

## TRUST AS A SOCIAL AND ECONOMIC VALUE

The results of studies provide evidence on how difficult it is to overcome the present crisis. People trust neither institutions nor business partners. The most important information is that the trust indicators have been decreasing significantly during the recent time. Countries in which societies are characterised by the high levels of the culture of trust are generally characterised by higher growth and economic development than countries characterised by the culture of mistrust.

Результати дослідження свідчать про наявність труднощів при подоланні нинішньої кризи. Люди не довіряють ні установам, ні партнерам по бізнесу. Найбільш важливою інформацією є зниження показників довіри останнім часом. Автором виявлено, що країни, де суспільство характеризується більш високим рівнем культури довіри, як правило, показують більш високі темпи економічного зростання.

**Statement of a problem in a general view.** Transformations that took place during the past decades have changed the functioning of global economies entirely. We are currently living in the era of informatization where processes of globalisation and competition have been intensified. Consequently, access to information is easier. We are facing multitude of alternatives and an increasing number of relations develops in the environment. All of that, including the turbulent and uncertain environment, causes that trust plays a very important role in the contemporary world.

**The analysis of researches and publications of last years.** Currently, analyses of numerous organisations concerning measurement of trust are used for improvement of management effectiveness and increasing interest in the subject.

Edelman, the international public relations agency offering a wide range of services is an example of such an institution. The survey developed by that organisation, Edelman Trust Barometer, aims at determining the reliability of the corporations and specific public entities.

**Unsolved parts of the general problem.** Any cooperation contains an element of trust and its level determines not only the development of the individual but, first of all, social and economic development of entire societies. The importance of trust increases particularly in the imperfect market under the conditions of uncertainty of results and behaviours that cannot be measured or observed directly.

**The idea of the article.** The aim of the paper is to present the importance of trust in social and economic life. Trust is one of the fundamental ties connecting people and institutions in the society.

**Statement of the basic material.** Trust is one of the fundamental links connecting people and institutions in the society. It is usually referred to without awareness although the humanity gets in touch with it every day.

The majority of people probably do not realise its influence on the decisions they take [1, p.9–14]. Creating the atmosphere of trust requires courage and commitment on the one hand and teaches patience on the other. Somebody who does not trust himself will have a problem with trusting the others. Trust related to an object is the knowledge or faith that its actions, future state or characteristics will prove consistent with our wish.

People trusting the others do not feel the need to lie. They expect that reaction from others and believe that nobody will harm them. Thanks to such attitude, trust becomes the specific key to just and positive existence in the society and offers the possibility of maintaining good relations

between people [2, p.16]. It is one of the mass of elements supporting the decisions of taking the risk by the partners [3, p.525].

The important element of intellectual capital that trust is, assuming the form of a component of success in contemporary economy, offers the possibility of implementing various concepts and liabilities. Relations between people should be based on trust to make implementation of those relations possible. Increasing trade and cultural transfers between nations characterising the process of globalisation increases the exchange of information, knowledge and foreign investments.

Current, dynamic development of technology, techniques, availability of information and unrestricted research at many levels requires the society to present mutual trust. Increasing the number of risky and uncertain transactions results in the increased focus devoted to that issue in the economic environment [4, p.177]. The element of social capital that trust is supports circulation of information and commitment to the relations between people [5, p.5]. This limits the uncertainty and costs involved in securing the appropriate level of safety that could lose balance by lack of trust. Edelman Trust Barometer surveys of 2011 and 2012 show that public trust in institutions is low. Non-government organisations are trusted the most. Trust in the media and entrepreneurs are much lower. Honesty of the governments is ranked the lowest. The fact that during the last year that trusts decreased dramatically deserves attention (tab. 1; Source: own work based on the: 2012Edelman Trust Barometer. Global results, <http://www.slideshare.net/EdelmanInsights>).

Table 1

Global trust in institutions			
Institutions	2011	2012	Change
NGOs	59%	54%	- 5%
Media	46%	47%	+ 1%
Business	53%	47%	- 6%
Government	49%	38%	- 11%

Trust related to specific industries (tab. 2; Source: own work based on the: 2012 Edelman Trust Barometer. Global results, <http://www.slideshare.net/EdelmanInsights/2012-edelman-trust-barometer-global-deck>, 5.09.2012) is another component of the Edelman Trust Barometer survey. Every year the sector of technology enjoys the highest level of trust while the rankings are the lowest in case of banking and financial services sector. The majority of industries are characterised by decrease in trust – the largest in case of power and pharmaceutical sectors.

Table 2

Global trust in industries			
Industries	2011	2012	Change
Technology	80%	79%	- 1%
Automotive	67%	66%	- 1%
Food and beverage	64%	64%	0%
Consumer packaged goods	57%	62%	+ 5%
Telecommunications	67%	60%	- 3%
Brewing and spirits	57%	59%	+ 2%
Pharmaceuticals	61%	56%	- 5%
Energy	60%	53%	- 7%
Media	52%	51%	- 1%
Banks	50%	47%	- 3%
Financial services	48%	45%	- 3%

The importance of trust increases also in Poland [6, p.64]. The most important factors that determined the reputation of an enterprise in Poland in 2009 follow the global trends. Edelman Trust Barometer reports show that production and service quality ranks the first in building reputation. It is followed by transparency that scored minimally higher than trust (tab. 3; *Source*: own work based on the: reports Edelman Trust Barometer, Niskie zaufanie do banków i rządu w Polsce [Low trust in banks and government in Poland], <http://www.egospodarka.pl>, 04.09.2012).

Table 3

The most important factors influencing reputation of the organisation in Poland in 2009

Factor	Importance
Quality of production and services	71%
Transparency	67%
Trust	65%

F. Fukuyama [7, p.149–266] showed that the rules of trust and credibility have been anchored for good in the cultures of highly developed countries such as:

- Japan;
- Sweden;
- Denmark;
- Norway;
- Germany.

Among the low trust societies, he identified poorly developed countries such as Nigeria and some other African countries.

To a certain extent, Russia and other post-communist countries, in which group unfortunately Poland is also included are also countries with low trust levels [8, p.271].

Trust creates social capital and the economic result of the given country depends on the social capital value. It can be easily said that the wealth of a given country depends on the level of trust among its citizens [9, p.683–692]. The wealth of the given country and its ability to compete are conditioned by one dominating cultural characteristic – the level of trust in the society. Which is more, in 1997, S. Knack and P. Keefer [10, p.1251–1288] proved, on the base of the above-referenced theory by F. Fukuyama, that actually strong correlation exists between the economic growth of the country and the level of trust in the given society. They considered the general trust that is trust in entirely unknown persons with whom we had no earlier contacts and with whom we had not been involved in any cooperation. The question asked in 32 countries was: “Can you say, generally speaking, that the majority of people can be trusted or that you do not have to be very careful in interactions with others?” [11, p.29]. Thirty-two percent of the respondents answered that “the majority of people can be trusted”. The lowest result was obtained in Peru at 5.5% and the highest in Norway at 62.5%. The difference in the levels of general trust between those two countries is almost as big as the difference in their development and economic situation.

Mistrust is not supportive to economic development and the opposite – trust supports development. The general public climate of trust leads to open, innovative, spontaneous activities, increases the level of mobilisation, activity and freedom of the society as well as intensifies interactions, strengthens ties and leads to uniting communities developing the potential of the society and its subjectivity [12, p.19–22]. Widely spread culture of trust provides feedback influence on its own structural conditions increasing the normative stability, transparency of society organisation, durability of public order, responsibility of authorities as well as enforcement of rights and duties [13, p.224].

**Conclusions and prospects of the further studies.** Trust, as one of the important elements of intellectual capital, which in the current global economy represents a factor of the success achieved, provides the opportunity of fulfilling the plans and duties. Human interactions that help attainment of targets, prospects and expectations, must be backed by trust. The process of globalisation is characterised by the increase of international cultural and trade exchange, increases the transfer of information and foreign investments in case of which parties assume the risk and must trust each other. Belief in transaction success must assume trustworthiness of the partner in that transaction.

The results of studies show how difficult it is to overcome the current crisis. People trust neither the institutions nor the business partners. In addition, the most important information is that the trust indicators have been falling evidently during the recent times.

Countries in which the societies are characterised by presence of the culture of trust at high level are generally characterised by higher growth and economic development than countries characterised by the culture of public mistrust.

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