name of an NGO formed by women victims of trafficking and domestic violence.

join forces against the problems they faced in their daily lives.

Furthermore, these women did not practice the same religion, so there was no religious homogeneity. Nevertheless, all were praying in a circle in the morning, without any restriction to the prayers, which featured privacy and confidentiality of social relations. Despite not practising the same religion, there was a religious identity in line with the values preached in Triage Centre over fifteen (15) years.

### **Intimacy or mutual confidentiality and reciprocity**

Following the line of thought of Granovetter (1973, 1985, 1992), the relationship between E2 and E4 over fifteen years involved mutual confidentiality, reciprocity, continuity and identity/similarity evidenced in the statement of E2 that her relationship with E4 went beyond friendship, involving an ideological identity ‘I can not say I’m her friend, because I think it goes far beyond friendship’ (E2, Dec 14., 2011). She stated that the social worker (E4) was her colleague and teacher over the years; therefore, she argues:

‘E4 showed me that it is not only because we were born and have lived in a slum that we have to be like everyone else. We can be different, have a different perspective of life. So I guess ... with a friend any difference, any involvement in this friendship ... it breaks easily. So my tie with E4 is much more than sheer friendship. Because we have the same ideal, but very different thoughts, although the goal is the same, but very divergent. Divergent indeed!!! That’s why I say it’s not friendship, because friendship,

depending on the conflict, it eventually breaks. So as much as there are discussions, differences, we can overcome, for the sake of the ideal of a fairer and more polite society ‘

According to Granovetter (1973), reciprocity in ties between dyads calls on the expectation of individuals involved in the relationship. The expectation must be met on both sides of the tie joining the two ends of a same relation. This feature is present in the relationship between E2 and E4, as E2 also talked about the differences, but pointed at ideology.

In addition to informal groupings throughout the constitution process of COOPEROCHA, the results show that the stronger ties among pickers were those from the Triage Centres, which, in turn, were former NGOs. Interviewees stated the existence of a sort of family bond even among those who did not have any kinship. This occurred because each founder, especially the first nine members of the cooperative’s pro-constitution meetings, were presidents of specific NGOs.

This relation of the founders with their respective NGO members eventually determined the trust among the members of each Triage Centre, which maintained the same distribution and organization of the associations. It was evident that there was an extra, voluntary and reciprocal effort of every former president of the NGOs in seeking benefits for their Triage Centres, something that Uzzi (1997, p. 43) calls “favours” tied to reciprocity and confidentiality.

There were also reports of intimate nature that revealed the complicity between the Manager of the Cooperative (E2) and some members of the Triage Centre of

the Women's Group. For instance: 'I had troubles in my marriage, a separation. A moment that marked me. She [E0] was the treasurer at the time. She helped me, supported me, because when you divorce your husband, society is hypocritical, huh. Says it accepts, but it does not.'

This statement refers to one members of the Women's Group Triage Centre and E2 has known E0 since childhood for they lived in the same neighborhood.

Ergo, confidentiality and reciprocity are present in relationships that preceded the establishment of COOPEROCHA. However, the intensity of time, mutual confidentiality and reciprocity were detected in greater depth among the members of the Triage Centres and its founders, who often raise resources and benefits in the interests of the members of their respective centres, keeping the idea of 'Families' watertight.

### **Reputation, transparency and clarity**

Reputation is the result of a construction based on social relationships and tends to propagate through the relationships, which Granovetter (1985) calls "overlapping" of relations. In fact, he explains that "rumours" can cross borders, depending on the density of a network of relationships. The denser the network of social relations, the greater the spread of the "rumour" (GRANOVETTER, 1973). It is worth noting that density is defined by the number of existing connections in relation to the maximum number of possible relationships between the actors (GRANOVETTER, 2005; COLEMAN 1994; BURT, 1992; KILDUFF; TSAI, 2008).

Investigating the reputation of the founders and its impact on social interactions, respondents were asked to define trust. It

is important to consider that the definition of trust is based on individual expectations and interpersonal or inter-organizational relationships as an outcome of a certain specific probability. Therefore we asked, 'What do you mean by trust?'. Despite individual expectations of respondents, we obtained a general pattern that referred to the idea of transparency and clarity.

E2 stated that trust is a construct over time. To her, the continuing social relationship allows knowing the behaviour of people and, from there on, one can speak of 'confidence'. It would not necessarily be trust, but the predictability of possible behaviours of people.

When asked the same question, the Cooperative Manager (E3) stated that transparency of posture and attitude of a person 'determines your confidence.' About his relationship with the E4, he replied that he trusts her 'because since I met her as a social worker, I've never seen her do anything wrong. I feel a certain firmness in her words. At least in our work, when she was the manager, she never raised our suspicion' (E3, March 20, 2012).

In E3's opinion (March 20, 2012), 'What sets this confidence? What sets this trust is the clarity that we feel in person'. When asked to give an example of transparency and clarity, he said that the social worker (E4) would never send a message, saying straightaway what had to be said.

The clarity in communication highlighted by all interviewees referred to the absence of intermediaries in the transmission of information about the administrative process concerning the cooperative, involving them in the techniques and analyses of organizational routine. The social worker (E4) is said to convey her opinion clearly and



accurately, allowing of comprehension and a secure relationship within the organizational system.

Would trust be the fruit of moral values or institutional arrangements? What actually defines trust? There are profound speculations on its definition. This study calls on trust in the theory of embeddedness proposed by Granovetter (1985) and pointed out by authors such as Polanyi (2002) and Uzzi (1997), who define it neither as a response to moral conventions nor institutional arrangements, but as obligations derived from reciprocity.

Therefore, we consider that in the perception of the founders of the cooperative trust was based on familiarity with the customs and behaviour of close contacts, which, over time, allowed of developing a feeling that no one would deceive the other.

The waste pickers' understanding of trust approaches the elements of embeddedness. Mutual confidentiality and reciprocity favoured the continuity of social relationships based on reputation, transparency and clarity in conveying information.

## FINAL CONSIDERATIONS

Assuming that social network relations exert influence on the existence and economic outcomes of socio-economic organizations, this paper tried to understand the influence of the element trust as of Granovetter's embeddedness (1985, 1992) on the constitution of COOPEROCHA from foundation period.

The first step was raising the political, social and economic history of COOPEROCHA. This revealed three crucial moments entwined in the history of the selective urban waste collection in Lon-

drina. The first marks the dump, which became the target of criticism by social and environmental movements in both the private and the public sphere (environmental agencies). The second, which began in 2001, marks the transition from the dump to Fazenda Refúgio and then, compelled by the local government, to the formation of Non-Governmental Organizations (NGOs). The third involved the encouragement of municipal government for the establishment of recycling cooperatives.

To understand trust within embeddedness, we investigated the history of social relations among the waste pickers through the specific categories of a) Identification/family, b) Continuity/permanence of relationships, c) Intimacy/mutual confidentiality and reciprocity, d) reciprocal services that characterize the tie of social relationships and e) Reputation, transparency and clarity (Granovetter, 1973, 1985).

The findings show that Family/identification determined the design of the current cooperative, marked by triage centres that still maintain the family structure peculiar to the pickers' culture and pervaded by episodes of deceit and distrust. Notably, the first relevant point that emerged was identification, which kept the relations of trust restricted to small family groups. Family was the main specific category of understanding the building of trust relationships. Trust of the pickers between each other and between them and public institutions also allowed of disappointments, such as cheating in the process of collecting and selling materials traded between them and a history of disputes over social benefits. This may have led to the difficulties in relying on people from the

outside, restricting their relationship to the scope of selective collection.

In turn, the structure of social network relations between individuals formed over the years brought to the cooperative relationships of trust between the members of the Triage Centres and their former leaders, united in a single organization, but separated by relations imbued with privileges in access to information and resources. These privileges were the result of rela-

tions of high confidentiality and reciprocity between leaders and their respective family nucleus.

Hence, there is evidence that social relationships influence social structures and, consequently, organizations. The findings highlight the maintenance of social relationships present even before the establishment of the cooperative, based on family identity, the reputation of the waste pickers and the government, under a climate of distrust.

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