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The erosion of social cohesion: how do we insure an angry world?

Insurrection in America, unrest in KwaZulu Natal, a state of emergency in Sri Lanka, an invasion of Ukraine, inequality, the cost-of-living crisis, family feuds over vaccination, and furious but opposing reactions to abortion, Boris Johnson, Will Smith, Chris Rock, Johnny Depp and Amber Heard – these are but a few eruptions of the so-called “erosion of social cohesion”. Given these examples, you would be forgiven for thinking the world is becoming an angrier and a more divided place. And if you worry about this phenomenon, you’re not alone.

In 2022, the World Economic Forum identified social cohesion erosion as a top global risk. They found that it is perceived as “a critical threat to the world across all time spans – short, medium, and long term – and is seen as among the most potentially damaging for the next ten years”¹. What the risk entails is:

[the] loss of social capital and a fracture of social networks negatively impacting social stability, individual well-being and economic productivity as a result of persistent public anger, distrust, divisiveness, lack of empathy, marginalization of minorities, [and] political polarization”².

It turns out, in other words, that society and civility are brittle. And we’re more dependent on an invisible force called “trust” than we realise. When the invisible social bonds and the implicit agreements among strangers break down, things get expensive, society becomes violent, and life lacks certainty.

What causes “social cohesion erosion”?

Social cohesion is a social phenomenon – it is a measure of our ability to peacefully and functionally interact with one another. But there is also a moral component to this phenomenon. Christian Larsen, Professor at the Centre for Comparative Welfare Studies in Denmark, suggests that social cohesion be defined as “the belief held by citizens of a particular nation-state that they share a *moral* community, which enables them to trust each other”³ [my emphasis].

At the heart of the risk of social cohesion erosion, therefore, is trust. And it is this trust that we are rapidly losing on a variety of levels. The latest Edelman Trust Barometer findings suggest that “a cycle of distrust is threatening social stability”⁴. While inequality, discrimination, job losses and climate change cause disproportionate suffering and further social alienation, the media and governments in some cases pile on – fuelling “division and disinformation” for political and commercial gain. The result is not only a distrust of political leaders and journalists, but a profound decrease in social cohesion. The Edelman survey found that 59% of participants indicated that “My tendency is to distrust until I see evidence that something is trustworthy”. In addition, 64% of participants believe that people in their country “lack the ability to have constructive and civil debates about issues they disagree on”⁵.

¹ WEF. 2022. The Global Risks Report 2022. Available at: <https://wef.ch/risks22> [Accessed: 14 July 2022] p.16.

² Ibid, p. 94.

³ Larsen, C.A. 2013. “Social Cohesion: Definition, measurement, and developments”. Available at: [Accessed: 15 July 2022], p.2.

⁴ Edelman 2022. “Global Report: Edelman Trust Barometer 2022”. Available at: [Accessed: 15 July 2022], p.12.

⁵ Ibid, p.19.

The default setting of citizens across the globe is therefore “distrust”, and this is important in modern societies. In smaller pre-modern communities, characterised by familial or tribal ties and shared religion, trust comes easier. In modern, globalised and disembedded society, however, trust is more tricky and more important. Modern life is held together by a number of trust strands between strangers. We trust the bus driver, the pilot, the 130 people that are on the plane with us, the other drivers sharing the road, the financial advisor, the pension fund administrator, the person who prepares our food at the restaurant, the person minding our children or teaching them literature, and the person recommending insurance products. On a larger scale we are all also dependent on civility and collaboration between countries – to ensure national security and to avoid becoming war refugees; to manage pandemics and extreme weather associated with climate change; and, to guarantee food security across the globe.

How do we switch back?

But how do we flick the switch back from “distrust” to “trust” between citizens? The good news is, we don’t need to retreat into smaller communities, or to persuade everyone to adopt a single, universal religion. The erosion of social cohesion is not simply caused by differing religious, political or ideological beliefs. The problem is not pluralism or diversity. The problem is that citizens have ceased to believe that they share a cardinal moral norm – the norm of *not cheating each other*⁶.

In essence, examples of social cohesion erosion consistently reveal the belief that an ingroup is being cheated by an outgroup. The overturning of Roe v Wade is interpreted as Republicans wishing to cheat Democrats (and women in general) out of their reproductive rights. Gun control is regarded as an attempt by Democrats to cheat Republicans out of their right to bear arms. Mandatory vaccination is seen as a conspiracy to rob people of healthcare autonomy, at the least, and out of freedom in general, at worst. In South Africa, xenophobia turns on a belief that foreigners are cheating locals out of job opportunities.

To provide citizens with the assurance that they can trust fellow citizens – that the norm still holds – different interventions have been suggested. Political philosopher Robert Talisse suggests that we are “overdoing democracy” by saturating every choice with

politics. In the US, for instance, even one’s choice of coffee franchise reveals a political allegiance. It is necessary, therefore, to “put politics in its place” – to create spaces and activities that are free of politics and that allow groups and citizens to interact without being suspicious⁷. The hope is that these spaces can promote that important democratic currency Talisse calls “civic friendship”.

The philosopher Michael Sandel proposes something similar in relation to economic classes. He laments the “hollowing out” of the public realm caused by an increasing chasm between rich and poor⁸. As the rich secede from shared spaces, through private schools, private security, private gyms and hospitals, citizens no longer encounter one another, and civic solidarity dissipates. Sandel therefore recommends that we reinvest in shared, public spaces.

These superstructural initiatives require, as their complement on the base level, an economic “levelling up” or “levelling down” (depending on where in the world one finds oneself). The disproportionate hardships caused by inequality, job losses and climate change cannot be left out of the social cohesion equation⁹. This will require growth initiatives in some places, and wealth taxes in others.

Implications for the insurance industry

What are the implications of the erosion of social cohesion for the insurance industry? Insurance, we remind ourselves, is always *insurance of* and *insurance against*. We insure our property against theft or natural disasters. And we insure the livelihood of our families against the loss of income resulting from our deaths.

⁶ Larsen, C.A. 2013. “Social Cohesion: Definition, measurement, and developments”. Available at: [Accessed: 15 July 2022], p.5.

⁷ Cf. Talisse, R. 2019. *Overdoing Democracy*. Oxford: Oxford University press.

⁸ Cf. Sandel. M. 2010. *Justice*. England: Penguin Books.

⁹ Consider, for instance, the recent protests by Bangladeshi citizens over the devastating impact flooding has on their lives. One of their messages to the world regarding climate change is “We are not in the same boat”. Cf. <https://www.theguardian.com/environment/2022/jul/05/every-year-it-gets-worse-on-the-frontline-of-the-climate-crisis-in-bangladesh>

What social cohesion erosion represents is risk. To descend into the banal: social cohesion erosion translates into, among other things, the risk of my business being damaged during political unrest. The first task of insurers is therefore to identify and quantify the risks associated with social cohesion erosion; to calculate what it would cost to safeguard clients against this risk; and, to communicate to clients, clearly and fairly, what their cover includes and what it excludes.

But there is a second task for insurers – more difficult, but potentially more rewarding. The job is to ask to what extent the insurance industry contributes to or maintains social erosion. It has long been a complaint against medical aid schemes, for instance, that it keeps South Africans apart.

Some can afford private healthcare, while others travel far and wait in queues for minimal care. Some can afford expensive procedures – both necessary and unnecessary; others suffer and sometimes die from what is preventable. The question is therefore how to insure the uninsured and the uninsurable. Much like the founder of Grameen Bank, Professor Mohammed Yunus, asked how a bank could extend credit to those who, at that stage, were deemed unworthy of credit; so, the insurance industry has an opportunity to identify and service a new market – those who stand to be hit the hardest by social erosion and its consequences. We have seen good examples of this in the recent past. Sasria, with the support of many insurers, came through to support businesses impacted by the social unrest in July 2021. Life insurers have paid billions to families suffering loss during COVID-19. Insurers' staff have had to work significantly longer hours to finalise these claims. The question is, how do we cast this net wider, so that even more people could benefit in such circumstances?

The point of insurance has always been to protect people against uncertainty. Social cohesion erosion is a form of uncertainty that the insurance industry should make work of. The goal, of course, is to protect people against the worst foreseeable consequences of social erosion. But it may also be possible to address the problem in the process – to protect people in such a way that they are not further divided and alienated from one another.

