The Role of Emotion and Rational Self-interest in Trust Perception: case of the Dairy Value Chain

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INTRODUCTION
The dairy sector in Tunisia suffers from A seasonal and worsening Chronic crisis of production:
• Contractual device is blocked
• A static cooperative mechanism
The use of existing emotional bonds is common to overcome any difficulties. Previous study (Ayari and Zaibet, 2019) shows that trust is a precondition to establish a formal contractual arrangement and cooperative membership in local economy.

This study aims to investigate the dynamics of trust and to understand how the emotional part of trust emerging from relationships between breeders and Collection centres affects trust perception. Trust is measured and decomposed into two components and then included as a variable to explain the breeders’ choice for trust perception using econometric methods.

METHODOLOGY
3 locations : Uitque, Ras el Jbel and El alia; April-June 2016
Data collection methods :
• Questionnaire surveys, focus groups, Observations, In depth Interviews
• Random sampling : 45 Smallholder dairy breeders
• Scaling techniques: Five-point Likert scale
• (strongly agree / strongly disagree)
Principal component analysis : two components :
•Calculative self-interest trust indicator
•Emotional indicator
Logistic regression : 2 multinomial logistic models
Model 1 : Emotional basis of trust
Model 2 : Calculative basis of trust

RESULTS
Trust measures
The data from survey discloses that:
• The level of trust of breeders in their partners is high (figure 1)
• Trust perception increases with friendship and frequency of contact

Table 1 shows the two indicators and the variable loading on each indicator

<table>
<thead>
<tr>
<th>Influencing Factors</th>
<th>Model 1: Emotional indicator</th>
<th>Model 2: Calculative indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-13.228</td>
<td>-17.709</td>
</tr>
<tr>
<td>Distance from milk collection centers</td>
<td>0.013</td>
<td>31.967</td>
</tr>
<tr>
<td>Trust indicator</td>
<td>0.678</td>
<td>0.00</td>
</tr>
<tr>
<td>Dependency</td>
<td>-21.936</td>
<td>0.001</td>
</tr>
<tr>
<td>Duration of relationship</td>
<td>0.156</td>
<td>0.02</td>
</tr>
<tr>
<td>Uncertainty</td>
<td>0.006</td>
<td>0.027</td>
</tr>
<tr>
<td>Regular communication</td>
<td>0.552</td>
<td>20.586</td>
</tr>
<tr>
<td>Legal warranties are sufficient</td>
<td>0.007</td>
<td>221.396</td>
</tr>
<tr>
<td>Education level</td>
<td>0.004</td>
<td>-3.948</td>
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<tr>
<td>Number of Obs=45</td>
<td>0.028</td>
<td>-0.574</td>
</tr>
</tbody>
</table>

Table 2: Multinomial logit model regression results: influencing trust perception factors

CONCLUSIONS
Trust is measured and decomposed into two components:
• Emotional trust
• Calculative self-interest behaviour

- Bonding is a real catalyst to developing cooperative systems.
- Building emotional trust is a truly locomotive to trust building.
- Avoiding distrust factors are a primary engine to preserve trust.

References: