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
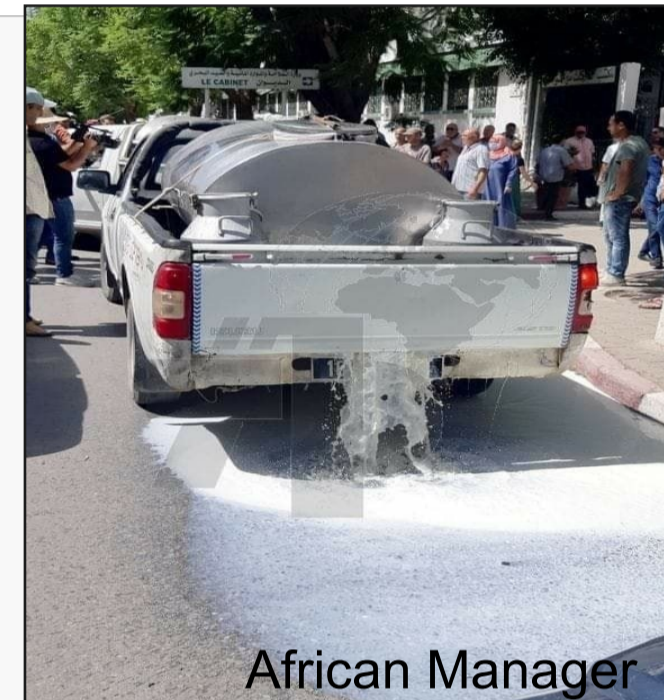
The use of existing emotional bonds is common to overcome any difficulties. Previous study (Ayari and Zaibet,2019) shows that trust is a precondition to establish a formal contractual arrangement and cooperative membership in local economy,

This study aims to investegate 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 mesured and decomposed into two components and then included as a variable to explain the breeders' choice for trust perception using econometric methods,

RESULTS

Trust measures

Figure 1: Different levels of trust

- Complete trust
- Rather than trust
- Neutral
- Rather than no

17,78%
6,67%
44,44%
31,11%
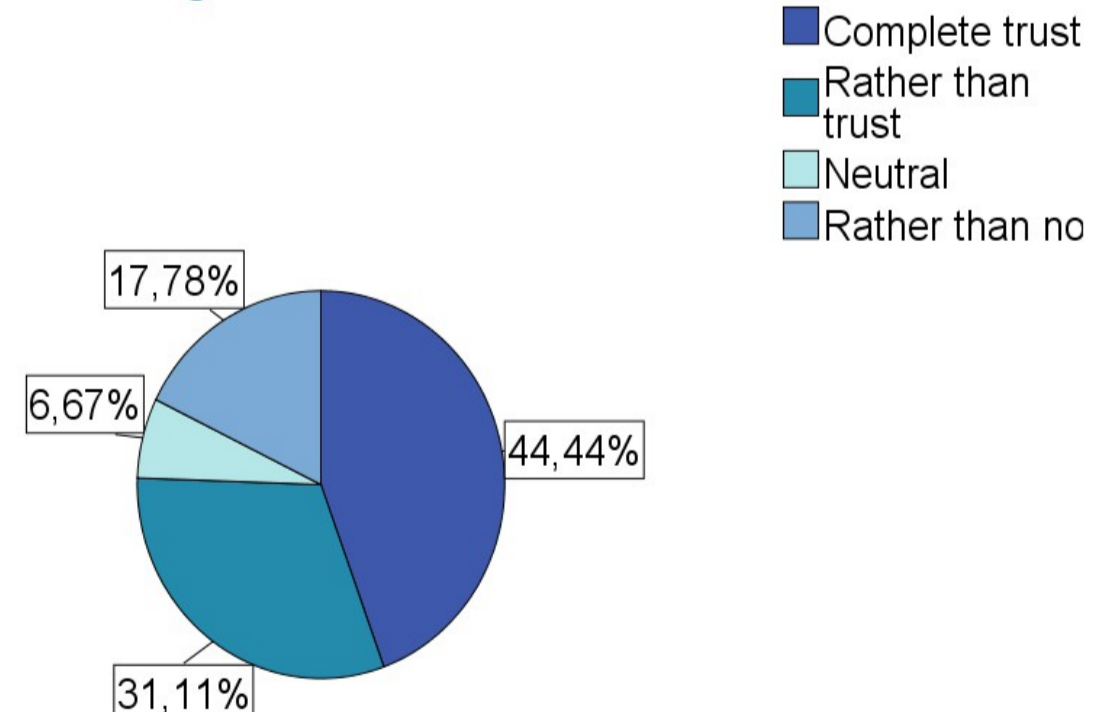
The data from survey discloses that
- The level of trust of breeders in their partners is high (figure 1)
- Trust perception increase with friendship and frequency of contact

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

Calculative self-interest trust		Emotional trust	
Capabilities and competencies	.806	Shared categories	.858
The availability of credible information	.774	Recognition of the honosty of your partner	.671
Trust is honored	.836	The breeder is a friend	.679
Share the same interest	.572	Common relation	.677
Integrity	.849	Frequency of meeting	.667

DETERMINANTS OF TRUST PERCEPTION :
(table 2; figure 2)

Emotional trust → Trust decision
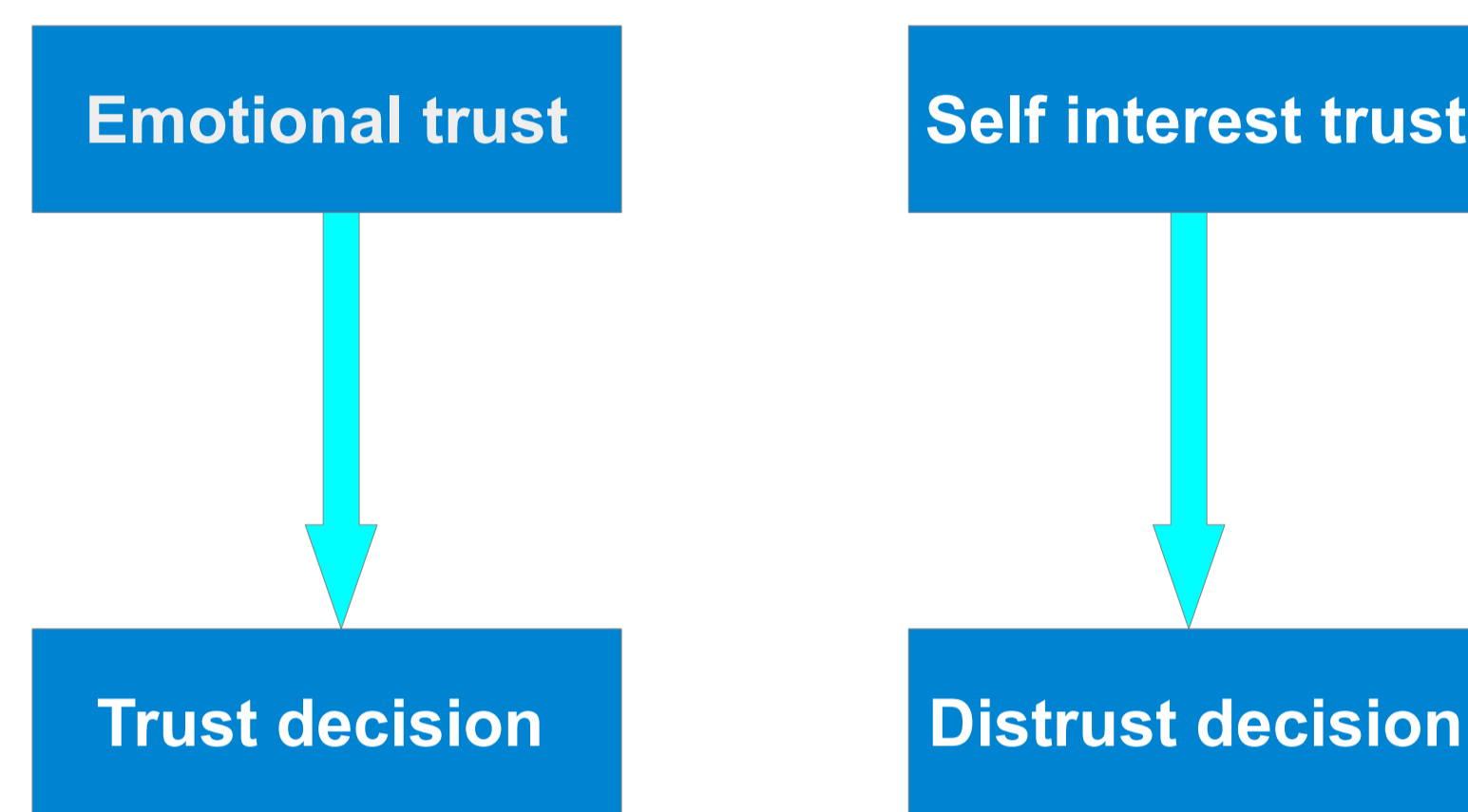
Self interest trust → Distrust decision

Figure 2 : Dynamics of trust

An advanced stage of the relationship :
- Emotional trust is dominant
- Calculative self interest behaviour is minor

Distrust factors :
- Forward-thinking calculs
- Others offer more advantages

A heighten potential for mistrust
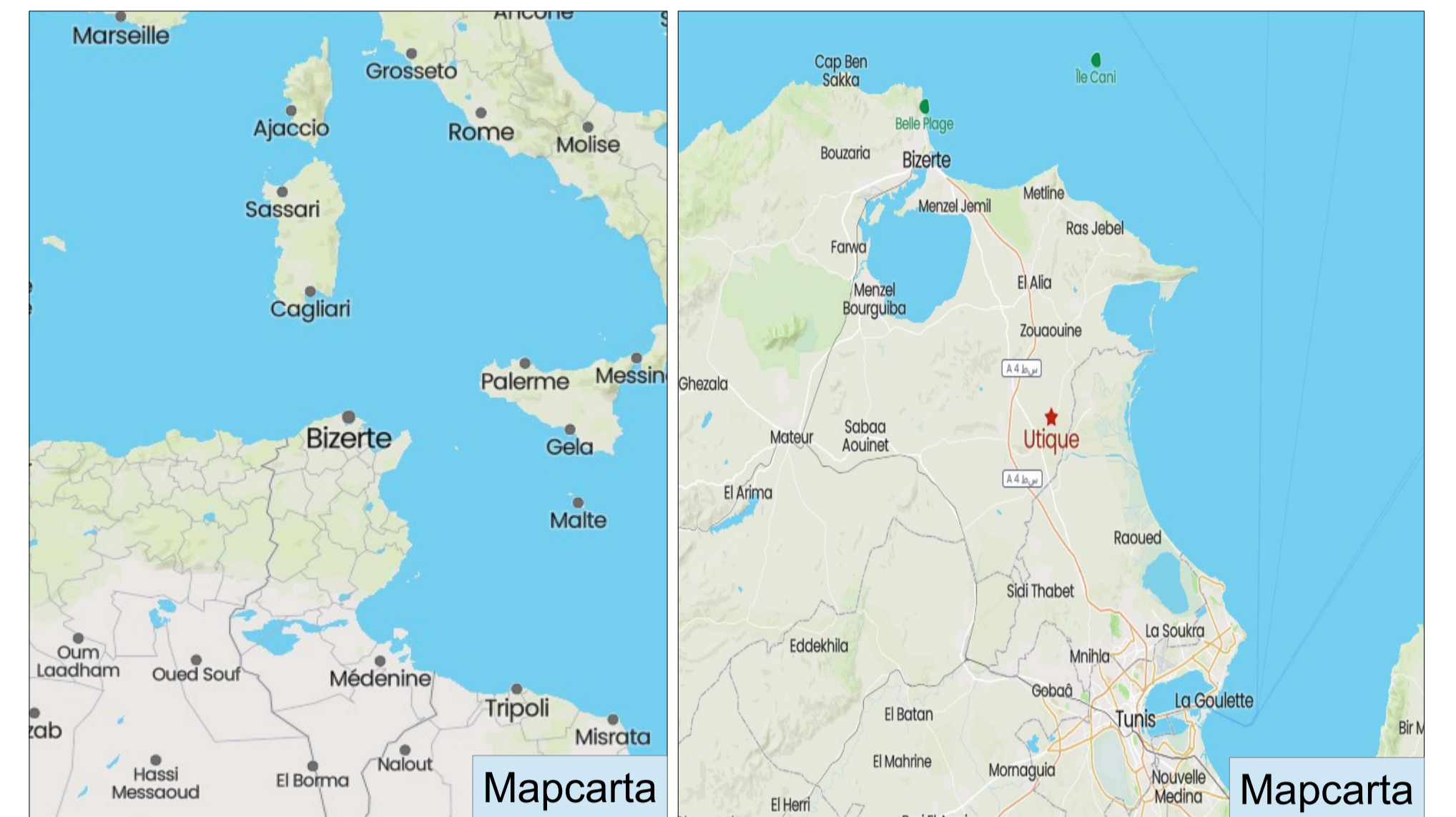A huge sense of betrayal
DISTRUST DICISION

CONCLUSIONS

- **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:

Ayari, D. and Zaibet, L. 2019. Modelling trust and contractual arrangements in a local economy. Development in practice 29(1): 1-9. DOI: http://dx.doi.org/10.1080/09614524.2019.1574715

METHODOLOGY

3 locations : Utique, 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

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

Influencing Factors	Model 1 : Emotional indicator		Model 2 : Calculative indicator	
	p-value	Coefficient B	p-value	Coefficient B
Constant		-13.228		-13.709
Distance from milk collection centers	0.013	31.967	0.076	-16.416
Trust indicator	0.00	0.678	0.00	-5.6
Dependency : Farm size	0.43	-21.936		
Herd size			0.001	0.139
Duration of relationship	0.168	0.156	0.02	1,43
Uncertainty : Variation of quantities sold	0.006	0.027	0.17	-0.02
Regular communication	0.022	20.586		
Legal warranties are sufficient	0.552	-42.101		
Opportunism: Other marketing channels are more beneficial			0.047	-3.948
Education level			0.028	-0.574
Number of Obs=45	Pseudo R2 = 0.941, log likelihood=21.227, df = 3 p<0,05		Pseudo R2 = 0.853, log likelihood=41.493, df = 3 p<0,05	