It only sounds like a big problem

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In his book "Talking to Strangers," Malcolm Gladwell argued people incorrectly believe that they can determine the character of strangers and can determine when strangers are lying. Gladwell reports research claiming a computer algorithm made better decisions than judges. The study examined 400,000 people, who were all released by New York judges to await trial. The computer program recommended that some of those who were released should have been kept in custody. Additionally, this group was 25 percent more likely to commit crimes while awaiting trial than the defendants the computer program recommended releasing. The computer could not look the defendants in their eyes and evaluate them, like a judge could. The computer only had access to data, which it used to produce better bail decisions than the judges did.

Gladwell brought up a famous story to make the point that people have trouble discerning strangers' intentions. During the first part of 1938, Hitler was threatening to invade the Sudetenland (which was part of Czechoslovakia). Other world leaders had never met Hitler – not FDR, not Stalin, and not Churchill. Neville Chamberlain, the United Kingdom's prime minister, decided to fly to Berlin to take measure of the man. Hitler told Chamberlain that he would be done seizing land after he took Sudetenland. Chamberlain, thinking he could read people well, believed him. That was a famous mistake, and Hitler kept on seizing land.

Gladwell brought up several more examples of when people failed to accurately uncover strangers' true intentions. In one of his examples, a police officer pulled over Sandra Bland, a newly hired professor at Prairie View A&M. Sandra was driving, saw a police car coming up quickly behind her, and moved to the right lane to make room for the police car. Unfortunately, she did so without first using her blinker. The police officer pulled Sandra over and thought the worst of this young African American professor. The police officer became bellicose and ended up arresting Sandra Bland. The officer let the situation spiral out of control because he did such a poor job ascertaining her intentions.

If you were to read Gladwell's book, you might get depressed. It sounds awful that people are so poor at determining if strangers are telling the truth or have bad intentions. In the three examples above, the judges, a prime minister, and a cop all failed to successfully read other people's intentions. And Gladwell gave way more than those three examples.

I would argue that even if Gladwell is correct, it does not matter much because we rarely deal with strangers. For example, if I need plumbing work done, I use the same plumber that I always use. Why? Because I know he has done a good job in the past. He also has an incentive to keep doing a good job because he wants to keep my business. I do not have to evaluate whether a plumber I have never met is trying to rip me off. I do not deal with a new plumber every time I need a job done. I use the same one.

In fact, when we make repeated purchases, the merchant has an incentive to be honest so he or she can earn more business in the future, just like my plumber does. Gladwell's stories are interesting, but the implications of those stories are not as dire as one might expect.