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Trust and Networking in Entrepreneurial Relations: A Cultural Perspective

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Abstract

The chapter focuses on the utility of the concepts of trust in understanding the relations among entrepreneurs. In this case, trust is viewed as social capital and functional for the day-to-day operations of entrepreneurs. It provides arguments that explore the contexts under which cooperation prevails in what one can call ‘trustful conditions.’ The chapter is based on a qualitative research, which utilized in-depth interviews, key informants, and direct observation. The target group is that of remittance transporters popularly known as malayisha (a Zulu concept derived from the bulkiness of the goods they ferry). The concept of trust and how it creates and sustains a culture of networking is explored particularly from classical views of scholars like Durkheim in which case it is likened to ‘social facts.’ The chapter further examines the utility of trust in institutional settings such as in families, friendships, and group alliances. The role of trust is viewed as inclusionary and exclusionary in networks. The chapter also highlights some of the challenges related to using the concept of trust in theory and practice.

Keywords: trust, social capital, networks, entrepreneurship, malayisha

1. Introduction

Trust can be viewed from many angles that include social, economic, political, and psychological. In this chapter, relations and social norms that result in the creation and sustenance of trust between drivers and clients leading to so-called ‘trust full’ conditions are not only contextualized but also complex. This line of argument can be illustrated by a quote from the research carried out in 2008 where a client preferred to stick to the old malayisha despite having been disappointed earlier on. In such instances, trust cannot be reduced to a mere cultural phenomenon as it is hard to measure the amount of disappointment that may ultimately lead to cutting of ties between parties involved. This was also noted in instances where cooperation persisted even where a client would have been wronged and expressed dissatisfaction with
malayisha conduct. In one of such instances, a malayisha pointed out that he has continued dealing with his client because they are from the same area of origin, and instead of parting ways, they have resolved to be extra careful when handling transactions with her. The explanations relating to the difficulties in measuring what holds or breaks a trustful relationship that point to the complex and contextualized nature of trust are not in any way meant to suggest that contextualizing trust relations leads to the creation of knowledge boundaries around the subject as the situations may be cross cutting and overlapping.

It follows that methodologically, the chapter is informed by the work of Yin [1] where there is emphasis on the importance of interacting with real-world situations and the persons in them but also ensuring that the researcher uses formal means in entering and exiting the field. In addition, there is emphasis on the importance of the researcher to make every effort to be familiar with the research setting. The ideas of Yin further became valuable within the context of dealing with my research group since they enabled me to approach the malayishas from a vantage point of a group of persons who share a common bond just as noted in Ref. [1]. This was of importance in that this group is also located within the inner-city setting just as Yin noted that such spaces could become valuable targets for ethnographic research. In terms of getting permission, formal letters were given to the gate keepers of these spaces known as ezibayeni (a concept taken from the cattle byre) where the malayishas operate from, and consent was obtained in written form. Being a part of the interactions enabled me to ensure that the data collected and the observation are a best representation of the lived realities of the group. On the theoretical side, the research draws from the work of Thornton [2], in which case a conclusion is presented on the Iraqw studies pertaining to the subject of unbounded and contextualized cultural knowledge in interpreting issues within that community. In essence, this inherently influences interpretations of malayisha-client relations that can notably be seen as characterized by a degree of complexity, especially focusing on remitter behavior that cannot be adequately explained and understood in general cultural or group behavior terms. A flexible approach does not, however, imply a complete dissolution of knowledge boundaries, but it points to a dilution of classical theorizing in order to ensure that the knowledge boundaries can be shifted for allowing easier explanation of seemingly complex and strange scenarios. This can be illustrated by data extracted from a malayisha who explained that clients are calculative in coming up with a decision of trusting or not trusting somebody. He thus noted that when it comes to being entrusted with people’s remittances, the relationship of trust does not just emerge from nowhere, especially during first-time encounters as clients prefer to rather ask around in order to get information about the individual malayisha they intend to deal with and if one has higher proportion of social capital, chances are also high that clients will refer other potential clients to him.

2. An overview on the concept of trust in Malayisha relations

The study also revealed that there are instances when exploring trust relations among malayishas themselves reveals that while there may be general common reasons of cooperation such as being in the same field of operation, there tends to creep in tendencies of exclusion
based on demand for higher levels of trust not only on aspects involving financial transactions but also where handling of client goods is concerned. The complexity and fluidity resulting in a shift of knowledge boundaries in this case can be noted in the dependence on the so-called closeness between the two remittance transporting drivers which tends to be more personal than cultural. This implies that solely relying on rationalizing the knowledge boundary in explaining the closeness between two individuals involved in a relationship established and sustained through trust would be limited in scope and inadequate. This can be shown through a response from one of the *malayishas* who noted that they do in fact have what they can refer to as ‘close friends’ although that does not entail excluding those falling outside that sphere from being assisted. He importantly noted that the nature of assistance being requested at a particular moment together with historical experiences with that individual does in many instances determine whether the person could be trusted and assisted. He therefore noted that in instances where money is involved, some closer friends might fail to get help while some not so close persons might get the help depending on how trustworthy they have been in previous transactions.

It is also crucial to note that the commonality of statements such as ‘most people cannot be trusted’ as argued by Nyoni [3] in which the writer sees this as a part of how people’s perceptions on trust can be understood, and it is equally important to note that on another level such uttering say rather little about the nature and limits of trust itself. The implication in the line of arguments pursued thus far in relation to the establishment and sustenance of trust relations points to that inasmuch as it might appear as though a relatively common pattern might exist in defining such relations, it does not reflect the holistic notions as can be found in day-to-day interaction realities. The ambiguity is further revealed when one tries to understand for instance what a *malayisha* would be implying when they say they trust or do not trust another *malayisha* or a police officer. Worse still the complexity plays itself when it comes to understanding what remitters may prefer to refer to as trustworthy or nontrustworthy *malayishas*. It is also of importance to focus on other interpretations of trust as is highlighted by Durkheim [4] where it is pointed out that trust in these accounts can be viewed as a kind of social fact, a feature of collective action that is effective and in principle measurable in comparative terms. At the other end of these large-scale analyzes, however, stand individuals who trust some people, in some situations and some of the time as noted in Ref. [5] where it is argued that on the other sharp end, questions of trust relate to associations between individuals.

According to Refs. [6–8], it is importance to note that it does not always automatically follow that certain interactions would relate to general accounts of social trust. Instead the scholars posit arguments similar to those of Ref. [9], where it is indicated that the best way of understanding trust is to explore it in line with theoretical approaches of trust that begin with freely chosen and essentially private interactions, as depicted in a typical scenario of friendship or love. While friendship provides the ideal, such a notion of trust can be applied more broadly to interactions between individuals that are not secured by contract or enforced by law. This would range from those individuals who are closest to us to those who are strangest. In this study, one of the *malayishas* was bailed out by a ‘closer’ friend through a somewhat morally secured repayment agreement that was verbally secured. In the incident in question, a friend
was bailed out through the ‘verbally sanctioned’ agreement, and he had to trust that the verbal assurances would be honored, and he will be reimbursed the bailout money he was owed. In narrating his ordeal, the *malayisha* pointed out that he got detained at Lindela repatriation center for three months, and when he had lost hope that he would find somebody to help him, one of his friends came, and after they talked about the matter, the friend requested an undertaking that he would be reimbursed whatever he was to spend. Although he was not sure of how fast he was going to raise the amount he agreed, the required amount was settled.

Some writers such as Nyoni and Lin [3, 10] have noted that individuals rely on trust, basically, in situations of uncertainty of their situation as well as precariousness of their relations with those they are interacting with. The implication is that trust is a means of mediating the risks associated with social interaction as noted in Ref. [10]. According to some scholars, in its everyday usage, the concept of trust embraces the assumption that ‘those one does not know and those who do not know you are nevertheless not dangerous’ just as is explained in Refs. [11–14]. The response from a *malayisha* informant in this study presents a contradictory view that indicates that strangeness between interacting persons reduces trust. This means that those ‘one does not know’ and ‘those who do not know you’ are in fact perceivably ‘mistrusted’ and ‘dangerous’ in the context of relations governing interaction with the remittance transportation industry. This explanation can best suite the assessment of relations between remittance senders and their clients since ‘strangeness’ carries with it an ugly tag of mistrust. The implication here then is that trust is cemented and sustained by the closeness and length of the relationship between the remitter and the *malayisha*. A *malayisha* had this to say pertaining to the significance of trust in his relations with clients:

‘…My clients have very high trust on me because we have been working together for quite a long time…’

Seligman’s assumption that those one does not know and those who do not know you are nevertheless perceivably not dangerous is therefore one sided and limited in scope as it does not adequately explain the complex incidents located in the practices of *malayishas* and the clients as indicated in Ref. [15]. This can be illustrated by the presence of incidents where a client rarely goes to a ‘strange’ (new *malayisha*) *malayisha* due to a lack of knowledge on his dealings that consequently lead to lack of trust on such persons. It is in that regard that a female remitter indicated that she does not favor doing business with people she ‘does not know’ due to the risks of them failing to fulfill their side of bargain, that is, delivering remittances to the intended destinations or recipients and deliberately switching contact details.

One may therefore reach a conclusion that is such types of ‘low-level trust’, as well as the complexities surrounding measuring levels of trust involved in establishing and sustain relations that not only facilitate day-to-day interactions but also ensure that every day social action and interaction take place while also permitting individuals to get involved in so-called ‘hidden’ day-to-day practices, or even to use dark streets and in the process entrusting their safety to strangers as noted by Nyoni [3], Hancock and Algozzine [11], Mungiu [14]. Trust in this sense is both generalized and highly contextualized, consequently implying that one
draws on resources of trust routinely and often involuntarily, but always in the context of specific settings and social encounters.

3. Trust as social capital among Malayishas

A lot of networks and relations in the study were shown to be built on family ties where in certain instances remitters tended to be close to the driver or else sharing the same neighborhood in Zimbabwe. The importance of family ties among migrant populations has also been emphasized by Landau and Haupt [13] where it is noted that these networks enhance the survival of the migrants in various ways. A remitter was also quoted emphasizing trust drawn from family when she had this to say:

‘I had every reason to trust him as I knew that he was my uncle and we come from the same place at home.’

The arguments related to the conceptualization of trust can be linked to how trust may be used in understanding notions of social capital, especially in terms of its position of a moral necessity on the one hand and an economic asset on the other. In such a line of argument, trust can therefore be viewed as an end in itself as well as a lubricant for social and economic action as noted in Ref. [16]. This view highlights the dimension of trust as a goal in itself as well as ‘oil’ for socio-economic action. This can be highlighted through information from a Malayisha who noted that his relationship with remitters is held by trust, and he has to sustain the trust by ensuring that all the goods of the remitters are not only delivered but also timely and without being damaged. In addition, he noted that such an approach not only establishes trust but also sustains the relationship thereby protecting his client base. Of importance in his statement is his emphasis that physical action through delivering remitter’s goods timely and intact is not good enough as ‘respect’ is also important in dealing with the clients.

The study revealed cases where the establishment and sustenance of trust relations among Malayishas themselves are done through moral obligations that may in future not only bring economic returns but also create and sustain important networks. These networks that are usually established through fulfilling obligations largely involving assisting other Malayishas indicate the importance of networks in the creation and sustenance of relations in informal communities. It becomes important to note that network creation is central in informal arrangements such that without them it would be hard for the group activities to succeed. In highlighting the significance of networks in the remittance transportation business, one of the Malayishas revealed that they assist each other in many ways such sharing remittance loads and that becomes an important test of the network as one is obliged to ensure that they deliver the remittances without disappointing both the Malayisha friends who would have topped up the load as well as the remitter.

1Interview 3 with a maphathisa, November 11, 2008, Johannesburg, South Africa.
The significance of recognizing the agency presented by individual players where they draw from trust as a form of social capital as posited through *malayisha* information indicates that ‘structure’ is as essential as ‘people’ as noted in Refs. [10, 17]. In essence, it therefore implies that inasmuch as individual actors may be seen as important and active, they can mainly do so within the context of a community within which they exist. This argument can further be extended toward understanding the role of ties within remittance transportation, in which case the close ties are usually perceived as playing an important role in connecting individuals and groups as well as enhancing access to external resources. This argument in essence also implies that comparatively close ties tend to be more important than loose ties in this respect as they lead to heightened trustworthiness. In analyzing this argument further, one can also indicate that despite the illuminating arguments by Granovetter [18] where emphasis is put on the importance of weak ties, people in local communities would tend to shy away from weak ties and prefer avoiding any related transaction instead of risking with such ties. This argument explains why *malayishas* always find it important to ensure that good relations are maintained with their colleagues as it is a part of the stronger ties without which one has to either deal with risky weak ties or having no relations at all. It is also important to note that the obligation of ensuring sustenance of strong ties depends on the effort that each *malayisha* puts into the process. This was highlighted by some of the *malayisha* informants who noted that it is important for an individual to have reliable friends who would assist when they are in need of help. They pointed out that this is made possible through ensuring that good working relations with remitters and other *malayishas* are always maintained as an investment for those times when assistance would be required.

It is also important to explore how this study tends to present an opportunity of putting into question scholars such as Granovetter whose idea, despite being importance, seems to be overemphasizing the importance of weak ties since for instance being assisted by a friend indicates the significance of ‘strong ties’ and networks which one can equate to ‘networks of reciprocity.’ This is largely due to the fact that individual’s future actions and relationships highly depend on the assistance and interactions within *malayishas* and remitters, something which can be highly dynamic. It is therefore such a relationship which is largely depended on reciprocal means that may lead to strengthening of previously weak ties and turning them into stronger ties or else weakening of stronger ties. This explanation constitutes an important feature that classical explanations as noted in Ref. [18] fall short in clearly explaining. This means that in reality so-called weak ties may not essentially be weak. It must, however, be noted that many close relationships extend over a number of potential arenas for action, including across more than one community or organization, and bridging opportunities are said to be found in abundance in such instances as noted in Refs. [19, 20]. It is also important to consider the views expounded in Refs. [21–25] who have suggested a shift from bonding to bridging networks, and the responses from the *malayishas* reveal that bridging and bonding in practice coexist as much as inclusion and exclusion tendencies informing these networks work hand in hand. In light of these arguments, the paper argues the very source of cooperation and inclusion among *malayishas*, that is, remittance transportation is on the other hand a source of conflict with exclusionary tendencies attached to it. It must, however, be noted that while competition for clients among *malayishas* is perceivably responsible for
inducing tendencies of mistrust thereby leading to exclusion of certain persons in a cluster, there exist other ‘hidden factors.’ It is the so-called other hidden factors that sometimes manifest in conflicts among Malayishas that tend to underlie the complex nature of interpretations related to the Malayisha-Malayisha and Malayisha-remitter relations. It is thus in relation to this situation that some Malayisha informant decried the lack of good relations among themselves as a group in which case they went further by blaming this on the subtle competition characterizing their business.

4. Challenges in using trust and social capital

One of the main challenges arising when using trust and social capital in analyzing social action relates to the multiple networks and relations that a Malayisha may belong to as noted in Refs. [19, 20] who have pointed out that in instances of multiple networks existing, it becomes difficult to measure the degree of that individual’s commitment to any one network thereby reducing the explanations to personal levels which is rather difficult to assess in Anthropology, a discipline deeply entrenched in ethnography. Some Malayishas informants highlighted reliance on a multiplicity of networks whose strengths remain difficult to measure when they revealed the impossibility exclusive belonging to a particular network, especially considering that in reality one draws from several networks at different periods depending on circumstances. This is something which they explained as being useful to them as it broadens their sources of assistance in particular and social capital in general.

It can also be noted that although within the remittance transportation business social capital is an undeniably desirable feature, it becomes equally important to avoid over-romanticizing it because in some instances it has been difficult to explain the challenges where social capital and its associated networks may lead to undesirable effects and fail to accommodate the broader interests of the group as argued by Molm et al. [26]. This question needs to be explored even if such capital would have accrued benefits to a section of society. It therefore follows that within the context of remittance transportation, what one may call the ‘gloomy side’ of capital would relate to criminal acts as perpetrated such as human trafficking and smuggling illegal items by some Malayishas on the one hand as well as rapes, robberies, and murders by groups such as the ‘impisi’ and ‘amagumaguma.’

In further understanding the social capital among the Malayisha business, one’s attention is drawn to the coexistence of formality and informality within the activities involved in remittance transportation. In essence, Malayishas find themselves in situations where they have to draw from their multiple sources of capital whose categorization may present misrepresentation if one were to make efforts in categorizing them as formal or informal since there is always

1The word ‘impisi’ refers to destitutes who are found in forests but whose main aim is to rob travelers. The concept is drawn from its ordinary usage where an ‘impisi’ is a hyena.

2‘Amagumaguma’ are groups of criminals found at the Beitbridge border post who rape, rob, and murder unsuspecting travelers.

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a complex integration of the two that leaves the lives highly blurred. The complex interactions range from state regulations to group sanctions that they have to deal with in their day-to-day activities. The data further show that the whole process of interaction involves strong negotiation in order to reduce the mistrust, and otherwise, mistrust causes problems for the Malayishas. This confirms what Ref. [27] described as the intangible nature of trust. This is partly reflected in some of the informant responses where Malayishas described how their interactions with state agents such as the police and customs officials by the border posts as well as encounters with police always lead to the issue of mistrust being leveled against either party. In instances they described how they have to subvert paying fines through bribes, an indication of how notions of formality and informality may present challenges within the context of remittance transportation.

It can further be emphasized that the moral regulations and expectations governing so-called informal relations do not require the support of formal structures for regulatory backups as these informal arrangements in themselves constitute a set of sanctions that can be in the form of exclusion or threats of exclusion or isolation or even assault that are enough to deter would-be violators from dishonoring their morally bound cooperating obligations. Similarly, it is important to note the limitations of modernist-oriented views from Ref. [28] with a tendency to reduce the specificity of culture and society into abstract and essentializing frameworks, which are then deemed broadly applicable to all cultural contexts. The arguments raised in this paper are aligned to efforts aimed at challenging essentializing explanations by borrowing views from scholars such as Thornton who embrace the flexible approaches in theorizing about the Iraqw culture. Drawing from the arguments by Thornton on the Iraqw culture, one can possibly find an important angle to understand the complex nature of interactions between Malayishas and state agents. The flexible approach therefore enables us to view issues from a perspective that acknowledges the blurred nature of boundaries, something that classical theory has always failed to adequately offer.

5. Conclusion

It can therefore be argued that the period covering Zimbabwe's economic downturn is characterized by a notable shift to informal remittance systems. The unavailability of basic commodities in Zimbabwe particularly during the 2007–2008 period has saw a group of Malayishas engaging in and cashing in through ferrying remittances from Zimbabwean remitters in South Africa. The period of the study encompassed the remittance of basic commodities more than the cash remittances as was the case prior to shortages. The study revealed the importance of drawing from various arguments surrounding the concept of trust as social capital in explaining the emerging relations among Malayishas as a group as well as the remitters and various state agents. Theoretically, the study became an eye opener in as far as it established that the understanding of relations formed and sustained through trust cannot be clearly understood through the essentializing and bounding interpretations that some classical scholars tend to present. Instead, it was noted that an assessment of the role of trust in relations created and sustained through trust ought to be explored within a framework of
interpretations that acknowledge an appreciation of the existence of fluidity and complexity in understanding knowledge boundaries.

The study revealed how complex trust relations among various actors are within remittance transportation. In essence, inasmuch as various actors were seen as active agents who could draw from various levels of trust, it became clear that this concept together with social capital is fluid and complex. One can by no means be able to tell how much trust is needed to establish and sustain a particular relationship or how much of it lacks to result in a break of relationship. Trust therefore not only remained fluid by indicated features of dynamism as well. It is therefore important to note that trust as social capital occupies an important position in determining the strength of relations and networks. While trust has previously been restricted to informal relations that lack so-called formal contractual obligations, to the contrary, the study noted that the moral regulations that are reinforced by fear of punishment or exclusion can act as deterrents for the would-be violators within *malayisha-malayisha* relations where reciprocity and obligations are closely policed. While notions of formality and informality arose, it is important to note that it is not a matter of formality or informality that counts as far as relations in remittance transportation are concerned but rather the capacity in which the individual participants as active agents make use of their position in efforts to either strengthen their ties with others or to derive maximum benefits from a multiplicity of existing ties.

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