Session Title: Trust – A Nordic Currency
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Session coordinated by: Tormod Tingstad, Partner, Kammeradvokaten/Poul Schmith

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The Nordic countries, and not least Denmark, have been heralded as uniquely trust based communities. It is generally perceived that a high degree of trust, and an implicit understanding among the citizens that the interests of the community come before personal interests, have contributed to the generally low levels of corruption in the Nordics. In Denmark references to “trust” and “culture” has been used to dismiss calls for whistleblower protection, and generally low political investment and interest in the anti-corruption agenda. In other countries, such as Norway and in Denmark, a string of serious corruption cases has proven that the Nordic trust may be a weak currency faced with the challenges of corruption. In order to maintain the many benefits of a trust-based society, the challenge is to strike the right balance between informality and a more disciplined and legalistic approach to corruption.

It seems strange that Danes believe that we don’t have corruption in Denmark. It can be claimed that we do not do the necessary means to fight corruption.

Key questions:
What is trust in the context of corruption?
Trust is what makes Denmark so good in the public sector. What is the cost of losing trust?
What is the right balance between trust and control?
Summary of panellists’ contributions & discussion points (please be as detailed as possible)

Denmark and the other Nordic countries are some of the least corrupt countries. Here the general level of corruption has been low since the nineteenth century. This is important for the kind of state that we have been able to create through history. A study shows that if the EU member states could have a level of corruption close to the Danish then the EU budget would be double the size of what it is now.

Trust will not do it all. We need anti-corruption strategies as well. In Denmark low levels of corruption existed before there was trust and not the other way around. Changes after 1660 that worked to minimize corruption in Denmark. We have worked on this for over 300 years. There is no quick solution. The Danish model can’t be copied step by step. However, elements might be copied in other parts of the world.

Fukuyama has written a book called ‘Getting to Denmark’, which revolves around what could be learned from Denmark in respect of low corruption and good political institutions with low political corruption. It can be added to this that it is not just low level of political corruption it is also low levels of bureaucratic corruption that has been established in Denmark.

One of the reasons for the low levels of corruption in Nordic countries is that corruption problems were addressed early and over a few hundred years. Some of the central elements that was used in Denmark were a criminalization of corruption, rule of law and the Weberian bureaucracy was established, recruitment was based on merit and strong and lasting focus by the rule to stop the corruption of the civil servants.

The situation in Denmark and the Nordic countries today are based on norms. A social science perspective can help us understand people and
how we can try to create more trust. It is about creating honest values and creating a community so people are part of a group. Norms are hard to export to other parts of the world. We might be able to export some practices that can help create a better social contract. We need to bring people together to feel they have a common mission, that will create the norms that might be needed. We need to choose the practices that can go together with the society that already exists.

It is central to understand the relation and balance between trust and control. Here the two can be seen as correlated instead of opposites. We have many control mechanisms in the Nordic countries, but the control is not the kind of control we find in authoritarian states with police and monitoring. The kind of control we have in the Nordic countries is more subtle. It is the monitoring and surveillance carried out by monitoring systems that keep track of us and our every move. Control can be the reason people act honestly because they don’t have an alternative. This means that structures create the trustworthy actions. Culture affects how people act.

Low levels of corruption do not only resolve in efficiency and more money. Low level of corruption can create trust which makes us happier. It is a win-win situation. We save resources by not cheating each other and we become happier. Our society becomes richer. The Danish model is mentioned in many different parts of the world. It shows that there is something special about Denmark and you can claim that it is the fact that we are both happy and rich that makes us special. A study shows that in Scandinavia about 70% feel that we can trust other people in general. To compare is it only 3% in Brazil, who has the lowest score. It shows that here is a big variation in levels of trust in the world.

Absence of corruption and high level of social trust becomes the Nordic currency. If you start fighting corruption you might also get trust.
It can be discussed if trust has something to do with us as people more than our respect for the government. It might be a result of us being afraid of being embarrassed or exposed. It is hard to say exactly what makes people honest and what makes them corrupt. We have to see how we can make people more trusting and raise ethics. However, we also have to set up restrictions and create a chance of being caught. Control and trust are both essential.

Main outcomes of session (include the highlights and interesting questions from the floor)

Trust will not do it all. We need anti-corruption as well. In Denmark levels of corruption existed before there was trust and not the other way around. Changes after 1660 that worked to minimize corruption in Denmark. We have worked on this for over 300 years. There is no quick solution. The Danish model is not a model that be copied. However, elements might be copied in other parts of the world.

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happier. It is a win-win situation. We save resources by not cheating each other. If we create win-win-situations we make society richer. If you start fighting corruption you might also get trust.

There have been more cases of corruption in Denmark, which can make one question what has changed. One reason for this can be that efforts to make society more efficient has created a market that has alienated citizens. Efforts to make the government more efficient tend to break up the social contract.

It was discussed if trust is sustainable in the globalized world. Research shows that there is money in trust. It is all about competitiveness. The specific cultural features become more and more important to do things in your own way in a more cheap and efficient way. However, control is good, but trust is cheaper. Due to this it can be a smart thing to try to raise the level of trust.

One of the problems it that trust is some kind of rule. A rule that gives a behavior. How can we formulate a rule here? Is behavior created by rules or does rules come from behavior? Do social interactions remodel the game? How do you make anticorruption hot?

It was discussed whether low corruption creates trust or trust creates low corruption. It was argued that low corruption must have come before high levels of trust, but there are many factors that come into play. We cannot know for sure.

It is hard to say of other countries can become like Denmark and the other Nordic countries. The model discussed in this session cannot be copied. It is a long a slow development and it includes some historical events that cannot be recreated and that should not be recreated. The fact that it is also about norms, makes it hard to export to other
countries. It is easier to export control, legislation and practices, but we have to be careful about it. Some norms can be created through practices. The practices that is exported has to be based on some sort on social science on what people believe. Try to find those kinds of practices that are in communities that will try to create something bigger. We need to bring people together to feel they have a common mission and that will create the norms that might be needed.

Key recommendations and concrete follow-up actions

The Danish/Nordic model is not easy to copy and there is no quick fix solution. It is about creating norms and a feeling of something bigger, but it is difficult to export norms. Instead we should export practices. The practices that is exported has to be based on some sort of social science on what people believe. Some norms can be created through practices. We have to try to find those kinds of practices that are in communities that will try to create something bigger. The Danish model has to be used for inspiration and not copied step by step. Some elements can be exported to other parts of the world. If countries create lower levels of corruption they will not only get richer, but they will also create more happiness due to the higher level of trust. This leaves it up to the countries to find inspiration in the Danish model to find practices that can help lower corruption in their country.
It should be noted that Denmark and the Nordic countries are not at all perfect. The trust in the Nordic countries are challenged by the wish to be more efficient. Finding the right balance between trust and control is a challenge in Denmark and the Nordic countries as well.

It is safe to say that there is something special about Denmark and that trust and low level of corruption are closely linked. There is no easy way to create trust and low level of corruption, but it is a development that we have to work for. Denmark and the Nordic countries can be used as an inspiration to find elements and practices that can be copied to other countries. These practices can help create lower levels of corruption which will create higher levels of trust which will make the people happier.

Rapporteur’s name and date submitted

Emma Siemens Lorenzen and Olivia Myglegård Larsen
This Long Report needs to be submitted by 7 November