

The Effect of Group Size on Generalized Trust: A Empirical Study of Rural Area in China

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Abstract

The Generalized trust is closely associated with economic growth (Knack & Keefer, 1997; Zak & Knack, 2001), institutional development (la Porta *et al.*, 1997), and life satisfaction (Helliwell, 2003). Thus the existence of these highly desirable effects creates an urgent demand for research on the determinant of generalized trust (Bjørnskov, 2006). However, already yielding a series of results more or less depends on the recent data from the World Values Survey, which is not derived from the rural area but the urban area, so that these results intrinsically attempt to reach common idea on both areas. Moreover, more sociologists, such as Coleman (1990), Fukuyama (1995), Putnam (1995), and Hardin (1995), and others have studied, typically implies what's different for creating and developing generalized trust in small town (village) and urban areas. This paper therefore addresses the issue of what causes generalized trust and how to develop it in rural area, if possible, extending to urban area.

About what is different for creating generalized trust between rural area and urban area, structure of networks is focused. Some scholars (such as, Coleman, (1990), Putnam (1995)) argue that the structure of network in rural area is multiplex (See figure 1), which means in a small village one's work, friendship, and recreation networks may all include most, if not all, of the same people (Hardin, 1995), in this way generalized trust is generated by the repeated nature of the interactions from multiplex networks, enforced by individual-level incentives of the threatened sanction of exclusion, and is solid; instead, the structure of networks in urban area is overlapping which implies that one's specific relationship (such as work) are less likely to be generalized across the membership of one's various networks, consequently, the trust relations more dyadically depend on reputational incentives, and is fragile. Although these researches try to claim that structures of network has effect on generalized trust, do not claim that why they appear and how structures of

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network evolve by underlying factors, and the change of trust in this process. In this point, this paper argues that group size (networks size) as an underlying factor drives multiplex networks to overlapping networks (See figure 1), and influences level of generalized trust during this process. It is reasonable to think this way. When group size is small, total memberships of group can take part in different cooperation for various purposes. However, when the group size is growing, it is difficult for us to embed in different cooperation totally such that the expectation of repeat interaction and the level of sanction are low, and affect level of trust. In some sense, group size thus affects the level of overlapping of networks to influence level of generalized trust (of course multiplex networks are the highest level of overlapping of networks). Some research have indirectly indicates the effect of group size on trust from theory analysis to results of experiment, for example, Yamagishi, *et al.* (1998), Buskens (1998), and Ostrom (2003), and Elsner (2009). The change in viewpoint here would be to regard the effect of group size on generalized trust (most people can be trusted) rather than specific trust in rural area by empirical analysis. Our claim seem to be reasonable to reflect the effect of urbanization problem on generalized trust, the thing that small village grows small town, and small town grows big city, and, under this process, multiplex networks gradually grow into overlapping networks raises change of trust. According to a report (World Urbanization Prospects in 2009) from United Nations, it shows that the level of urbanization in China is speeding up, but according to some surveys, generalized trust in China is falling. Do two things have underlying relationship? Considering all above, this paper try to investigate the effect of group size on generalized trust by empirical survey of 50 small villages in the north-east of China to find this issue.

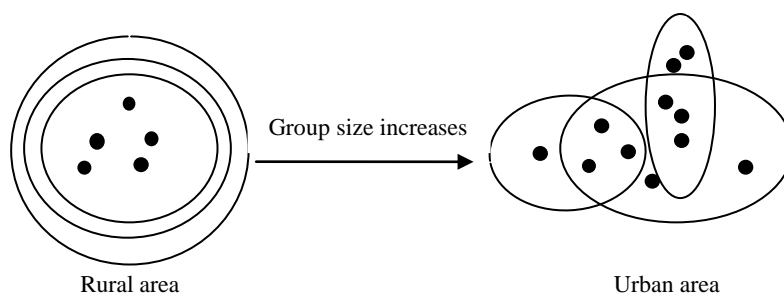


Figure1 Multiplex networks (rural area) and overlapping networks (urban area)

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