

## Book reviews

**Book review:** Gambetta, Diego; Hamill, Heather 2005. *Streetwise: How Taxi Drivers Establish Their Customers' Trustworthiness*. New York: Russell Sage Foundation, pp. 256.

**Reviewer:** Guido Möllering, Max Planck Institute for the Study of Societies, moellering@mpifg.de

The first thing to admire about this book is that the authors followed up on the inspiration that they gained from a simple illustrative example taken from a *New York Times* article. I remember very well when Diego Gambetta introduced the taxi driver example during a presentation in Tutzing, Germany, to demonstrate the practical relevance of some theoretical ideas about trust and signs. Five years later, it is amazing to see that Gambetta and his fellow Oxford sociologist Heather Hamill have devoted a comprehensive ethnographic study, funded and published by the Russell Sage Foundation, to the exciting question of how taxi drivers establish their customers' trustworthiness.

A definite strength but also, as I will comment later, a limitation of the book is its very clear and narrow theoretical focus. The book builds directly on a previous conceptual contribution by Bacharach and Gambetta (2001) and sets out to empirically ground and 'test' it. Michael Bacharach and Diego Gambetta pointed out the truster's need to identify reliable signs of trustworthiness, and applied signaling theory to analyze this issue. They adopted a rational choice approach to trust (Coleman 1990; Hardin 1993) which effectively reduces the problem of trust to the truster's ability to distinguish between trustworthy and untrustworthy trustees (Dasgupta 1988).

Bacharach and Gambetta (2001) argue that every trust game is preceded by a signaling game. The truster can place trust rationally in a given trust game if he/she receives from the trustee a signal of trustworthiness that is reliable because a trustworthy trustee can afford to send it whereas an untrustworthy trustee could not. This logic directs particular attention to the problem of mimicry, i.e. the faking of trustworthiness by an untrustworthy trustee. Gambetta and Hamill present the approach in the book's introduction and relate it to their ethnographic study of taxi drivers in Belfast and

New York. Do taxi drivers apply, more or less implicitly or intuitively, the logic of signaling theory when they select their customers?

Following an introduction that is mainly concerned with theory and methodology, the main parts of the book (pp. 29–184) contain two detailed ethnographies, first, of taxi drivers' in Belfast and, second, of their colleagues in New York. Gambetta and Hamill structure the two parts of the book in the same way, which facilitates comparison: after a description of the general context of the cities and their taxi businesses and drivers, they analyze the problem of mimics, the precautions taken against hazards as well as the ways in which taxi drivers screen and probe their passengers.

The authors manage to convey vividly why taxi driving in Belfast and New York is such a dangerous line of work, why the problem of mimics (who are, for example, runners, robbers or terrorists instead of bona-fide customers) is acute and why the taxi drivers need to constantly assess the various signs and signals they perceive. The descriptions by Gambetta and Hamill are very rich, well informed and often highly entertaining despite the seriousness of the topic. They convey the complexity of social reality in an accessible way. Some findings are truly surprising, for example that it is suspicious *not* to be drunk in Belfast on a Saturday night and that teenage girls are among the most dreaded passengers in New York.

In the concluding chapter, the authors offer an overall list of the signs that taxi drivers in Belfast and New York take into account when screening their customers (p. 193). Taxi drivers prefer the following properties of passengers: older over younger, women over men, 'white' over 'black', Spanish over other ethnic groups (if the driver is Spanish), individuals over multiple passengers, wealthier over poorer, known passengers over strangers, callers over hailers, Catholic over Protestant if driver is Catholic (and vice versa), self-absorbed over inquisitive, candid over shifty, as well as friendly and calm over aggressive or agitated. When some of these properties are combined in "clusters", then their reliability is greatly increased. While the overall findings come across as simple common sense, Gambetta and

Hamill show the social complexity underlying this common sense. They also claim that their empirical material confirms the theoretical position that, before deciding to trust, trusters try to identify signs of trustworthiness and they regard signs as more reliable if they are difficult to be faked.

From the point of view of the authors the study has thus achieved its aims. From my point of view, though, at least two related questions arise: how much does signaling theory really contribute to our understanding of trust and how much of the experience of taxi drivers – described so vividly – does this theory actually capture? I feel that the theory does not do justice to the ethnographies. In several places, Gambetta and Hamill discuss the fact that signs that the taxi drivers perceive are only “semi-sorting”, which means that, even in combination, they are less than perfect in distinguishing between trustworthy and untrustworthy types. Moreover, taxi drivers often relate that they work on the basis ‘gut feelings’ and rely on instinct. These and other observations in the ethnographies suggest that it is probably far more interesting to ask how taxi drivers are able to trust regularly *although* they cannot be sure and *despite* the inconclusive signs they perceive.

Gambetta and Hamill mention that drivers need to “shut off” certain risks and “try not to think of” their vulnerability (p. 188). This, I would argue, is the point where we can see that taxi drivers are not simply sign-reading risk-takers but actually trusters. Screening and probing, as efforts to predict the behavior of others, belong to the category of risk management just like the other precautions that taxi drivers take and which are also described in this book. Trust, in contrast, “begins where prediction ends” (Lewis and Weigert 1985: 976) which, however, is also the point where rational choice theory ends. It cannot explain the actors’ leap of faith, which is at the heart of trust, as I argue elsewhere (Möllering 2006). Gambetta and Hamill’s theoretical focus appears to prevent them from exploring their rich qualitative data in greater depth: how do actors achieve and experience trust as a willingness to be vulnerable? Instead the authors ask: how do actors reduce their vulnerability?

Books should be focused, of course, even if this always implies some missed opportunities. In the case of Gambetta and Hamill’s study, however, there is a more general problem in that it is only weakly connected to, and

embedded in, previous research on trust. The most serious omission is James Henslin’s (1968) study on “Trust and the Cab Driver”. Henslin became a taxi driver in St. Louis and used participant observation in order to investigate research questions that are almost exactly the same as those of Gambetta and Hamill. He found that taxi drivers use a number of criteria including gender, age, ethnicity, neighborhood and the person’s degree of sobriety in order to discriminate between trustworthy and untrustworthy passengers. Instead of signaling theory, Henslin based his research mainly on Erving Goffman’s (1959) dramaturgical perspective of everyday social life. This and other micro-sociological perspectives (e.g. Garfinkel 1967) might have induced Gambetta and Hamill to describe trust as an accomplishment in the *interaction* of truster and trustee who are involved in a complex process of socially constructing a state of precarious normalcy and predictability which goes beyond mechanical signaling.

Gambetta and Hamill’s work would have also benefited from references to other established theories of trust beyond Coleman and Hardin. For example, Lynne Zucker’s (1986) framework includes process-based trust, characteristic-based trust and institutional-based trust as modes of trust production. This framework can easily accommodate the idea that trusters perceive signals of trustworthiness. In addition, the framework can accommodate experience and institutions as bases for trust which clearly matter to the taxi drivers in Belfast and New York but are much harder to capture by signaling theory directly. Apart from trust research, the literatures on deception, stereotyping and social networks represent other theoretical sources that Gambetta and Hamill could have used more.

I respect that the authors’ aim in this book was to establish empirically the applicability of signaling theory to the question of how actors perceive trustworthiness. This aim has been achieved. But I hope that, at some point, they will reinterpret their rich empirical material through other lenses as well. To conclude, Gambetta and Hamill’s book is an enjoyable read, a methodological inspiration and a focused contribution to the rational choice perspective on trust. I will not be the only one who, having read this book, sees taxi drivers and the role of the passenger as trustee in a new light. More often than not, I would have mainly thought of myself as the truster who is wary of taxi drivers and needs to suspend worrying signals. This side of the story, how-

ever, and the added complexity of a reciprocal trust problem that it implies, requires a separate study, as the authors acknowledge early on (pp. 16–18).

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**Book review:** Michael Nollert, *Unternehmensverflechtungen in Westeuropa. Nationale und transnationale Netzwerke von Unternehmen, Aufsichtsräten und Managern (Company Networks in Western Europe. National and Transnational Networks of Companies, Supervisory Boards and Managers)*, Münster: Lit Verlag, 2005, 550pp.

**Reviewer:** Martin Höpner, Max Planck Institute for the Study of Societies, Cologne, hoepner@mpifg.de

Michael Nollert's book contributes to the growing literature on the emergence, structure and change of company networks as major features of organized varieties of capitalism. The title, however, is slightly misleading: the book does not offer a comprehensive comparison of

company networks in Western Europe, but – on 550 pages and in 153 tables and 66 figures – exceptionally detailed analyses of the Swiss and Dutch company networks in the years 1993/94, complemented by a comparison of five national company networks and a chapter on the personal network behind the European Roundtable of Industrialists.

The reader learns that both the Swiss and the Dutch capitalisms belong to the “Rhenish” country cluster as distinguished from Anglo-Saxon and Latin capitalism. In both countries, large companies establish dense capital and personal networks with large banks in their cores. In neither Switzerland nor the Netherlands, Burnham's “managerial revolution” has succeeded. In the course of the 20<sup>th</sup> century, family ownership has significantly declined, but ownership structures remain concentrated. Managerialism, the author argues, is therefore a good label for a specific phase of American capitalism rather than for present capitalism as a whole. In Switzerland, capital ties are more often accomplished by personal ties than in the Netherlands (around 65 percent compared to 40 percent). The big linkers in the personal networks are also often important persons in business associations and parties (but they rarely are members of parliament).

In one of the most fascinating chapters, Nollert analyses whether a transnational, interlinked business elite is evolving in Europe. Since its foundation in 1983, the European Roundtable of Industrialists has become an eminently influential interest organization at the European level. Nollert argues that this lobbying circle also laid the foundation for a European company network. In 1994, more than 70 percent of the companies represented in the Roundtable were personally interwoven. The national company networks are no longer separated but embedded in a transnational network. The latter is, however, rather loosely coupled and characterized by much deeper clashes of interest than the national networks.

Different from Paul Windolf and Jürgen Beyer, the author puts his emphasis on stability rather than change. This may be caused by the fact that his main data cover the years 1993/94; in Germany, the restructuring and – to a certain extent – erosion of the company network started just in the years after Nollert's snapshot, and it is conceivable to hypothesize that similar developments occurred in Switzerland and the Netherlands. However,