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# How did trade norms evolve in Scandinavia? Long-distance trade and social trust in the Viking age

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## ABSTRACT

As the saying goes, “it takes years to build up trust and only seconds to destroy it.” In this paper, we argue that this is indeed the case when explaining trust formation in Scandinavia. Hence, in an attempt to explain why the Scandinavian welfare states hold the highest social trust scores in the world today, we argue that one possible historical root of social trust may be the long-distance trade practices of the Viking age. To manage the risk of being cheated, trade between strangers in an oral world required a strong informal institution of trust-based trade norms out of necessity to deal with the risk of being cheated. In contrast to similar cases like the famous medieval Maghribi traders, who counted on writing (Greif, 1989), the punishment of cheaters could *not* be supported by written documents such as legal documents and letters, as the large majority of Vikings were non-literate. If a trader did not keep his word, social sanctioning by word of mouth was most likely the only method to discipline the cheater and prevent future free-rider behavior. The early rise of trust-based trade norms in Scandinavia is an overlooked factor in the region’s long-term socio-economic development and social trust accumulation. This result points to the importance of free trade today, especially in poor countries with low levels of economic development and high rates of non-literacy.

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## 1. Introduction

International surveys show that Nordic populations are the most trusting people in the world. While the average percentage of people answering the question “Can most people be trusted?” in the positive is below 30, the three Scandinavian countries Denmark, Norway and Sweden hold an average of more than 60 percent, which makes them the most trusting nations in the world (Svendsen and Svendsen, 2016a). High trust towards strangers – otherwise referred to as social or generalized trust – correlates well with economic performance, low corruption, effective government, social integration and subjective well-being (e.g., Putnam, 1993, 2000; Uslaner, 2002, 2009; Bjørnskov, 2006, 2009; Paldam and Svendsen, 2000; Özcan and Bjørnskov, 2011).

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Why are Nordic populations with Viking heritage so trusting compared to the rest of the world? The purpose of this paper is to provide an answer by tracing social trust back in time through path dependency. As the literature shows, there are a variety of explanations for the uneven cross-country distribution of social trust (see, e.g., Ostrom and Ahn, 2009; Nannestad, 2008). One widespread explanation has been the rich tradition of civic engagement, including voluntary associations (Putnam, 1993; Svendsen and Svendsen, 2004, 2016b). Other explanations include the impact of socialization (e.g., Dohmen et al., 2008), culture (e.g., Uslaner, 2002), religion (e.g., Delhey and Newton, 2005; Weber, 2009), and the quality of state institutions (e.g., Rothstein, 2005, 2009). Not least, the beneficial effects of welfare state institutions have been stressed. Indeed, as suggested by Bo Rothstein and others, in the case of Scandinavian countries the high levels of social trust are mainly due to the invention of the universal welfare state (Rothstein, 2003).

There is, however, substantial evidence that low-trust and high-trust countries are stable over time. Consequently, many third world countries, despite large amounts of development aid, have been caged within ‘social traps’ characterized by inequality, low social trust and corruption. Meanwhile others, such as the Scandinavian countries, have for decades functioned within a healthy circle, characterized by equality, high trust and low levels of corruption (e.g., Uslaner, 2009; Svendsen et al., 2012). One example of the reproduction of trust that can be traced back in history is that of Scandinavian immigrants in the United States (see, e.g., Uslaner, 2008). Here, the General Social Surveys reveal that Americans with ancestors in Scandinavia still exhibit high levels of trust. Hence, it appears that a value such as social trust is transferred from parent to child as a part of primary socialization.

Other examples can be found in a study by Freitag and Traummüller (2008) showing that social trust still prevails in the former Danish provinces of Schleswig–Holstein, as opposed to other parts of Germany. Another study by Traummüller (2011) covering 97 German regions showed the trust-enhancing capacity of Protestant religious culture, even when the effects of political institutions were controlled for. A study by Nunn and Wantchekon (2011) suggests that a possible explanation for the differences in trust levels in African countries can be linked to the number of slaves that were captured in these countries centuries ago. Finally, Guiso et al. (2008) show how differences in trust and norms in Italy can be traced back to medieval institutions.

Due to these path dependencies, it may be necessary to apply a *longue durée* approach and go back in history to trace the roots of social trust in Scandinavia. As Putnam (1993, p. 184) states, we may assume that trust-generating institutions are accumulated through long historical processes: “Most institutional history moves slowly, [and] history probably moves even more slowly, when erecting norms of reciprocity and networks of civic engagement”.

A specific and rather overlooked feature of Nordic history is the extensive trade over long distances during the Viking age (Sindbæk, 2005). Trade norms associated with social trust and trustworthiness arguably play an important role in the economy when facilitating trade, not least in non-literate communities. Although some Vikings used the runic alphabet *Futhark* to write short messages, they were largely non-literate until the beginnings of the adoption of Christianity during the 10th century (Meulengracht-Sørensen, 2006).

Regarding trade norms and enforceability, Milgrom et al. (1990) have shown that reputation damage of defecting traders was used as an effective social sanctioning practice by medieval merchant courts to enforce trust relations in a specific business network. Likewise, Greif (1989, 1993, 2006) has argued that during the 10th and 11th centuries, the Maghribi, a network of Jewish Mediterranean traders, used mostly non-market institutions according to a merchant’s law. This practice enforced trustworthiness and prevented freeriding among overseas sales agents belonging to the ‘coalition’, as “the legal system failed to provide a framework within which agency relations could be organized” (Greif, 1989, p. 865). In such cases, however, private-order contract enforcement was supported by a written culture, including formal rules. In the case of the Maghribi, the enforcement was supported by letters with additional instructions to overseas agents and, in some cases, legal documents.<sup>1</sup>

Belief and risk calculation is more important in informal long-distance trade than in local, close-distance trade, where specific or bilateral trust towards people known beforehand prevails. In informal long-distance trade, social (or generalized) trust thus becomes relevant. Social trust is the belief that most people are trustworthy. This belief is related to having faith in strangers and to the possibility of the risk of being cheated, for example when strangers meet for the first time in the market place (Svendsen and Svendsen, 2009, p. 12). In other words, as defined by Bohnet (2008), trust is the willingness to make oneself vulnerable to another person’s actions based on beliefs about his or her trustworthiness. Such belief reflects a calculation of risk (Williamson, 1993).

In the following sections, we will focus on the development of trust-based trade norms as one possible cause of the accumulation of social trust in Scandinavia. The main question is as follows: How did trade norms evolve in Scandinavia? First, in Section 2, we argue that the shift from plunder to trade was rational in economic terms and possibly due to ship technology. Next, we look at the evolution of long-distance trade in Section 3. In Section 4, we then show how trade norms were firmly embedded in a culture of trust where ‘a word is a word’ was legally sanctioned by the oral ‘ting’ system and present in trade norms. Finally, a conclusion is given in Section 5. Our argument is, of course, highly conjectural and should be considered with the appropriate reservations. However, we maintain that early long-distance trade by the Vikings could be one of the factors behind the high levels of social trust in modern Scandinavia.

<sup>1</sup> See also the discussion on the role of legal enforcement in Edwards and Ogilvie (2012) and Greif (2012).

## 2. From plunder to trade

Scandinavian countries are the oldest existing monarchies in the world. Royal power arose as early as 700 AD, and from the 8th to the 11th century, Scandinavians were known as Vikings (Kurrild-Klitgaard and Svendsen, 2003). Recent research has shown that the centralization of political and military power probably took place much earlier, namely, during the 5th and 6th centuries (Näsman, 2000). This also helps to explain the highly organized and coordinated nature of most Viking fleet raids (e.g., Jensen, 2006, p. 425–426; Barrett et al., 2000, p. 2).

### 2.1. Switching between two strategies

A peculiar trait of the Scandinavian Vikings was the switch between two overall strategies, namely, plunder and long-distance trade. As historical sources document, the Vikings were better than their reputation. The one-sided picture of the terrible Vikings was constructed during the Middle Ages and probably also heightened during the Romantic 19th century (Langer, 2002). This is the picture that has prevailed ever since. Due to this bad reputation, the Vikings' skills as long-distance traders to the economic benefit of themselves and their trading partners have been somewhat overlooked (Näsman, 2000; Langer, 2002; Coupland, 2003).<sup>2</sup>

Interestingly, historical evidence documents that the profits from Viking raids abroad, as measured in silver, declined during the 9th century. Vikings engaging in roving banditry eventually saw almost no profits from plundering, due to an increasing number of competitors. Moreover, the defenders became better organized in resisting the raids, and approximately around 880 the roving days eventually came to an end, as mirrored in the unsuccessful siege of Paris in 885–886 by a Danish Viking army (Kurrild-Klitgaard and Svendsen, 2003; Sheehan, 2000; Graham-Campbell et al., 2011).

Consequently, one would expect that rational roving Vikings would start looking for more profitable options. The strongest Viking rulers with a relative advantage in the use of coercion thus had an economic incentive to move to stationary banditry, in which they would increase profits by settling down, providing public goods such as safe trading centers and taxing local people rather than roving and looting. This pattern is consistent with historical evidence on changes over time in the number of raids and the amount of wealth extorted (Kurrild-Klitgaard and Svendsen, 2003). The shift from plunder to trade and state building can be explained along the lines of the stationary bandit model suggested by Olson (1993). Under this model, individual roving bandits are paid to alter their behavior when over-plundering eradicates profits. By becoming stationary, they are able to exclude others from plundering their local area and begin taxing trade and farmers (Olson, 1993; Kurrild-Klitgaard and Svendsen, 2003).

### 2.2. From warrior ships to merchant ships

Theoretically, plundering basically corresponds to the common-pool problem of fishing or hunting from resource economics (Tietenberg and Lewis, 2012). During roving banditry, confiscating goods from farmers, traders, etc. was a free-access resource that was accessible due to the early innovation of the Viking longship (the 8th century *langskipu*). This ship was equipped with a keel as well as a so-called keel pig (*kølsvin*), a device that effectively locked the mast into the keel. The keel, in turn, was connected to a mast fish (*mastefisk*) placed above deck, which allowed the mast to be put down at a moment's notice. In this way, the enormous pressure on the sails and the mast in open sea was spread to the whole ship (Ramskou, 1962; Jensen, 2006). The small keel made the longships almost invulnerable to sunken rocks and also enabled them to sail straight onto a beach and down shallow rivers. This lean and predatory longship played a crucial role in the raids during the 9th century (Roesdahl, 2012, p. 95).

As the strategy gradually changed from plunder to trade, so did the ship type. Hence, the longship, or *langskipu*, became increasingly supplemented with the *knarr*, a sturdier and shorter swan-breasted merchant ship built for trade in the 10th century. These were solidly built ships with high freeboards and permanently fixed masts that could carry approximately 24 tons of cargo. As has been shown with reconstructed ships, they had excellent sailing skills and were able to undertake long journeys in open sea with a relatively high speed (Chartrand et al., 2006; Roesdahl, 2012, p. 99). Overall, the shift from plunder to trade is reflected by the shifting predominance of the two ship types mentioned above, namely from the *langskipu* in the 8th and 9th century to the *knarr* in the 10th and 11th century. The *knarr* proved to possess the ideal ship technology for long-distance trade.

## 3. Long-distance trade

In this way, the shift from plunder to trade, as mirrored in the shift from the *langskipu* to the *knarr* ships, enhanced the peaceful strategy of long-distance trade. Early on, trade in Northern Europe had been greatly enhanced by the Muslim

<sup>2</sup> As, for example, Raffield sums it up in the case of Brittany, the Vikings “had a profound effect on British history and the development of the English state, the conflict between them and the Anglo-Saxons not only aiding the unification of the English under Alfred of Wessex, but also ‘bringing the population into carefully laid out villages’ (Hall, 2007, p. 104). Furthermore, the Vikings expanded the existing Anglo-Saxon trading network beyond the boundaries of Europe to the Far East—a resource that had not been available since the collapse of the Roman Empire” (Raffield, 2009; p. 23).

invasion of Southern Europe at the beginning of the 8th century, which pushed international trade from south to north (Brøndsted, 1960; Ramskou, 1962).

### 3.1. Viking trading centers

In Scandinavian areas, many former Viking military bases were eventually turned into important international trading centers that developed during the early Viking Age (8th and 9th centuries), as indicated by archaeological findings (Sindbæk, 2007). Among the most important 'nodal points' in this international trade network were Hedeby (Haithabu) and Ribe in Denmark, Kaupang in South Norway, and Åhus and Birka in Sweden. These early Viking Age trading centers were secured solely by self-organizing and self-protecting interdependent merchants connected by mutual trust (Sindbæk, 2007).

Trading centers such as these flourished partly due to being fueled by Viking loot (Roesdahl, 2012) and, as silver findings reveal, trade here increased gradually from the early Viking Age to the 10th and 11th centuries (Graham-Campbell et al., 2011; Sindbæk, 2005). On the island of Gotland, for example, 40,000 Arabic, 38,000 Frankish, and 21,000 Anglo-Saxon silver coins from this period have been found (Haywood, 1995).

That there existed only a few larger central trading-sites should not be taken as an accident but rather as an indicator of social trust, as "each participant in a long-distance exchange will have had a significant incentive to seek out what he considered the most favorable, safe and active places for trading" (Sindbæk 2007, p.128). Moreover, the safety of these central trading places was further improved during the 10th century, most probably due to an increasingly more centralized political power, as is also revealed by the establishment of military fortifications.

The southernmost trading center was the abovementioned Haithabu (near Schleswig in present North Germany), linking Scandinavia directly to southern trading centers. From approximately the year 800 AD onwards, it became an important international trading center due to its excellent location at the inlet of the Schlei. All types of ships had easy access to a well-protected, calm harbor with direct access to the Baltic Sea and to the Eider river, leading to the North Sea. In addition, its proximity to the old *Heerweg* trading route provided easy access to the Jutland peninsula in Denmark, to the Danish islands and, beyond them, to Norway and Sweden (Roesdahl, 2012, p.132).

### 3.2. Long-distance trade

"At the moment that Swedish Vikings were crossing the Caspian Sea on their way to trade in Baghdad, Norwegians were sailing down the coast of Labrador looking for suitable land to settle in America. The Scandinavians were the first Europeans to have sailed in all of Europe's seas" (Cunliffe, 2008, p. 472).

In Batey et al. (1994, p.79) there is a map with the major routes for long-distance trade from Scandinavia, which formed the center of an extensive trading network. The authors state the following: "The Vikings' ocean-going ships gave them command of the seaways of North Western Europe, and smaller and lighter craft enabled them to navigate the rivers of central Europe and Russia to trade with Byzantium and with the tribes who controlled access to the great overland trade routes of central Asia. Scandinavia's raw materials were exchanged for silver and luxury goods: silks, spices and honey to flavor their food and wine to wash it down were especially valued, as were pottery and glass vessels from the Rhineland, and Frankish swords" (Batey et al., 1994). Furthermore, Hall (2007, p. 56) summarizes the long-distance trade strategy in the following way: "Inter-regional or international exchange of raw materials or products made by local specialists, in return for goods that were not readily available at home, had a long pedigree in Scandinavia. With the capability to build bigger and more seaworthy ships came opportunities for Scandinavians to venture further afield not only to raid but also to trade".

With new ship technology, long-distance trade began to flourish in Scandinavia, leading to the beginning of the accumulation of trust: "According to ship-finds, it was only in the tenth century that specialized cargo-vessels appeared in Scandinavian waters (. . .). Before that, trading-ships each brought an armed crew for protection. No maintained trade could thrive without a basic trust that strangers came with peaceful intentions. But in early Viking Age trading places, the protection of peace seems rather to have been provided by the interdependence of the traders than by a coercive power" (Sindbæk, 2007, p. 128).

The Vikings were indeed not the only ones to maintain long-distance trade at this time. In the Mediterranean, for example, the already mentioned Maghribi Jews also traded safely over longer distances. As Greif (1989, 1993, 2006) has shown from medieval trade documents, this trade system was facilitated through closed, ethnic networks through which people could send formally written letters between synagogues in the trading cities, thus spreading information about dishonest behavior. When a merchant did not keep his word, he would be sanctioned formally and excluded as a privileged member of the 'coalition'. Thus, a special feature of the Vikings was that they were probably the only ones in Europe at this time who traded across long distances outside a closed ethnic network and within an oral culture. Informal rules of the game were simply necessary in a largely non-literate culture. Only very few Vikings were able to write and read *runes*. The linear and angular shapes of this alphabet reveal that it was designed to cut short messages easily into wood, bone and (later) stone (Hall, 2007).

The writing of longer formal contracts could not be conducted by means of runes only. For this reason alone, this system could not support the formal legal institutions necessary to enforce more general contractual rules and thereby support the few people occupied with long-distance trade, as in the Roman Empire. Unlike trade in the Mediterranean, the non-literate Vikings required a strong, informal institution to play the same role as formal network relations or a central judiciary in

written cultures. Informal institutions necessarily imply, on the one hand, a high level of ‘compensatory’ social trust, i.e., trusting that other people will, in general, behave honestly and honorably despite the fact that they may have an immediate, pecuniary incentive to cheat. On the other hand, they require effective social sanctions for cases in which trust norms alone do not prevent free-riding behavior.

Even today, mutual trust still plays a role in bilateral trade between countries. Guiso et al. (2008) show how Europeans’ trust in each other greatly affects the size of their countries’ trade, although Europe today has very strong formal and codified institutions that enforce contract maintenance and, hence, trade. In an oral culture where most traders probably did not know each other beforehand when trading over a long distance, a high degree of social trust was necessary to make it possible for a trader to act outside closed circles. The fact that Vikings did this for centuries without relying on formal contracts shows that stable long-distance trade at high volumes is arguably an indication of social trust.

#### 4. Trade norms and legal system

##### 4.1. A word is a word

As shown above, trade norms or informal non-market rules were necessary in non-literate cultures where only very few were able to write and read *runes*. The Viking saying “a word is a word” remains in use in current Nordic languages, indicating that if a man breaks his word he no longer qualifies to be treated as an equal. Of course, such a saying is not a unique expression only used by the Nordic people. We find similar expressions in other languages, for example, *Ein Mann, ein Wort* in German and the corresponding *Être un homme de son mot* in French, as well as popular English phrases such as “A promise made is a debt unpaid” or “Pay your vows”, as it says in the Bible.

The semantic content of ‘a word is a word’ (in Danish and Norwegian *Et ord er et ord*, in Swedish *Ett ord är ett ord*, in Icelandic *Orð er orð*, in Faroese *Orð eru orð*, and in Finnish *Sana on sana*) can be traced fairly far back in Nordic history. The meaning was firmly embedded in a trust and honor culture that was probably quite efficient in disciplining people to keep their promises, that is, to be trustworthy. Hence, the expression can be found in Old Norse as *Orð skulu standa*, which means “Words shall stand” (in the future form). The meaning of this adage can be traced back to the *Jónsbók*, an Icelandic law book from 1281 (Jónsbók, 1999). Here we read that *svo skal hvert orð vera sem mælt er*, that is, “So shall every word be, as it is spoken”. This is a concrete and binding formulation of what in many modern languages is expressed as “one should stand by one’s word”<sup>3</sup>

Notably, the word *orð* in the Old Nordic language also meant *loforð*, which means ‘promise word’, i.e., promise. Hence, “Words shall stand” becomes identical with “Promises are to be kept”, and the essential meaning of “A word is a word” then becomes, also in a purely etymological sense, “A promise is a promise”. Later on, in a letter from 1518, the quote from the *Jónsbók* is reformulated as “thus every word shall stand, as it is spoken”, *að svo skuli hvert orð standa sem talað er*, giving life to the expression *orð skulu standa*.<sup>4</sup> In other words, when something is said, it has in principle already been performed. Words and deeds are de facto the same.

##### 4.2. Man’s honor

The non-literate Viking communities were permeated by an ideology prescribing trustworthiness and ‘Man’s honor’. Indeed, the Vikings seem to have been so monomaniacal in accumulating symbolic capital such as honor and recognition that herding material forms of capital (for example silver) through plundering or trade appears utterly senseless, except if used as a tool to increase a person’s honor, i.e., his symbolic capital (Bourdieu, 1986).

The Old Norse word for “honor” (*virðing* or *mannvirðing*) means honor, reputation, respect and credit. That is, to be a man of honor expressed immediate credibility and hence access to credit, for example, trade credit. In other words, men of honor enjoyed a great deal of trust and credit worthiness. As such, a ‘Man’s honor’ represented a valuable form of capital for the Vikings and it was both rational and profitable to accumulate this form of symbolic capital. The importance of *virðing* is also revealed in the many synonyms for honor, including *sæmð* and *vegr*, the latter word also meaning road, direction, and journey. In summary, symbolic capital in the form of a person’s honor, trustworthiness and credibility seems to have been the master form of capital in Viking times—the capital that gives access to all other forms of capital.

Moreover, reading historical sources, the frequency of the word “honor” in Viking society is baffling, especially taking into consideration that the word honor (*virðing*), as well as its modern equivalents like *ære* and *hæder* in Danish or *ära* and *heder* in Swedish, has more or less disappeared from Scandinavian everyday languages, perhaps indicating a historical devaluation of symbolic capital. Honor, which included keeping one’s word, winning in battles and not lying to anybody under any circumstances, acted as a form of intangible symbolic capital that – as mentioned – was probably considered much more

<sup>3</sup> In contemporary Icelandic: *Maður verður að standa við orð sín*, ‘you must stick to your word’.

<sup>4</sup> This rule of conduct was still taught as the “Eleventh Commandment” in Iceland in the middle of the 19th century (Sigurdsson, 2004). Here we find the same congruence between the speech act and the future actions a person has promised. This suggests that the person making the promise was fully aware that if he did not keep his promise (e.g., paying 10 silver coins for a good), he would break the natural unity between the outspoken promise, in the old Nordic language literally ‘promising words’ (*loforð*), and the future act.

valuable than tangible material wealth, such as precious metals and property. This is evident, for example, in a famous Viking Age history of early Danish heroes and kings dating back approximately to the year 1200 AD, entitled *Gesta Danorum* (Deeds of the Danes) and written by a clerk, Saxo. In this work, ‘honor’ is mentioned 286 times, reflecting the worldview that a man should “not desire blinking precious metals but glorious victory; better to strive after glory and honor than after gold and property”. In this historical work, uttered words are de facto future acts, and honor counts a thousand times more than material wealth – even more than life itself, as nothing compares to an ‘honorable death’ (Saxo, 1187). A similar honor codex can be found in many of the sagas, for example in verse 75 of the Eddaic *Hávamál*, which dates back to the 10th or 9th century: “Cattle die, Kinsmen die, and I—I die myself. But there is one thing that will never die: An honorable and well-earned fame”.

#### 4.3. The thing system

The *Thing* is sometimes referred to as the cradle of Nordic democracies. A *Thing/Ting* (Icelandic/old Norse: Þing; English: Thing, German: Ding) was an assembly of free men who met regularly at specific *Thing* places (in English “thingsteads”).<sup>5</sup> It is another indicator of trust-based norms in the non-literate Viking world by assuring the sanctioning of law-breakers without the use of one single written document. *Thing* meetings were typically led by the local chief and a law-speaker (*lovsigemand*), i.e., a judge who recited laws from memory, as they were not codified. It was based on ‘truth words’ (*sandeord*) from ‘truth men’ (*sandemænd*), i.e., truthful, righteous, honest men who speak the truth (Thing Project, 2016).

The oral *Thing* was part of a hierarchy of local, regional and national systems.<sup>6</sup> It was used to settle disputes based on oral discussions. It was also a place where political decisions were taken, including the election of chiefs and kings. In certain places it was even used for religious ceremonies and as a center for defense forces. Anyone could submit a complaint. All punishments, such as fines, beheading or outlawry, were decided after a discussion and free men had the right to vote. The Vikings brought the *Thing* system to many locations in Northern Europe. Examples include Gulating, north of Bergen (Norway), Haugating in Tonsberg (Norway), Alþingi Thingvellir (*þingvellir*) east of Reykjavik, and Tingvalla at Karlstad, in Sweden. There were also *Things* in places such as Viborg, Lund and Ringsted in the Danish kingdom, the Thing Wall of Shetland and the Orkneys, the Tinganes in Torshavn, the Thing in Gulde in Angel east of Flensburg and Fingay Hill in Yorkshire, England (Thing Project, 2016).

#### 4.4. Honesty in trade

Finally, subsequent written sources on trade norms also indicate that the Vikings simply felt that it *pays* to be honest. We here refer to a Norwegian text from 1240 AD entitled *The Vikings' Guide to Business Success* (from *Konungs skuggsjá*: The King's Mirror, i.e., a ‘mirror of society’). The guide teaches honesty, reliability and respect for other people out of sheer self-interest and reputation building rather than altruism. The text, for example, refers to the following: “It is often the best men who choose this occupation [trade]. But whether you choose to resemble those who really are tradesmen or those who just call themselves tradesmen but who are, rather, hucksters and swindlers who buy and sell in a dishonest way, has a lot to say” (Vikings' Guide, 1997, p. 11, our translation). Such trade norms urging to keep ones' promise are still maintained and present in Danish legislative practices (Lookofsky, 2008).

### 5. Conclusion

It remains quite unclear how the observed high level of social trust in the Scandinavian countries came into being. Focusing on the peculiar Scandinavian trait of long-distance trade in a path dependency approach, our research question was as follows: How did trade norms evolve in Scandinavia?

First, we argued that a rational economic shift in strategy from plunder to long-distance trade occurred among Scandinavian Vikings. Thus, in approximately 880 AD, the ‘good old’ roving days came to an end and were gradually substituted by strong trade norms during the 10th and 11th centuries. This was mirrored in the shift from the predatory longship to the *knarr* cargo carrier, enhancing the peaceful strategy of long-distance trade.

Next, we argued that these trade norms were connected to social trust out of necessity in an oral culture where not all traders knew each other in advance in open networks. For a non-literate culture, this meant that if a trader did not keep his word, he would be socially sanctioned by earning a bad reputation. It would then be harder for the ‘cheater’ to carry out future trade, and this effect would discipline behavior and prevent free-riding. Thus, the trade norm of keeping one's promises can be efficiently maintained when socially sanctioned.

We suggested that the existence of extensive long-distance trading indicates high levels of ‘compensatory’ social trust in

<sup>5</sup> That only men went to *tinge* (to the *Thing*) does not mean that women were considered lower beings than men. In fact, all sources indicate that women and men were largely equal (Sørensen, 1990, p. 32).

<sup>6</sup> National Things exist to this day in the Nordic countries, such as the Icelandic parliament (*Alþingi*), the Norwegian *Storting*, the *Landsting* in Greenland, the Faroese *Løgting*, the Danish *Folketing* and the Manx parliament (Tynwald) on the Isle of Man, considered the world's oldest working parliament (over 1000 years in an unbroken period).

the predominantly oral Viking world. These informal institutions are probably necessary in the absence of formal networks of information, such as written documents that, for example, supported medieval trade across the Mediterranean. Finally, we argued that the Scandinavian trust culture was reflected in the ideology of a ‘Man’s honor’, the oral Thing system and trade norms as revealed in later written sources.

Viewed in this light, the relative socio-economic success of the Scandinavian welfare state may be traced in a path-dependent historical process, the root of which may be long-distance trade and the rise of a trust culture in the late Viking age (10th and 11th centuries). This could explain in part why Scandinavian countries today enjoy high levels of trust that have insulated these nations from non-cooperative behavior and free-riding.

As the saying goes, “it takes years to build up trust and only seconds to destroy it.” Surely, it should not have to take one thousand years to build up a trust culture where ‘a word is a word’. How is it possible to speed up the otherwise slow process of social trust accumulation? One policy option in nations and regions lacking social trust would be to identify and cultivate cooperative norms in their own history, so as to found just and non-corrupt state institutions *upon* such norms—what Putnam terms “cultural templates” (Putnam, 1993). Another policy option would be to eliminate all sorts of trade restrictions, for example between Europe and Africa. More free trade would in itself increase economic growth, but on top of that, social trust would arguably be strengthened too. Coining such a ‘double dividend’ could significantly contribute to long-run socio-economic benefits in both developed and developing countries, especially where non-literacy prevails.

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