

The cost of lacking mutual trust and respect



I do not think that additional regulations give a better community. Quite the opposite, it is a symptom of that something is wrong. That is; we live in a less liberal society.

I do not think that extra funding to military services encourage peace. Quite the opposite, it is a symptom of that something is wrong. That is; we are surrounded by tyrannies.

I do not think that more jurists promote more justice. Quite the opposite, it is a symptom of that something is wrong. I think it indicate that respect and trust is about to disappear.

USA has 4.5 percent of the world's population and 70 percent of the lawyers of the world. Today's number of lawyers has doubled since 1970. I apply USA as an example as the figures are extreme. Nevertheless, a similar trend is observed all over the western world. Why?

First, I think that where there is a great concentration of economic activity, the demand for juridical support will also be greater. This also shows clearly when observing statistics and geographic distribution of lawyers.

Second, I think that the increasing complexity in our surroundings makes it necessary to seek professional support about juridical matters.

Third, maybe the most forceful driver, I think it is a symptom of a collapse of the mutual trust and respect in the society.

"We are suing anyone who can fog a mirror", is an expression that I have picked up in the US, reflecting that we no longer are able to solve even small conflicts with a hand shake - we rather sue each other for the smallest and senseless reasons. When we cannot longer trust that a word is a word and we loose the respect for each others integrity, then the lawyers revenues is boosting - both in the corporate and private sector. The juridical risk is simply so high that creativity, entrepreneurship, research and development in effect stagnates.

Harvard professor Robert D. Putnam describes in his book "Bowling Alone" (1995) the deterioration of the social capital (the values of good relations, structures and human intervention) in the USA from 1950 until today. There is a pervasive - and increasing - mistrust towards institutions, business community and government, and also reciprocally between them. Participation in both civilian and political associations is fading away, and loss of social capital is a direct threat of the democracy. One of the manifestations is that both private and corporate proceedings are explosively increasing.

In my opinion, the key secret behind the Scandinavian success (we are on top in every field that it is good to be on top of) is our social capital. We have (had?) a society that to a great extent can be characterized by mutual trust and respect. A promise was a promise, and a bargain was a bargain. Disagreements could most of the times be solved by a conversation. Even small neighbor disagreements are to an increasingly degree brought in to court rooms these days. What is going on?

Well, I think, in line with all other advanced societies, we are exposed for the same increasing complexity. It is no longer easy to know what is right and what is wrong. I think for instance that we have not become more unethical (by the way -ethics and ethical guidelines have recently inflated in every type of organizations), what is considered ethical/unethical is simply just become clearer. This is because of, among other things, the social structures are in great change, and the close social/familiar network "to look after us" is dissolving.

Once the rate of change and complexity increases, the first thing to disappear is predictability. Whenever our surroundings no longer are predictable, trust will be diminished. The synonym of trust is confidence, and when we are no longer certain about what happens in near or distant future we will no longer trust our surroundings to the same extent as we would if they are stabile.

When trust is diminished we will be more inclined to suspect each others motives, thus subsequently the respect for each other, authorities and traditions also will be weakened. Apart from that, respect has something to do about form, and not content. Friendship and relations often breaks due to the form ("the way the conflict is handled") and not because of the subject matter. In other words: the social capital is reduced - mutual trust and respect is diminished, even small disagreements become destructive conflicts that are to be juridical "solved".

When capital disappear, financial, structural or social capital, there will of course be consequences. Reduced social capital implies reduced efficiency, as processes and decisions cannot be made in the same manner as with high social capital.

A good (or actually terrifying) example of this is what is going on at our airports. Fear of terror -that is, reduced trust - is the reason why absurd security arrangements affecting everybody are put up. The deadweight loss and costs are tremendous (more than a hundred billion yearly on a world wide basis), and obviously not corresponding to amount of increased security we receive. I will personally claim that the only ones that with certainty not are affected by this are the terrorists. There are already plenty of examples of disrespectful behavior both by the security personnel as well as the travelers. I have myself been witness to how a very old lady was directly harassed by the security personnel because she did not fully understand what to do. She was probably more than 80 years old, and guess what: If she were to *intentionally* bring something with her that would jeopardize the safety of my flight, I am willing to bear that risk. This is exactly the point: some will say that rules are rules and must apply for everyone. "I rest my case" as they say in US. This is the attitude that is present in stead of good old trust and respect - and general healthy common sense.

As a management consultant I have during the last 20 years been a close up observer of which costs that accompany organizations where the mutual trust and respect is too low. In stead of concentrating on what they should, that is: value creating activity, these organizations are going to use their energy internally on overcoming the internal barriers and internal formalism.

What can be done in order to stop the disintegration of the social capital and further; re-establish it? This is what I reckon, in heading form, and the order of appearance is just as important as the content.

Firstly we have to make clear which values we want our society - I am talking about my own society - to be built upon. Easier said than done, requiring both political courage and scholastic talent. I think we must rediscover and enforce known values as: respect for the individual freedom, tolerance and liberality, respect for democratic playing rules, very clear distance taking from religious and ideological fanaticism, frontier delimitation and humbleness. We have to make it extremely "out" to be shallow and self concentrated. If we look at the above-mentioned cues, the development of exactly these areas is going in the wrong direction. This is where we all - private, professional and political - shall make an extra effort.

The next step is to re-establish respect. I am aware of that respect can be defined in many different ways, but in this case I have to make it short. Respect demands rights as well as obligations - written as well as unwritten, and as earlier mentioned: it is much about form. Respect (and trust for that matter) is something that is time consuming to create; you need to deserve it, and it is based on earlier actions. The origin of the word is not by accident; it originates from Latin meaning "to look backwards at something".

I am talking about respect for the individual persons integrity, the right to be listened to, be the one you are, think what you are thinking, and say what you are saying, without anyone -not the government, organized groups nor individuals- harassing you or treat you with disrespect. Respect means also an individual obligation to behave, respect formalities, other people's property and being.



Again, if we look at the cues, the development is also here going in the wrong direction.

Ideals and heroes have an important role to play. I wish that media would foster a different kind of "ideals" than the shallow egoists that is way too much prevalent today. Innovators, sport stars, politicians and the civil man and woman - within every category there are amazing people with attitudes and values that could contribute to reconstruct our social capital.

Written by Kjetil Sandermoen, June 2007