In this chapter I analyze how particularized trust is created inside networks, focusing my attention on voluntary associations. Particularized trust, that is, trust in known people, constitutes an example of how social capital can be created as a by-product of other activities. Here I propose a general mechanism to explain how particularized trust is created as a by-product. This mechanism involves the disclosure of private information within associations. However, I also identify difficulties with this method of creating particularized trust. One concerns the uncertainty of the information thus acquired, another is the possibility of misjudging this information due to certain cognitive processes, and a third the reliability of the information obtained. Therefore, this is a chapter about the creation of a particular form of trust but also, as it was derived from chapter 2, about the creation of social capital inside associations. As we know, this is so because the relations of trust created inside associations are sources of obligations of reciprocity, that is, of social capital. I assume in this chapter that the relations of trust created between members of a given association are a quasi automatic source of obligations of reciprocity (and, therefore, of social capital), through the operation of at least the two mechanisms presented in chapter 2: reputation and self-esteem.

As noted earlier, particularized trust is mainly created as a by-product of other activities. Associations, in particular, are considered to be the privileged locus of creation of particularized trust as a by-product. Let’s take Putnam’s favorite example: a bowling league. It is assumed that between games members of the association create relations of trust. As a result, if one of the members of the association needs a favor, she can rely on her colleagues, given that they know that the favor will be reciprocated. The mechanism for this trust relation is the information obtained
about the other players’ type. The type, in terms of a signaling game, relates to any kind of private information. In this case, it could be private information about the preferences of the other player. Trust is, after all, an expectation, a belief about the other players’ strategies. Repetitive interactions should provide information about the other players’ type. That is, we should learn if the other player is trustworthy, if she returns favors, or if, given the opportunity, she acts as a free-rider. Thanks to this information, each player can update her expectations about when to trust. It is a type of “particularized trust,” a trust in known people (Uslaner, 1999: 124). Note that this does not mean that participation in an association inevitably generates systems of trust. In fact, the information obtained is in itself neutral. The updating of expectations could in fact run against relations of trust. For example, day-to-day interactions might tell me that my bowling colleague is not only incapable of winning a game, but also that she will not return my money if I lend her ten euros. Nonetheless, the revelation of the type raises the likelihood of relations of trust, because cooperators can recognize each other.

In this case, therefore, the source of trust is information about the past behavior of members of my social network. It is the “street-level” source of trust (Hardin, 1993). Although we do not have all the information available about the behavior of known individuals, and therefore cannot predict with confidence what their future behavior will be, past information is enough to form plausible expectations about such future behavior. This can, of course lead to error. People change, and yesterday’s good type can be tomorrow’s bad type. Or it may be the case that, given sufficiently strong incentives, everybody would betray his or her best friend.

A rather different case of information acquired about the other individual type being irrelevant occurs when we adapt our expectations about the other party to our feasible set, disregarding new information. This is a variant of Elster’s argument about “sour grapes” (1983). According to Elster, in some cases the feasible set determines the preferences. Given that the fox cannot reach the grapes, he concludes that he does not really want them because they are sour. The change of preference takes place through a psychological mechanism of cognitive dissonance reduction. Perhaps this same process also takes place in the case of beliefs.

To illustrate this point, we can consider the example of Hitler and Chamberlain, a historical case that fits this idea well. Between his rise to power in 1933 and the Munich Crisis in 1938, Hitler had denounced the Versailles Treaty, reintroduced obligatory conscription, began full-scale rearmament, remilitarized the Rhineland, intervened in the