

New England Journal of Public Policy

Volume 32

Issue 1 *Social Traps and Social Trust:
Institutional Transformations in an American
City following a Natural Disaster*

Article 4

3-21-2020

Social Traps and Social Trust in a Devastated Urban Community

Michael A. Cowan
Common Good

Follow this and additional works at: <https://scholarworks.umb.edu/nejpp>



Part of the [Education Policy Commons](#), [Emergency and Disaster Management Commons](#), [Public Policy Commons](#), [Recreation, Parks and Tourism Administration Commons](#), and the [Urban Studies Commons](#)

Recommended Citation

Cowan, Michael A. (2020) "Social Traps and Social Trust in a Devastated Urban Community," *New England Journal of Public Policy*. Vol. 32 : Iss. 1 , Article 4.

Available at: <https://scholarworks.umb.edu/nejpp/vol32/iss1/4>

This Article is brought to you for free and open access by ScholarWorks at UMass Boston. It has been accepted for inclusion in New England Journal of Public Policy by an authorized editor of ScholarWorks at UMass Boston. For more information, please contact library.uasc@umb.edu.

Social Traps and Social Trust in a Devastated Urban Community

Michael A. Cowan

A “social trap” is a situation where individuals, groups or organizations are unable to cooperate owing to mutual mistrust and lack of social capital, even where cooperation would benefit all. . . People will cooperate only if they can trust that others will also cooperate.

—Bo Rothstein, *Social Traps and the Problem of Trust*

If people cannot trust that public officials will act according to norms such as impartiality, objectivity, incorruptibility, and non-discrimination they cannot trust “people in general” either. . . If it proves that I cannot trust the local police, judges, teachers and doctors, then whom in this society can I trust?

—Rothstein, *Social Traps*

The last national survey of adult literacy prior to Hurricane Katrina found 40 percent of New Orleans adults reading at or below the sixth-grade level and another 30 percent at or below the eighth-grade level. During the three years before the hurricane, New Orleanians watched as public meetings of its elected school board became models of incivility, where the politically connected struggled for control of contracts and patronage and self-appointed activists ridiculed school officials, board members, and fellow citizens who were attempting to raise the performance of the city’s public schools out of the ranks of the nation’s worst. During this same period, neither citizens nor public officials were able to address the deplorable condition of the city’s once nationally acclaimed youth recreation department, even as homicidal youth violence escalated, putting New Orleans consistently at or near the top of national per capita murder rates. In short, the adults of the city proved unable to provide adequate public education and recreation for children and young adults. Their failure resulted in violence, economic despair, and deepening racial division.

Shortly after his election as a pro-business, reform candidate in 2002, Mayor C. Ray Nagin was denounced at a press conference of clergy by one of the city’s most visible ministers as a “white man in black skin.” What had the new mayor done to so offend this powerful, politically connected minister and his colleagues? He had announced that under his administration, local congregations seeking federal grants distributed through the City of New Orleans for after-school programs for children and other social ministries would be required to secure that funding by responding to public requests for proposals and to give a formal accounting at the end of the grant period of how funds awarded were actually disbursed and with what results. This was hardly a radical policy. Rather it was and is the standard way of disbursing and accounting for public dollars. A member of mayor’s inner circle described this public denunciation, widely reported and replayed by local media, as having had a “chilling” impact on the new, reform-minded mayor, one from which he never fully recovered.

On the evening of December 31, 2004, eight months before the hurricane that would change the city forever, a young African American man visiting New Orleans to participate in a flag-

Michael A. Cowan founded Common Good, a civil society action network, after Hurricane Katrina. He is Senior Fellow in the Centre for the Resolution of Intractable Conflict and Research Affiliate in the Centre for the Study of Social Cohesion, both in the University of Oxford. He is also a Visiting Research Associate in the Irish School of Ecumenics in Trinity College Dublin.

football tournament was pinned on the ground by three white bouncers in a confrontation outside a French Quarter bar. He never arose. Levon Jones was suffocated on Bourbon Street that night. On a cold and rainy Thursday evening some weeks later, at Mayor Nagin's request, I chaired a public meeting of the Human Relations Commission of the City of New Orleans in a packed city council chambers. During the meeting, the commission listened for more than three hours to expressions of public outrage and grief sparked by the killing and by the history of the New Orleans Police Department's treatment of African Americans over many years. Threats of racial riots to destroy "this plantation" once and for all were sprinkled throughout the public testimony.

As the atmospheric disturbance that would soon be christened "Katrina" formed over West Africa, she was not the only storm on the New Orleans horizon.

Immediate Aftermath of Hurricane Katrina

On August 29, 2005, Hurricane Katrina grazed the mandatorily evacuated city of New Orleans, reserving its most devastating force for coastal Mississippi just to the east. During the next two days, the federal levees, the wall between us and the water all around us, failed in multiple places. Eighty percent of the residences and businesses in the city went underwater. An estimated 1,833 people died in the metropolitan area. The average cost of a US hurricane is about \$20 billion; the cost of Katrina was \$165 billion. Public officials warned residents and business owners that they might be unable to return for months. The scope of devastation in certain parts of the city made returning questionable indefinitely for many. Failures of coordination among local, state, and federal governments added to the collective misery, confusion, and uncertainty about the city's future.

In the hurricane's wake, new hopes and old grievances shifted in uncertain balance, as the sense of a historic opportunity to build a better city for all clashed with people's anxiety about losing whatever political and economic advantage they held before the storm. The profound disruption of local politics, religion, and economics resulting from massive flooding temporarily created a less racially charged atmosphere that would provide an opening for and provoke a contest about enhancing the well-being of the whole city through its rebuilding. For a moment, local civic, religious, and business leaders organizing for change across formerly impenetrable barriers of race and class did not face the massive political inertia and resistance that had met all such efforts before the storm. With those forces reduced, leaders could work together across racial lines for the well-being of the city with a measure of hope. Organizing for change in the wake of Hurricane Katrina was like walking on the moon.

A Disaster Gives Birth to a Transformation

Among the important post-Katrina reforms was the establishment of an office to reduce waste, fraud, and abuse of power in city government. It was a play in five acts: a recommendation from the mayoral commission established to bring New Orleans back after the hurricane; passage by city council members of an ordinance establishing an inspector general's office; approval by citizens of a charter change to protect the independence of the new office; the hiring of the founding inspector general; and the beginning of the work of the Office of Inspector General. (The "prequel" to this story may be found in David Marcello's contribution to this issue.)

Act 1: Bring New Orleans Back Commission

In November 2005, Mayor Nagin established the Bring New Orleans Back Commission, charging it to present him with recommendations on a number of critical dimensions of the rebuilding of the city by the end of January 2006. The commission consisted of working committees made up of civic, business, religious, and higher education leaders addressing culture, land use, public safety, infrastructure, city government, public education, economic development, and health and social services.

Gary Solomon chaired the commission's Government Efficiency and Effectiveness Committee, which I organized. The mission of the committee was to improve local government as one response to the challenges and opportunities of post-Katrina New Orleans, to foster city government that is effective, efficient, transparent, and adequately and fairly funded. The committee's plan was to pick priority targets for change, identify examples of such changes already implemented in other cities, specify the steps necessary to put such proven practices in place locally, and establish a timeline for taking those steps. The committee's agenda was to build trust in city government by achieving transparency: no more deals behind closed doors.

In the temporary reduction of racial inertia caused by extreme political and economic disorganization immediately following Katrina, the guiding idea of committee members was that New Orleanians now had an opportunity not simply to replace what had been lost or damaged in the flood but to recreate city government for the greater benefit of all by fundamentally reforming its structures, policies, and operations. Our intent was sharpened by the observation of the committee's expert adviser, former mayor Steven Goldsmith, that local government's principal function is to assure businesses and citizens that the city's future merits their investment. What makes businesses and residents feel that a city's future warrants their ongoing tax dollars? Simply put, local government providing its services lawfully, fairly, and with limited waste—a concern of businesses and citizens everywhere. Waste, fraud, and abuse have been destroying cities and nations forever. Read any report on nations facing social disaster, and the word "corruption" will quickly appear.

The post-Katrina emphasis on reforming city government was further energized by the keen recognition that if local leaders were not able to begin moving against New Orleans's legendary and habitual practices of patronage, waste, and corruption, the massive public and philanthropic funding available and necessary for the renaissance of the city could be withheld or rigidly controlled.

A review of national best practices to prevent waste, fraud, and abuse in government provided to the committee by the research team of the Kennedy School of Government suggested that an independent office of inspector general was the most powerful mechanism available to promote government transparency and accountability. C. Daniel Karnes, the committee's legal researcher, quickly discovered that the New Orleans city charter had mandated the establishment of an office of inspector general (OIG) in 1995, but an independent office had never been established. The significance of this finding was that "all" it would take to establish this key reform was an ordinance passed by city council. By contrast, another important post-Katrina reform of local government, the consolidation of seven local tax assessors into one, required a statewide majority vote to change the Louisiana constitution. This reform was also successful, but it was a much more costly undertaking involving, among other expenses, statewide television and radio ads. Such heavier lifts would not be immediately required to establish an OIG. Partly because of its strategic significance for reform at this critical moment in the life of the city and partly because the city charter already required its establishment, the Government Efficiency and Effectiveness

Committee prioritized establishing an OIG in its recommendations delivered to the mayor in a plenary public meeting of the Bring New Orleans Back Commission in January 2006.

Act 2: Establishing the Office of Inspector General

Campaigning for the first local elections for mayor and city council following Katrina began just as the Government Efficiency and Effectiveness Committee made public its priority recommendation to establish an OIG. The storm's displacement of people registered to vote in New Orleans would make this the most highly charged election in New Orleans since the civil rights era. Thousands returned by bus and car from what many hoped would be temporary locations to cast their votes. It was a time of despair, anger, and confusion about the future.

The campaign included a public conversation, framed most unfortunately by Mayor Nagin, about the importance of New Orleans' remaining a "chocolate city." Several reform-minded city council candidates, drawn to public service in the wake of Katrina, made establishment of the OIG a priority plank in their campaign platforms.

When the votes were counted, three newly elected members of the seven-member city council were fully in support of creating the OIG. A fourth was open in principle, if proper checks on the power of the office could be put in place. At a critical juncture in the city's history, New Orleanians had elected a majority reform-minded city council willing to embrace serious transformation of city government.

Making the establishment of the OIG a priority for post-Katrina reform became the basis for two significant social partnerships of government, business, and civic leaders—one to establish the OIG in local ordinance, the other to offer it constitutional protection from politics by amending the city charter.

Encouraged and supported by civic leaders, newly elected city council member Shelley Midura took the initiative to prepare an ordinance establishing an OIG for council consideration. She and her staff sought technical assistance from the national Association of Inspectors General. In fall 2006, the city council deliberated publicly on an ordinance recommended by the Government Affairs Committee to establish an OIG as required by city charter. During these deliberations in a public meeting of the council, the proposed OIG was first publicly labeled a "white power grab," that is, an attempt by whites to accomplish by ordinance what they could not get at the ballot box—control over black government officials. Following several hours of intense public testimony and council deliberation, the committee passed the establishing ordinance after adding an amendment providing for an oversight committee to review OIG performance annually against its annual work plan.

Act 3: Changing the City Charter to Protect the Independence of the Office of the Inspector General

The city council members and citizen advocates who had collaborated successfully to pass the OIG ordinance and secure funding for its first year of operation were aware that every year a mayor could recommend, and a city council approve, reducing funding for the office in the annual city budget. The OIG's effectiveness and sustainability depended not just on its capabilities and accomplishments but also on protecting it from continually shifting partisan political and patronage interests. This protection would require a funding mechanism not subject to annual approval or adjustment by the mayor or city council.

Toward that end, citizen leaders worked with reform-oriented city council members to formulate an amendment to the city charter that, if approved by a majority of voters, would set

aside .075 percent of the city's annual operating budget to fund the OIG and an Ethics Review Board. That formula would have amounted to \$250,000 a year. As the city's annual operating budget goes up or down, the OIG budget follows.

The charter change proposal also included a provision negotiated by council members for the establishment of an office of independent police monitor (IPM) within the OIG. The inclusion of the IPM in the OIG made it timely for the local justice activist Norris Henderson and me to convene an interracial alliance of citizen groups to support the charter-change vote. It brought together organizations willing to support the police monitor but passionately committed to the OIG, others willing to support the OIG primarily because it would include an IPM, and some backing both. In community-based organizing, as in other social efforts, people can work for the same goal (here, a change to the city charter) with different motivations.

Our intention was to deliver a strong vote for the OIG/IPM to organize a multiracial charter-change alliance that also crossed lines of class and city geography. When the votes were cast in October 2008, 77 percent of voters supported the proposed charter change, with positive margins in all demographic subgroups. A more typical margin in New Orleans elections would be 65 to 35 percent. This result meant that adequate and predictable annual funding tied to the city's yearly operating budget was guaranteed for the OIG and the IPM. As an additional benefit, the OIG's hard-won independence could provide political cover for the IPM. Only another majority vote of local citizens for a charter change could undo the offices or reduce their funding. The office's citizen, business, and government advocates had provided the OIG with the maximum degree of independence possible in a local democracy, while simultaneously creating the city's first independent entity to oversee police misbehavior.

The process of establishing and protecting the independence of the OIG just described required three years of sustained public work by organized citizens and business leaders, engaging strongly with both sympathetic elected and appointed officials and vocal opponents.

Act 4: Hiring the Founding Inspector General

Passage of the OIG ordinance set in motion the appointment by the mayor of a seven-member Ethics Review Board (ERB), with six members nominated by local university presidents. The ERB is responsible for choosing the inspector general and overseeing the work of the office. It met for the first time in 2006 and initiated a search for the city's first inspector general. From a national applicant pool, the board chose Robert Cerasoli, the former founding inspector general of Massachusetts.

Inspector General Cerasoli swept into New Orleans like the proverbial whirlwind. He promptly informed local media, which was keenly interested in the advent of his office and not a little skeptical about the possibility of its success, that on refusing a city car and gas when he went to process his paperwork at City Hall, he was told, "But everybody gets a car and gas." He declined. Thus began the well-publicized adventures of New Orleans' founding inspector general. By patiently building positive relationships with city council members and making himself readily available to the media and the public, the inspector general became a public favorite and, with support from city council and civic leaders, was able to obtain approval of an initial annual operating budget of over \$3 million, up from an initially proposed \$250,000. He did so by singlehandedly drafting and winning civil service and city council approval for the roster of jobs he felt necessary to staff a credible office. For reasons of both symbolism and security, Cerasoli established the OIG outside City Hall, in the New Orleans Federal Reserve Bank, by far the city's most secure building. With fully intended irony and a keen sense of local public interest, the OIG

announced that the target of his first investigation would be the city's use of vehicles and fuel. To no one's surprise, the resulting report found widespread waste and abuse and made recommendations to bring the city's policies in line with recognized practices in the administration of a city motor pool. (They have been.)

Despite professing support periodically for the establishment of the OIG, Mayor Nagin's administration did little to facilitate setting up the newly approved office. In one memorable instance, the administration took several months to purchase the computers required to set up the office, after the funds to do so had been fully approved. This failure to support the office at a critical juncture, whether from incompetence or intent, delayed the inspector general's attempts to begin the work of hiring a staff and developing an initial work plan. Subsequent investigations by the OIG contributed to felony convictions of the mayor and his cronies.

Believing that business as usual in New Orleans city government could and must be interrupted if the city was to be rebuilt for the benefit of all after the hurricane, citizens and public officials successfully established the OIG as a nationally recognized method for creating enforceable standards of transparency and accountability for those holding public office. From that day forward, the commitment to reform local public institutions has been grounded, symbolically and pragmatically, in the OIG. That office is the principal lever that many civic and business leaders and government officials now pull to continue reducing waste and corruption in the public institutions of our city.

Act 5: Accomplishments of the Office of Inspector General

Since its establishment nearly fifteen years ago, the OIG of the City of New Orleans has investigated and issued reports on waste and corruption in numerous areas of city government. Its method is simple: Investigate and report. Sometimes the report is to the public, sometimes to legal authorities. The latter occurs when possible criminality is identified. Each public report includes an invited response from the investigated body. Finally, the investigated body is given notice that its response to the recommendations will be revisited on a specific date and the results made public. This process continues until the matter is resolved.

A partial sample of OIG investigations includes purchasing, use of city vehicles, sanitation contracts, collection of hotel-motel taxes, accounts payable and fixed asset control, and private management of major post-Katrina infrastructure rebuilding projects. Also, it produced major reports on financial management, drinking water safety, theft by the city's sewerage and water board, and deployment of police manpower and management of rape kits. A signal accomplishment of the OIG is the embedding for years of an investigator at the New Orleans airport, a place where graft and waste had long existed on steroids. In addition to publicly unraveling a problematic set of vendor contracts and overseeing the creation of new contracts and oversight, the OIG oversaw planning for and construction of a new airport. In recognition of that work, the airport commission received a lower interest rate on major bonds.

The office has also produced numerous public letters calling the attention of the mayor, city council, chief administrative officer, and others to practices that have left the city vulnerable to waste and corruption in expense reimbursement, awarding of city contracts, procurement of goods and services, electronic monitoring of parolees, disadvantaged business enterprises, and proposed contracts for remodeling the city's municipal auditorium. The office conducted investigations of the New Orleans Public Belt Railroad, the French Market Corporation, and the city's crime surveillance cameras. It published a report detailing \$2.5 million wasted annually by the city's

traffic and municipal courts. These and other investigations led to increased public scrutiny, specific recommendations for change, and sometimes criminal indictments.

The range and quality of the OIG's work belies the attempt to delegitimize the office by portraying it as an instrument of whites to check black politicians. The OIG is the first effective force to interrupt the history of waste, fraud, and abuse of power in New Orleans. The OIG has created a mechanism for transparency that for the first time in the city's history allows city administrators, legal authorities, and citizens to hold elected and appointed officials accountable for their stewardship of public resources. The OIG has done what few could have imagined, and none had been able to accomplish before the storm: It has created a baseline public expectation that waste, fraud, and abuse of power by elected or appointed officials are no longer to be laughed off. It is much more likely to be exposed, with timely and serious consequences for those who risk misusing public office for personal gain. Waste and corruption can no longer be practiced with impunity. This is a new thing in three hundred years of New Orleans history.

For the first six months of Act 1, the responses I received even from progressive business and civic leaders when I raised the possibility of having an inspector general in New Orleans ranged from an amused shake of the head to "In New Orleans? You must be crazy!" to "Good and evil are in the soul of New Orleans. If you take away evil, you'll kill the city." One prominent local media figure opined that a functioning inspector general would be the "biggest change in New Orleans since the Civil War." Fifteen years after the Government Efficiency and Effectiveness Committee of the Bring New Orleans Back Commission first put the idea of an inspector general out there as a possibility, the local citizenry and public officials, the cynics and skeptics, have new possibilities to consider and the media representative's words may yet prove to be prescient.

Social Traps and Social Trust: Public Institutions, Economic Opportunity, and Intergroup Conflict

There is a deep pattern underlying the workings of corruption in public institutions. It has been called the "social trap." It occurs when there is insufficient trust to allow members of different groups to cooperate, even when the interests of all groups would plainly be served if they could do so.¹ Such situations are the result of historical struggles among racial, ethnic, religious, or socioeconomic groups over freedom, dignity, power, and resources. Racial conflicts are a classic example of social traps.

Bo Rothstein explains that when a social trap drives intergroup relations, it is not possible to overcome it at scale by directly building or strengthening voluntary relationships based on shared interest among members of groups in conflict. No number of better face-to-face relationships will resolve an intergroup conflict over the basic things that matter. The antidote to social traps is social trust, which arises only as access to economic opportunity grows for all who are prepared to work and learn. And that opportunity, in turn, is the product of good public institutions.

A "good public institution" is defined here as one that operates lawfully, fairly, efficiently, and effectively. On the link between institutions and social trust, Rothstein writes: "The more trust people have in political and administrative institutions, the more they are inclined to feel social trust in their fellow human beings, or the reverse: the more people believe that other people can generally be trusted, the more they trust in social institutions."² He adds: "If people cannot trust that public officials will act according to norms such as impartiality, objectivity, incorruptibility, and non-discrimination, they cannot trust 'people in general' either."³ Corrupt and wasteful public institutions do not stop at wasting and stealing public money; they also destroy trust between, among and within human groups. They fuel social traps.

The level of social trust required to break through social traps by cooperative intergroup relations is created indirectly through maintaining good public institutions that make economic opportunity available fairly. How people in general view the integrity of public officials administering and enforcing institutional rules shapes how they view the general trustworthiness of their fellow citizens: “If it proves that I cannot trust the local police, judges, teachers, and doctors, then whom in this society can I trust?”⁴ It is a question worth pondering, one that always has answers that always matter.

The story of the New Orleans OIG details the creation of a public entity constitutionally mandated to push hard for good public institutions. In the light of the antithetical forces of social traps and social trust, the OIG appears as a powerful instrument for two critical steps that must be taken for the well-being of any city.

First, community leaders committed to increasing economic opportunity for all who are willing to learn and work must see to it that local public institutions that are supported by tax dollars serve all who are entitled to their protection and services fairly, efficiently, and effectively through programs such as adult literacy, community policing, workforce preparation and placement, and re-entry services for former prisoners. Local governments doing such things well and free of corruption makes businesses and citizens believe that investing in their city’s future makes sense. It is also true that those who face the biggest economic challenges are the ones who most need government services, because they cannot provide privately for education, health care, neighborhood security, and so on. Absent good public institutions, the politics and economics of any city will degrade into social-trap power struggles among actual and would-be insiders, while access to opportunity for outsiders continues to diminish. This has been the pattern in New Orleans. Whatever the particular issue of the moment, the underlying, unchanging purpose of the OIG is to produce good public institutions. The examples of OIG accomplishments described earlier illustrate this critical point.

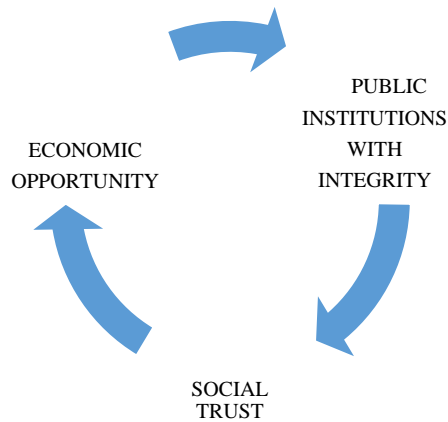
Second, New Orleans leaders committed to creating institutional conditions that promote expanding economic opportunity for all by establishing the OIG have also and simultaneously put their city on a path to building social trust among groups caught in social traps. No form or amount of multiracial or interfaith dialogue or education will add significantly to a city’s reservoir of intergroup trust as long as corrupt institutions cause some to be assisted and others to be limited in achieving economic success, not because of their capacities, but because they do or do not belong to particular groups. Insider dealing corrupts institutions, damages economic development and opportunity, and heightens racial tensions. Whatever its particular purpose, every good public institution moves the body politic from traps to trust.

In summary, good public institutions are a direct link to increasing economic opportunity for all and an indirect link to building social trust among historically divided groups. Public institutions, economic opportunity, and social trust go together, for better and for worse. The OIG is a powerful influence now available to strengthen those links in New Orleans. If successful, its three principal outcomes will be directly reducing waste and corruption and indirectly reducing racial tension and enhancing economic opportunity for all who are willing to work and learn.

Where to Start?

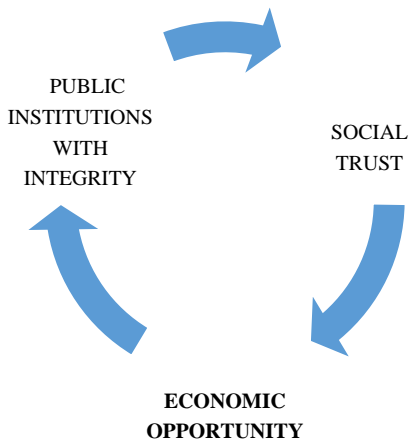
Social scientists have made a compelling case that economic opportunity, honest and efficient public institutions, and social trust go together, their findings suggest three differing recommendations about where to start in order to move the circular relationship among the three factors in the positive direction.

Starting with Trust



Those who start with social trust believe that if you want to build the public institutions that are necessary to support the creation of economic opportunity, you should bring together people who have been divided, by encouraging the formation of groups based on shared hobbies and other interests, social concerns, geographic proximity, and so on. A civil society rich in “voluntary associations” provides the social glue that makes it possible for governmental and business institutions to function properly.⁵ This approach to building social trust is direct: Members of historically alienated groups must meet face-to-face in voluntary associations in order to create the social trust required for good government and economic growth.

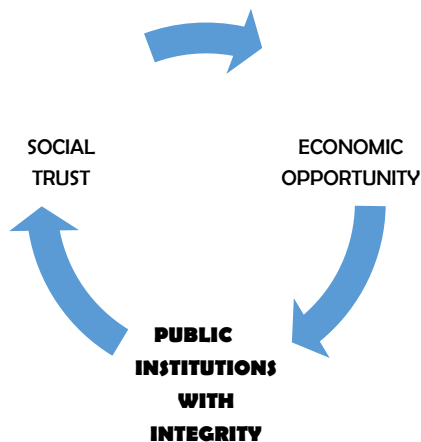
Starting with Economic Opportunity



Those emphasizing economic opportunity believe that markets left free to function will reward competence, create a growing pool of economic opportunities, and generate a stronger tax base to support necessary government services.⁶ They are convinced that government attempts to create economic equality by forced redistribution schemes involving taxation of businesses and individuals or social policies, such as affirmative action, that give advantages to members of some groups based on ethnicity or gender to make up for past discrimination interfere with and can

destroy the market’s job-creating power by distorting the dynamics of economic competition and chasing businesses into jurisdictions with transparent, consistent ground rules applied evenhandedly to all.⁷ When local economies flourish, more households build assets, local governments have the resources to address public concerns, and social trust rises. But when business owners must “pay to play,” that is, bribe local officials directly with envelopes or indirectly with campaign contributions in order to get contracts or permits, or when public decisions are “steered” by nepotism, ethnicity, or political affiliation, the economic base and the employment opportunities only it can generate, the tax revenues it produces and social trust spiral downward together.⁸ From this perspective, public institutions play a limited but crucial role in economic development: They establish and enforce transparent rules and norms for all, starting with property rights and equal treatment under the law, without which businesses and individuals will not invest in local communities and underlying inequalities cannot be addressed.

Starting with the Integrity of Public Institutions



Those whose starting point is the integrity of public institutions believe that ensuring that institutions that are truly universal, that is, that serve all citizens efficiently and effectively (not wastefully), honestly (limiting corruption and cronyism), and fairly (without regard for ethnicity, wealth, or connections) is the single most powerful way to create social trust in a community.⁹ First, a definition: “Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction.”¹⁰ They consist of formal and informal rules and mechanisms of enforcement. Institutions are the rules of the game and their enforcement; individuals and organizations are the players.

When public institutions reduce waste of public resources, diminish corruption, and treat all entitled to their services equally, they increase social trust indirectly by creating the ground rules necessary to generate economic opportunity for more people.¹¹ The likelihood that people in general will trust each other—especially in circumstances where there have been significant ethnic, religious, or class conflicts and divisions—goes up as members of all groups experience the reduction of waste, corruption, and discrimination by public institutions, such as planning commissions, school boards, and city halls. When those institutions functionally universally, that is, efficiently, honestly, and fairly for all, additional belief in “the system” fuels economic opportunity for all and breeds trust of other people in the community. When and so far as public institutions fail to meet the standards of universality, legitimate government services and benefits are denied

to taxpayers, economic opportunity is limited and mistrust blocks and fractures relationships among people, reinforcing histories of division. A community's public institutions make possible and limit its economic vitality and opportunity, which in turn affect levels of trust among its various groups. Public integrity, economic opportunity, and social trust spiral up and down together.

Contrary to popular local and national opinions, the fundamental problem facing American cities is not poverty. Nor is it racism.¹² Those are symptoms of a deeper social malady. What has many American cities in steady decline is an underlying deficit of social trust, social traps. New Orleanians struggle to negotiate with integrity across race and class lines to bring into being a city that works better and more equitably for all groups. Both locals and outsiders typically misattribute our social dilemma to racism, the indifference of the wealthy, or pathology in poor black families; but an intergroup impasse over goals and action is the underlying social trap in which New Orleans and other American cities continue to be caught.¹³ This awareness becomes plainer and more painful as we look to the east and to the west where our sister cities of Atlanta, Houston, and San Antonio find ways out of this trap and flourish as a result. In the years since Katrina drew an indelible line in one American city, history has done us the painful service of keeping a bright public spotlight on our crippling social traps. And while the uniqueness of the Crescent City is rightly legendary, what plagues our body politic is by no means our challenge alone: The incapacity of elected, business, and civic leaders to compromise and act across race and class lines for the common good is the American dilemma.¹⁴ The story of one American city is a variation of the story of all America's cities.

Notes

¹ See Bo Rothstein, *Social Traps, and the Problem of Trust* (New York: Cambridge University Press, 2005).

² *Ibid.*, 111.

³ *Ibid.*, 120.

⁴ *Ibid.*, 122.

⁵ Robert Putnam, *Making Democracy Work* (Princeton, NJ: Princeton University Press, 1993) 181–185; Robert Putnam, *Bowling Alone* (New York: Simon & Schuster, 2000), 134–137.

⁶ David Boaz, *The Libertarian Mind* (New York: Simon & Shuster, 2015), 193–197.

⁷ *Ibid.*, 228–242.

⁸ Eric Uslaner, “The Bulging Pocket and the Rule of Law” (paper presented at “The Quality of Government” conference, Quality of Government Institute, Goteborg University, Sweden, November 17–19, 2005), 15–16; Bo Rothstein and Eric Auslaner, “All for All: Equality, Corruption, and Social Trust,” *World Politics* 58 (October 2005): 47–48.

⁹ Bo Rothstein, *Just Institutions Matter* (New York: Cambridge University Press, 1998), 106–117.

¹⁰ Douglass North, *Institutions, Institutional Change, and Economic Performance* (Cambridge: Cambridge University Press, 1990), 3.

¹¹ North, *Institutions*, 27–35; Rothstein, *Social Traps*, 108–109.

¹² Alex Jung, “How Black Is New Orleans? New Census Figures Don’t Tell the Whole Story,” *Colorlines Magazine*, May 1, 2008, 8, <https://www.colorlines.com/articles/how-black-new-orleans>.

¹³ Rothstein, *Social Traps*, 4–5, 17–18.

¹⁴ Gunnar Myrdal, *An American Dilemma* (New York: McGraw-Hill, 1962), lxix–lxxi; Stephen Graubard, “An American Dilemma Revisited,” in *An American Dilemma Revisited*, ed. Obie Clayton Jr. (New York: Russell Sage Foundation, 1996), 1–24.