## **Kluwer Mediation Blog**

## Who let the dogs out?

Charlie Woods (Core Solutions Group) · Sunday, December 8th, 2024

My attention was drawn recently to a chart illustrating an article in the Financial Times, which showed higher levels of zero sum thinking among those whose early adult years corresponded to a slow-down in economic activity. The degree of zero sum thinking was on a scale of 0-100 where 100 = "Wealth can grow so there's enough for everyone" and 0 = "People can only get rich at the expense of others". The highest score were for those born in the mid 1940s and the lowest for those born in the early 1990s.

This correlation begs the question of what is cause and what is effect. The worry is that regardless of which way it flows once such attitudes take hold they they initiate a vicious circle of decline whereby a poor economic outcomes might lead people to more zero sum attitudes and these attitudes could in turn lead to further declines in economic performance.

Zero sum thinking leads to a decline in trust and a greater unwillingness to cooperate which has many economic, social and political consequences. A dog eat dog world is likely to become more polarised and destructive as we get caught in a race to the bottom.

Humanity's development has been based on our ability as a species to work together to achieve more collectively than individuals could achieve alone – making the whole greater than the sum of the parts. In economic terms this has led amongst other things to the sharing of knowledge, division of labour and trade.

In a recent book John Kay has identified this ability to mobilise and deploy collective intelligence as the essence of a successful 21<sup>st</sup> Century Corporation. This intelligence has an important social as well as economic dimension. "in the modern world successful commercial relationships are not simply instrumental and transactional; they are social and are embedded in a wider framework of communities and teams."

As this year's economics Nobel prize winners have identified societies that are more extractive than inclusive are likely to be less innovative and perform worse in economic terms. In extractive societies there is less incentive to invest and innovate when the benefits are more likely to be taken by others.

In many respects the globalisation of business has been a manifestation of the development of collective intelligence. While it has had a number of positive outcomes including lower prices and reductions in the overall numbers in poverty worldwide, perhaps insufficient attention has been

given to how inclusive the distribution of benefits within and between countries has been. This has led to a backlash which has fuelled more zero sum attitudes.

Without a more equitable distribution of the benefits of globalisation and its costs those who feel they are losers will either push back against the system or vote with their feet and try to reach the places they perceive have benefited. In such an environment there will be a temptation to blame the other which can be easily exploited to distract attention from underlying issues and secure political power. This will be aided and abetted by the nature of modern communication which has a tendency to polarise attitudes even further.

This environment also seems to be leading to a breakdown in cooperation at an international level as countries put themselves first and institutions such as the UN and WTO are weakened. This fragmentation provides the illusion of more control in a more complex world where agency feels diminished, but at what cost? The experience of the 1930s demonstrates shows what can happen when you resort to protectionism to 'win' the trade game. This breakdown is even more alarming in the current context given the cooperation that will be needed to mitigate and adapt to climate change.

Mediation highlights the value of seeking mutual gains to build relationships, develop trust and aid negotiation. There is an urgent need to find a better way to frame such a positive sum approach within and between countries when the most compelling stories at the moment appear to be those which encourage division and a destructive, dog eat dog, zero sum mindset.

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