



Europe Asia Young Leaders Forum

The Boundaries of Trust in a Borderless Economy

Trust and Friendship



- n What are the preconditions for creating trust between individuals?
- n What kind of behavior does destroy trust?
- n How has our understanding of friendship changed over time and what roles does it play in our lives today?

Games we are playing this morning

- n A free association task on trust
- n A game theory question on trust
- n Mental accounting who is more trustworthy
- n Mental accounting of what a friend is...
- n Personal accounts of trust and friendship

What is Trust?



- n Economist view: trust is a rational choice that reduces transition cost.
- n Psychologist view: trust are a person's expectations, assumptions, or beliefs about the likelihood that another's future actions will be beneficial, favorable, or at least not detrimental to one's interests.

Preconditions of trust

- n Dispositional Trust (individual difference)
- n History-Based Trust (friendship, personal relations)
- n Category-Based Trust (membership, in-out group difference)
- n Role-Based Trust (occupational difference)
- n Rule-Based Trust (culture, e.g., HP's unlock policy)

Benefits of trust

- n Reduce transitional costs
- n Increasing spontaneous sociability (friendship)
- n Enhance leadership efficiency

Friendship



- n “Fate chooses your relations, you choose your friends” --- Jacques Delille, French Poet, 1738-1813.
- n “One should have three kinds of friend: a friend who comforts you, a friend who help you, a friend who criticizes you” ---a Chinese proverb

What about us?



- n What roles does it play in our lives today?

- n Listening to:

 - n Johnny Ng

 - n David Shi

 - n Dorris Jeckle-Upton