

A World Where We Trust Strangers by ted.com

Let's talk about trust. We all know trust is fundamental, but when it comes to trusting people, something profound is happening.

Please raise your hand if you have ever been a host or a guest on Airbnb. Wow. That's a lot of you.

Who owns Bitcoin? Still a lot of you. OK.

And please raise your hand if you've ever used Tinder to help you find a mate.

(Laughter)

This one's really hard to count because you're kind of going like this.

(Laughter)

These are all examples of how technology is creating new mechanisms that are enabling us to trust unknown people, companies and ideas. And yet at the same time, trust in institutions -- banks, governments and even churches -- is collapsing. So what's happening here, and who do you trust?

Let's start in France with a platform -- with a company, I should say -- with a rather funny-sounding name, BlaBlaCar. It's a platform that matches drivers and passengers who want to share long-distance journeys together. The average ride taken is 320 kilometers. So it's a good idea to choose your fellow travelers wisely. Social profiles and reviews help people make a choice. You can see if someone's a smoker, you can see what kind of music they like, you can see if they're going to bring their dog along for the ride. But it turns out that the key social identifier is how much you're going to talk in the car.

(Laughter)

Bla, not a lot, bla bla, you want a nice bit of chitchat, and bla bla bla, you're not going to stop talking the entire way from London to Paris.

(Laughter)

It's remarkable, right, that this idea works at all, because it's counter to the lesson most of us were taught as a child: never get in a car with a stranger. And yet,

BlaBlaCar transports more than four million people every single month. To put that in context, that's more passengers than the Eurostar or JetBlue airlines carry. BlaBlaCar is a beautiful illustration of how technology is enabling millions of people across the world to take a trust leap.

A trust leap happens when we take the risk to do something new or different to the way that we've always done it. Let's try to visualize this together. OK. I want you to close your eyes. There is a man staring at me with his eyes wide open. I'm on this big red circle. I can see. So close your eyes.

(Laughter) (Applause)

I'll do it with you. And I want you to imagine there exists a gap between you and something unknown. That unknown can be someone you've just met. It can be a place you've never been to. It can be something you've never tried before. You got it? OK. You can open your eyes now. For you to leap from a place of certainty, to take a chance on that someone or something unknown, you need a force to pull you over the gap, and that remarkable force is trust.

Trust is an elusive concept, and yet we depend on it for our lives to function. I trust my children when they say they're going to turn the lights out at night. I trusted the pilot who flew me here to keep me safe. It's a word we use a lot, without always thinking about what it really means and how it works in different contexts of our lives.

There are, in fact, hundreds of definitions of trust, and most can be reduced to some kind of risk assessment of how likely it is that things will go right. But I don't like this definition of trust, because it makes trust sound rational and predictable, and it doesn't really get to the human essence of what it enables us to do and how it empowers us to connect with other people.

So I define trust a little differently. I define trust as a confident relationship to the unknown. Now, when you view trust through this lens, it starts to explain why it has the unique capacity to enable us to cope with uncertainty, to place our faith in strangers, to keep moving forward.

Human beings are remarkable at taking trust leaps. Do you remember the first time you put your credit card details into a website? That's a trust leap. I distinctly remember telling my dad that I wanted to buy a navy blue secondhand Peugeot on eBay, and he rightfully pointed out that the seller's name was "Invisible Wizard" and that this probably was not such a good idea.

5:21(Laughter)

5:23So my work, my research focuses on how technology is transforming the social glue of society, trust between people, and it's a fascinating area to study, because there's still so much we do not know. For instance, do men and women trust differently in digital environments? Does the way we build trust face-to-face translate online? Does trust transfer? So if you trust finding a mate on Tinder, are you more likely to trust finding a ride on BlaBlaCar?

But from studying hundreds of networks and marketplaces, there is a common pattern that people follow, and I call it "climbing the trust stack." Let me use BlaBlaCar as an example to bring it to life. On the first level, you have to trust the idea. So you have to

trust the idea of ride-sharing is safe and worth trying. The second level is about having confidence in the platform, that BlaBlaCar will help you if something goes wrong. And the third level is about using little bits of information to decide whether the other person is trustworthy.

Now, the first time we climb the trust stack, it feels weird, even risky, but we get to a point where these ideas seem totally normal. Our behaviors transform, often relatively quickly. In other words, trust enables change and innovation.

So an idea that intrigued me, and I'd like you to consider, is whether we can better understand major waves of disruption and change in individuals in society through the lens of trust. Well, it turns out that trust has only evolved in three significant chapters throughout the course of human history: local, institutional and what we're now entering, distributed.

So for a long time, until the mid-1800s, trust was built around tight-knit relationships. So say I lived in a village with the first five rows of this audience, and we all knew one another, and say I wanted to borrow money. The man who had his eyes wide open, he might lend it to me, and if I didn't pay him back, you'd all know I was dodgy. I would get a bad reputation, and you would refuse to do business with me in the future. Trust was mostly local and accountability-based.

In the mid-19th century, society went through a tremendous amount of change. People moved to fast-growing cities such as London and San Francisco, and a local banker here was replaced by large corporations that didn't know us as individuals. We started to place our trust into black box systems of authority, things like legal contracts and regulation and insurance, and less trust directly in other people. Trust became institutional and commission-based.

It's widely talked about how trust in institutions and many corporate brands has been steadily declining and continues to do so. I am constantly stunned by major breaches of trust: the News Corp phone hacking, the Volkswagen emissions scandal, the widespread abuse in the Catholic Church, the fact that only one measly banker went to jail after the great financial crisis, or more recently the Panama Papers that revealed how the rich can exploit offshore tax regimes. And the thing that really surprises me is why do leaders find it so hard to apologize, I mean sincerely apologize, when our trust is broken?

It would be easy to conclude that institutional trust isn't working because we are fed up with the sheer audacity of dishonest elites, but what's happening now runs deeper than the rampant questioning of the size and structure of institutions. We're starting to realize that institutional trust wasn't designed for the digital age. Conventions of how trust is built, managed, lost and repaired -- in brands, leaders and entire systems -- is being turned upside down.

Now, this is exciting, but it's frightening, because it forces many of us to have to rethink how trust is built and destroyed with our customers, with our employees, even our loved ones.

The other day, I was talking to the CEO of a leading international hotel brand, and as is often the case, we got onto the topic of Airbnb. And he admitted to me that he was perplexed by their success. He was perplexed at how a company that depends on the willingness of strangers to trust one another could work so well across 191 countries. So I said to him that I had a confession to make, and he looked at me a bit strangely, and I

said -- and I'm sure many of you do this as well -- I don't always bother to hang my towels up when I'm finished in the hotel, but I would never do this as a guest on Airbnb. And the reason why I would never do this as a guest on Airbnb is because guests know that they'll be rated by hosts, and that those ratings are likely to impact their ability to transact in the future. It's a simple illustration of how online trust will change our behaviors in the real world, make us more accountable in ways we cannot yet even imagine.

I am not saying we do not need hotels or traditional forms of authority. But what we cannot deny is that the way trust flows through society is changing, and it's creating this big shift away from the 20th century that was defined by institutional trust towards the 21st century that will be fueled by distributed trust. Trust is no longer top-down. It's being unbundled and inverted. It's no longer opaque and linear. A new recipe for trust is emerging that once again is distributed amongst people and is accountability-based.

And this shift is only going to accelerate with the emergence of the blockchain, the innovative ledger technology underpinning Bitcoin. Now let's be honest, getting our heads around the way blockchain works is mind-blowing. And one of the reasons why is it involves processing some pretty complicated concepts with terrible names. I mean, cryptographic algorithms and hash functions, and people called miners, who verify transactions -- all that was created by this mysterious person or persons called Satoshi Nakamoto. Now, that is a massive trust leap that hasn't happened yet.

12:43(Applause)

But let's try to imagine this. So "The Economist" eloquently described the blockchain as the great chain of being sure about things. The easiest way I can describe it is imagine the blocks as spreadsheets, and they are filled with assets. So that could be a property title. It could be a stock trade. It could be a creative asset, such as the rights to a song. Every time something moves from one place on the register to somewhere else, that asset transfer is time-stamped and publicly recorded on the blockchain. It's that simple. Right.

So the real implication of the blockchain is that it removes the need for any kind of third party, such as a lawyer, or a trusted intermediary, or maybe not a government intermediary to facilitate the exchange. So if we go back to the trust stack, you still have to trust the idea, you have to trust the platform, but you don't have to trust the other person in the traditional sense.

The implications are huge. In the same way the internet blew open the doors to an age of information available to everyone, the blockchain will revolutionize trust on a global scale.

Now, I've waited to the end intentionally to mention Uber, because I recognize that it is a contentious and widely overused example, but in the context of a new era of trust, it's a great case study. Now, we will see cases of abuse of distributed trust. We've already seen this, and it can go horribly wrong. I am not surprised that we are seeing protests from taxi associations all around the world trying to get governments to ban Uber based on claims that it is unsafe. I happened to be in London the day that these protests took place, and I happened to notice a tweet from Matt Hancock, who is a British minister for business.

And he wrote, "Does anyone have details of this #Uber app everyone's talking

about?

(Laughter)

I've never heard of it until today."

Now, the taxi associations, they legitimized the first layer of the trust stack. They legitimized the idea that they were trying to eliminate, and sign-ups increased by 850 percent in 24 hours. Now, this is a really strong illustration of how once a trust shift has happened around a behavior or an entire sector, you cannot reverse the story. Every day, five million people will take a trust leap and ride with Uber. In China, on Didi, the ride-sharing platform, 11 million rides taken every day. That's 127 rides per second, showing that this is a cross-cultural phenomenon.

And the fascinating thing is that both drivers and passengers report that seeing a name and seeing someone's photo and their rating makes them feel safer, and as you may have experienced, even behave a little more nicely in the taxi cab. Uber and Didi are early but powerful examples of how technology is creating trust between people in ways and on a scale never possible before.

Today, many of us are comfortable getting into cars driven by strangers. We meet up with someone we swiped right to be matched with. We share our homes with people we do not know.

This is just the beginning, because the real disruption happening isn't technological. It's the trust shift it creates, and for my part, I want to help people understand this new era of trust so that we can get it right and we can embrace the opportunities to redesign systems that are more transparent, inclusive and accountable.

Thank you very much.