

# *Understanding Trust: disciplinary perspectives*

Peter Taylor-Gooby  
24.5.11



# Solving the trilemma of social policy

- Responsiveness; equity; cost-effectiveness
- Different political traditions, different relationships with state, different disciplinary traditions
- Julian's work (MAaPP, OIH) reconciles these through adding competition to choice and stressing role of correctly designed institutions (good information; good access; curbing selection; curbing collusion)

# Bridging disciplines

- Social policy often seen as inter/ multi-disciplinary (??)
- Julian's work has always shown how to bring disciplines together
  - sociology and economics (SoE, NOtP)
  - economic theory and social philosophy (EaC)
  - social psychology, decision theory and public administration (MAaPP, OIH)

# For example: understanding trust I

- ***Traditional model:*** state trusts providers to deliver services cost-effectively; users trust providers to serve their interests
- ***Julian's critique:*** providers may be inefficient, have their own (professional) agenda or subvert policy goals (OIH, 19-20).

# Understanding trust II

- **3W model:** state sets targets to control producers, users believe this works
- **Julian's critique:** producers work to/ subvert targets
- **Solution:** choice + competition enables users to provide incentives for responsive, cost-effective services; institutional design supports knights and corrects knaves

# One issue

- Trust is about uncertainty due to futurity or lack of expertise
- Incorporates both rational action (beliefs about aligned incentives) + normative meanings (beliefs about aligned values)
- BUT what provides a good guarantee that X will serve your interests in the future?

# Another trilemma?

- Choice + competition; cost-effectiveness; shared values
- Does the C+C model lead to responsive and efficient services but erode trust in the value-commitment of producers? (But maybe this is a good thing?)
- [n.b Satisfaction (backward-looking) is **not** trust]

# Interdisciplinary issues

- Julian's approach starts from rational action but doesn't assume rational = self-interested
- Meanings included as unexplained factors shaping choices
- Producers who are other-centred knights; users who are other-centred collectivists
- Institutions as shaping actions **but not** as shaping values



# Values and institutions

- What if institutions also shape values?
- Redesigning institutions on basis of individual choice promotes individual interest as a motive?
- E.G. 'nudge' as paternalism: anything is choice architecture but does **intentional** choice architecture carry a meaning?

## More on interdisciplinarity

- Julian's work also rests on a wide range of scholarship across a number of disciplines
- Including those from outside social science

# Influence from the humanities: Baby Bonds

‘...out of all the taxes give every child born five quid at compound interest up to twenty-one five per cent is a hundred shillings and five tiresome pounds multiply by twenty decimal system encourage people to put by money save hundred and ten and a bit twenty-one years want to work it out on paper come to a tidy sum more than you think’

*Ulysses*, James Joyce, Penguin, 1986, 183-9

# Limitations of rational action?

'Bitzer,' said Mr. Gradgrind ... 'have you a heart?'

'The circulation, sir,' returned Bitzer, smiling at the oddity of the question, 'couldn't be carried on without one. ....'

'Is it accessible,' cried Mr. Gradgrind, 'to any compassionate influence?'

'It is accessible to Reason, sir,' returned the excellent young man.  
'And to nothing else....the whole social system is a question of self-interest. What you must always appeal to, is a person's self-interest. It's your only hold. We are so constituted...'

....He was a little troubled here, by Louisa and Sissy crying. 'Pray don't do that,' said he, 'it's of no use..: it only worries....'

Charles Dickens *Hard Times*, ch 36