SOCIAL TRAPS AND THE PROBLEM OF TRUST

A ‘social trap’ is a situation where individuals, groups or organisations are unable to cooperate owing to mutual distrust and lack of social capital, even where cooperation would benefit all. Examples include civil strife, pervasive corruption, ethnic discrimination, depletion of natural resources and misuse of social insurance systems. People will cooperate only if they can trust that others will also cooperate. Much has been written attempting to explain the problem, but rather less material is available on how to escape it. In this book, Bo Rothstein explores how social capital and social trust are generated, and what governments can do about it. He argues that it is the existence of universal and impartial political institutions, together with public policies which enhance social and economic equality, that creates social capital. By introducing the theory of collective memory into the discussion, Rothstein makes an empirical and theoretical claim for how universal institutions can be established.

BO ROTHSTEIN is the August Röss Chair in Political Science at Göteborg University in Sweden. Among his publications in English are The Social Democratic State: The Swedish Model and The Bureaucratic Problems of Social Reforms (Pittsburgh, 1996); Just Institutions Matter: The Moral and Political Logic of the Universal Welfare State (Cambridge, 1998); Restructuring the Welfare State (co-edited with Sven Steinmo, New York, 2002); and Creating Social Trust in Post-Socialist Societies (co-edited with Janos Kornai and Susan Rose-Ackerman, New York, 2004).
Social scientists have rediscovered institutions. They have been increasingly concerned with the myriad ways in which social and political institutions shape the patterns of individual interactions which produce social phenomena. They are equally concerned with the ways in which those institutions emerge from such interactions. This series is devoted to the exploration of the more normative aspects of these issues. What makes one set of institutions better than another? How, if at all, might we move from the less desirable set of institutions to a more desirable set? Alongside the questions of what institutions we would design, if we were designing them afresh, are pragmatic questions of how we can best get from here to there: from our present institutions to new revitalized ones.

Theories of institutional design is insistently multidisciplinary and interdisciplinary, both in the institutions on which it focuses, and in the methodologies used to study them. There are interesting sociological questions to be asked about legal institutions, interesting legal questions to be asked about economic institutions, and interesting social, economic, and legal questions to be asked about political institutions. By juxtaposing these approaches in print, this series aims to enrich normative discourse surrounding important issues of designing and redesigning, shaping and reshaping the social, political, and economic institutions of contemporary society.

Other books in this series
Robert E. Goodin (editor), The Theory of Institutional Design
Brent Fisse and John Braithwaite, Corporations, Crime, and Accountability
Itai Sened, The Political Institution of Private Property
Bo Rothstein, Just Institutions Matter
Jon Elster, Claus Offe, and Ulrich Preuss, Institutional Design in Post-Communist Societies: Rebuilding the Ship at Sea
Mark Bovens, The Quest for Responsibility
Geoffrey Brennan and Alan Hamlin, Democratic Devices and Desires
Adrienne Herritier, Policy-Making and Diversity in Europe: Escape from Deadlock
Eric Patashnik, Putting Trust in the US Budget: Federal Trust Funds and the Politics of Commitment
Benjamin Reilly, Democracy in Divided Societies: Electoral Engineering for Conflict Management
Huub Pellikaan and Robert van der Veen, Environmental Dilemmas and Policy Design
John S. Dryzek and Leslie Holmes, Post-Communist Democratization: Political Discourses across Thirteen Countries
Jürg Steiner, André Bächtiger, Markus Spörndli, and Marcus R. Steenbergen, Deliberative Politics in Action: Analyzing Parliamentary Discourse
SOCIAL TRAPS AND THE PROBLEM OF TRUST

BO ROTHSTEIN
To AnnChristin
Contents

List of tables and figures viii
Acknowledgements ix

1  Reflections after a long day in Moscow 1
2  On the rational choice of culture 28
3  On the theory and practice of social capital 43
4  Social capital in the social democratic welfare state 71
5  How is social capital produced? 92
6  The problem of institutional credibility 129
7  Trust and collective memories 148
8  The transition from mistrust to trust 167
9  The conditions of trust and the capacity for dialog 201

Bibliography 212
Index 236
Tables and figures

Tables
5.1 Trust in social institutions in Sweden, 2000  
5.2 Correlations between social trust and trust in social institutions, 1996–1999  
5.3 Trust in others according to WVS 1995–1997 (world and Sweden)  
5.4 Multivariate analysis of interpersonal trust  
5.5 Factor analysis of dimensions in institutional trust  
5.6 Correlations between social trust and trust in social institutions  

Figures
3.1 Number of published scholarly papers on social capital, 1991–2003  
4.1 Interest in working in voluntary organizations, 1955 and 1994  
4.2 Opinions about trust in other people, 1981–1997  
4.3 Interpersonal trust in Sweden, 1996–2002  
5.1 Universal and selective benefits and generalized trust, 2000
I came to this topic, almost by sheer accident, from the world of welfare and social policy research. It is a very pleasant world, filled with nice things such as equality, justice, liberty, progress, and the development of social rights. Doing research on the problem of social traps has taken me into a very different intellectual landscape. It is filled with things like corruption, ethnic conflicts, distrust, suspicion, treachery, opportunism, deceit, discrimination, and many other forms of misery. There has been more than one night when thinking about all this misery has kept me awake. Seeing things through these conceptual lenses does not bring a lot of sunshine to one's mind.

On a journey into a difficult and dark terrain like this, one needs a lot of supporting and cheerful friends, and, as with many other things in life, I have been spoiled beyond reason. I am especially thankful to two persons: Margaret Levi, who for many years has been like a mentor to me. In this project, she has both inspired me and introduced me to many important things and thoughts. Her generosity and helpfulness is simply extraordinary.

I have been fortunate to have collaborated with Sven Steinmo for almost fifteen years. His good advice, thoughtfulness, and good spirits have been crucial for me in many difficult situations. If I ever needed a really good consigliori, Sven would be the one.

I started working on this project when Robert Putnam asked me to join him in a project about the development of social capital and political culture in a number of Western countries. The intense discussions in this project were crucial for my understanding of the problem of social traps. Among the participants in this project, I would especially like to thank Peter Hall,
ACKNOWLEDGEMENTS

Claus Offe, and Jean-Pierre Worms for inspiring conversations and many valuable comments on early drafts of what became chapter 4 in this book.

Special thanks are due to Ira Katznelson, Madge Spitaleri, and Eric Wanner at the Russell Sage Foundation in New York where I had the privilege to serve as visiting scholar for ten months during the beginning of this project. The Russell Sage Foundation is simply a marvellous operation, unmatched in its very special combination of generosity and perfection.

János Kornai and Susan Rose-Ackerman invited me to participate in the project “Trust and Honesty: Theory and Evidence in the Light of Post-Socialist Transitions,” at the Collegium Budapest Institute for Advanced Study. Few intellectual experiences have been so rewarding for me, and I am truly grateful for the two months I spent in daily discussions with colleagues from fifteen countries and seven different disciplines.

My home base is the Department of Political Science at Göteborg University. It is simply a great place where it is fun to be – a rare thing for academic departments. Many colleagues in the department have contributed to this book. First in line is Sören Holmberg, who deserves a special prize for his splendid combination of enthusiasm for this project and forbearance with me, and for insisting that if you are clever enough there is a way to find a quantitative measure for everything. Peter Esaiasson, Victor Galaz, Mikael Gilljam, Lennart J. Lundqvist, Lennart Nilsson, and Maria Oskarson have given me lots of good advice, often more (and better) than I could handle. Bengt-Ove Bostrom, Margaretha Hellgren-Glimje, Eva Meuller, and Leena Hiltunen have all in many different ways helped me with the administrative aspects of this project. Rosemary Nordström skilfully made English of my text.

I have had the privilege to work with a number of colleagues from what I now have to admit is the younger generation in political science. Dietlind Stolle and I started to work on the problem of social capital in the mid-1990s and we have collaborated ever since. I have tried very hard, but it is impossible to match Dietlind’s energy and inventiveness, and I am truly grateful that I have had the opportunity to work with her. The two articles we published together in 2002 and 2003 have been very important for this book.

Eleonora Pasotti guided me to new insights about the importance of cultural theory for understanding the mysteries of clientilism “Naples style,” for which many thanks. Parts of chapter 2 in this book are based on a paper we wrote together. Paola Cesari was the first to comment on the first draft of what became chapter 1, and afterwards generously shared her insights about theories of collective memories and many other things. For two years, Ylva Norén Bretzer was a very dedicated research assistant when this project started – and we have since worked in parallel on the problem of trust and
ACKNOWLEDGEMENTS

democracy. Staffan Kumlin’s ingenious thinking about ways to test some of the early ideas I had about how social trust is generated has been crucial for the argument presented in chapter 5.

Anders Biel, Arne Bigsten, Hans Blomkvist, Dario Castiglione, Daniel Eck, Kimmo Eriksson, Robert Goodin, Carina Gunnarsson, Donald Granberg, Jörgen Hermansson, Olle Häggestrom, Tim Knudsen, Per Molander, Kenneth Newton, Elinor Ostrom, Göran Rosenberg, Per Selle, John Scheimann, Örjan Sturesjö, Piotr Swistak, Charles Tilly, Eric Uslaner, Mark Warren, and Daniel Wohlgemuth all generously gave me comments and offered valuable advice, for which many thanks. Special thanks also go to Sheri Berman and Susan Rose-Ackerman who read and commented on the whole manuscript.

Financial support for this project has been given from the Swedish Science Council, the former Swedish Council for Research in the Humanities and Social Sciences, the former Swedish Council for Research in Social Policy, and the Bank of Sweden Tercentenary Foundation.

I have made some really smart decisions in my life. The very best was to marry AnnChristin. This book is for the shimmering light in your blue eyes.