

The second problem, though not entirely separate, rests in Orenstein's (ab)use of the term 'neo-liberalism'. He occasionally uses it as a description of Klaus' policy, which was in fact 'social liberal', and primarily for Balcerowicz's neo-classical policy, which eventually led to *ipso facto* anti-liberal authoritarian temptations (to be correct, Orenstein knows about the differences and describes such policies as *neo-liberal* in opposition to classic liberal thought (cf. p. 13). Unfortunately, through such a description the analyst prolongs, mainly in the Czech political context, Klaus' own rhetoric and self-designation as the only liberal and pro-market politician, which led to deep public dissatisfaction with so-called liberalism, associated for many with a high level of corruption, economic fraud, and unhealthy social nets among the in-groups in the Czech economy and policy. This rhetorically embedded the widespread social discredit of liberalism, which may also include democratic policy and which will take quite some time to address; a modest example of the misunderstanding of the term is an interview with the youngest Czech MP (for the unreformed Czech Communist Party) after the last elections, who said her political model is Margaret Thatcher! I would prefer to describe Klaus' policy as a mixture of neo-classical and social democratic acts with only rhetorically liberal frames. L. Balcerowicz's radical reform in Poland and its social consequences, although quite different, would seem to be similar.

Nevertheless, to conclude, this book provides the essential analysis of recent economic and political development in two post-communist countries, affords the backgrounds necessary for understanding the present-day problems of the region, and also tries to solve some more general problems of co-existence and mutual relationship between policy and the economy, and their particular ideological universes, in the democratic Western societies. Alongside its importance as a good source of information about this field of research, it may also serve anyone interested in the relationship between capitalism and democracy in the contemporary world.

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Toshio Yamagishi: The Structure of Trust. An Evolutionary Game of Mind and Society. Hokkaido behavioral science report, No. SP-13
Sapporo, Japan, Hokkaido University 2002, 157 p. (translation of Toshio Yamagishi: *Shinraino Kozo: Kokoroto Shakaino Shinka Gemu*. Tokyo: Tokyo University Press 1998. Translated by Feixue Wang)

This book is written around the central message that collectivist society produces security but destroys trust (p. 9, 140). The Japanese social psychologist Toshio Yamagishi challenges the widely shared understanding that an environment of a lasting and stable community is the most favourable environment for fostering trust. He distinguishes between the assurance of security among compatriots on the one hand, and the trust in the human nature of other people, a trust that goes beyond one's own group, on the other (p. 10). In contrast to past research on trust, which has emphasised the relation fortification aspect of trust, Yamagishi directs the reader's attention to its relation extension aspect: trust emancipates people from closed relations and leads them to form spontaneous relations with new partners (p. 11).

In the first chapter Yamagishi describes 'three paradoxes of trust', which show the conflicting premises of the common sense idea of trust. For example the first paradox is that, on the one hand, trust is most needed in situations of high social uncertainty, situations where 'trust' is most difficult to produce. On the other hand, trust is not needed in stable relations, where 'trust' is the most easily produced (p. 19). Chapter two provides conceptual clarifications and definitions of the different aspects of trust. Yamagishi divides trust into character-based trust and relational trust. Character-based trust is based on a judgment of trustworthiness as a general character trait. In contrast, relational trust is based on a judgment of a person's attitudes and feelings towards the ego. According to the type of information, character-based trust is divided further into personal trust, category-based trust, and general trust (p. 41n).

Key parts of the book explain Yamagishi's

original approach – the emancipation theory of trust – and its current theoretical appendix – the ‘investment of a cognitive resources model of trust development’. The emancipation theory of trust consists of six propositions: 1) Trust is meaningful only in situations where social uncertainty exists. Trust is not needed in situations where there is no possibility of being deceived or exploited by others. 2) People tend to form commitment relations to deal with the problems caused by social uncertainty. 3) Commitment relations incur opportunity costs. 4) In a social situation in which the level of opportunity cost is high, it is more advantageous to leave commitment relations rather than to remain in them. 5) Compared to ‘high-trusters’ (whose level of general trust, or trust in other people in general is higher), ‘low-trusters’ have a stronger tendency to form and maintain commitment relations with specific partners when they face high social uncertainty. 6) Under high social uncertainty and high opportunity costs, ‘high-trusters’ will have a better chance of making more profits than ‘low-trusters’.

In chapters four and five Yamagishi presents the whole range of experiments, computer simulations, and surveys which support the different parts of his theory. The laboratory experiments (e.g. different prisoner’s dilemma games) tested the internal validity of the causal propositions. The Japan-US, comparative questionnaire studies proved the external validity or the generalisation potential of the theory. This combination of various research methodologies, which served to avoid the limits of each one of them, is an interesting example that is worth following.

According to the emancipation theory general trust is advantageous in an environment in which high levels of social uncertainty and opportunity costs co-exist, but it does not mean that high-trusters cannot be exploited when they leave commitment relations. This raises the question of trust acquisition. Yamagishi states that in contrast to the assurance of security, it is difficult to explain trust as the production of rational decision-making or other conscious activity; nor can trust be explained genetically. He has realised that general trust may be acquired

as a by-product of social intelligence. This is cultivated through the investment of cognitive resources, such as paying attention to other people’s trustworthiness. It is consistent with the results of a series of experiments and other studies which Yamagishi and others have conducted. They indicate that high-trusters are more sensitive to information about the trustworthiness of others, and that they distinguish trustworthy people from untrustworthy ones more accurately than low-trusters. In other words, socially intelligent people will not suffer serious damage even if they assume (by default) that all people are trustworthy.

When socially intelligent high-trusters leave commitment relations to seek new opportunities they need to be chosen by new partners. In this case trustworthiness improves one’s chances of being chosen. These three traits (trust, trustworthiness and social intelligence), when they exist as a set, are advantageous to one’s self-interest, especially in the more open society. (Sociologists may ask if these psychological traits are associated with individual social status.) In contrast, Yamagishi sees the core of collectivist society in the equilibrium between the closed nature of social relations and in-group favouritism.

During recent years warning prophecies about trust crises have been heard in different countries (e.g. Putnam in the U.S., Sztompka in Poland, Možný in the Czech Republic). According to Yamagishi, the breakdown not of trust but of the assurance of security constitutes an urgent problem of Japanese society (p. 148). Japanese society has for a long time successfully reduced opportunity costs through extending networks of commitment relations. The Japanese style of management (*keiretsu* relations, lifetime employment) has come under critical scrutiny recently. In the future the strategy of extending networks may yield to the alternative strategy of utilising open-market relations and this can evoke the problem of the breakdown of the assurance of security. Yamagishi states that more extreme examples are found in the former Eastern bloc countries, where the assurance of security collapsed owing to the weakening of the central authority (p. 148). These countries need

to establish networks of commitment relations among legitimate businesses and organisations in order to restrain Mafia activities and to build the foundations for economic development (p. 151).

Yamagishi's book offers many inspirations. We can agree with Yamagishi's diagnosis that the post-communist countries are not endangered by a lack of trust but by the lack of assurance of security. His view explains the nostalgia for the past political regime and the current wave of nationalistic rhetoric, which has appeared even in countries that avoided violent ethnic conflicts after 1989.

In conceptual clarifications (chapter two) Yamagishi surprisingly rejects all of Luhmann's trust theory. But I think that, for example, Luhmann's proposition about the trust surrounding *Kontrollempfindlichkeiten* meets Yamagishi's statement that socially intelligent high-trusters are not naive or gullible. The reason for the re-

jection may lie in the different starting points of both authors. For Luhmann it is the theoretical situation of double contingency, while Yamagishi is thinking about a real entity – collectivist Japanese society.

In 1998 Toshio Yamagishi won the Nikkei Prize for Excellent Books in Economic Science on the basis of the Japanese original of the book reviewed here. Using economic terms (transaction costs, opportunity costs, investment) seems to be helpful in the development of trust theory, but their application to real societies poses the problem of their presumable normative neutrality or objectivity. How can we measure the opportunity costs of staying in commitment relations? Who decides what functioning of society is successful or effective? Is deregulation the road to so-called open society? Yamagishi leaves these and other questions unanswered.

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