The Double Molotov Cocktail of Brexit and COVID-19: Can Contact Intensity Help Explain Levels of Trust and Belief in the Future between Companies?

Gert Tinggaard Svendsen[1], N. Leila Trapp[2], Poul Erik Flyvholm Jørgensen[2] & Line Skov[1]

[1] Aarhus University, Department of Political Science, Bartholins Allé 7, 8000 Aarhus C, Denmark

[2] Aarhus University, School of Communication and Culture, Jens Chr. Skous Vej 4, 8000 Aarhus C, Denmark

Correspondence: Gert Tinggaard Svendsen, Aarhus University, Department of Political Science, Bartholins Allé 7, 8000 Aarhus C, Denmark. ORCID: 0000-0003-1463-5421. E-mail: gts@ps.au.dk

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Abstract

Can contact intensity help explain levels of trust and belief in the future among companies? This question is particularly important in times of exogenous shocks such as Brexit and COVID-19 when various sectors frequently experience a contraction of business activity. Putnam's theory can help explain cooperation and long-term resilience among companies when business conditions radically change. Trustworthy companies can be named 'hard-riders', as they are good at creating social relationships and rewarding their trading partners through social recognition and continued cooperation. With their capacity for contact intensity, hard riders receive an extra social benefit to reinforce trust-based cooperation. Survey responses from 193 participants in our new database (DanComTrust) on British and Danish small and medium-sized enterprises (SMEs) show that there is a significant effect from both contact intensity and trust intensity on belief in the future when tested individually in logit models. However, when both variables are included, all effects from contact intensity disappear and only trust intensity remains significant, indicating that the effect from contact intensity works through trust. These results suggest that a high level of contact intensity will increase the trust between cooperating companies, resulting in a greater belief in the future. This insight is relevant for maintaining and building future resilience between companies and their trading partners within and outside the EU.

Keywords: Brexit, COVID-19, EU companies, contact intensity, trust, belief in the future

1. Introduction

The world has recently experienced exogenous shocks such as Brexit and COVID-19. EU companies and their trading partners have been facing this double 'Molotov cocktail'.[1] A key issue here is whether companies are resilient and continue to cooperate despite these new challenges to partnership, or whether they decide to terminate established trading collaborations. So, how can companies and their trading partners, both within and outside the EU, build resilience?

Putnam (1993) has suggested that social networks and trust can be created through contact intensity, particularly in voluntary organizations. Contact intensity is the frequency of social interaction, both virtually and physically. This Putnamian contact intensity argument is typically used to explain macro-level performances at the country level. It can, however, also help shed new light on how resilient cooperation occurs between companies at the micro level. When companies voluntarily start trading, their contact and positive experiences from interacting will generate individual trust between them, causing them to respect the norms that apply to the partnership. A norm is a non-written (informal) rule of the game (North, 1990, pp. 3-4).

In the following, we will focus on whether Putnam's theory can contribute to the academic literature and add value by explaining cooperation and long-term resilience among companies when business conditions radically change. Thus, the main question raised here is: *Can contact intensity help explain levels of trust and belief in the future between companies?*

More specifically, we will focus on the case of Danish companies and the nature of their trusting relationships with partner businesses in the United Kingdom. The data for the case study was collected in the fall of 2020 through an

online survey which constitutes our current DanComTrust database. The survey was distributed to the owners or managers of 1,191 independently owned, Danish small or medium-sized enterprises (SMEs) engaged in active trading with British importers or exporters of goods or services across a broad range of businesses and industries. In answering the survey questions, the respondents were invited to contemplate their relationship with one specific UK trading partner to elicit answers derived from personal experience, thus seeking to avoid broad generalizations. A pilot test of the survey was first performed by the researchers who interviewed the CEO of a Danish SME about the relationship effects of Brexit, and no flaws were identified. Three questions were later added to the survey questionnaire to address the relational impact on business partnerships due to COVID-19. In its final form, the survey consisted of 26 main questions with a series of sub-questions arranged on either a five-point rating scale, a scale of alternatives, a dichotomous yes/no scale, or a sliding scale. The survey received 193 responses, representing a satisfactory return rate of 16 percent from a sample bound to contain a substantial number of businesses that either do not trade with the UK or do not have direct personal experience with the management of a UK partner business. These potential companies would not, therefore, respond to the survey. By using the original data from our new DanComTrust database, we give a new empirical contribution to the literature.

At the time of data collection, the full scale of the consequences of both Brexit and the pandemic was not yet apparent. The British voters voted for Brexit in 2016, but the withdrawal agreement had only just been adopted by the end of January 2020 with a range of details still to be agreed upon and accepted during an 11-month transition period. At the time, COVID-19 was rampant, making it increasingly difficult to distinguish the effects of Brexit from those of the pandemic. These outcomes may have general implications for building resilience among EU companies and their trading partners both within the EU and worldwide in the future. In the following, Section 2 first presents the theoretical framework based on Putnam and game theory. Then the analysis follows in Section 3. Section 4 gives the conclusion and perspectives.

2. Theory

2.1 Putnam's General Theory

By comparing Northern and Southern Italy, Putnam (1993) concludes that the density of voluntary organizations is much higher in the North than in the South. Historically, the North and South went their separate ways during the 12th century when the South gave in to a hierarchic Norman kingdom that soon corrupted (ibid). Thus, the economic ability is much higher in Northern Italy than in Southern Italy today due to historic differences in the hierarchic construction of society. Examples of contact intensity in voluntary organizations could be homeowners' associations, choral societies, cooperative undertakings, sports clubs, religious societies, support associations, literary societies, guilds, and trade unions (Putnam, 2000).

Putnam (1993, p. 167) defines trust as a factor of production in the form of a stock of social networks, norms, and trust accumulated in a population that facilitates coordination and cooperation for the common good. Putnam's basic notion of the quantity and substance of social organization and relations is explained in the two major works *Making Democracy Work* (1993) and *Bowling Alone* (2000).

Much criticism has been directed at Putnam's Italy study, in particular by historians (Fukuyama, 2014). Putnam (1993) seeks to demonstrate that due to different civil traditions, there have been more and more open social networks (bridging social capital) in the open and free societies of Northern Italy where people generally trust each other, but a diminishing of such bridging networks in the closed and mafioso-plagued Southern Italian societies where distrust and fear prevail. Consequently, this higher contact intensity could explain why the economic capacity is so much greater in Northern Italy. Trust and economic growth are correlated (Zak & Knack, 2001; Poulsen & Svendsen, 2005).

Already in 1776, Adam Smith, the founder of economic science, speculated in the *Wealth of Nations* about marked differences in economic performance among the nations of the world. Smith concluded that this had to do with the unequal distribution of trust-building institutions, as trade and manufacturing rarely can flourish in a state where there is a low degree of trust (Smith, 1976 [1776]). Already, a decade earlier, Adam Smith described how the degree of trust we have in other people varies between countries. He concluded that the Dutch were best at keeping their word. When dealing with the Dutch, there was little risk of being cheated (Smith, 1997 [1766]). Since then, the state's role in promoting social trust and economic growth has been discussed extensively (Herreros, 2009); for example, it has been argued that trade and contact intensity may contribute to historical trust accumulation (Svendsen & Svendsen, 2016a, 2016b).

Regarding traditional factors of production, most experts agree that human capital (education and training) explains about half of a country's economic level, while physical capital explains about a quarter. However, economists have

struggled to explain the remaining quarter of a nation's wealth (Gundlach & G. T. Svendsen, 2019). In what follows, we will focus on trust as a new factor of production where company formations at the micro level promote win-win situations and economic growth at the macro level (Paldam, 2009; Pedersen, Svendsen, & Svendsen, 2013). Here, trust may prove to be an overlooked component for successful cooperation and more profits that eventually contribute to the level of wealth within a given country (Paldam & G. T. Svendsen, 2000).

2.2 Game Theory and Companies

Cooperation is of great importance for production and a well-functioning society with numerous socio-economic benefits (Ostrom, 1990, 1996). Companies often create successful and voluntary win-win situations with their trading partners. The idea of self-regulation and a bottom-up (rather than a top-down) approach among units such as companies can be traced back to Elinor Ostrom's classic work, *Governing the Commons*, from 1990. Self-regulation based on trust is cheaper for society as fewer authorities need to be in place. In this way, less bureaucracy increases competitiveness. At the same time, local information in the companies is used to make the best decisions.

There are, however, strong collective action problems associated with exogenous shocks such as Brexit and COVID-19. Thus, an individual company will consider whether it pays best to stop or continue cooperation with a given trading partner. If trust is high, then the likelihood of long-run cooperation increases, and the risk of short-run free riding decreases (G. T. Svendsen, 2020a, 2020b). The concept trio of hard-rider, easy-rider, and tough-rider developed by Svendsen, Brandt, & Svendsen (2021; 2022) is here a useful game theoretical tool to explain cooperation versus non-cooperation. Thus, in the following sections, we build on this game theory. A 'hard-rider' is a player type that contributes as much as possible. In contrast, an 'easy-rider' contributes as little as possible. A 'tough-rider' is recruited among the hard-riders and is willing to take on the special task of disciplining an easy-rider (ibid.).

A typical company is a hard-rider. We now look at three game-theoretical situations. First, where the hard-rider company faces another hard-rider company. Second, the hard-rider company faces an easy-rider company. Third and finally, the situation of a tough-rider company versus an easy-rider company.

2.3 Hard-Rider Company versus Hard-Rider Company

Simplified, the hard-rider company in this context can be defined as a player that always cooperates. That company is trustworthy, and trust here can be briefly defined as the expectation that someone else lives up to that norm; in this case, to trade, cooperate, and not cheat. Such a norm for decent behavior is defined as an informal or non-written rule of play (North, 1990). When trust-based cooperation succeeds, the companies gain extra economic benefits.

Furthermore, social contact and relationships release an extra social benefit in terms of the happiness hormone oxytocin. According to Zak, Kurzban, & Matzner (2005), oxytocin is released in the body when perceptions of intentions of trust exist, i.e., higher oxytocin levels are associated with trustworthy behavior and thereby the reciprocation of trust. Oxytocin is also called the love hormone or the hugging hormone. Likewise, a better reputation and social recognition can increase the gain by cooperation (Ostrom and Ahn, 2009). This means that when a hard-rider company faces a hard-rider company, the cooperation succeeds. In Table 1 below, the two companies get 5 points each from cooperation. Here, the first number expresses the win for player 1, while the second number expresses the win for player 2. In total, the two hard-riders thus score a total of 10 points.

Table 1. Successful win-win cooperation between two companies (two hard-riders)

	Company 2: Hard-rider that cooperates
Company 1: Hard-rider that cooperates	5, 5

Source: Svendsen et al. (2021).

2.4 Hard-Rider Company Faces the Easy-Rider Company

If the company now faces an easy-rider company, we get a new situation. The hard-rider company will continue to play cooperation, whereas the easy-rider will not get any extra social gain. Instead, the easy-rider, as a purely *homo economicus* type, will act opportunistically and seek to maximize its private economic advantage. Let's say that if the two players choose to cooperate, then the hard-rider company will again earn 5 points on the cooperation as before.

However, the easy-rider company now only gets 3 points out of cooperation, as the extra social benefit of 2 should not be included here for a *homo economicus* that does not respond to social norms – see Table 2 below.

Table 2. Non-successful cooperation between two companies (hard-rider and easy-rider)

	Company 2: Easy-rider that cooperates	Company 2: Easy-rider that does *not* cooperate
Company 1: Hard-rider that cooperates	5, 3	1, 4

Source: Svendsen et al. (2021).

In total, the two companies then earn 8 points when cooperating. But here they will end up in a situation without cooperation when the easy-rider maximizes short-run profits by dropping out in times of crisis such as Brexit and COVID-19. Because 4 points are greater than the 3 points when both cooperate, the easy-rider company will choose not to cooperate, and the hard-rider company will be cheated, left with the sucker's payoff. If the hard-rider chooses to cooperate while the easy-rider does not, say that the hard-rider now only gets 1 point out of it because of wasted efforts and resources to do all the work. Thus, the two players here will not succeed in solving the collective action problem in a group, even though they would get a total of 8 points out of cooperating instead of 5 points when one, i.e., the easy-rider, chooses to cheat and not cooperate.

2.5 Tough-Rider Company Faces the Easy-Rider Company

A hard-rider company may be willing to punish an easy-rider company and thus 'weed out' among the companies. The tough-rider may, for example, impose a penalty by depleting the reputation of the non-cooperating company or imposing direct social sanctions, for example by having a one-on-one conversation with the company in question to say that the current effort is not sufficient or that they should stick to their word and keep behaving in a trustworthy way.

Assume that the size of such a penalty amounts to 2 points. This reduces the easy-rider company's gain by non-cooperation to 2 points (against 4 points before). Since 3 > 2, it now pays better for the easy-rider company to cooperate – see Table 3 below. The crucial thing is that the 3 points are now greater than the 2 points that it was possible to score when the other player cooperates while not doing it yourself. The easy-rider now chooses cooperation, and it is possible to reap the joint win of 8 points for both players.

Table 3. Tough-rider company punishes an easy-rider company

	Company 2: Easy-rider that cooperates	Company 2: Easy-rider that does *not* cooperate
Company 1: Tough-rider that punishes	5, 3	1, 2 (4)

Source: Svendsen et al. (2021).

Likewise, one could also imagine different combinations of reward (carrot) and punishment (stick). With this, the tough-rider company may be able to handle a problematic easy-rider company so that it no longer pays for the latter to defect. When companies change the gains in the game in this way, cooperation and win-win situations can become the dominant strategy.

Overall, the added social rewards in terms of neurological gain from contact (oxytocin) combined with a good reputation arguably increase the gains from win-win cooperation and will build trust, thus changing the game and increasing the likelihood of belief in the future.

2.6 Hypothesis and Model

Based on the previous theory, we can now deduct the following hypothesis:

The more contact intensity, the more trust and belief in the future, i.e., resilience against exogenous shocks like Brexit and COVID-19.

Figure 1 below depicts the model.

Figure 1. Model

X	→	Z	→	Y
Contact intensity		Trust		Belief in the future

Contact intensity can maintain and build trust among hard-rider companies to the benefit of their continued cooperation and common belief in the future.

3. Analysis

3.1 Data collection: The Questionnaire

The questionnaire in our DanComTrust project included a total of 26 main questions, with some sub-questions, in the form of either a 5-point rating scale, a scale of alternatives, a dichotomous yes/no scale, or a sliding scale. Some of the scales allowed for either a null response or an alternative response (e.g., 'Other'). During our final editing of the questionnaire, the COVID-19 pandemic erupted, adding exogenous shock to the international business community. This led us to add three COVID-related questions. A pilot test of the questionnaire was conducted with the CEO interviewee. No flaws were found.

The questionnaire was distributed in the first week of October 2020. The 1,191 respondents were identified using a structured search in the online global business directory Kompass. All the respondents were managers or owners of independent Danish SMEs who were estimated to be exporters or importers of goods or services, and who could be identified by a personal email address via the company's website or another digital source.

The questionnaire received 193 responses, representing a return rate of 16 percent, which is satisfactory, especially given that the sample was erroneously bound to contain a substantial number of Danish companies that do not trade with the UK and would, therefore, not complete the questionnaire.

To ensure maximum external validity, the questionnaire respondents were asked to think about just one specific company and their main contact person at that company when answering the questions. In this way, the questionnaire was designed to elicit particularized, real-life reflections instead of broad, abstract generalizations about their business relationships in the UK market. The questionnaire was conducted in Danish.

3.2 Dependent Variable: Belief in the Future

Let us now first move to the dependent variable in our theoretical model, namely 'belief in the future'. It consists of four questions. All questions are weighted equally – see Table 4.

Table 4. Belief in the future: Four questions and equal weighting

Questions	Weighting
1. I believe our cooperation will survive Brexit.	1/4
2. My contacts believe that our cooperation will survive Brexit.	1/4
3. I believe that our cooperation will survive the COVID-19 crisis.	1/4
4. My contacts believe that our cooperation will survive the COVID-19 crisis.	1/4

Source: DanComTrust, 2020, N = 193.

The choice of a logit model as the regression method arises from non-linearity in the independent variable. This method has interpretational advantages for our purposes. When using logistic regression, it is important to pay attention to how to interpret the results. You cannot interpret the coefficients directly as you can with linear regression. Logistic regressions are relevant to predict likely outcomes when the dependent variable is binary (Frankfort-Nachmias & Nachmias, 1996).

The questions used for the dependent variable have been coded numerically from 1 to 5 from 'strongly disagree' to 'strongly agree'. Based on the four questions, a non-weighted average has been found, which indicates what degree of belief in the future the respondents have.

To be able to carry out a logistical regression analysis, the degree of 'belief in the future' is divided into a binary score so that the respondents either score 0 or 1 about belief in the future. If the score is on average less than or equal to 3, the respondent will be coded as 0. If the respondent scores higher than 3, the respondent will be coded as 1. So, if the respondent's average is 3 or below, this is interpreted as a negative view of the future. If the respondent's average is greater than 3, this is interpreted as a positive view of the future based on our binary belief variable. This binary measure of 'belief in the future' and possible continued cooperation between companies will be used as the dependent variable throughout the paper and the logistic regressions.

3.3 Independent variable: Contact intensity

The independent variable measures social interaction via contact intensity – see Table 5.

Table 5. Contact intensity: Five questions and weighting

Questions	Weighting
1. How often are you typically in contact with your contacts at the chosen company?	1/5
2. How often are the following topics included when you are in contact with your contacts? (Political issues in general)	1/5
3. How often are the following topics included when you are in contact with your contacts? (Brexit or COVID-19 specifically)	1/5
4. How often are the following topics included when you are in contact with your contacts? – Social/private topics (e.g., family, holidays, and hobbies)	1/5
5. Have you ever met any of your contacts in person (not digitally)?	1/5

Source: DanComTrust, 2020, N = 193.

Subsequently, this variable is divided into three groups. Group 0 includes those respondents who have some contact intensity but achieve the lowest scores and are thereby the least positive. Group 2 includes those respondents whose average score is greater than 1 but less than 2. These respondents are the most positive; in other words, they have the highest contact intensity (as will be shown further below for the logistic regression results).

3.4 Intermediate variable: Trust

We then turn to the intermediate variable, trust, measured through the following seven questions that are all weighted equally, see Table 6.

Table 6. Trust: Seven questions and weighting

Questions	Weighting
1. I can always count on my contacts to comply with our agreements.	1/7
2. I trust that my contacts have the necessary expertise and resources to fulfil our agreements.	1/7
3. We are willing to go to great lengths to avoid the negative consequences of Brexit and COVID-19.	1/7
4. When we help each other, we do not necessarily expect the other to reciprocate.	1/7
5. We like to make a special effort to help the other person do well.	1/7
6. I trust that my contacts will treat me fairly.	1/7
7. It is usually a good experience to work with these contacts.	1/7

Source: DanComTrust, 2020, N=193

Due to the overlap in time between Brexit and COVID-19, as well as the complex nature of their effects, we find that the participants cannot separate these events from each other. The short-term consequences for trust in trade partners for the individual firm are quite likely perceived as one 'double Molotov cocktail'. Thus, we will treat these two events as one combined exogenous shock.

Table 7 below contains logit-coefficient estimates for the logit regressions where having 'belief in the future' is the dependent variable in all regressions. To investigate whether Trust Intensity (TI) or Contact Intensity (CI) has significant effects, we have constructed three models: 1) using only CI, 2) using only TI, and 3) using both CI and TI as independent variables. The last model was constructed to interpret intermediate effects from CI to TI by adding the latter as a control to the first model. In other words, we can see how the explanatory power from the model using only CI is affected by the inclusion of TI, i.e., is contact intensity building belief, or is it building trust that then builds belief?

Table 7. Coefficient estimates for the logit regressions

X	(Intercept)	CI = 1	CI = 2	TI = 1	TI = 2
CI	0.2007	0.9372* (2.389)	1.3157** (2.705)	-	-
TI	-0.08701	-	-	1.19942** (3.177)	2.52936*** (4.222)
CI + TI	-0.046640	-0.188555 (-0.329)	0.006635 (0.010)	1.287579* (2.396)	2.592076*** (3.659)

Source: DanComTrust, 2020, N=193

z-values in parentheses.

* for p-values below 0.05

** for p-values below 0.01

*** for p-values below 0.001

In the model consisting of only CI as the independent variable, with no controls, we find significant effects for both CI = 1 and CI = 2. Keep in mind that the intercept corresponds to CI = 0. The logit regression using only TI as the independent variable yields similar – and even stronger – effects to TI = 1 and TI = 2. Respectively, these are significant at 0.01 and 0.001 levels of significance.

Interestingly, when we include both independent variables – effectively letting them control for each other – only TI remains significant at any relevant level of significance. This suggests that when controlling for TI, CI loses all explanatory power otherwise found in the simpler model. Thus, when we include that there are strong correlations between CI and TI, the results suggest that CI is intermediated by TI in this model.

Table 8 below contains the Average Marginal Effects (AME) of the logit regressions in Table 7. Thus, this table does not offer new insights but is highly useful for interpretational reasons. One caveat of the logit regressions in this regard is namely interpretation difficulties as to make conceptual sense of the effects. We have tried to mitigate this by rewriting the coefficient estimates in terms of probabilities. This is done by:

$$AME_i = exp(\beta_i)/(1 + exp(\beta_i))$$

where β_i is the logit regression coefficient with $i \in \{CI = 0, CI = 1, CI = 2, TI = 0, TI = 1, TI = 2\}$.

Table 8. Average Marginal Effects (AME)

	(Intercept)	CI = 1 (AME)	CI = 2 (AME)	TI = 1 (AME)	TI = 2 (AME)
CI	0.55	0.2073*	0.2700**	-	-
TI	0.4782609	-	-	0.2743**	0.4417***
CI + TI	0.4883422	-0.0321	0.0011	0.2939*	0.4563***

Source: DanComTrust, 2020, N = 193.

* for p-values below 0.05

** for p-values below 0.01

*** for p-values below 0.001

The AMEs should be interpreted such that the intercept is the probability of participants having high belief given that they are in the lowest category in the independent variable. AMEs to higher categories in the independent variable is then the marginal effect from moving from the lowest category to this on the probability of having high belief. For instance, in the model using only CI as the independent variable, there is a 55 percent chance for the respondents with CI = 0 to have high belief. Likewise, there is a probability of 55% + 20.73% = 75.73% for the respondents with CI = 1 to have high belief, and a probability of 55% + 27% = 82% for the respondents with CI = 2 to have high belief.

We observe the same pattern as described about the results from Table 7 above. However, now we can formulate the conclusions in a slightly more compelling way, namely that the probability of having high belief does not change at all when moving to CI = 1 or CI = 2 from C = 0 when controlling for TI. However, we see an almost identical result in probabilities for having high belief in TI = 1 and TI = 2 relative to TI = 0 when we expand the model to include both independent variables.

So, when testing the effects of contact intensity and trust intensity in separate models, we find that both are significantly and positively correlated with the dependent variable, namely belief in the future. However, when both are included as independent variables in the same model, the effects of contact intensity become insignificant, while the average marginal effects from trust intensity remain almost as strong as in the separate model. Thus, contact intensity seems to affect belief in the future only through trust intensity working as a tool to obtain this. This is supported by a high correlation between these variables.

The crucial importance of contact intensity can shed new light on cooperation between companies, trust, and belief in the future. What is needed to increase resilience through trust and belief in the future is exactly what we can learn from Putnam's theory and his Italy studies. Here, an important implication is how to move from the micro level in any organization to the country level (the macro level). If informal self-regulation and trust building can be enhanced at the individual company level, then all these social interactions can be aggregated to the benefit of a whole geographic region. If self-regulation based on trust can reduce transaction costs, the result is a relatively cheaper bottom-up approach to cooperation between companies and/or public organizations compared to top-down management.

One limitation of this analysis is that it does not tell us how to stimulate contact intensity, trust, and belief in the future among companies even further in practice. How should companies proceed? Future research could more generally aim at contributing to the debate on how to implement, maintain, and strengthen a culture of resilient social trust in both private and public organizations; in other words, how to create conditions that increase the likelihood of cooperation and long-term win-win situations. There is a strong need for more quantitative and qualitative empirical work to be carried out in future research.

4. Conclusion and Perspectives

The main question we raised was whether contact intensity could help explain levels of trust and belief in the future among companies. Based on our new database DanComTrust for Danish and British companies, we argued that Putnam's theory and game theory on contact intensity was likely to be supported empirically so that the overall answer to the main question could be a 'yes'. In this way, Putnam's theory may help explain cooperation and long-term resilience among companies against exogenous shocks such as the combined 'double Molotov cocktail' of both Brexit and COVID-19.

In sum, our results suggest that contact intensity alone does not result in a high belief in the future; trust is needed as an intermediate variable. In this way, contact intensity helps build and maintain trust among hard-rider companies to

benefit future resilience and cooperation among EU companies and their trading partners worldwide. Hard-rider companies were trustworthy and willing to contribute above average. This contrasts with easy-rider companies that were likely to cheat and contribute less than average to cooperative efforts.

Overall, the arguably crucial importance of contact intensity can shed new light on cooperation between companies, trust, and belief in the future. Enhancing resilience in this way could be an important lesson from Putnam's theory and his Italy studies. Higher contact intensity among what we call hard-rider companies will minimize transaction costs and increase the gains from win-win situations at the micro level. Also, the role of tough-rider companies (recruited among hard-rider companies) needed to discipline easy-rider companies can be elaborated even further. More cooperation among resilient companies at the micro level will result in more profits, economic growth, and social well-being to the benefit of the private sector, society, the EU, and the world.

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