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Three Ironies in Trust

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I

I want to explore what could be thought to be three ironic and even disquieting truths about trust.¹ I want first to argue that a socially extensive trust, that is to say, something more than trust between friends, cannot be created except in and by what I call 'aristocracies'; second, that having been so created, there is good reason to believe that the aristocrats will undermine it; and therefore, and third, that if trust is to be maintained, this will have to depend on conditions which are external to the social arrangements in question or which, if internal to them, might at first sight seem to be conditions that pre-empt anything one would want to call 'trust' at all.

II

There are at least three reasons to believe that a socially extensive and enduring trust is not an easy thing to create. The first of these is clear in Bernard Williams's contribution to this volume. Williams distinguishes a class of what he calls 'micro' motives which are 'non-egoistic'. These are the motives of individuals, rather than of any larger entity, and are motives to something other than those individuals' strictly individual, or selfish, interests. It is not unreasonable, except to those who uninterestingly wish to translate every motive into selfishness, to suppose that such motives might exist. Most of us have at least some of them towards at least some others for at least some of the time. An extreme instance <<112>> would be many of the motives that a parent has towards his or her child. A more ordinary instance would be the motives we have for others whom we just like. But as Williams explains, such motives cannot either analytically or practically do the work for a more extensive and properly social or political trust that we might wish them to do. This is because the four 'reality' conditions that have to be met - that people know what each other's motives actually are, that they know that they know, that this knowledge is not too expensive to obtain and maintain, and that the outcomes of any course of action are not too difficult and themselves too expensive to determine - are separately and together conditions that reality can never meet. If this is correct then the common and, on the face of it, uncontentionally common-sensical claim that the less information we have, the more interpersonal trust we need, is at once sensible and insufficient. It is sensible in that we do, in that circumstance, need more trust; but it is insufficient in its implication that in that circumstance, we can easily obtain it.

The second reason to believe that an extensive and enduring trust is not easy to create follows from the first. Williams again makes it clear. He asks which combinations of motive make sense in which circumstances, and suggests that a necessary condition of any combination making sense in any defined set of circumstances is that the four reality conditions should not be too difficult to meet, and also that the strains of commitment - the strains, in any real set of circumstances, of and on what will be our various and perhaps not consistent commitments - should not be too great. If this also is right, and I believe that it is, then there would seem to be only one kind of interpersonal relation, only one kind of relation between persons as persons, which can satisfy the condition: and that is friendship.

¹ <<111>> I am grateful to Diego Gambetta for very helpful comments on the first version of this paper.

The romantic and, if they are distinct, the fortunate too, might say that love is also a candidate. But too often 'love's best habit', as Shakespeare said in sonnet 138, 'is in seeming trust'. Trying to know her motives, and to know that one knows - quite apart from the 'costs', so to speak, of trying to find out what they are, and the strain that all this imposes both on her commitment and on one's own - would seem often to force Shakespeare's own conclusion:

Therefore I lie with her, and she with me,
And in our faults by lies we flattered be.

In friendship, by contrast, sufficient knowledge is easy to come by, it is possible to imagine that there can *be* sufficient knowledge, and the strains of commitment are few. Were this not the case, friendship would not be friendship: transparency and ease are its point. Indeed one might put it more strongly and agree with Aristotle and Montaigne that <<113>> although my friend is another self, I do not have motives *for* him and act for him at all, but for and as myself; my relation to him is a relation which is at once one of complete self-love and perfect altruism (Shklar 1985: 158-9).² It is, in the American legal phrase, the one wholly no-fault relation there is, and if like Shakespeare's lovers the friends in it lie, they simply cease to be friends.

But it is clear that if friendship is the model of interpersonal trust, it is also clear that interpersonal trust itself cannot, as it stands, be a model for enduringly cooperative and trusting relations between strangers. If a society of friends is imaginable at all, then it will be like the Society of Friends itself - a society held together, as Locke argued, not only by the fact that 'human beings can and do take pleasure in each other's company' and 'the emotional impact of moral socialisation within a particular family and community', but also and inescapably by something like 'the revelation to them of God's requirements for his creatures, weakly enforced by prudential sanctions within this life but backed by overwhelming sanctions in the next' (Dunn 1985: 46-7).³ In a Godless order, however, it would seem at first sight impossible to hold up either friendship or Friendship as a model for enduringly cooperative and trusting relations between strangers. But this is not so. Some of what is met in true friendship can in fact be met in wider social settings. Motives which in all their complexity are transparent as the motives they are between friends can be made transparent between strangers. And the relations between strangers can remain relations between persons and, thus, sites for an interpersonal and wholly general - that is to say, not <<114>> functionally specific - trust. All this is possible if, but perhaps only if, the relations are simplified, stylized, symbolized and given ritual expression: if, that is, they are coded in convention. Such motives and conventions do not have the transparency and innocence of friendship. Opacity and hence, a doubt about innocence are

² <<113>> Shklar refers to Aristotle, *Nicomachean Ethics* (VIII, 1161b) and Montaigne (n. d.: 189-91). Her discussion of 'the ambiguities of betrayal' (138-91) suggests a sharper distinction than I do between friendship and *honra* (see notes 3 and 4 in this chapter); but it is the best recent published account that I know of the complexities of the beliefs and sentiments in trust.

³ <<113>> There are John Dunn's paraphrases. As he goes on to explain, Locke also set a fourth condition, 'the public law of particular political communities, backed by the coercive sanctions at the disposal of their rulers'. But Dunn claims that 'the central premise of the Two Treatises is that men belong to their divine Creator and that their rights and duties in this earthly life derive from his ownership of them and from the purposes for which he fashioned them' (Dunn 1985: 49). If this is an indispensable condition of trust, Locke's conclusions do indeed seem bleak as conclusions for us. (one should also remember that what Locke had in mind was a Protestant community, in which the believers' communication with their God was direct. In a community, for instance of Catholics, in which that communication is mediated by a hierarchy, an 'aristocracy' may still be necessary.) As Dunn explains in his contribution to this volume, as Luhmann asks, and as I too go on to discuss here, the question for us is whether some more interest-based functional interdependence can do God's work in a larger society. In a smaller one, which is my point here, 'friendship' may be sufficient. In contrast to Shklar, Dunn (1985: 195 n.57) chooses to distinguish between relations of kinship and relations of friendship, to describe all relations between equals as the latter, and rightly adds that relations between patrons and clients 'tend to be moralised in terms of a vocabulary of friendship'; as he there says, the use of these terms in the anthropological and sociological literature, not least in virtue of their use in life, is loose and unsteady.

their *raison d'être*. But once they are in place, they can achieve something of what friendship does.

Such codes present themselves as self-justifying, but they are not. The virtues of virtue, unlike the motives of friends, may be self-evident, but they are by no means self-evidently secure. Hence the point that I take to be implicit in Durm's discussion of Locke, the third of the three reasons for believing that a socially extensive and enduring trust is not an easy thing to create: that 'motive' cannot do all the work, in theoretical reason or in practical reason, that we would like it to do. It has to be buttressed by 'belief', by some more explicit and elaborated and perhaps also more impersonally grounded set of reasons to act.

If we put these three reasons together - if we accept that the less information we have, the more trust we need, if we accept that if we are even to approximate interpersonal trust in wider social settings, and reliably reproduce it, we have to concede the codification of virtue in convention, and if we accept that we have to have explicit and elaborated reasons to adopt it and act on it - then I think that we are driven to the conclusion that the only possible society is an aristocracy. I do not by this mean, or do not only mean, a society bound together by a militaristic code of honour and propped up by a toiling mass in bondage and felt boots. I mean more generally a society which turns on a code, in which the quality of persons is measured by the extent to which they observe this code, in which there can, that is, be said to be 'persons of quality' - a society, in the familiar phrase, of 'virtue and honour'. Its members may be officers or gentlemen, 'very parfit gentil knights'; they may be Max Weber's Calvinists; they may be instances of 'the new socialist man', or woman; they may take one, although - because such conventions are absolute and exclusive - I think always only one, of several forms.⁴

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Yet as Williams says in the course of his discussion of what he calls 'non-egoistic macro-motives', the motives which such persons socially embody, this is not a causally adequate state of affairs. I trust my friends, but just as there can be treachery in a kiss, so too there can be betrayal in an honourable mien. It has repeatedly proved too much to ask of persons of quality that they always remain so in those societies, which are all the societies there are, in which people will be presented with conflicting claims. It may indeed be the case that betrayal is something that we have always to expect and accept where there is any honour and virtue at all; that it is, in Judith Shklar's phrase, an 'ordinary vice' (1985: 138-91). I can trust my friends in so far as I trust myself. I can even be brought in principle to see the virtue in virtue. But I see no reason to believe that the reason to believe in it will, just as that reason, hold. As Elizabeth said to Parliament in 1586, we all, if less dramatically than she, 'in trust have found treason'. I see no reason to trust trust just as trust. And so, I see no reason to trust its markers. Given the syntactical and sartorial corollaries of aristocracies, I see no reason to trust someone who speaks and dresses too well; and given the sartorial corollaries of the new socialist person, I see no reason to trust one who dresses with too ostentatious a drabness either.

⁴ <<114>> As Anthony Pagden explains in this volume, the early modern European understanding of honour was complicated and can be confusing; and this was not only so in Naples or other places in which men had to deal with Spain (see e.g. Shklar 1985: 158 on Montesquieu). Here, I am talking about the honour that is supposed to inhere in a virtuous public life, the Spaniards' *honra* as Pagden distinguishes it, and not that which is private and does not require public witness, *honor*, and which has to do with the chastity of women and other such matters. Nevertheless, Pagden's point that *honor* in part derives from self-love - a wife's carelessness reflects on her husband - shows that no sharp line can be drawn between what I have been calling friendship and virtue; and accordingly serves further to make the point that it does at first sight make sense to consider virtue to embody some of the same features as friendship.

III

Hence the interest in the other side of Williams's typology (this volume), the interest in 'egoism'. This is the interest in the reply that Brzezinski, Carter's National Security Adviser, is reported to have given when he was asked before the start of the arms talks in Geneva at the end of 1985 whether one could trust the Russians: 'The point', he said, 'is not to trust them; it's to find an agreement that is self-reinforcing.' It is the interest, if one's concern is with establishing and maintaining a mutually profitable economic life, in reinventing Adam Smith.

The Adam Smith I have in mind is the one illuminatingly reconstructed by Istvan Hont and Michael Ignatieff (Hont and Ignatieff 1983: 1-44). This is the Smith who argued that if one were to go over to an economy of high wages and a high division of labour, one would not only generate more wealth; one would also insure the poor against the capricious Charity of the rich; one would replace an unpredictable provision by Persons of quality with a predictable if minimal quantity; one would replace trust, which was not self-reinforcing, with a mutual interest in the results of the pursuit of self-interest, which would be.

Opinions differ on the extent to which Adam Smith's expectations, against say Rousseau's, have been borne out. But if one is contemplating <<116>> the persistent stagnation of the Italian Mezzogiorno and many other such areas still in the world, there is a prior question: how does one go over to such an economy in the first place?

Albert Hirschman asked this question in Colombia in the early 1950s. And he offered an original answer to it. Bogotá in the 1950s was not Glasgow in the 1770s, and none of the recipes that had been proposed in the years in between for achieving Adam Smith's ends by other means - by taking control, for example, of the commanding heights, or by planning, or by trying to reproduce the Reformation - was practicable for the Colombian economy. What might be practicable, Hirschman thought - because it could in principle and in practice be a recipe for anywhere, regardless of social, political, and cultural conditions - was to introduce technically complex systems (Hirschman 1971: 41-62).⁵ To precipitate people into such a system was to precipitate them into an unavoidable and unavoidably self-perpetuating interdependence. 'The lag of understanding behind motivation', as Hirschman puts it, 'is likely to make for a high incidence of mistakes and failures in problem-solving activities and hence for a far more forthcoming path to development than the one in which understanding [or a mere belief in the importance of trust] runs ahead of motivation.' Against the conventional wisdom that development had to start at the foundations and link forwards through time, Hirschman suggested that it could start in the middle, or even at the top, and link backwards.

One of his examples, very much against the conventional wisdom of the time, a wisdom which scorned the pretension, was an airline and all that is required to maintain it. It was not, as it happens, the most fortunate example. It may have been the case, as he said it was, that in the early 1950s the air services in Colombia were 'excellent'. But I have heard that in a classification some years later by the International Airline Pilots' Association of the degree of hazard presented by the world's airports, more 'black star' fields, more of the most hazardous of all, are in Colombia than in any other single country. Nevertheless an airline is a good example, because it unfortunately shows how limited can be Hirschman's argument, characteristically ingenious though it is.

An aircraft's cockpit, like an operating theatre in a hospital, or the water regulation point at a dam, or the mixing point in a chemical plant, is indeed a system in which rules have to be rigid, cooperation and coordination infallible, and the outcome certain. If they are not, catastrophes can happen and people can die. There are, however, relatively <<117>> few systems, even in

⁵ <<116>> This essay of Hirschman's was his first on general questions of economic development. It was written in 1954, immediately after a period of two years as an adviser in Bogotá. Many of the ideas in it were subsequently elaborated in Hirschman (1958). Hirschman (1984) is an interesting retrospect on the larger train of thought of which it was an early part.

the high-technology industries and services, which are as tightly self-reinforcing as they have to be to overcome any prior disinclination to cooperate. And a large number of those there are, especially in still 'developing' societies, are in the armed services, which in a perverse vindication of Hirschman's point does something to explain the distribution of power in some Third World countries. Moreover, although these self-reinforcing systems do depend on other systems to support them - that was Hirschman's point - they do not in fact guarantee that those ancillary systems will work. They will work, of course, if pecuniary incentives are already in place. But it is part of the point of the argument that such incentives may not exist. All Third World airlines are fine in the air, but as many of us have experienced, and as I once understood from a reflective executive who had been seconded from the United States to establish one in South-West Asia, they can often be obstinately awful on the ground. No one who has travelled in some of the poorer parts of West Africa forgets the sorry sight of rusting jets on every perimeter, languishing for lack of parts and service. And if systems such as airlines requiring ground services are carelessly introduced, they can actually set the intended progress back. One solution, of course, is more deliberately to introduce more efficient ancillary systems. But that requires either pecuniary incentives, which may not exist; or the imposition of a foreign corporation; or planning; or some other device or set of devices which undermines the original hope of a self-generating linkage. And most severely of all, even if the backward linkages do link, either in the way that Hirschman envisaged, or in some other way, they can do so in such a way as actually to strengthen those social and political relations - the hierarchical relations of patronage and so of 'corruption' that Hirschman, like Adam Smith, so disliked - which it is their purpose to override. The examples are numerous: the construction of dams and the extension of irrigation in India, the introduction of breweries (not to mention the national airline) in Zaire, the consequences in the 1960s of putting a new Alfa-Romeo plant in Naples and not in Milan or Turin, and many more (Wade 1981-82; Gould 1980; Schatzberg 1980; Allum 1973).⁶

Nevertheless, although the sociology of vicious circles is not a cheering subject, it is not an irredeemably dismal one either. Such circles do get broken, as Adam Smith hoped and Hirschman saw. To see further why this is so, and thus to see how some more enduring cooperation can <<118>> emerge - some 'trust', although trust of a more partial and prudential kind than that which I have so far been discussing - one has to look again at viciousness. One has to look at the obstructive viciousness of aristocracies and their equivalents: at the viciousness, as it were, that is inherent in virtue.

IV

I said earlier that although one could see the sorts of social phenomena that aristocracies are as extensions in code of interpersonal trust, there was no good reason to believe that they could be trusted. I cannot conceive of any mechanism by which such an extended interpersonal trust could, by itself, reinforce itself, however elaborate a belief in it might be, however well justified this belief might be, or however well justified we might succeed in making it. And there is certainly little encouragement in the evidence. 'The beautiful, the excellent and the brave' themselves, for instance - this is the connotation of the Arabic word from which 'mafia' may derive - are only one of the more extreme examples of a set of such persons who find it necessary repeatedly to remind each other and outsiders of their excellence by other means. And this is the far from uncommon exception that proves the rule that rules alone do not do.

One can characterize the means that such 'aristocracies' use to enforce their virtue according to the motives which they elicit and exploit; or according to the institutions in which these motives are pursued.

⁶ <<117>> One of the most vivid instances of this remains Scarlett Epstein's study (1962) of two villages in Karnataka, south India, in the 1950s. In one, irrigation was extended, more crops could be taken, and the pre-existing forms of organizing labour and the attendant subordinations of caste were actually strengthened; in the other, persistent aridity had caused these relations to atrophy and by default to be replaced by what would elsewhere be seen to be healthy self-interest.

The motivational strategy is essentially very simple. It is to play, positively and negatively, on fear. Positively, fear is induced with the ceremonial paraphernalia of kingship and lordship and rhetoric and ritual and their latter-day equivalents: Mao suits and flags and speeches and parades, or silk shirts and Mercedes and retinues of flunkies (one thinks, for instance, of Jonathan Miller's entirely plausible transposition of the action of *Rigoletto* in his 1982 production of the opera from the court in early modern Mantua to Manhattan's Little Italy). But this inducement of fear is not altogether reliable. Jon Elster has several times reminded us of the force of the point of Veyne's account of civic giving, 'evergetism', in antiquity (Elster 1983: 67-8). The tyrants who set out to impress the *plebs* with overwhelming amounts of bread and circus failed, Veyne claims, to do so. Only those who concentrated on celebrating their own supposed divinity succeeded, and therefore did so unintentionally. If, however, one lacks the charisma to do this, there can be a temptation to play more directly and negatively on fear: to place the People's Liberation Army behind the Mao suit, to darken the Mercedes' windows <<119>> and the flunkies' glasses, or more decisively, and as Anthony Pagden (in this volume) describes the Spanish having done in Naples, to exacerbate the uncertainties in the environment; to cut off the well or irrigation water, for instance, to make housing or employment or some other such good dependent upon loyalty, or at the limit simply to present a physical threat.

Institutional strategies likewise vary from the positive to the negative and include the same mixture of display, inducement, and threat. They too range from the almost invisibly subtle to the utterly overwhelming. Positively and most subtly and to most of us, even now, most familiar, there is the almost imperceptible nod of acceptance, the other side of which was so effectively if ambiguously lampooned in England in the 1930s and 1940s in Bateman's cartoons of 'the man who ...' Positively and rather less subtly, there are all the more public sorts of performance I have just described. In early modern Europe, and certainly in the postcolonial Third World, these tend generally to parade one or another sort of patrimonialism, entailing more or less elaborate and confining relations of patronage, and often depending upon the symbolism, if not the reality, of kinship: godfatherhoods, brotherhoods, fictive 'families' of all kinds. Negatively, and where display and shame are insufficient, as they often are, particularly in societies which are changing, the institutional forms range from warlordism - feudal Europe, China in the 1920s and 1930s, the Lebanon in the 1970s, the mafia, the small protection rackets on the streets of every modern city - to the more coordinated, comprehensive, and assertive apparatus (in which opaque dark glasses play an important part) of what has come to be called the 'bureaucratic authoritarian state'.

V

How are these vicious circles, these consequences of the motivational strategies which persons of quality tend to deploy, undermined or overridden? The answers are, in a general way, in the question itself. If the devices are not - the second of my three ironies - undermined by the aristocrats themselves, they can be undermined by a more predictable environment. And they can be overridden by a power - even an alternative aristocracy - which is independent of the interests which maintain them. So much is obvious. The interest is in the examples, and in what the examples more exactly show about how the changes can occur.

An interesting example of the first case is that of changing relations in agricultural areas in the western Gangetic plain. It is interesting because it is an instance of a move away from what I have been calling <<120>> 'aristocratic' arrangements to arrangements which are not only socially rather different but also economically more advantageous to everyone involved except, perhaps, the already very poor. The example is also interesting because the means by which the status quo has been undermined are far from simple. They are not the important but readily comprehensible and, from colonial history, familiar means, for example, of flood control, or the opening up of communications, or the external imposition of peace. They are means which have been introduced by a democratic state that is actually dependent on 'aristocratic' arrangements which, in spite of its political interests, it has undermined.

In 1973, in a widely cited paper on what he called 'agricultural backwardness under semi-feudalism', Bhaduri assumed that Indian landlords wished to retain total local power. He accordingly explained the persistence of share tenancy, in which the tenant is a sharecropper, by the landlords' interest in retaining a monopoly of credit and employment, each of which would bind tenants to them. And he used this in turn to explain why the landlords had an interest in resisting technical change and the improvements in productivity that such change might bring. Meanwhile, others had repeatedly pointed to the political advantage to the Congress Party in supporting these landlords. In return for such support, the landlords would in elections duly deliver from what had come to be widely known as their captive 'vote banks'.

But in 1974, Bliss and Stern (1982) began a close study of Palanpur, a village in western Uttar Pradesh, which showed that Bhaduri and those who argued like him were no longer correct. The study also showed, although this was not its purpose, why the vote banks had lately begun to collapse. On the face of it, Bhaduri's description appeared still to hold. Tenancy persisted. Bliss and Stern discovered that because a public source of reliable and relatively cheap credit had emerged, and the landowners' private lending correspondingly had declined, and because it had become possible to market whatever was produced at a reasonable and relatively reliable price outside the village; also because the risks of cultivation remained high for ecological reasons, because the landlords preferred to lease land out to tenants rather than cultivate it themselves, and because active cultivators preferred to be tenants rather than labourers; so it had indeed come to be in the interests of both landlords and tenants to continue tenancy. But the reasons were not Bhaduri's. Production was maximized and risk minimized; there was interdependence, not dependence, and accordingly no monopoly of power. The status quo had been undermined, although its external institutional shape had been retained, by the partial intrusion of a market for credit and for produce which had made continuing the previous sharecropping arrangements unacceptably expensive and comparatively risky.

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And thus the Congress Party itself has been gradually undermined. The tenants, realizing that the landlords depend on them just as much as they depend on the landlords, have come to resist a party which has always been doubly offensive to them, a party whose practice is patrimonial and yet whose rhetoric, at least by the end of the 1960s and the first half of the 1970s, was becoming increasingly socialist. They therefore formed a political party of their own, and at least until the mid 1980s and the perhaps merely temporary political interval caused by Mrs Gandhi's assassination, it commanded growing support (Brass 1984). The greater variety of acceptable credit, and the development of a more reliable market for agricultural produce, which together caused the change in the status quo, are the result of moderate innovations introduced by a state whose governing party, Congress, has had as strong a reason for withholding them as for not.⁷

A state or a governing party, however, which unlike those in India since 1947 is not committed to universal suffrage and owes nothing to any particular interest, can if it so wishes simply

⁷ <<121>> The irony is not lost on those who advise Congress: the political reason for keeping the rate of agricultural taxation so low, at effectively only about 1 per cent of income, is to serve as a disincentive to improved production. The argument for mutual benefit extends only to the tenants; agricultural labourers in these parts of India, as I mentioned, are now more exposed than before, and overt and covert violence against them has increased. The protection that patrons offer can have its advantages. One can see Marx to be arguing this: to be mounting what is in fact a conservative reply to Adam Smith, to the effect that if the market and the capitalism on which it depends in fact make things worse, some way has to be found of combining the care that was characteristic of aristocratic patronage at its best with the productive efficiency of competitive capitalism and equality. Indeed, Marx's insistence on the importance of a collective ethic, rather than individual interest, further aligns him as closely with literally conservative (that is to say aristocratic) thinking as it does with the radicalism with which he is more conventionally associated. And notoriously, his aristocracy of labour - in this sense and not that of the labour historians - has proved to be as riddled with deception and distrust as any of the older sorts.

override vicious circles. Students of politics have in recent years been paying increasing attention to such states. This is partly because they have become more common, and partly because they have been so successful in promoting not only the economic growth but also, in some cases, the social equity too that 'development' is held to consist in.⁸ Trimberger, who has looked at four of them - the Meijis' Japan, Ataturk's Turkey, Nasser's Egypt and Velasco's Peru, experiments ranging from 1868 to 1968 - has explained that where they have been successful, this has been due to four things. The rulers of such states have not been recruited from a dominant landed, commercial, or industrial class; they do not form close ties with any one such class after they come to power; they do not create or themselves become such a class; and they establish an efficient administration (Trimberger 1978: 4). They usually rule over states in whose <<122>> inception and even direction the military has played a part. The Republic of Korea is a case in point.

The Korean peninsula was occupied by the Japanese between 1910 and 1945. In this occupation, 'a highly articulated, disciplined, penetrating colonial bureaucracy', as Cumings has described it (1984: 6), 'substituted both for the traditional regime and for indigenous groups and classes that under "normal" conditions would have accomplished development themselves.' In Korea these 'indigenous groups' included, as they did not in Taiwan, which the Japanese also occupied, and which is often now compared with it, a large and established landed class. For this reason, as Cumings reports the colonial administrators saying at the time, what could be achieved with incentives in Taiwan required coercion in Korea. Moreover, the Japanese promoted industrialization in Korea in exactly the way in which they had earlier begun to promote it in Japan itself. They connected their directive colonial administration to a few large conglomerates, *zaibatsu*, and several big banks. This served further to centralize the society and consolidate their power. And to reinforce it, the Japanese 'foisted upon Koreans ... an ideology of incorporation emphasizing a structural family principle and an ethical filiality' (Cumings 1984: 13-14).

The policy nevertheless had a price. The changes in the society, the moving of peasants from the land, the emergence of an industrial working class and the consequent and rapid urbanization generated tensions which came to the surface in a series of outbursts between 1945 and the start of the war on the peninsula in 1950. The nature of the Japanese administration also produced a pervasive distrust. No one knew who had been colluding and collaborating with whom. Yet since 1953 and the end of the war, the governments in both north and south, the Democratic People's Republic and the Republic, have attempted to contain the lasting consequences of these disruptions in exactly the same way. The DPRK has had what might be described as its 'corporate familism' with a self-described 'great leader' in the Confucian manner; the ROK, directed in the 1960s and 1970s by a man who had been an officer in the Japanese army, has had its 'New Spirit' movement. In the one, there has been a directive and nominally socialist corporatism; in the other, a directive and nominally capitalist one. And the similarities between them are much greater than conventional distinctions between the two sorts of system would suggest. Economically, the DPRK is wholly socialist, but there is also in the ROK what Amsden, talking about Taiwan, has called 'a total interpenetration of public and private interests' (1979: 362).⁹ Politically, with the exception of a brief and <<123>> entirely unsuccessful experiment in the ROK in 1960, neither society has approached an even moderately open democracy.

The ROK has been an extraordinary economic success. Its rate of growth in the 1980s has slowed, but at 7 or 8 per cent per year is still high; and although its international debt is now in the order of \$45 billion, it is still regarded as creditworthy by the International Monetary Fund and thus by private banks. In its high rate of growth since the 1960s it has, unlike some other fast-growing countries, provided high rates of employment and considerable security of

⁸ <<121>> There is a concise review of the literature and the issues in Skocpol (1985).

⁹ <<122>> The difference in this respect between the ROK and Taiwan lies only in the fact that whereas South Korean enterprises are often large *chaebol* (conglomerates) on the model of the Japanese *zaibatsu*, those in Taiwan tend to be much smaller.

employment too, and if it has spent less on health than some other 'developing' countries, including the DPRK, it has effectively abolished illiteracy. It is, in short, a demonstration case of the economic benefits of directive rule.

Yet Tocqueville believed that centralization, as he put it, 'excels at preventing, not doing'. The putatively omnipotent, he thought, are practically impotent, because 'the sovereign can punish immediately any faults he discovers, but he cannot flatter himself into supposing that he sees all the faults he should punish' (quoted by Elster 1983: 88). Elster suggests that:

The most fundamental reason [why despotic rulers are unable to achieve their goals] is found in the lack of reliable information. ... The flaw of the system is that all acts tend to have an immediate political significance, which means that information degenerates into informing and so becomes worthless for planning purposes. Or else the information is offered that the informant believes his superiors want to hear, even if they insist on information that reflects the world as it is rather than the world as they would like it to be.

Reality conditions, in Williams's phrase (this volume), cannot be met. Elster's own example is the USSR, and at first sight he would seem to be right. One would similarly suppose that the despotism of the governments in Seoul since 1961, and the pervasive distrust between Koreans that came down from the Japanese occupation and the disarray of the period between 1945 and 1953, would have made it impossible for them to have avoided this too.

It has not, and this fact has not only impressed scholars. Some years before the ROK's economic success had become apparent to many in the West, Suharto, as soon as he had assumed power in Indonesia in 1967, sent his closest political associate, Modani, to Seoul to discover how this success had been achieved.¹⁰ The answer was indicated in Modani's appointment in 1974 as director of Suharto's internal intelligence agency. He had discovered that the South Korean government had <<124>> built up an extremely effective agency of its own, the Korean Central Intelligence Agency. Exploiting the persistent fear of imminent invasion from the DPRK, a fear encouraged by the Americans, and assiduously gathering information on a large number of putative subversives in a wide variety of places in society, the KCIA had in turn exploited the pre-existing distrust in the society to the government's advantage. Indeed, the KCIA's power may have exceeded that of any comparable agency in any country in the world, even, *pace* Elster, the KGB. The present president and prime minister are both former directors of it. Its reputation is understandably unsavoury; so much so that the president, Chun Doohwan - who is changing tack in an attempt to liberalize the society - has recently renamed it the Agency for National Security Planning.

Nevertheless, even if it is conceded that the government of the ROK has in this way overcome what might otherwise have been an economically debilitating vicious circle, it cannot be said that it has created trust. On the contrary. And it is indeed perfectly possible that if and when the present pattern of rule changes in the country, as Chun Doohwan intends it to do in 1988, existing cooperations and the successful economic organization which depends on them could dissolve or even collapse. The despotism could turn out not to have broken the circle after all, or simply to have instituted another. It could turn out not, as it certainly seems at present to have done, to have created that 'restless activity, superabundant force, and energy that' in Tocqueville's view (quoted by Elster 1983: 95) is 'never found elsewhere' than in democracies and 'which, however little favoured by circumstances, can do wonders'.

But it may also be the case that the ROK qualifies or even overturns Tocqueville's expectation. Even if it is said that there is no reason in the recent political history of Korea to believe that the pattern of rule will change, and certainly no reason to believe that any such change will be in a

¹⁰ <<123>> I owe this fact to Robert Taylor.

democratic direction,¹¹ there is reason to believe that it has already surmounted what Tocqueville and Elster suggest no such regime can surmount, which is insufficiency of information. Yet there is at the same time no good reason not to think that its economic organization is - like Japan's, which has recovered in several fundamental respects the character it had assumed in the 1930s - one which has already generated a sufficient interest in its continuation.

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VI

I have argued that a socially extensive trust cannot be created except in and by what I have called 'aristocracies'; that having been so created, there is good reason to believe that the aristocrats will undermine it; and that if trust is to be maintained, this will have to depend either on conditions which are external to the social arrangements in question or on strategies which are internal and which, although perhaps directed by what could be called an 'aristocracy', might at first sight seem to pre-empt anything one would want to describe as 'trust' at all. If these arguments are right, they suggest two qualifications to existing discussions, including this one, of trust and its conditions.

The first is that even if one accepts with Luhmann (1979) that there are two sorts of trust, one founded on belief, characteristic of the 'pre-modern', and one founded on mutual self-interest and functional interdependence, characteristic of the 'modern', it is not clear that these are causally independent of each other. In their different ways, the failures of backward linkage even in high-technology systems, the changes in agricultural practice and political affiliation in northern India, and the developmental successes of South Korea, each suggest that whatever may eventually result, a self-reinforcing and functional trust may not be able to generate itself, but may require something analogous to an 'aristocracy' to impose the initial conditions of its generation. The second qualification, most evident from the example of Korea, is that it may be possible deliberately if deviously to create trust, which cannot always therefore be seen as a 'by-product', as Elster claims; and that at least one way of doing so is the way that Elster, after Tocqueville, does not believe *is* possible. If this in turn *is* right, it would seem to follow that in some conditions some 'aristocracies' - a political party, for instance, or an army - can create trust after all, and can do so by creating *distrust*.

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¹¹ <<124>> There are arguments for this both from the internal character of the country and from its external conditions (Hawthorn 1986); and if there is a successful move to a more democratic rule after 1988, this rule may well assume the form it has in Japan rather than in, say, the United States or even France.

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