

Communication, Confidence and Trust: Functional Differentiation in Chile

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Social systems can be conceived as autopoietic communication systems. An autopoietic communication system has the form of recursive circularity and its elementary units refer to other units within the same system. Autopoiesis involves the operational closure of the system and its structural coupling to its environment. Both operational closure and structural coupling require a clearly defined boundary line between the system and its environment. Social boundaries are meaning limits that make a divide between which communication is recognized as belonging to the system, i.e. contributing to its autopoiesis, and which communication doesn't belong to the system and must be kept out of it.

Operational closure protects the system i.e. its autopoiesis, against being invaded from other communications that should be kept off, but nonetheless perhaps could be smuggled into it. Social mean boundaries can be elaborated under the logic of proscription - "*it is not allowed to*" - or the logic of prescription - "*it is required to...*" These two logics lay down very different limits. A system whose boundaries are set down under the logic of proscription, admit a wider realm of possibilities, because proscription also means. "*Everything that isn't forbidden is permitted*". On the other hand, if the limits follow the logic of prescription their rules must be strictly enforced, what could be understood as: "*Anything not prescribed, is interdicted.*"

Cheating, i.e. trying to smuggle inappropriate communication into a system, has to cope with different problems depending on the kind of boundaries that the system has set. If its logic is one of prescription, to be admitted, inappropriate communication has to be concealed under an appropriate language. If the systems limits proscribe certain communication, trying nevertheless to introduce it into the system, to make it admissible must be restricted to a point in which is difficult to say if an effective "smuggling of inadmissible" communication took place or if in order to be smuggled into the system it was really converted from inadmissible into admissible. The consequence of this is that if the limits are very permissive, the customs control is easier and in a paradoxical formulation it could be affirmed that permissive boundaries put a bigger problem to break through than more restrictive limits.

Every system has to set limits able to filter the flow of information that gets into the system. The system will be also prevented from knowing whether or not are there disturbances outside. "In general, then, an essential feature of the good regulator is that *it blocks the flow of variety from disturbances to essential variables*" {Ashby, 1958 #106: 201}. Ashby's law of requisite variety -"only variety can destroy variety" {Ashby, 1958 #106: 207} - implies that every system must reduce -i.e. select- variety from its environment, and it does this necessary selection by being able to receive only a limited (selected) number and kind of inputs. Living systems have their selectivity enacted. In other words, they have embodied it. Colour perception research has demonstrated that colours are neither inside nor outside a living system. Colour categories are experience categories that -for human beings- belong to our biological and cultural world. The world and its observer define each other reciprocally {Varela, 1992 #40: 202}. Enaction is defined as embodied cognition; it isn't a representation. This is neither a realistic position (cognition as reception from an outside pre existent world), nor an idealistic position

(cognition as projection of an internal world). Both positions are based on the idea of representation (from outside into inside or from inside to outside). Cognition is embodied action, it depends on experiences originated by having a body whose sensory-motor skills are closely interwoven with a wider biological, psychological and sociological environment {Varela, 1992 #40: 203}.

Binary codes -right/wrong, to love/ not to love, to pay/ not to pay- enable a certain system to recognize an operation i.e. a communication that uses the due code as belonging and connects it to other communications of that recursive network of communications that produces communications through communications. If a communication doesn't use the systems code or uses another code alien to that system, it is immediately recognized as not belonging -alien- to that system and is rejected by its recursive network i.e. inside that network there is no connection for it.

Binary codes allow a very fast selection by groups. Every yes is a big unspecified no. That is the reason why embodied cognition results in the wide indifference from the system to everything outside the narrow realm of information admitted by its code. Structural coupling between two or more systems is a pragmatic coordination of opacities. Each system is completely indifferent to the others; each system stays in a world of its own in which that system as well as other systems have a certain meaning given by this self referent operating system. Pragmatic coordination of opacities means the coexistence of systems reciprocally indifferent. This implies the coexistence of different worlds as well. In other words, pragmatic coordination of opacities can only happen because each system lives in a world that is isomorphic to its structure, because it has embodied it. Each system coordinates with the other systems that happen to appear in its world attributing them meaning, intentions, roles or whatsoever, that are complementary to its own. Although systems are not transparent to each other, each of them perceives quite well the systems that belong to its surrounding and project its own complements on them; in this way, every other system appears as if it were perfectly understandable and (nearly) completely transparent to it. Pragmatic coordination of opacities is a structural dance between systems that dance alone, projecting their needs and expectations on environments of their own where the others have been assigned complementary positions in blind ignorance of it. It could be said, that systems mutually project on each other the dancing partner they need, and even though they blindly dance alone, they coordinate their dances as well as if they were dancing together in a same shared environment.

Niklas Luhmann proposed a distinction between confidence and trust. Both concepts involve the possibility of disappointment for the expectations formed in relation to contingent events. Confidence occurs when an individual believes that his -or her- expectations will not be disappointed. However the danger of disappointment is possible, he -or she- neglects that possibility. Trust refers to risk and must be assumed as such. Every time an individual evaluates alternatives in order to make a decision, where the future action of others could bring him or her some damage and nevertheless he or she select some alternative in spite of that possible disappointment, that individual defines such situation as one of trust. Trust is a risky choice. If the disappointment finally occurs, the resulting damage is attributed internally to a bad choice, and regretted as such.

When confidence is broken, and expectations are disappointed, an external attribution is made. Confidence is related to danger as well as trust refers to risk. Confidence is required whenever there is seen no possibility of controlling the future, i.e. when there is seen no way to avoid an eventual danger. Trust on the other hand, permits decision making, and decision making is always aware of contingency.

Chilean culture is founded on family. As such, it deserves greater importance to confidence than to trust. Although stratification has been replaced by functional differentiation, the isolated condition of the country prevented big flows of immigration to go through the land in search of better horizons or to settle down into it. Spaniards said that Chile was *Finis terrae*, because there is practically no way to get into it or out of it. The northern part of the country is a very large and arid desert, at east the impassable Andes, at south the Antarctic, and at west leagues and leagues of the Pacific Ocean. Those are the geographical borders of the country that historically made of it an isolated land. One of the consequences of this situation is the importance of familial relations, even long after functional differentiation stimulated education as a driver to development.

Cultures which base on family don't need trust as much as they rest upon confidence. In Chile everybody knows everybody. Only two universities and no more than ten schools provide fifty percent of the chief executives for both private and public enterprises. Since the 70's of the last century, the increasing globalization of the economy rushed in and made world society evident. Even though recent research data show that Chileans are neither afraid of globalization, nor opposed to having immigrants to come into the land {ISUC, 2006 #328}, their trust has decreased along the first years of this century.

Usted diría que en general...

	2000	2002	2004	2006
Se puede confiar en las personas	32, 4%	24, 0%	31, 4%	29, 4%
No se puede confiar en las personas	63, 3%	73, 7%	66, 7%	68, 4%
No sabe o no responde	4, 3%	2, 3%	2, 0	2, 2%
Total	100, 1%	100, 0	100, 0%	100, 0%

Source: {PNUD, 2000 #309}{PNUD, 2002 #277}{PNUD, 2004 #308}{PNUD, 2006 #310}.

Prudence advises to be cautious about making analysis and predictions on these data, because in Spanish there is no distinction between confidence and trust, both being translated as *confianza*. Nevertheless, except for 2002 –obviously enough, those data are due to the effects of the economic crisis of Southeast Asia– there seem to be a rather clear tendency towards distrust. No wonder that this happens. There are a lot of reasons that can be given to explain this tendency:

- i. Globalization has brought a recent flow of immigrants, from very different countries, cultures, educational level, etc. Executives of multinational corporations that establish here their Latin American headquarters, professionals looking for better life conditions and unspecialized labour force aiming at sending to their families money back home, etc. They come from Japan, Europe, China, Korea, U.S.A., Argentina, Ecuador, Bolivia, Peru, etc. These are people completely unfamiliar in a country whose main relation was (and in part still is) provided by family, school and university.
- ii. Paternalism was extended through all the organizations. The *hacienda's* model was a social bond where workers depended on their patron's benevolence which returned with their loyalty. At the cities, things were not too different. The first industrial firms built houses, schools, and health services for their employees nearly creating an "*urban hacienda*" {Rodríguez, 2005 #329: 150-151}. Entrepreneurs depended on the State's protective laws, public servants depended on the State, and shanty town dwellers depended on the State too. It is really

difficult to find any person in Chile who in the first half of the twentieth century depended on its own. Confidence was extended, and trust was nearly inexistent.

- iii. Paternalism was a personalized relationship that didn't care much for efficiency. On the other hand, today's work contracts are depersonalized and demand efficiency. The transition from one to another work situations has not been culturally achieved, and "workers lack a behavioural repertoire to draw conducts from and thus experience permanent uncertainty" {Rodríguez, 2005 #329: 159}.
- iv. Other major changes have occurred during this same last period of time. The social security system was reformed in 1980 {Raczynski, 1994 #330}. It changed from a system based on solidarity -in which pensions were paid with the money that active workers saved in order to be able to receive, when their time had come, a pension too- to a system based on individual capitalization of mandatory savings that can be increased with voluntary savings. The pension that each worker will become depends on the amount of his or her individual capitalization fund. Work places have turned unstable and each individual must look for a work career that isn't assured for no one. Banks offer credits and each one must care for hers or him being able to pay. In short, everything changes in a clear and same direction: everyone must care for her or himself, and forget as a thing of the past, that is long gone and will never return, every hope on a certain *patron* or on the State to care for him or herself.
- v. Chile has signed many Free Commerce Treaties, and its economy has become global. Some traditional industries and jobs have disappeared whereas new ones are created. Innovation is promoted by Government as a necessary way for the country to continue its high rates of economic growing.
- vi. In a country that boasted for the incorruptibility of its civil service and its low rates of delinquency, news of corruption, murders and robbery produce great disturbances and a sort of "temperature sensation" of citizen insecurity. In a way completely similar to other Latin American countries, private persons begin to buy guns and to contract armed guards for their houses.
- vii. Nevertheless, Chileans keep on putting a high value on family ties, they affirm to have a better time at home than outside with friends {ISUC, 2006 #328}. They distrust outsiders to their circle, but show notably high levels of confidence on institutions such as the church, the police, the law (not the administration of justice), the economy, and the political conduction of the country.

In reference to the transition from stratification to functional differentiation, Luhmann wrote: "Trust remains important in interpersonal relations, but the participation in functional systems like the economy or the political system is no longer a matter of personal relations. It requires confidence, not trust." {Luhmann, 1987 #325: 17}. This has only in part happened in Chile. Family cultures -Italian could be another example- rest upon confidence in the macro or micro level. Interpersonal relations are established only with people that are very well acquainted. With outsiders distrust is normal; fraudsters could have it easier with confidence than with trust because this last is self conscious. But fraudsters can't go very long just cheating confidence, because confidence doesn't bring action, and family cultures neither put confidence, nor trust anyone outside the narrow circle marked by acquaintanceship. Family ties establish a very permissive boundary to communications, because its logic is a proscriptive one: within the family every communication is allowed, only not members are excluded. But, paradoxically this apparently low barrier tends out to be insurmountable, because it is very easy to control the access and correspondingly difficult to simulate being one of that circle.

Confidence on institutions or in the functional systems on the other hand, is a matter of fact in Chile. Chileans are disciplined people who firmly believe on authority, science, education, law, economy, etc. Health campaigns have never been a problem in Chile. To resolve a healthiness problem i.e. cholera, all a sanitary authority has to do is tell people the way they should behave in order to definitely eradicate the disease. Chile's functional differentiation allowed the integration of all its national functional systems in the corresponding functional systems of world society. Chile has a free market economy, export driven, completely open to international trade and investment. Central Bank's authorities are autonomous from the political ones. In the political system, as with many modern states, its steering capacity has been reduced to the maintenance of fiscal and macroeconomic equilibrium, as well as regulating some industries and the labour market {Rodríguez, 2005 #329:150}.

Between 1985 and 1998, the Chilean economy grew at an average of 7 percent per year. Social mobility increased at a fast rate and poverty was reduced from 40 percent to 20 percent. Nevertheless, after the world economic crisis of the end of the century, Chile's economic growth never reached this high rate again. Even though the copper price is higher than never before -and copper is the main export of the economy- growth rates fluctuate around 5 percent per year. There can be a lot of reasons to explain this poor performance and undoubtedly one of them refers to the lack of trust. Global markets are immense, and some local markets as India or China too. In spite of this fact, Chilean firms are reluctant to cooperate in order to be able to compete on these giant markets. Workers do not put confidence on their employers anymore, and they do not trust them as well. Familial communication admits every theme: political, economic, religious, educational and even scientific themes can be assumed in this wide communication system. Notwithstanding it remains a very narrow one, because its limits aren't designed to delimitate a certain kind (economic, political, scientific, etc.) of communication, but to specify who are the persons allowed to interpenetrate with this communication system, and operate the roles of *alter* and *ego*.

Although there's sufficient confidence on functional systems, there is a lack of trust in personal relations. Society has become too complex to keep on putting confidence on narrow familial basis. Trust was never important in interpersonal relations, and it didn't matter while Chile continued being an isolated land. Things have changed, but cultural ties remain. Chilean enterprises begin to dance in the global economy, and some of them are very good dancers. No surprise, they are family owned and they blindly dance on this new stage as it was familiar to them. Other families have sold their enterprises to foreign investors; they didn't dare to accept strangers to merge into family business.

Trust begins to be needed, but no one feels it. Chilean culture has embodied another way of reducing social complexity, and is very difficult to see its inadequacy. Each system dances alone and sees a world where things match. Some enterprises have been successful, others have fail, but they don't know why. Evolution plays its game.