TRUST, MONEY AND BUSINESS SYSTEM: UNEXPLORED CONNECTIONS

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ABSTRACT

Trust is an invaluable asset in today's business landscape, more valuable than money itself. The relationship between trust and the success of businesses is undeniable. However, trust is constantly threatened due to various socio-economic phenomena such as inequality, polarization, financial crises, and pandemics, further eroding confidence. As the world undergoes rapid changes, building and maintaining trust within the business sector has become one of the most challenging endeavors. In this dynamic business environment, businesses must develop and maintain trust by demonstrating transparency and fostering open communication. This research seeks to comprehensively examine the intricate interplay among trust, culture, money, and business systems to gain a macro-social perspective on the pivotal role of trust within a nation's culture, ultimately contributing valuable insights to the field of business studies. By delving into the complex dynamics between these elements, it aims to provide a deeper understanding of how trust influences and shapes the economic and cultural fabric of societies. The paper assesses that a significant level of trust within countries and/or between companies could foster social cohesion, increase collaboration, and contribute to overall prosperity. The paper emphasizes the impact of trust and its representation in money, crucial for effective economic transactions and a favorable business climate, while the ethical and transparent business system plays a pivotal role in fostering trust and ultimately building resilient economies that benefit individuals and communities. As socio-economic landscapes continue to evolve, businesses must embrace trust-building as a core strategy to thrive in an increasingly competitive and uncertain world.

KEYWORDS: *business, culture, money, social capital, systemic trust.*

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1. INTRODUCTION

At the dynamic level of business activity, trust is the foundation of our economic systems. It is the intangible but fragile foundation on which the entire business ecosystem is based. The trust-based system, remarkably, operates without the backing of gold, silver or tangible assets to support fiat money. Instead, it thrives solely on the implicit trust granted in its operation, as people are legally mandated to engage in private exchange and meet government-imposed tax obligations.

In contrast to the conventional belief in the role of central banks to precisely control the supply of money to meet society's needs, we turn our attention to beyond banking to explore the significance of trust among various actors in the business sector. While commercial banks have been entrusted with responsibly multiplying money through credit, other state political institutions, such as the

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legislature and the executive, are equally entrusted with the responsibility of sustaining contractual obligations and property rights to protect the fragile balance of the system.
This paper takes a cultural approach to reveal the profound impact of trust on people's perception of money and the wider business ecosystem. In this paper, we analyze how trust in business systems and the use of money varies across different cultures. It will provide insights into why particular practices and systems function in different countries using the cultural specifics of trust, money, and business systems.
Starting with a historical perspective, tracing the emergence of money from ancient China's paper currencies to its recognition in Europe. Through a literature review, we explore key issues that have influenced the development of financial systems, broadening our understanding of the historical significance of trust.
Trust transcends financial boundaries, serving as a core element of social capital. We assess its essential role in fostering social and economic relations, exploring how institutional and interpersonal trust shapes social cohesion, economic growth and overall well-being.
In this paper, we assess trust using the Legatum Prosperity Index and the World Value Survey in a diverse group of countries. The Legatum Prosperity Index faces the challenge of defining meaningful success through 12 pillars of prosperity, covering not only economic but also social well-being. Meanwhile, the World Value Survey enables global comparisons of trust attitudes and behaviors, providing valuable insights into the dynamics of trust in different cultures.
As we embrace the disruptive waves of new technologies, we consider their impact on trust and money in the business sector. Traditional businesses boast strengths, including customer confidence in their expertise to navigate complex regulatory landscapes.
The paper aims to answer questions as: How is trust established and maintained in various business contexts? How does cultural variance influence the concept and practice of trust within economic systems, and how does this affect business interactions and financial decisions? How does trust vary between interpersonal relationships and institutional trust (trust in organizations and systems), and how do these two forms of trust interact within the business system? What can cross-cultural comparisons reveal about the perception and practice of trust, money, and business systems?
This article focuses on the role of trust, as a vital element of the business sector. By exploring its cultural foundations and analyzing its significance, we aim to bring into focus the essence of trust in the evolving business landscape.

2. HISTORICAL PERSPECTIVE ON TRUST AND MONEY

The contrasting approaches to the ontological essence of money provide deep insights into economic behavior, market dynamics, and the structure of modern business systems. Commodity-based money theory has evolved and been refined by thinkers over the centuries starting with Aristotle (Barnes, 2016), continuing with Adam Smith's perspective (Smith, 1776) revolved around the historical use of precious metals like gold and silver as money and how these commodities gained widespread acceptance as a medium of exchange. Keynes (2007) discussed the limitations of a pure commodity-based monetary system and introduced the idea of fiat money, which derives its value from the authority of the state or government, so that the value of money is not fundamentally linked to tangible assets such as gold, but rather to the trust of the issuer. Keynes (2007) questioned the classical notion of money as a commodity, underlining the importance of credit and the state's authority in the issuance of money. The philosophical approach to money is divided into two camps: one that emphasizes "collective intentionality" (Searle, 1997) in which money's existence is dependent on common beliefs and values in a society, and another that views money as the solution to a societal problem (Epstein, 2021). Philosophical discussion of electronic money argues that money can manifest in diverse forms, such as digital records on computer storage media and credit cards. Smith & Searle (2003) states that neither of these constitutes money in and of itself; instead, they serve as distinct representations of money.

Money is an integrated part of any country's financial system. Money as a currency came before the market economy. Universally, there is no one definition of the term money, due to the multitude of forms, types, origins or values. However, the definition that money is a means/channel of negotiation is accepted (Tsonkova & Stoyanova, 2019).

Even though there are several opinions about the exact origin of money, many authors state that money appeared around 1160 in ancient China being the first to issue a paper banknote (Pfaff, 2010). We can define the meaning of money by referring to the accounts of classics such as Marx, Weber and Simmel, namely that money is a universal standard by which services, objects, products, etc. can be measured (Maurer, 2006). Simmel highlights the idea that money plays a key role in upholding rationalization in the modern world whereas Frankel sees money more as a reflection of other structural features of a modern economy and society (Parry & Bloch, 1989, pp. 2–5). In another view, money can explain cultural change (Znoj, 1998, pp. 193–222).

Historically, economically and socially, it is interesting to observe the evolution from pieces of paper (worthless, meaningless) to fiat money to goods (Ritter, 1995, pp. 134–149). The transition from a reality in which money played a relatively minor role to an economy in which money is a key factor in almost every economic activity has been slow over the centuries (Spufford, 1988).

We can say that the link between money, business, and trust is interdependent, this link helps economic development and growth. Confidence in the relationship mentioned later refers to the certainty that economic agents have in the quality of service provided by the institutions, the fairness of the judicial/financial/tax system, etc. Trust leads economic agents to reach contractual agreements, to plan and to invest (de Grauwe, 1996, p. 5).

Since ancient times China has used money in one form or another. Initially, the authorities abused the right to issue banknotes and even issued them for their own benefit. In the mid-15th century, a rebellion was brewing; to put a stop to it, the Ming monarch Jen Tsung banned paper banknotes. Following this decision, China did not have a paper banknote until 1853 when Emperor Ch'ing Hsien-feng re-approved the issue of paper banknotes (Sandrock et al., 2007). It has always been observed that certain commodities (animals, gold pieces, silver, etc.) at some point became generally valid means of exchange (Menger, 2009, pp. 239–255).

China has used paper banknotes since around 1450 (S'ung, Yuan and Ming dynasties). For a long time, China also used gold, silver and silk (replacing high denominations) but also bronze (for everyday purchases/transactions). According to historians the first use of paper was for letters of credit used over long distances, these were symbolically called "flying money". In Szechwan province the first paper money system was used for the first time, and in a prudent way. The S'ung Dynasty was the first to issue paper money (Ramsden, 2004). It is no coincidence that paper was also invented by China, which favored the appearance of paper money. At the same time, the continuous cultural and political development played a key role, which enabled the Chinese government to maintain confidence in paper money and develop a successful fiat currency (Gruen, 2004).

The quest of trust began from the creation of money in ancient times. The origin of money cannot be linked to one particular place, moreover it may have different sources in different cultures (Spek & Leeuwen, 2018, pp. 2–3). Over the years, new ways of trust are generated, at the same time the horizon of financial instruments (cash, shares, bonds, etc.) is broadened (Lee, 1996, pp. 1377–1394). Monetary integration is seen in a new way, in particular the focus is on credibility/trust. More specifically, this is about how countries can gain or lose credibility in order to join a monetary union and how this can affect their welfare (de Grauwe, 1996).

The priority of countries in monetary policy focused until the 20th century on stabilizing the value of the monetary unit in terms of gold or silver (Karaman et al., 2020, pp. 279–300).

In Europe, specifically in the UK, the development of the banking system was conceived only after a thousand years of the widespread use of money. It took a long series of trials and centuries of experience to have the financial and economic system of the 20th century. For example, even though the authorities were trying to successfully implement the coin systems that were available; at the beginning of the 20th century, metal bracelets were still being made in Birmingham for use as methods of payment (primitive forms of payment) (Davies & Connors, 2016, pp. 36–37).
In the European context, the EMS (European Monetary System 1979) and the Single European Act (1986) brought the idea of a single currency back under analysis; the Delors Report (1989) underlined the need for a single currency arguing that perfectly integrated markets would make less integrated monetary policies difficult to manage (Davies & Connors, 2016, pp. 36–37).
Analytically, one of the differences between China and Europe (in relation to paper notes) is that Europe has used this as a 'gateway' to the modern economy (national debt) (Giovannini, 1995, p. 3).The paper banknote is recognized as a modern financial instrument that has made a considerable contribution to market economic growth in the 20th century (Horesh, 2012). However, information about paper money was passed on to the West in ca. 18th century (being introduced in some countries.

3. TRUST AS THE CORE OF SOCIAL CAPITAL

Social capital has attracted considerable attention over the past years, from both academics and policymakers as a fundamental catalyst for social progress and well-being. Broadly defined as a collection of shared norms and values that enhance overall well-being (OECD, 2013) , the concept of social capital emphasizes the importance of cooperative human relationships in improving different aspects of people's lives. It represents a valuable, stock-like resource that needs to be fostered and maintained to ensure the sustainability of well-being (Algan, 2018).The significance of trust as a fundamental driver of public institutions' legitimacy has been widely recognized. Moreover, trust plays a pivotal role in reducing transaction costs in interactions among individuals, businesses, and various institutions (Fukuyama, 2005).
The role of "culture" in economic development is outlined in Weber's work, written a century ago. Weber argues that a Protestant work ethic was the foundation of economic development through the obligation to economize (Kersting et al., 2019). Weber's initial focus of research into the analysis of the relationship between religious motivation and economic development was to study the situation of workers in rural Eastern Elba. The author highlights in his work that religion was not an ideology produced by economic interests; however, it made the modern capitalist world possible. Weber's foundation is ascetic Protestantism; given that Calvinist doctrine led believers to prove their status. In doing so, Protestantism created in particular a work ethic. Protestantism also encouraged its believers to behave morally outside the family context, which was crucial in creating a system of social trust (Etzrodt, 2008; Fukuyama, 2005).
Weber's view of the hypothetical relationship between the religious affiliation of a large social group (country/nation) and the group's economic behavior has not been confirmed in the more than a century of history since the publication of this author's main work. However, religion remains one of the determinants of the culture of a country/nation; the core element of the culture remains the values, including trust, which clearly influence the group's behavior and economic prosperity. At the same time, Weber argues quite well that education significantly influences the values that members of a social group believe in. Therefore, at least some of Weber's ideas remain valid more than a century after their publication. In countries such as Japan, South Korea and other Asian countries, the values promoted by Confucianism, seen as a philosophy or as a set of social norms, explain very well the economic performance achieved during the post-war period.
Max Weber states that there is no definition or particular scheme for defining/understanding the Protestant ethic; however, the foundation is the idea of an individual's duty to work for the increase

of his wealth, it is presumed to be a purpose itself. Weber states that this human desire has always existed, this desire did not arise as a result of capitalism. According to the same author, a capitalist enterprise comprises mainly a disciplined labor force, and the regularized investment of capital. Weber sees the Protestant ethic as only one of the factors linking Puritanism and modern capitalism (Ascher, 2010).

Among other things, the author considers that there are a number of important socio-economic factors that separate Western economic development from India or China. Weber considers these factors imported because they had a significant influence on the emergence of modern capitalism. These factors include the separation of the enterprise from the household; the development of the Western city; the development of legal practice in Europe; the creation of a general framework for coordinating the capitalist economy through the rational-legal system adopted by organizations; and the development of accounting. The author highlights in his work that religion was not an ideology produced by economic interests; however, it made the modern capitalist world possible (Ghosh, 2003; Weber, 2001, pp. 10–17).

Weber's work emphasizes how cultural beliefs, trust, and social relationships influence the broader functioning of societies. The Protestant ethic and the spirit of capitalism, according to Weber, revolutionary influence on the economic and social systems of Western civilizations. This transformation contributed to the development of modern capitalism and its associated social, economic, and political changes (Weber, 2001). Max Weber's work on the Protestant Ethic and the Spirit of Capitalism established the groundwork for other researchers to recognize the connection between the ideas he proposed and the concept of social capital.

Social Capital is a form of stimulating collusion between individuals; in another way, it is a component of modern culture. In contrast to economic institutions, it cannot be shaped or created. Although there are several definitions of this terminology the most common and formulated by most authors is that social capital is the promotion of cooperation between two or more individuals; or in other words the ability of people to work together; more analytically social capital is the idea that through the collaboration of individuals, assets can be acquired as a result of the links between them (Fukuyama, 2001). According to the literature as a terminology, it first appeared around 1980 (Fukuyama, 2002).

The importance of social capital was noted by the academic Francis Fukuyama. He argued that the US and Japan were at the same extreme, both characterized by a high level of social capital. We can say that the explanation for the success of the USA or Japan is also due to social capital because social cohesion is the foundation for a society to prosper economically and for this development to be sustainable (Halpern, 2005, pp. 8–16).

Putnam outlines the definition of this term by stating that it is coordination and cooperation for mutual benefit (Putnam, 1995, pp. 65–78). Social Capital is particularly well outlined in countries such as Italy; in countries where citizens emphasized a common system of formal law, but still had discrepancies in economic status and political outcomes (Fukuyama, 2003). Robert Putnam published a paper around 1995 entitled Bowling Alone in which, based on his own research, he argued that the art of association in America has been in decline since the 1960s. Putman's empirical research (questionnaire with X number of respondents) was based on two types of indicators of social capital; firstly trust/trustworthiness of organizations and secondly groups from different backgrounds/regions and their tendency to belong over time. Putnam's research also points out that people's willingness to participate and join groups such as animal welfare organizations, the Red Cross, various parenting organizations, etc. has declined significantly. Prior to the period Putnam is analyzing, it was important for people to join such organizations (Fukuyama, 1997). The results of Putnam's research show that social capital in the USA is in decline; a statement not particularly endorsed by all researchers. Putnam observed social capital at a broad level in America; as mentioned earlier, American citizens have shown a loss of interest in joining voluntary associations. Therefore, the results must be a decline in public goods, or more accurately a deficient democracy (Paxton, 1999, pp. 88–127).

Both Fukuyama and Putnam have explained the positive economic consequences of social capital; Fukuyama, however, pointed out that trust is the essential factor of social capital (Field, 2016, pp. 64–73). Societies prosper based on trust between members and trust is the basis of social capital (Fukuyama, 2005). Divided societies based on lack of trust are predisposed to consider themselves in a competition with no desired outcome (Fukuyama, 2018).

4. THE EVALUATION OF TRUST UNDER THE LEGATUM PROSPERITY INDEX AND WORLD VALUE SURVEY

The Legatum Prosperity Index consists of 12 pillars of prosperity and is constructed upon 67 actionable policy domains, supported by a foundation of 300 indicators. The Legatum Prosperity Index was introduced in 2007 and has since been published annually as a recurring report. Legatum Prosperity Index rankings are based on a variety of factors including wealth, economic growth, quality of life, health, education, and personal well-being. Its purpose is to highlight the strengths and weaknesses of nations to determine the economic choices that need to be made to further build inclusive societies, and open economies, and empower people to drive prosperity. The index is based on an analysis of 167 countries around the world across 104 different variables. The most prosperous countries in the world have high levels of freedom, safety and security, education, and health. These countries also have healthy natural environments and conditions that allow for economic prosperity such as protection of investments, favorable business regulations, and market infrastructure (Legatum Institute, 2023).

The spider chart in Figure 1 shows the performance of the selected countries for the 12 pillars of the Legatum Prosperity Index.

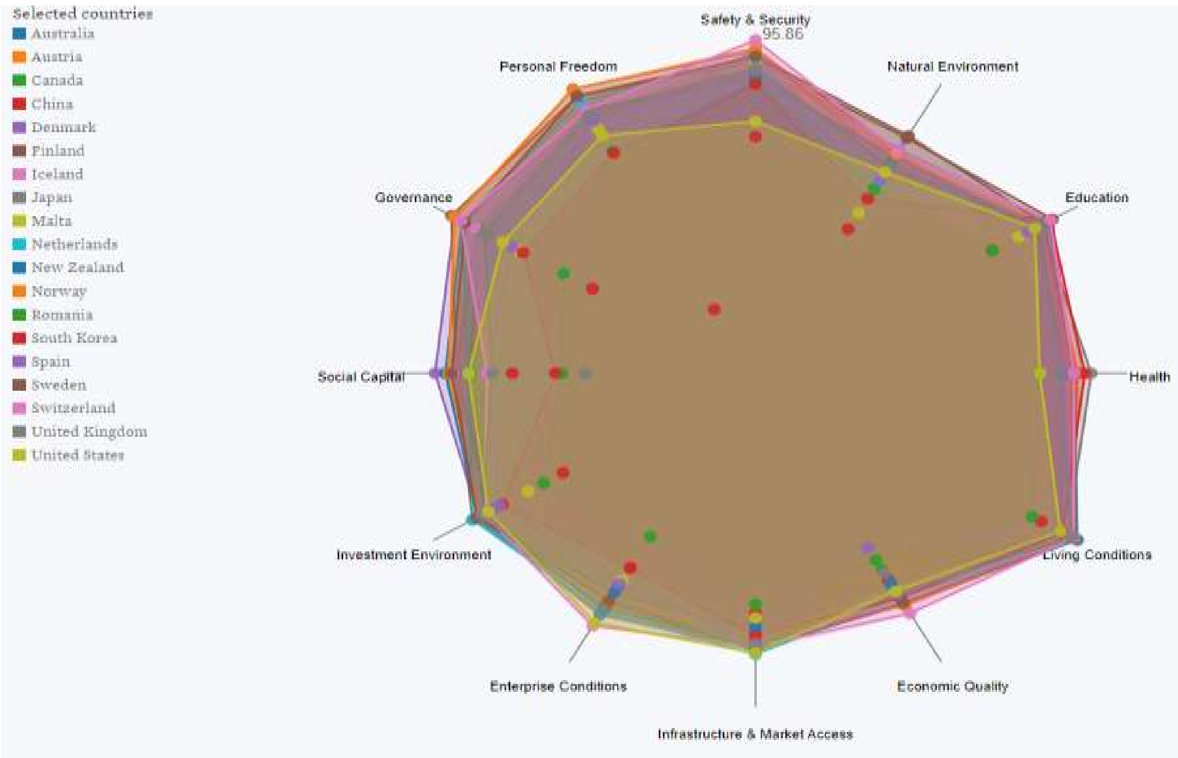

Figure 1. Performance of the Legatum Prosperity Index pillars for selected countries
Source: adapted by authors for selected countries from the 2023 Legatum Prosperity Index (2023)

We can state that states do not perform uniformly across all pillars, but different performances can be identified according to the strengths and weaknesses of each country. Romania for example has better performance on pillars like Safe & Security and Living Conditions than Enterprise Conditions and Social Capital, which may constitute threats to the prosperity of the country.
For a better interpretation of the impact of the different pillars of the LPI, we have selected one from each of the three domains in which component pillars that define the LPI are separated. The social Capital pillar is part of the Inclusive Societies domain and consists of Personal and Family Relationships, Social Networks, Interpersonal Trust, Social Tolerance, and Civic & Social Participation. Enterprise Conditions are a pillar of the domain of Open Economies consisting of the following elements Domestic Market Contestability, Environment for Business Creation, Burden of Regulation, Labor Market Flexibility, and Labor Market Flexibility. Education is a pillar of the domain Empowered People and consists of the following elements: Adult Skills and Pre-primary/ Primary/ Secondary/Tertiary Education.
We selected countries for our paper based on the first 15 countries by Social Capital Ranking along with competing with 5 countries with different levels of development and cultures to get an overview of the pillar's impact on their prosperity. Also, we completed the comparison with scores for Interpersonal and Institutional Trust based on the World Value Survey WV7 for the countries selected for a better understanding of how different types of trust impact the Social Capital score.
World Value Survey's (WVS) most recent data is during mid—2017- end of 2022, considered the 7th wave. WVS requires the implementation of the common questionnaire fully and faithfully, in all countries included, the main method used for collecting is a face-to-face interview combined with the postal survey, online survey, and telephone interview. The 7th wave of the World Values Survey (WVS) aimed to track and examine a broad range of cultural values, attitudes, and beliefs across different societies. This wave focused on various aspects, including gender, family, and religion; experiences and attitudes towards poverty; education, health, and security; social tolerance and trust; perspectives on multilateral institutions; and cultural variations between regions and societies (World Values Survey Association, 2022).
Table 1 provides a selective overview of some of the countries sampled for the evaluation according to the Legatum Prosperity Index and World Value Survey methodology.
Denmark is the nation that consistently ranks first on the Prosperity Index. The foundation of success is not solely attributed to economic expansion; instead, it's the robustness of its liberal democracy, effective institutions, and cohesive society that positions it as the world's most prosperous nation based on LPI. According to WVS the scores for institutional trust are higher than scores for interpersonal trust, as shown in Table 1, but do not respect the ranking for Social Capital, therefore we can deduce that institutional trust affects only partly the score, all its other components being important for the ranking.
The Social Capital Pillar assesses the potency of individual and communal connections, institutional trust, societal conventions, and engagement in civic activities within a nation. We have shown in the table that the scores for Enterprise Conditions and Education are correlated to the higher scores in Social Capital. Education empowers individuals to maximize their potential and achieve greater fulfillment, contributing to a life of prosperity. Furthermore, a well-educated population fosters increased civic participation, leading to enhanced social outcomes. Also, businesses require favorable conditions to initiate, compete, and grow successfully. Better Enterprise Conditions are fundamental to a thriving and entrepreneurial economy, where regulations facilitate business operations and adapt to the evolving demands of society.

Table 1. Social Capital Evaluation under The Legatum Prosperity Index and World Value Survey

Country	Social Capital LPI Ranking	Social Capital Evaluation			Enterprise Conditions LPI Score	Education LPI Score	Observations
		Social Capital LPI Score	Interpersonal Trust WVS score	Institutional Trust WVS score			
Denmark	1	82.56	*	79.3	78.64	87.48	1st LPI ranked since 2011
New Zeeland	2	79.88	58.5	83.7	72.82	83.89	performs strongly in Governance
Norway	3	89.66	73.7	94.3	75.95	85.68	3rd overall LPI since 2011
Sweden	4	78.29	63.8	64.7	75.54	85.92	2rd overall LPI
Iceland	5	77.75	*	*	72.86	85.19	8rd overall LPI
Australia	6	77.42	54	69.5	70.82	85.99	weakness in Infrastructure & Market Access
Finland	7	77.27	58	80.7	77.25	88.38	1st in Governance
Netherla nds	8	74.03	57.7	78.5	79.09	86.43	1st in Living Conditions
United States	9	73.91	39.7	52.5	80.4	83.15	weakness in Health
Canada	10	73.6	49.5	72.6	76.22	84.19	13rd overall LPI
Spain	11	69.97	19	48.2	69.93	80.98	weakness in Economic Quality
Switzerla nd	12	69.14	49.4	93.3	83.84	87.72	1st in Enterprise Conditions
Malta	13	68.19	*	80.3	68.64	78.33	weakness in Natural Environment
Austria	14	67.94	*	73.4	73.26	81.93	14rd overall LPI
United Kingdom	15	67.77	46	47.7	78.34	84.81	Performs strongly in Living Conditions
China	31	62.67	65.4	*	64.41	70.42	weakest in Personal Freedom
South Korea	107	51.59	32.9	52.8	64.62	87.76	3rd in Education
Romania	116	49.96	11.7	24.3	54.16	70.47	45th overall LPI, compared to a decade ago biggest improvement is in Social Capital
India	124	48.42	16.7	66.0	64.33	50.46	weakness in Natural Environment
Japan	141	43.82	34.1	49.5	80.11	86.5	2nd in Health

Source: adapted from The Legatum Prosperity Index (2023) and World Value Survey (2023), * - not available data

5. THE RELATIONSHIP BETWEEN SOCIAL CAPITAL AND BUSINESS SYSTEM

Doing Business Report (DBR) is an annual World Bank's critical report for countries and businesses in understanding the investment and business climate in key economies. The DBR attempted to quantitatively measure the "ease of doing business" in countries around the world, focusing on business regulations and property rights protections.

The "ease of doing business" score is the simple average of the scores for each of the Doing Business topics: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency (World Bank, 2023).
Table 2 compares the most important countries according to their scores for social capital and ease of doing business.

Table 2. Comparison between Social Capital ranking and Ease of Doing Business Ranking

Country	Social Capital LPI Ranking	Social Capital LPI Score	Ease of doing business under The World Bank Doing Business Report ranking	Ease of doing business under The World Bank Doing Business Report score
Denmark	1	82.56	4	85.3
New Zeeland	2	79.88	1	86.8
Norway	3	89.66	9	82.6
Sweden	4	78.29	10	82.0
Iceland	5	77.75	26	79.0
Australia	6	77.42	14	81.2
Finland	7	77.27	20	80.2
Netherlands	8	74.03	42	76.1
United States	9	73.91	6	84.0
Canada	10	73.6	23	79.6
Spain	11	69.97	31	77.9
Switzerland	12	69.14	36	76.6
Malta	13	68.19	88	66.1
Austria	14	67.94	27	78.7
United Kingdom	15	67.77	8	83.5
China	31	62.67	32	77.3
South Korea	107	51.59	5	84
Romania	116	49.96	55	73.3
Japan	141	43.82	30	78
India	124	48.42	62	71

Source: adapted from Doing Business Report The World Bank (2023)

Countries like Denmark and New Zealand are known for their simple and transparent business regulations characterized by efficient regulatory processes and strong protection of property rights. Norway's favorable business reputation is attributed to its stable economy, efficient administrative system, and the facilities it offers for starting and doing business. The United Kingdom holds appeal for business endeavors due to its strong legal framework and uncomplicated regulatory environment. Sweden is characterized by a solid business infrastructure, safeguarding of intellectual property, and a supportive environment for the growth of startups. Despite its broad scale and diversity, the United States boasts many states that are business-friendly, as well as a well-established entrepreneurial infrastructure. Ease of doing business plays a key role in shaping a country's path to economic growth. An environment that supports simplified business procedures encourages investment, entrepreneurship, job creation, and innovation ultimately leading to sustained economic growth and improved well-being for citizens.
The 2023 Edelman Trust Barometer marks the 23rd consecutive year of the firm's trust and credibility survey. The study, conducted by the Edelman Trust Institute, involved 30-minute online interviews conducted from November 1st to November 28th, 2022. With a broad international scope, the survey

gathered responses from over 32,000 participants in 28 different countries. The current state of deep and growing polarization can be attributed to a variety of factors, including economic insecurity, misinformation, a widening gap between social classes, and a lack of trust in society's institutions and leadership. In the context of this climate, businesses have emerged as the only institutions perceived as both competent and ethical by the public. Given these circumstances, there is a call for CEOs to take responsibility for promoting economic optimism and engaging divisive forces for the benefit of society. Table 3 provides a comparative overview of the most important economies in terms of their performance on Social Capital and Business Trust.

Table 3. Comparison between Social Capital ranking and Business Trust

	Social Capital LPI Ranking	Social Capital LPI Score	Business Trust score	Government Trust Scores	Polarization Score >130 -highly polarized 115-129 -danger of severe polarization 80-114 -moderately polarized <80 -not polarized
Denmark	1	82.56	*	*	*
New Zeeland	2	79.88	*	*	*
Norway	3	79.66	54	*	*
Sweden	4	78.29	54	57	130
Iceland	5	77.75	*	*	*
Australia	6	77.42	54	45	109
Finland	7	77.27	*	*	*
Netherlands	8	74.03	61	51	118
United States	9	73.91	55	42	133
Canada	10	73.6	52	51	109
Spain	11	69.97	49	36	133
Switzerland	12	69.14	*	*	*
Malta	13	68.19	*	*	*
Austria	14	67.94	*	8	*
United Kingdom	15	67.77	50	37	119
China	31	62.67	84	89	59
South Korea	107	51.59	38	34	116
Romania	116	49.96	*	*	
Japan	141	43.82	47	33	122
India	124	48.42	80	76	71

Source: Adapted from the 2023 Edelman Trust Barometer Global Report from Edelman (2023)
* -not available data

Social capital refers to the network of relationships, trust, and shared norms that facilitate cooperation and collaboration within a community. Business trust, on the other hand, refers to the level of confidence and faith that individuals have in businesses and their practices.

The business sector recorded a consistent improvement in its ethics rating for the third consecutive year, marking a 20-point increase since 2020. This sector is the only entity perceived as both capable and ethical. Based on this perception, six nations surveyed, including the United States, show significant polarization, while nine other nations are at risk of severe polarization. Globally, there is an 11-point difference between levels of trust in business compared to government: 62 percent of individuals trust businesses, while only 51 percent trust their government. Moreover, individuals express the view that businesses should take a more active role in addressing critical issues such as climate change, economic inequality, and workforce retraining. A significant 62 percent of respondents believe that the social cohesion that has historically united their nations has weakened considerably, no longer providing a solid basis for unity. Those in the top income quartile show higher levels of trust than those in the bottom income category (bottom quartile). This disparity in confidence, exceeding ten percentage points, is present in 21 of the 28 countries surveyed. About 25 percent of the nations surveyed are classified as significantly polarized. This group includes countries such as the United States, Colombia, Argentina, South Africa, Sweden and Spain. When divisions become deeply embedded, polarization occurs, leading respondents to perceive their differences as being insurmountable.

6. HIGHLIGHTS OF THE PAPER

Following the comparisons of the paper, there are several significant points that show dynamic interaction between trust/culture, money, and business systems.

Our proposed paper focuses on the macro-social perspective of analysis of the role of trust as an important element of a nation/country's culture; where appropriate, we have benchmarked (Table 2 and Table 3) against existing international rankings on this topic and elements that relate to the role of trust in the annual performance of companies. According to Drucker's arguments, in the future there will be no "poor" countries, but only ignorant countries, depending on the quality of education passed on from one generation to the next (Drucker, 2001, p. 261).Continuous learning and the values at the core of organizational culture will differentiate successful companies from failing ones regardless of the country they belong to (Drucker, 2010). According to Fukuyama's arguments, values and social norms governing competition in a country/nation have become essential to explain why some countries are richer/prosperous and others poorer (Fukuyama, 1997).

Christianity remains one of the major factors that supported the West's evolution towards prosperity, Holland points out, by supporting mass education and the achievement of social reforms/institutions that in turn led to competition and continued innovation (Holland, 2019).

"Translating" the same topic of analysis from the macro-social to the organizational perspective raises many difficulties, as there are millions of companies globally and it is almost impossible to identify a common denominator (i.e. what are two or three key values around which the culture of successful companies is built over time). The hypothesis of trust evaluation, along with other elements of "social capital" in business organizations, remains a challenge for us to explore in a separate paper. For now, we limit ourselves to highlighting the idea that any type of organization/firm develops over time a certain culture that supports or limits top performance.

There is no "recipe" that owners or top management should proceed according to in trying to build a culture that supports, by itself, the self-motivation and continuous learning of employees. The generations of employees that are trained each year in various education systems are already shaped around individual values. Similar to individuals as members of an organization, Drucker argues, any firm has certain values and there must be a minimum of compatibility between individual and organizational values. Particularly for knowledge workers (Drucker, 2001, p. 192), the reference to a set of socially desirable values has become a kind of essential test of individual and group performance.

The paper offers understanding into how trust, money, and the business system are seen and used in different environments by examining these ideas across numerous nations and cultures. It demonstrates the subtle differences between trust-building strategies and how they affect financial results. The paper investigates how institutions, and the government can either strengthen or weaken confidence. It highlights how strong governance, stable regulations, and the rule of law all contribute to a culture of trust that encourages firms to operate with ease. The paper explores how trust affects society in areas other than business. The paper examines how high levels of trust can promote social cohesiveness, improve collaboration, and contribute to overall well-being while low trust levels can result in societal polarization.

7. CONCLUSIONS

It is important to recognize that the relationship between social capital and business confidence is complex and multifaceted. A company with significant social capital does not automatically guarantee business confidence and the reverse is equally true. However, there is often a positive correlation between the two because of the common values and norms that underlie both concepts. The interaction between social capital and business trust creates a dynamic environment in which businesses can contribute to and benefit from a culture of trust within a society.

Social capital significantly influences trust in society, shaping the trust environment and fostering a culture of trust among individuals and institutions. High social capital, characterized by strong interpersonal relationships, community engagement, and shared values, fosters trust among individuals and businesses. Businesses operating within a society with high social capital are more likely to be viewed positively, leading to increased consumer confidence, brand loyalty, and positive word-of-mouth recommendations. High social capital also extends to employee relations, creating a positive and cooperative work environment. Companies with high social capital feel a greater obligation to contribute positively to their communities through corporate social responsibility initiatives, enhancing their reputation and trustworthiness. Trust in institutions, including businesses, also benefits from transparency, accountability, and serving the greater good.

In conclusion, there are significant ramifications for both economic stability and cultural cohesiveness from the complex interplay between trust, money, and the business system.

The foundation of effective economic transactions and the operation of the corporate system is trust. When trust levels are strong, business operations are successful, and investments are made with confidence. Lack of trust, however, might cause reluctance, decrease economic activity, and slow progress. Within the corporate environment, trust acts as an accelerator to promote collaborations, financial transactions, and innovation.

Trust and value are represented by money. The economy depends on the general belief that a piece of paper or digital file is valuable. For economic transactions and investments, this belief in the value of money is essential.

For economic transactions and investments to take place, this belief in the value of money is essential. The strength of a currency's stability, supported by sensible economic principles, promotes a favorable business climate.

In turn, the business system is crucial in creating and sustaining trust. Establishing trust between firms, consumers, investors, and regulatory agencies is made possible through ethical business practices, transparency, and corporate responsibility. When companies adhere to these values, they increase consumer trust in their processes, goods, and services, which eventually strengthens the economy as a whole.

In essence, thriving economies and civilizations are built on a foundation of trust, money, and the business system. A climate where money can flow without restriction, businesses are able to prosper, and economic growth can be sustained is created when trust is maintained through transparent business processes, moral behavior, and responsible governance. Building resilient economies that serve both individuals and communities requires understanding and fostering this complex interaction.

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