A Cross-Society Study of Trust and Reciprocity: Korea, Japan and the U.S.¹

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Yamagishi and others distinguish two bases for the formation of participant's expectation of a partner's cooperation in one-shot Prisoner's Dilemma (PD) game: "general trust" and "an illusion of control." Following their methodology, we hypothesize that illusion of control plays a relatively more important role and general trust plays a less important role in Korean society in the context of a cross-society comparison of Korea, Japan and the US. This hypothesis is based on a prevailing presumption claiming that, while the Korean society resembles the Japanese society in many ways, Korea is a low trust society unlike Japan. Our experimental outcomes fail to validate such a perception. General trust in Korea is found not to be low, contrary to the findings of previous surveys outcome. Reasons behind the discrepancy between our findings and previous studies and perceptions are discussed.

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INTRODUCTION

The one shot Prisoner's Dilemma (PD) has some unique attributes. If players are rational in the sense that they are only concerned about their payoff from the game, then choosing no cooperation by each player is a unique equilibrium.¹ This no cooperation equilibrium outcome is robust even if players are allowed to communicate prior to their decisions, as long as the game is one-shot and each player has to choose his or her course of action simultaneously without knowing the other player's choice. Although players are permitted to talk and they may agree on the collective choice of cooperation, all talks become meaningless when each player is back to his or her own secretive decision making. In a one-shot PD game, the compelling logic of individual rationality makes each opting for no cooperation a dominant strategy.

A unique equilibrium of no cooperation in PD is individually rational but not efficient from a society's perspective. If all the players choose cooperation, each and every player can improve his or her payoff from the payoff associated with no cooperation; all the players' payoff increases and no one is worse off. Such a move is possible if and only if one and all of one's counterparts choose cooperation at the same time deviating from the individually rational and dominant strategy of choosing no cooperation. In case of the slightest doubt about the willingness and motivation of one's counterparts on moving to such a collective choice of cooperation, one may be mistaken in choosing cooperation. Here comes the dilemma.

Despite the theoretical prediction of no cooperation as a unique equilibrium in a one-shot PD game, non-negligible instances of cooperation as an individual's actual strategy have been observed in experimental settings and in real world situations. Here the cooperation outcome needs to be carefully described. Cooperation outcome means the situation where at least one of the players chooses cooperation²; the outcome of the PD game can be the collective choice of cooperation or a division between those who choose cooperation and those who choose no cooperation. Assuming that players are rational, cooperative outcome in a one-shot PD game is only possible when players are confident that their choice of cooperation will be reciprocated with the same choice from their counterparts. In a one-shot PD game, where anonymous players are facing each other, such a reciprocal move would be possible under two circumstances: when at least one player trusts her counterparts or when players perceive they can control the decision of their counterparts.

TRUST AND ILLUSION OF CONTROL

An interpretation of the formation of reciprocity in a one-shot PD game has been

¹ Throughout this paper, 'no cooperation' in the PD game is identical to 'defection.'

² In the structure of this paper the cooperation outcome does not require the situation where both players choose cooperation. Even if other player chooses no cooperation (or 'defection'), the outcome of joint decision is called the cooperation outcome as long as one player chooses cooperation.

suggested by Watabe et al. (1996) and further elaborated by Hayashi et al. (1999). Hayashi et al. (1999) distinguished two bases for the expectation of a partner's cooperation in one-shot PD games - "general trust" and "illusion of control." Using a variant formulation of one-shot PD games, Hayashi et al. (1999) argued that general trust and illusion of control play different roles in societies, and tested a hypothesis where illusion of control plays a relatively important role as a foundation for reciprocal expectation in Japanese society, whereas general trust plays a more significant role in American society.

In a series of experimentations, Hayashi et al. (1999) found clear evidence that participants treated PD game as an assurance game and responded in a reciprocal manner. Then, what kind of role does the illusion of control play in an assurance game? According to Hayashi et al. (1999) "the mere fact that one's own reward is dependent on the decisions of other group members can trigger the illusion of interdependency, disregarding the actual lack of contingency among members' decision."

T. Yamagishi and M. Yamagishi (1994) distinguished between trust and assurance in such a way that trust is "an expectation of others' benign behavior under circumstances where people do not have control over others. In contrast, assurance is an expectation of others' benign behavior within stable and mutually committed relationships where people have control over each other." It was hypothesized that Japanese people are assured of their mutual cooperation in committed long term relationships in which they believe they have control over others, but distrust others where such committed relationships do not exist. By contrast, cooperation among American participants seems built more on a general kind of trust since survey results have repeatedly shown higher levels of trust among Americans than among Japanese (M. Yamagishi and T. Yamagishi 1989; T. Yamagishi 1988; T. Yamagishi and M. Yamagishi 1994; Hayashi et al. 1982). Accordingly, the illusion of control is predicted to play a more critical role among Japanese participants than among American counterparts.

In order to distinguish between general trust and illusion of control, Watabe et al. (1996) assigned one of five experimental conditions - *self-first/no-knowledge*, *other-first/no-knowledge*, *self-first/knowledge*, *other-first/knowledge*, and *simultaneous* to Japanese participants. The first four conditions were sequential PDs that differ in the order of the decisions made and the presence of information about partners' decisions. Participants assigned to the *self-first/no-knowledge* condition made decisions prior to the decision of their partner. They were informed, however, that the partner would not be informed of their decision, prior to the partner's decision. The partner was informed only that their partner had already made a decision. Correspondingly, participants in the *other-first/no-knowledge* condition were the partners of the participants in the *self-first/no-knowledge* condition. Thus, participants in both of these conditions made decisions without knowing their partner's decision. This makes these two conditions logically the same as the *simultaneous* condition, in which partners made decisions simultaneously.

Participants assigned to the *self-first/knowledge* condition made their decisions ahead of their partner. Further, they were informed that their partner would be informed

of their decision, prior to the partner's decision. Correspondingly, participants in the *other-first/knowledge* condition were the partners to the participants in the *self-first/knowledge* condition. The partners in this condition were thus told that either "your partner has decided to give you 500 yen" or "your partner has decided not to give you 500 yen."

Different conditions manipulated in this experiment such as *self-first/no-knowledge*, *other-first/no knowledge*, *self-first/knowledge*, *other-first/knowledge*, and *simultaneous* render differences in the perception of participants regarding an illusion of control (Watabe et al. 1996). Consistent with Watabe et al.(1996)'s arguments, experimental results have shown that participants who found controlling a partner's choice impossible in the *other-first/no knowledge* condition, cooperated at a very low level(12%) compared with relatively high levels of cooperation in the *self-first/no knowledge* and *simultaneous* conditions (56% and 64% respectively) where an illusion of control existed despite the logical identity of three conditions (*simultaneous*, *self-first/no-knowledge*, and *other-first/no-knowledge* conditions).

In this paper we extend the methodology of Hayashi et al. (1997) to Korean society. It is often argued that Korean society is a low trust level society, as exemplified in the nation-wide survey of Han and Auh (1987) and the cross-societal comparative study of Fukuyama (1995). According to the outcomes of the national survey conducted by Auh in 1984 (N=1,551) and 1995 (N=1,481) respectively, general distrust among Korean people mounted to 82.5% and 81% who responded positively to the question of "In general, people are not trustworthy. Therefore, we should be careful when contacting all sorts of people."³ These numbers reflect lower level of general trust among Koreans, whereas 26% of the Japanese sample (N=2,032) and 47% of the American sample (N=1,571) answered that "people can be trusted" to the question: "Do you think you can put your trust in most people, or do you think it's always best to be on your guard?"⁴

Using the methodology of Hayashi et al. (1997), we attempted to test the validity of the hypothesis that general trust in Korean society is lower, compared with Japan and the U.S. Many believe that Korean society very much resembles Japanese society in the sense that the culture of collectivism, harmonization and conformity run deep in each society. In both societies long-term relationships are deeply permeated in business activities, taking the form of lifetime employment, seniority-based promotion and vertically integrated business networks of *keiretsu* in Japan and *chaebol* in Korea. Hence, as in Japan, it is conjectured that an illusion of control plays a significant role in Korean society in accounting for the emergence of cooperative behavior. We will put this conjecture to an empirical test applying the methodology of Hayashi, et al. (1999).

³ The percentages include respondents who selected "strongly agree" and "agree" to the questions.

⁴ Hayashi et al. (1999)

TESTING HYPOTHESES

If a PD game is perceived to be an assurance game by the participants of our experiments as Yamagishi and his associates have argued, there will be a strong sense of reciprocity in all three societies. When the players are informed about the partners' decision, there is no strong *a priori* reason to assume that the pattern of reciprocal behavior—return cooperation to the partner's cooperation and non-cooperation to the partner's non-cooperation—will be significantly different in all three societies. Hence, high level of reciprocity is expected to occur among Korean players. It is hypothesized that:

H1: Korean participants in the *other-first/knowledge* condition will respond in a reciprocal manner to the partner.

In both the Korean and Japanese societies, the culture of collectivism, harmonization and conformity is deeply rooted. According to the study of Hofstede (1991), both Korea and Japan rank high in the index of collectivism, uncertainty avoidance and long term orientation.⁵ These considerations may lead one to conjecture that an illusion of control plays a significant role in Korean society in accounting for the emergence of cooperative behavior, as in the case of Japan. According to Hayashi et al. (1997), illusion of control played a more significant role in explaining cooperative behavior in Japan vis-à-vis the U.S. since Japan has nurtured a stable long-term relationship. Therefore, our testing hypothesis is that illusion of control will play a major role in Korean society in accounting for the emergence of cooperative behavior, in contrast to the U.S.

A cautious approach, however, is required since Koreans have recently experienced the breakdown of long-term commitments and stable relationships due to rapid modernization. One reason why we anticipate lower levels of illusion of control among Korean participants than Japanese participants is due to the massive population mobility in Korea to that in Japan. Although both Japan and Korea experienced rapid economic development and urbanization, the pace of and the extent of population movements from rural to urban areas in Korea far surpassed that of Japan. For instance, in 1981, when the rate of population movement peaked in Japan, it was 5.9% and declined gradually by 0.1% every year and reached 5.3% in 1987. The mobility rate in Korea peaked at 24.7% in 1983 and remained at a similar rate (22.6%) in 1987 (Song 1997). The trend has retained the same pace up to now marking 21.8% in 1990, 1995 and 2000 (Government Statistics Office). High population mobility reduces a sense of assurance in the community and we cannot anticipate that people hold high illusion of control of others in such a fluid society. Hence, the following hypothesis is derived.

⁵ In the sample of 50 countries and 3 regions of Hofstede (1991), Korea ranks 5 and Japan ranks 4 in the long-term orientation index, Korea ranks 16 and Japan 7 in the uncertainty avoidance index, and Korea ranks 43 and Japan 22 in the individualism index.

H2: Illusion of control will play a more prominent role among Korean participants in accounting for the emergence of cooperative behavior, compared to U.S. participants. It will play a weaker role, however, compared to Japanese participants since long-term stable relationships in Korea have deteriorated in the process of abrupt political change and rapid economic development.

Hypothesis 2 may be tested in a series of comparisons.

Hypothesis 2a: Korean participants will cooperate more in the *self-first/knowledge* conditions than American participants, but less than Japanese participants (because control over the partner's behavior in this condition will be more important among Korean participants than among American participants, but less important than among Japanese participants).

Hypothesis 2b: The difference between the *other-first/no-knowledge* condition (where players have no illusion of control) and the logically identical *simultaneous* and *self-first/no-knowledge* conditions will be greater among Korean participants than among American participants, but smaller than among Japanese participants.

Hypothesis 2c: The difference between the *self-first/knowledge* condition (where players have a expectation to influence the partner's choice) and the *other-first/no-knowledge* condition (where players are not expected to have an illusion of control) will be greater among Korean participants than that of American participants, but smaller than that of Japanese participants.

H3: General trust in Korea will be lower, compared with the U.S. and Japan

In the *other-first/no-knowledge* condition (where only general trust is expected to induce cooperation) the percentage of cooperation among Korean participants will be smaller than that of both American and Japanese participants. A prevailing perception is that Korean society is a low trust level society. Such a perception was attested by the nationwide survey of Han and Auh (1987) and echoed in Fukuyama (1995). In a study replicating the experimentation of Yamagishi (1986), Kim and Son (1998) showed that, without sanction, cooperation level was lower in Korean society compared to American society. On the basis of these works and a widely shared perception, we posit a hypothesis that general trust in Korea will be lower vis-à-vis the U.S.

EXPERIMENT DESIGN

Experimental Protocol: Korea

Each participant was matched with another participant and was asked to play the

PD game described above for the study conducted by Watabe et al. (1996). The game was played only once. Each participant was randomly matched with a partner who was located in another room. Double blind procedures were used. That is, decisions were anonymous to other participants and to the experimenter. The anonymity of divisions was introduced by the use of two experimenters and two room monitors. The role of one experimenter was to interact with the participants, while the other experimenter processed participants' decisions.

Participants. Participants were recruited from introductory and intermediate-level courses in various fields such as the humanities, social sciences, natural sciences and arts from three Universities located in Seoul, Korea: Yonsei University (Spring 1999), Seogang University (Fall 1999) and Joongang University (Spring 2000) in three different time periods. The total number of participants was 320 (212 males, 106 females and two unknown). Monetary incentives were emphasized in the recruitment process.

Decision Game. The experimental instructions were a careful replication of those used in Watabe et al. (1996). The original instructions for the participants and the experimenters were translated into Korean. Participants were assigned to one of the five experimental conditions described below.

Following Watabe et al. (1996), the PD game used in the experiment was constructed in the following way. Each participant was promised 4,000 won by the experimenter and was then asked to decide whether or not to give the 4,000 won to their partner (a person randomly chosen from the participants in the other room).⁶ When the participant gave 4,000 won, the partner received 8,000 won. When the participant did not give 4,000 won, he/she could keep the 4,000 won plus another 8,000 won if his/her partner chose to give his/her 4,000 won. Therefore, both participants received 4,000 won when both decided not to give 4,000 won. When one of the two participants decided not to give 4,000 won, the one who kept the money received 12,000 won and the other who gave 4,000 won received nothing.

Experimental Procedures

Participants were recruited, but in order to guarantee anonymity, not randomly assigned into two groups.⁷ To elaborate, each group was recruited from the different classrooms. Participants were seated apart each other upon arrival at the laboratories, and randomly distributed an opaque envelope that contained an ID card. Fifteen to

⁶ In Japan, 500 yen was promised. Rationale of promising 500 yen was to promise the monetary value, which enables the student to have a light lunch. Considering the purchasing power of currency, that is translated into 4,000 won in Korea.

⁷ Since the experiments were conducted prior to the mid-term exam period, the experimenters had to come to various classes to recruit the participants instead of announcing and waiting for the reply of possible participants. Because of this, sometimes a group of colleagues were applied for the simulation. Despite an effort to assign them randomly, the complete randomization might not have achieved and the effect of this on the outcome of the simulations needs to be taken into account.

thirty participants participated in any one experimental session.

When all the participants were ready to participate, the experimenter gave the following oral instructions. (1) This is an experiment of individuals' decision making. (2) The experiment takes place in two rooms; earnings depend not only on the individual's decision in this room, but also on that of a randomly matched participant in the other room. (3) Money earned in this experiment will be paid in cash at the end of the experiment and earnings will not be disclosed. (4) Participants may ask questions at any time, but questions should be addressed only to the experimenter (in order to avoid possible contamination)

After introductory announcements were offered, participants read the written instructions explaining procedures and the nature of the decision game. Participants then were asked to answer a quiz containing four questions about the game to ensure their understanding. Their answers were then reviewed by the experimenter with the participants.

Participants submitted their decision form after making up their minds. The decision form was inserted in an envelope after the ID number was written under the envelope cover and it was submitted to the experimenter. Participants kept their ID cards for payoffs and filled out post-experimental questionnaires.

In the sequential decision making, the experimenter collected decision sheets from the room with the first group of players, then moved to the room with the second group of players. In the knowledge condition, the experimenter randomly distributed a decision sheet of the first player to the participants in the second room. In the no-knowledge condition the experimenter emphasized that their randomly chosen partners had already made their decisions to the second movers.

When almost all the participants finished answering the post-experiment questionnaires, they exchanged their ID cards with their earnings in a closed envelope identified with their ID number. The entire experiment took about 45 minutes.

FINDINGS

The number of decisions made in each condition and the proportion of cooperators in each condition is reported in Table 1, which incorporates the findings of Hayashi et al. (1999).

1. Strong sense of reciprocity in Korea, Japan and the U.S.

All Korean, Japanese and American participants responded in a reciprocal manner to the choice of their partners, returning cooperation to their partners cooperation and non-cooperation to non-cooperation in *other-first/knowledge* condition.

- One hundred percent of Korean participants did not cooperate in the *other-first/*

knowledge condition when the partner did not cooperate, as compared to 88% of Japanese participants and 100% of American participants. The differences are apparently statistically insignificant.

- At the same time, 73% of Korean participants responded by cooperating to a partner who cooperated, as compared to 75% of Japanese participants and 61% of American participants revealing no statistical significance. Thus, Korean participants are similar to Japanese and American participants in reciprocating the partners' choice.
- Furthermore, post-experimental survey results manifest that the Korean participants perceived the PD game as an assurance game just like Japanese counterparts. To a question "How satisfactory would it be to you if both you and your partner gave 4000 won?" with a response scale from 1 for "not at all" to 7 for "very much so," the mean response was significantly higher than the mean response to the question "How satisfactory would it be to you if your partner gave 4000 won and you did not?" (6.05 vs. 4.77 $t(319) = 7.63$, $p < .000$). On the other hand, participants responded that no cooperation would be more satisfactory than cooperation when the partner defected (3.30 vs. 1.84 $t(319) = 10.475$, $p < .000$) rendering that the post-experimental survey results from the Korean participants are consistent with the results obtained from the Japanese as well as American participants. The experimental as well as questionnaire results confirm the hypothesis.

TABLE 1. COOPERATIVE CHOICES IN EACH CONDITION AMONG AMERICAN, JAPAN AND KOREAN PARTICIPANTS

	Condition	N	N of Cooperators	% Cooperating
U.S.	Simultaneous	30	18	36
	Self-first/No knowledge	25	8	32
	Other-first/No knowledge	29	11	38
	Self-first/Knowledge	32	18	56
	Other-first/C	18	11	61
	Other-first/D	13	0	0
Japan	Simultaneous	27	15	55
	Self-first/No knowledge	28	18	64
	Other-first/No knowledge	25	3	12
	Self-first/Knowledge	23	19	83
	Other-first/C	20	15	75
	Other-first/D	25	3	12
Korea	Simultaneous	59	28	46
	Self-first/No knowledge	116	40	35
	Other-first/No knowledge	103	43	42
	Self-first/Knowledge	21	11	52
	Other-first/C	11	8	73
	Other-first/D	10	0	0

2. No illusion of control in Korea

Hypothesis 2a

- The cooperation rate in the *self-first/knowledge* condition among Korean participants was 52%, which is similar to that of the American participants (56%) $\chi^2(1) = .077$, ns, but significantly lower than that of the Japanese participants (83%) $\chi^2(1) = 4.623$, $p < .052$. Although we predicted that the cooperation rate among Koreans would be lower than that of the Japanese, the level was found to be far below the prediction and was not significantly different from that of American participants. Hence, hypothesis 2a is not supported, suggesting that there is no illusion of control among Korean participants.

Hypothesis 2b

- Among the three logically identical conditions, *simultaneous*, *self-first/no-knowledge*, and *other-first/no-knowledge*, the Japanese participants exhibited a significantly lower rate of cooperation (12%) in *other-first/no-knowledge* than in the other two conditions: 56% and 64% in *simultaneous* and *self-first/no-knowledge* conditions respectively. On the other hand, American participants showed no statistically significant difference among the three logically identical conditions $\chi^2(2) = 0.21$, ns. The rate of cooperation among Korean participants was 42% in the *other-first/no-knowledge* condition, 46% in the *simultaneous* condition, and 35% in the *self-first/no-knowledge* condition $\chi^2(2) = 2.98$, ns. Compared with the Japanese, the Korean case exhibits no statistical differences in the cooperation rate among the logically identical conditions.

Hypothesis 2c

- The difference in the cooperation rate between the *self-first/knowledge* and the *other-first/no-knowledge* conditions (the two conditions that are assumed to create the maximum and minimum effect of illusion of control) was much smaller (52% versus 42%) among Korean participants than among Japanese participants (83% versus 12%). The difference among Korean participants was even smaller than that among American participants (56% versus 38%). Hence, hypothesis 2c was not supported either.

A set of second hypotheses test reveals no illusion of control among Korean participants unlike our expectation. Korean participants behaved just like American participants rather than Japanese participants. One intriguing finding is that Korean participants situated in conditions of the minimum level of illusion of control cooperated as much as people who were in the condition of the maximum level of illusion of control. This is directly linked with the third hypothesis.

3. General trust in Korea is not low

The cooperation rate in the *other first/no knowledge* condition (where general trust is the only available basis for forming an expectation that the partner would cooperate) was higher among Korean participants (42%) than among American participants (38%) and Japanese participants (12%; $\chi^2(2) = 7.748$, $p < .025$). This result means the hypothesis claiming that general trust in Korea is lower, compared with the U.S. and Japan, is rejected in our experiment.

In fact, the cooperation rate with the original participants with 151 samples in *other first/no-knowledge* condition was substantially higher (67%) and the difference between the Korean cooperation rate (67%) and the American cooperation rate (38%) was found to be statistically meaningful. We were suspicious of the results. To test the robustness of such a finding, we increased our sample size to 320 from 151 and experimented in different universities. Still, we found the highest cooperation rate among Korean participants of the three countries in this particular condition. However, in a larger sample there is no statistically meaningful difference between the Korean cooperation rate and the American cooperation rate.

In summary, Korean participants reciprocated their partners' choice just like U.S. and Japanese counterparts confirming the first hypothesis. There is no illusion of control that influenced participants' decisions unlike Japanese counterparts disconfirming the second hypothesis. Last, the level of general trust among Korean participants is not lower compared with the U.S. and Japanese participants. The final finding is perhaps the most striking and interesting, in the light of existing literature, in particular Han and Auh (1987), Kim and Son (1998) and Fukuyama (1995).

CONCLUSION

The present experimental results validate the idea that PD game is perceived as an assurance game across different cultures displaying a great sense of reciprocity. On the other hand, our experimental outcomes fail to validate the prevailing perception of Korean society as being a low trust society, by refuting the second and third hypotheses put forth in this study. Unlike the Japanese case, the Koreans have shown no illusion of control. Furthermore, a hypothesis that general level of trust is lower in Korea vis-à-vis the U.S. and Japan is not substantiated.

Our experiment on the Korean participants and the comparison with the previous results of the identical experiment conducted on the American and Japanese participants (Hayashi and et al. 1999) attests to the uniqueness of Japan and the similarity of Korea and the U.S. in social conflict situation. Both the Korean participants and the American participants showed a remarkable similarity in their behavior in a variety of prisoner's dilemma situation, while the Japanese participants behaved differently in a statistically meaningful way.

One of the reasons that we failed to find the illusion of control in Korea might be found in the abrupt deterioration of traditional community in Korea partly due to massive population movements. The enclave agricultural community faced a sudden demise in the face of modernization, urbanization, and industrialization. The speed and scope of such a social change in Korea was unparalleled in any other society; Korea is said to undergo the "condensed modernization" in the time space of one generation, which took a century in other society. During the abrupt social change, the culture of assurance nurtured in the stable traditional community has been eroded.

A possible account for rejecting the hypothesis of a low general trust in Korea is the sampling bias. One may argue that the outcome is predetermined, because our samples represent more trusting groups of the population in Korea. In the survey of Korea, high trust has been strongly correlated with high education and younger age (Auh 1999). However, this account is not convincing. One needs to be reminded that post-experimental questionnaire results of Korean participants conducted by Kim and Son (1998) do not specifically exhibit a higher level of general trust compared to Japanese or American participants when used responses on similar items. Rather, American participants (20.63) were found more trustful than both the Japanese (23.92) and Koreans (23.26) (Yamagishi 1988, 267; Kim and Son 1998).

An important source for claiming the Korean society as being a low trust one is survey data, including Auh (1999). The conception of trust explored in the survey might not be the same compared to that was measured in this experiment. While we pursue the question of general trust, Auh (1999) might have dealt with knowledge-based trust. According to T. Yamagishi and M. Yamagishi (1994, 139), "Whereas knowledge-based trust is limited to particular objects (people or organizations), general trust is a belief in the benevolence of human nature in general." The survey might have simply captured knowledge-based trust reflecting respondents' experiences of exploitation. This presumption is strengthened by Auh (1999)'s finding that trust among younger and highly educated respondents increased dramatically during the past ten years, whereas trust among older and less educated people declined substantially during the same period.

To properly measure general trust and conduct further experimentation that distinguishes different dimensions of trust requires the design of a new survey questionnaire. We speculate that relatively high level of general trust among Korean participants, as we found in this paper, might have resulted from the measurement gap between experiments and survey. The two different tools might have measured different dimensions of trust. Glaeser and et al. (2000) empirically distinguish two key components of social capital—trustworthy and trusting behavior. The investigation of different dimensions of trust and their measurement in experiment as well as in survey would be a challenge and goes beyond the research motivation of the current paper. Pending the completion of this task, we claim that a popular perception of Korea as a low trust society vis-à-vis Japan and the U.S. (Fukuyama 1995 is a leading example) is not substantiated. This discovery itself is the single most important contribution of this paper.

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