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#### “Trust, loyalty and negotiations”

In most cases the concept of trust is discussed as a way of understanding the formation of social capital and why society cohere.[[1]](#footnote-1) In this article we discuss trust as a concept of understanding paternalistic relations in Japan and Sweden and we will also use the concept as a way of understanding similarities and differences in the paternalistic relations in the two countries. Initially, we will discuss the concept of trust; then we analyze trust as a power relation and as loyalty; and finally, we discuss some differences in the concepts of trust in Sweden and Japan.[[2]](#footnote-2)

**The concept of trust**

Many definitions of the concept figures in the state of research. [[3]](#footnote-3) Our analysis benchmark the polish sociologist Piotr Sztompka and his book *Trust*, where he theoretically discusses the concept of trust as a basic institution in human behaviour.[[4]](#footnote-4)

 Trust is synonymous with actor A (as individual or collective) trusting actor B to act in a reliable and predictable way. A trust B’s future action will follow pre-determined norms and rules. In return A consequently can act according to these pre-conditions in maintaining the relation of trust.[[5]](#footnote-5) Trust prerequisite a *mutual relation* between actors knowing each other, having a *calculable* relation. Actors also trust the related actor’s future actions will follow predictable *norms* and *systems of rules*. In other terms, trust is based on a calculated expectation of the future.[[6]](#footnote-6) Consequently actor A makes a risk analyses in the evaluation if B’s will act inside the frame of the system of rules. So long as the actors follow these rules their mutual relation is safe. Due to this fact trust is an important strategy in dealing with insecurity and an unpredictable future. According to the sociologist Niklas Luhmann ”*Trust is a solution for specific problems of risk*”.[[7]](#footnote-7) The emphasis of analysing risk makes Sztompka draw the conclusion: ”*Risk in this specific sense is in many ways parallel to trust. First, it is oriented toward the future. Risk is the unwelcome, threatening future state of the world*”.[[8]](#footnote-8) So, trust is something fragile and unsecure, but also necessary for the stability of society as even complex relations are built on confident co-operation.[[9]](#footnote-9)

 The Swedish theologian Erik Blennberger differs between basic trust, which is necessary in a society, and the special trust concerning specific relations.[[10]](#footnote-10) The mutuality of trust makes Robert Putnam refer to the paradox of the American baseball player Yogi Berra. If you don’t go to someone’s funeral, he won’t visit yours.[[11]](#footnote-11) The reciprocity can deal with favours and favours in return, but according to Putnam it can also be “generalized”. Actors act trustworthy without any expectations of counter-performances. Generalized reciprocity creates good relations and butters human intercourse.[[12]](#footnote-12)

**Trust as a hegemonic power relation**

The difference between basic trust and special trust is useful. Here we will especially discuss special trust. Basic but not special trust can be viewed in a generalized way. The analyses also need to observe both trust and risk. We consider special trust in two ways: at first as a *relation* between two parties, and at second as an act of solidarity between actors trying to maintain their *dependent relation*, but also expanding it in creating harmony and mutual understanding.

 In the first sense trust is not absolute. It differs between the involved actors and the limits of norms and regulations.[[13]](#footnote-13) Some relations are more trustworthy than others. In the second sense trust is much farther reaching – even though it’s not absolute. While the first concept assumes a perspective of conflict, the second concept of trust tries to create consensus. In the source material the kind of concept of trust is an empirical question and does not have to be seen in these ideal typical forms as we image them here.

 Trust as a relation makes it possible to understand the relation of trust as a vertical power relation, where one actor is more powerful than the other and has larger opportunities to influence the framework. We emphasis vertical relations of power and trust, without meaning all relations of trust to be unequal.

 In the state of research four types of concepts of power often are used: the power of decision, the power of agenda setting, hegemonic power and discursive power. The power of decision implies A’s power over B. This kind of power can also be studied as a vertical power relation, where the relation is built on differences in power resources and on the possibility of mobilizing power resources. The power of agenda setting deals with questions like: “Who has got power over the agenda setting?” and “Who can define how a question will be discussed?”

 The concept of hegemonic power is connected to the theoretical concepts of the Italian Marxist Antonio Gramsci. In a power relation one actor can achieve advantage to a degree the relation becomes hegemonic. Then the superior party broadly speaking can set the system of rules and rule through approval so long as the parties follow the system of rules. At last, discursive power is equivalent to the power of language. In this article we especially will discuss hegemonic power, and we use the concept apart from the theoretical views of Gramsci.[[14]](#footnote-14)

 Maintaining hegemony pre-suppose the actors to accept the frames, even when the historical context is changed. Though, in some cases change can result in the violation of hegemony. A way of understanding hegemony, and especially the paternalistic relation in a company, is to analyse the hegemonic relation as an unwritten contract containing of system of rules and norms. As the parties act according to these conditions of the contract acting becomes calculable and trustworthy. When the patriarchs and the companies attend the contract, the workers know what they can expect and their superior also can predict how the workers will act.[[15]](#footnote-15)

 A way of analysing trust in a hegemonic power relation we mean trust is conditioned. It only exists if both parties fulfil their obligations. If one party breaks their commitments the actors are forced to make a new calculation of risks. In this new calculation both actors must relate to the cost of the breaking of the relation and the possible insecurity in the future relations based on miss-trust. The offending actor have also to consider the possibility of how the offended party will react – if the actor will over-react against the break of the relation of trust.

 Theoretically the concept of “deliverance” – for example of welfare goods, identity, communion or success – is fundamental of the relations of trust. The hegemonic relation is affected by the superior party’s skill of deliverance. Lack of deliverance undermines trust. As the superior party delivers, the power relation is “legitimate”. In a paternalistic relation the workers accept the company regime as it supplies welfare, security and a coherent identity.[[16]](#footnote-16)

 In the social sciences the concept of trust not only will be discussed according to institutional rules and norms, but also from the perspective of legitimate action.[[17]](#footnote-17) Legitimacy can be viewed in two ways. Firstly, action is governed by norms and system of rules. Secondly, the skill of deliverance creates trust. In this case the subordinate party just as in the paternalistic relation accept the power relation and can trust the relation per se.[[18]](#footnote-18) In a democratic organization the ruler’s ability of delivering success makes the regime democratic and legitimate, even though the democratic power of the members is very limited.[[19]](#footnote-19)

**Trust in dependent relations**

What’s about trust in dependent relations? Can we talk about power relations if the purpose is to create consensus? Well, this is a very tricky question and our answer to a high degree tentative. Theoretically a dependent relation can be either vertical or horizontal. The vertical relation is a power relation, where for example the farther rules the family. In the dependent relation the unwritten contract between the parties can be viewed differently. The relation is not conditioned in the same way as in the other concept we have discussed above. As the parties are dependent of each other, they maintain their relation. In addition, they also try to expand the unwritten contract until the dependent relation finally is destroyed. Then, because of the mutual miss-trust it is very hard to re-establish a new unwritten contract. The relation is legitimate so long as the dependent relation exists. That’s why deliverance is not important.

 We also believe the bonds between the parties are crucial for our understanding. The parties are connected to each other in a common destiny and perhaps also in a common past. With that kind of bonds, the parties do not have to trust all actions of the counter-parts. But, in the long run they will maintain the mutual relation so long as the ties exists. Life-long identities as the ethnical identity or the national identity probably can be viewed in this way. These identities are mainly horizontal, but some vertical relations and identities, as for example some patriarchal relations, are of the same kind.

 The belief in a common destiny in a vertical power relation – as a patriarchal relation – creates a sense of common interests, even if differences in economy, social and cultural position shows the limitations of the consensus relation. When the belief of the common destiny breaks the differences in position points out these different interests.

 As our theoretical understanding in this matter is very tentative, we leave the question alone for further discussions.

#### Trust, change and negotiations

In both Japan and in Sweden the paternalistic companies built hegemonic relations based on informal contracts between superior and subordinate parties, who created institutionalized bonds making relations calculable. These close relations strengthened by their tenure. Very long length of service where common in both countries. Bonds were also created by welfare gifts, where the companies guaranteed safety and welfare. Anthropologist Marcel Mauss argues gifts creates bonds. The pensions were gifts making the paternalistic relation legitimate and creating trust into the paternalistic contracts.[[20]](#footnote-20)

 The company also delivered identity and communion. Trust in the company, the work mates and the local community was combined with the emphasis on the family as organization and model of obedience – a model based on relations of trust. The paternalistic rhetoric played an important role in legitimating the order of power in a way suitable for the relation of trust.[[21]](#footnote-21)

 In the late nineteenth century, the paternalistic contracts in both countries were authoritarian, where the patriarchs – sometimes with harsh methods – disciplined the workers. In the early twentieth century these contracts broke.

This change depended partly on the Taylorism forms of rationalizations, partly on the class conflicts and partly on the demands of the trade union organisations. As the companies tried to re-establish a renewed didactic paternalist relation, they draw on the mechanisms of trust making as tight horizontal and vertical bonds of trust as possible. In this formation of trust the introducing of a gift characterized welfare system, was tooled with durability and calculability. And some companies, mostly during the years from 20th to the 60th especially in Japan, but also in some of the foundry communities in Sweden, succeeded in the creation of the belief in a common destiny, which shaped the possibilities of consensus-making.[[22]](#footnote-22)

 In those companies were trust was conditioned the historical change – especially in Sweden (both in other foundry communities and most of all in the urban industry) – affected the possibilities of deliver or fulfil the terms of the contracts. As the parties were unsatisfied with the terms of the contracts they tried to change them. Changing terms were possible to reach through discussions or action based on stretching the terms. In both cases we can talk of informal negotiations of the conditions aimed to change the terms of the contract. A contextual evaluation preceded the endeavour to re-establish good relations of trust, but based on new terms and preconditions.

 In Sweden change was connected to an old culture of formal and informal negotiations. During this period of change, the formal negotiations between the corporate management and the trade union officials became regular – for example in the collective bargaining system which set the norms from the 20th. A pre-condition for the negotiations was the strong emphasis in the working-class culture, already from the times of the early labour movement, on following signed contracts and to behave in a responsible way. Another important factor, was the ongoing development of a democratic practice in the trade unions, where the members mostly trusted their officials to negotiate in the best possible way. The trustees also often anchored their bids, which created a process of democratic legitimation of the process of negotiations. In a high degree this was based on a conditioned trust in the company. The workers trusted – to a certain degree – the company to fulfil its obligations. They also assumed the play of negotiations was going to follow predetermined rules. Both parties negotiated through their own interest. When the terms of the contracts were fulfilled the interests were overlapping.[[23]](#footnote-23)

 Outside the factory gates you could see obvious differences between the parties. In politics the paternalistic employers supported the conservative or the liberal political parties. They were often politically active on local or national level.[[24]](#footnote-24) The workers were mostly social democrats locally and nationally building the social democratic influenced welfare state. Especially in the foundry communities, where the company was the only or the dominating company, but also in some industrial towns, the governmental social democratic leaders met the company patriarch representing the political minority. From differed interests these parties created a very strong culture of negotiations, where nearly all questions could be solved after negotiations and compromising. The consequence of this was a strong trust in the institutions.[[25]](#footnote-25)

 In the 60th and 70th in Sweden the paternalistic relations of trust were disturbed. Firstly, the paternalistic superiority was treated as obsolete and unmodern. Secondly, the capitalistic market relations were altered, and it became harder for the paternalistic companies to maintain their obligations. As the companies began to dismiss faithful old servants and low productivity workers, they did not deliver according to their promises. Thirdly, the globalization of the steel- and mining industries removed work from the western world. In this new situation the Swedish foundries where hardly troubled, which resulted in strike downs and bankruptcies, which were treated as breaks of the contracts and resulted in angry labour over-reactions. Fourthly, this change affected the overall social relations in the companies and in society at large. A wave of wild strikes in the first half of the 70th was an expression of the thinning of the former culture of negotiations.

 Soon many companies re-established the bonds of trust as the trust destroying Taylorism was replaced with the strongly trust reinforcing concept of lean production. This changed the didactic paternalistic contracts.[[26]](#footnote-26)

**Trust and loyalty**

An alternative of the trust of institutions, the culture of negotiations and the conditioned trust in paternalistic employers, was another kind of the relation of trust based on bonds on loyalty and dependent relations, which was much more unconditioned. In Sweden it was prevalent in some of the foundry communities, especially from the 30th to the early 70th. Here the unwritten contracts based on didactic paternalism formed very tight bonds which created that kind of belief in a common destiny. In the urban industry and in many of the foundries the relation was much more conditioned, even though the contracts were based on didactic paternalism. These tight bonds thinned in the early post-war years as the Swedish welfare state weaved the citizens in new relations of trust, when the welfare state firstly supplemented and then replaced the paternalist companies in creating social and economic safety. The “death” of most of the foundry companies in the 70th and the early 80th broke the paternalistic contracts and of course also the sense of common destiny. But leftover thoughts remained prevalent even later.[[27]](#footnote-27)

 In Japan the authoritarian paternalism in the early twentieth century was replaced by the new didactic paternalism, with a family based system, where the employees were tied by very tight bonds of trust. This kind of paternalism lost its validity, as the Taylorism was exchanged by the lean production mode of rationalization. A new mode of paternalistic contracts tied the labour forces even harder to the company. For example, the trade union in Toyota in the early 60th and the company declared having common interests. Consequently, the dependent relation became more important in Japan. The Japanese companies also delivered welfare gifts much longer. This created loyalty.[[28]](#footnote-28)

 As Professor Kiyoshi Kurokawa at the Tokyo University in his report of management the Fukoshima accident has called attention to, there are strong bonds of loyalty in Japanese culture.[[29]](#footnote-29) Probably the concept of dependent relations plays an important role in this, but as we have already pointed out the conclusion needs further studies.

**Conclusions**

In Sweden the culture of negotiations is rooted in the pre-industrial period. It was revitalized by the collective bargaining system emerging in the early twentieth Century. This created a strong trust especially directed to the institutionalized system.

 The Japanese paternalism played a more important role – for the companies and for the welfare society – and lasted much longer. The trade unions were weaker and the welfare state not that important as in Sweden. Then the bonds of trust to the companies were tighter and more important. Changes in paternalism firstly to didactic paternalism and later to new paternalism resulted in new tight bonds of trust. According to our conclusion these bonds could be woven together with an older culture of loyalty and dependent relations, which also existed in Sweden, but was not that strong and far reaching as in Japan.

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1. Robert Putnam, R Leonardi & R Nanetti, *Den fungerande demokratin. Medborgarandans rötter i Italien.* Stockholm 1996; Robert Putnam, *Bowling Alone. The Collapse and Revival of American Community*. 2000 (Swedish translation *Den ensamme bowlaren. Den amerikanska medborgarandrans upplösning och förnyelse*. Stockholm 2006); see also a critical perspective in Olof Petersson & Bo Rothstein, “Förord”, in R Putnam 2006; Bo Rothstein, *Vad bör staten göra? Om välfärdsstatens moraliska och politiska logik.* Stockholm 2006, pp 272-79; also Apostolis Papakostas, *Misstro, tillit, korruption – och det offentligas civilisering*. Lund 2009, pp 11-31. Piotr Sztompka, *Trust* 1999, s 6-17 draws the theoretical roots of the concept to among others Tönnies and Durkheim. [↑](#footnote-ref-1)
2. Our discussion is based on Christer Ericsson, Björn Horgby and Shunji Ishihara, *Faderliga företagare i Sverige och Japan* (Paternalist industrialists in Sweden and Japan). Stockholm 2016 [↑](#footnote-ref-2)
3. For the Scandinavian research of trust, see Julia Grosse, “Nordisk tillitsforskning”, in *Forskningsavdelningens arbetsrapporter* nr 49. Stockholm: Ersta Sköndal Högskola 2007. [↑](#footnote-ref-3)
4. P Sztompka 1999 [↑](#footnote-ref-4)
5. P Sztompka 1999, pp 38 fp. Sztompka problematize the notion of trust always to be good, see pp 102-18. [↑](#footnote-ref-5)
6. P Sztompka 1999, s 26. He also sees ”*trust is a quality of a relationship*”, p 60. [↑](#footnote-ref-6)
7. P Sztompka 1999, p 25, 30. The quote from Luhmann in Sztompka [↑](#footnote-ref-7)
8. P Sztompka 1999, p 30 [↑](#footnote-ref-8)
9. P Sztompka 1999, p 25, 62 [↑](#footnote-ref-9)
10. Lars Trädgårdh ed, *Tillit i det moderna Sverige. Den dumme svensken och andra mysterier*. Stockholm 2009, pp 10-15; Russel Hardin, *Trust.* Oxford 2006, pp 17 fp; and Gunnar Aronsson & Jan C Karlsson eds*, Tillitens ansikten*. Lund 2001, especially pp 14, 18-19; Erik Blennberger in L Trädgårdh 2009, pp 19-21; J L Ramirez, “Den mänskliga existensens grund – en undersökning om tillitens fenomenologi”, in G Aronsson & J Karlsson 2001, pp 131 fp. P Sztompka 1999, s 41 fp points out the differences in trust according to the art of the relation. [↑](#footnote-ref-10)
11. R Putnam 2006, p 20 [↑](#footnote-ref-11)
12. R Putnam 2006, p 20-21 [↑](#footnote-ref-12)
13. P Sztompka 1999, p 38-41; Roger J Davies and Osamu Ikeno eds, *The Japanese Mind. Understanding Contemporary Culture*. Tokyo 2002, especially pp 17-21. [↑](#footnote-ref-13)
14. C Ericsson, B Horgby & S Ishihara 2016, chapter 3. [↑](#footnote-ref-14)
15. C Ericsson, B Horgby & S Ishihara 2016, chapter 9 [↑](#footnote-ref-15)
16. C Ericsson, B Horgby & S Ishihara 2016 [↑](#footnote-ref-16)
17. A Papakostas 2009, s 61 fp, 79 fp discusses transparency in an organization. About trust and legitimation, P Sztompka 1999 p 45. [↑](#footnote-ref-17)
18. P Sztompka 1999, s 48-53 equals this problem in his discussion of trust to the ombudsman. [↑](#footnote-ref-18)
19. For example, ongoing research of the democratic conditions and the management of the Swedish elite sport organizations by Björn Horgby, Christer Ericsson and Bill Sund. [↑](#footnote-ref-19)
20. Marcel Mauss, *Gåvan*. Uppsala 1972 [↑](#footnote-ref-20)
21. About trust and the creation of social order, see G Aronsson & J Karlsson 2001, pp 15-18. [↑](#footnote-ref-21)
22. Francis Fukuyama, *Trust. The Social Virtues and the Creation of Prosperity*. London 1995 considers Taylorism is characterized by low trust and comprehensive control. Also C Ericsson, B Horgby & S Ishihara 2016. [↑](#footnote-ref-22)
23. B Horgby 2012, chapter 11 and 12; C Ericsson, B Horgby & S Ishihara 2016, chapter 7. Overlapping interests are not the same as the same interest. Here there is a difference between conflict and consensus. [↑](#footnote-ref-23)
24. Christer Ericsson, *Kapitalets politik och politikens kapital*. Stockholm 2008 [↑](#footnote-ref-24)
25. C Ericsson, B Horgby & S Ishihara 2016; for the connection citizenship and trust, A Papakostas 2009, s 139 fp. [↑](#footnote-ref-25)
26. C Ericsson, B Horgby & S Ishihara 2016; F Fukuyama 1995 points out the post Taylor lean concept is built on a high degree of trust. [↑](#footnote-ref-26)
27. C Ericsson, B Horgby & S Ishihara 2016; C Ericsson 2014 [↑](#footnote-ref-27)
28. C Ericsson, B Horgby & S Ishihara 2016, chapter 5, 6 and 7 [↑](#footnote-ref-28)
29. For an example *The National Diet of Japan*, The Official Report of The Fukoshima Nuclear Accident Independent Investigation Commission, Executive Summary. Tokyo 2012 [↑](#footnote-ref-29)