Rebuilding Trust:

What It Will Take

Edelman Trust Institute

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Dan Schulman is focused on democratizing and transforming financial services and e-commerce to improve the financial health of billions of people, families and businesses around the world. With extensive experience in payments and mobile technology, Dan is leading PayPal to reimagine how people move and manage money, and how merchants and consumers interact and transact. Under Dan's leadership, PayPal has been named as one of the top companies on JUST Capital and Forbes' JUST 100 list, featuring "companies doing right by America." PayPal has also been recognized as a Fortune Change the World company for its work to tackle the biggest challenges facing society today.

Dan has been recognized as one of Fortune's top 20 Businesspersons of the Year, one of Glassdoor's Top 50 CEOs, and a Ripple of Hope laureate by the Robert F. Kennedy Human Rights organization. In 2021, Dan was ranked third on Fortune's list of the World's Greatest Leaders, an honor that recognized individuals for their leadership throughout the COVID-19 pandemic. He is also the recipient of the Frederick Douglass Award presented by The New York Urban League, the Voices of Solidarity Award presented by Vital Voices, Endeavor Global's High-Impact Leader of the Year Award, and a Brennan Legacy Award. Prior to PayPal, Dan served in leadership roles at American Express, Sprint Nextel Corporation, Priceline Group, and AT&T. He is a life member of the Council on Foreign Relations and currently co-chairs the World Economic Forum's Steering Committee to promote global financial inclusion. Dan earned a BA from Middlebury College and an MBA from New York University's Leonard N. Stern School of Business. He is also an avid mixed martial arts practitioner.

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A human rights lawyer by training, Mandeep specialises in legislation relating to the core civil society freedoms of expression, association and peaceful assembly. He is passionate about improving civil society's participation in decision making, and has written extensively on the intersection between civil society, sustainable development and international affairs. Previously, Mandeep advised the International Committee of the Red Cross in New Delhi. He has also worked with the Commonwealth Human Rights Initiative where he helped develop human rights modules for Commonwealth Parliamentarians and co-authored a citizens' handbook on human rights commissions in India.

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Matthew spent 25 years as an editor and writer at The Economist, including as business editor and New York Bureau Chief. He also launched and moderated several Economist conferences, including on Fintech, the Future of Work, and Investing for Impact. He then led the Rockefeller Foundation's Bellagio Center, convening global experts to develop practical solutions to some of the world's most urgent challenges. He is currently a Non-Resident Senior Fellow at the Brookings Institution. He has authored several books, including Philanthrocapitalism; The Road From Ruin; and Economics A To Z. A sought after speaker, media commentator and advisor, he has interviewed/moderated many leaders from politics, business and entertainment. He is a cofounder of the Social Progress Index, #givingtuesday and 17 Rooms. He was honored by the World Economic Forum as a Young Global Leader. He served on the Sykes Inquiry on Restoring Trust in the Investment System and on the G8 Taskforce on Social Impact Investing.

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Natasha joined Sarasin & Partners in 2013, where she oversees the firm's stewardship activities. Specific areas of work include steering the integration of environmental, social and governance (ESG) matters into the investment process, managing voting and engagement, and leading outreach on several policy and market-related matters.

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Rik is a leader in business publishing. As Director of Publishing, he led McKinsey & Company's global print and online activities from 2008 to June 2020, growing its audience fivefold. From 2000-2005, Rik was the editor of FORTUNE magazine, which under his leadership was three times nominated as a finalist for general excellence by the American Society of Magazine Editors and won numerous other awards. Previously he served as FORTUNE's Washington editor, Europe editor, International editor and Deputy Editor. A member of the Council on Foreign Relations, he has been a frequent guest on CNN and CNBC and a moderator at the WEF in Davos, FORTUNE's Global Forum, Bloomberg's New Economy Forum and the Microsoft CEO Summit. Currently Rik works with select clients on editorial priorities and serves as an advisor to McKinsey and the Edelman Trust Institute, on the board of the International Center for Journalists and plays in a rock band, The Prowlers.

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Rebuilding Trust: What It Will Take

Leaders and organizations can regain the trust lost during the pandemic. But they must move from insight to action if the world is to emerge from this crisis better equipped to handle the next one.

Matthew Bishop

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The new year began with the Omicron variant seemingly everywhere. Yet there are still good reasons to hope that in 2022 much of the world will move decisively into post-pandemic mode. If so, expect a "new normal," different from the old normal we left behind in early 2020. How different, exactly? Much will depend on whether, and in what ways, we can rebuild that essential foundation of modern living: Trust.

"We were born to trust, but we were born to trust only a few. Over the centuries, we have developed the instincts and tools and institutions to expand our circle of trust to millions," writes economist Benjamin Ho in his timely new book, "Why Trust Matters." In it, he argues that this long expansion of trust has been crucial to our growing prosperity and human progress. COVID-19 provided an unprecedented global stress test of those supposedly trust-enhancing instincts, tools, and institutions. Sadly, the crisis revealed many of them were wanting— from our governments and their leaders and the social contracts between the rich and the rest of us to the media and social media, and the networks of experts meant to guide public thinking on everything from medical science to economics.

The pandemic also challenged how we saw even those few fellow humans we were born to trust— our families and neighbors, doctors, teachers, co-workers, and others, whose hugs or handshakes suddenly became a potential death sentence. Nonetheless, it was bubbles and pods of the few that most of us trusted for support in getting through the physical and mental ordeal of the past couple of years. Making sense of this simultaneous deepening of trust within our immediate circles and weakening of trust in those outside them is certain to be a big theme of post-pandemic life.

What will it take to rebuild trust, or preferably, given that declining trust is an issue that long predates the pandemic, to build trust back better? That is the focus of this first collection of essays from the new Edelman Trust Institute. On topics ranging from government and work to racial inclusion and climate change, our writers describe the significant challenges ahead and offer practical ideas for building trust in 2022, while making it clear that failure to do the right things could have very bad consequences for our world.

Towards Trustworthy Government

Early in the pandemic, the *2020 Edelman Trust Barometer Spring Update: Trust and the COVID-19 Pandemic* reported a surge of trust in government. As I predicted back then, this proved to be a short-lived "trust bubble", probably owing more to the desperate hope that governments would deliver than to any genuine trust that they would. And indeed such hope in most countries quickly vanished as the death toll mounted. By January 2021, the Edelman Trust Barometer found that around the world, governments generally were less trusted than both business and NGOs, though they were still slightly more trusted than the media (see 2021 in Review: Edelman Trust Barometer). A majority of those surveyed believed that government is neither ethical nor competent (while, as they also believed, business, uniquely, is both).

"Make sure what you say and what you do are always aligned", says Dan Schulman, PayPal's President and CEO, in his interview with Rik Kirkland. That is surely the first law of trust building. Hypocrisy is a trust destroyer, one in which those running the British government's response to COVID-19 have led the world— delivering a series of embarrassing breaches of their own rules, from driving long distances unnecessarily and love affairs conducted outside approved pods of contacts, to Downing Street throwing an office "Christmas party" during a national lockdown. Yet Boris Johnson and team are hardly alone in this; even Sanna Marin, the usually sure-footed prime minister of Finland, was caught nightclubbing when she should have been quarantining.

Incompetence is another trust destroyer— and while debate is likely to continue for years about how well or (mostly) poorly different governments performed during the pandemic, and at different stages of it, two years in, even those that performed well initially are losing their sheen. For instance, the popularity of New Zealand's prime minister, Jacinda Ardern, has been falling lately, despite a miniscule COVID-19 death rate in the country, as frustration with lockdowns has coincided with the worst outbreak since the start of the pandemic.

Perhaps it is simply too hard for any government to consistently get the answers right when tackling a horrendously complex challenge such as a pandemic, one that requires the right balance to be struck between often competing demands from the public for effective health care, economic prosperity and personal freedoms. The time may have come, as Juha Leppanen argues, for more "humble" governments. Instead of claiming— and being expected—- to have all the answers, policymakers, he suggests, should be honest about their limitations and prioritize collaboration with others, including political opponents, to solve the biggest problems.

Some of that humility and collaborative spirit will also be needed to make the world's multilateral governance institutions trustworthy. The rapid spread of the COVID-19 virus was, in part, a direct consequence of our previously having been too trusting in the international system, as we allowed the barriers between us to be torn down without putting in place the detection mechanisms and other protections that could have stopped the melting pot of globalization from becoming a hyper-efficient system of deadly disease transmission. The World Health Organization has struggled to fulfil its role, not helped as the pandemic took off by both (temporary) hostility from the United States and a lack of transparency from China.

A major effort will be needed to create a high-performing international system, capable of dealing better not just with potential future pandemics but other looming global disasters, from climate change to rising geopolitical tensions such as between the USA and China. The failure of richer countries to supply anywhere near enough vaccines and financial support to the world's devastated poorer countries further reduced those countries' trust in the fairness of the international system. This will make it even harder to reach consensus on crucial global reforms, as was painfully clear during the recent COP26 climate change talks. Doing something quickly to begin rebuilding this trust between nations should be a high priority, especially for rich country governments, in 2022.

That Difficult Return to the Office

For many of us, the most significant act of new normalization in 2022 will be returning to the office. As Kevin Delaney argues, there is every chance that employers will botch this transition, not least by failing to allow flexibility and autonomy to workers who feel they now deserve the trust of their bosses, having so diligently worked remotely during the pandemic. We may now suffer from zoom fatigue, but few of us want to return to the grind of the old five-day schedule of breakfast meetings, rush hours and so on. According to the *2021 Edelman Trust Barometer*, workers currently trust "my employer" more than they trust any other institution. But that could change fast if employers do not reciprocate that trust and instead attempt to enforce an inflexible policy of "turn up at the office or you're fired." Far better that bosses act with emotional intelligence and truly engage with their employees to get the remote versus office balance right.

Bosses will also have their hands full in 2022 building trust with minority employees and customers on workplace inclusion, and with all of us, on their pledges to fight climate change. June Sarpong outlines six practical priorities for would-be inclusive leaders, whilst Natasha Landell-Mills argues that all the recent enthusiasm of company bosses for pledging to make their firm a "net zero" emitter of carbon will add up to, well, absolute zero if these pledges do not come with an action plan and a set of accounts that truly reflect the financial implications of tackling climate change— which, for many people, may this year replace the pandemic as the most pressing global challenge.

Ending the Infodemic

Even the world's most famous optimist, Bill Gates, fears that in 2022, "decreased trust in institutions might be the biggest obstacle standing in our way." For this, he pins much of the blame on growing polarization, driven not least by social media, which "has played a huge role in spreading misinformation that makes people suspicious about their governments."

And it is not just governments that are being hit by this so-called "Infodemic." Gates himself has been at the center of one wild conspiracy theory popular among anti-vaxxers as they spread misinformation about medical science. The creation and rapid deployment of vaccines against COVID-19 is a truly remarkable achievement, so the refusal of so many people around the world to get vaccinated is perhaps the clearest indicator we have of the severity of the current trust crisis.

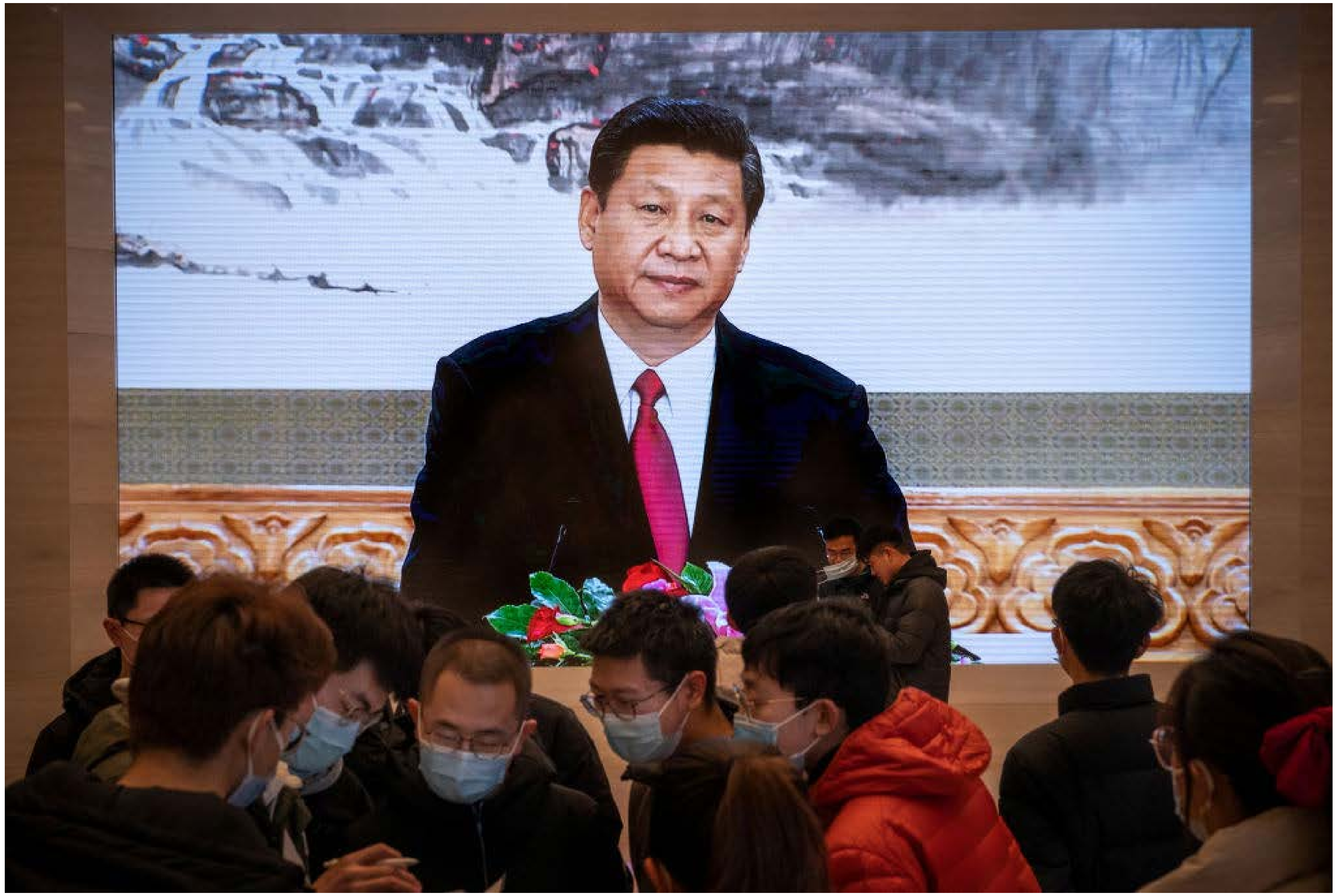
Trust in the mainstream media has also been weakened through misinformation attacks— though Sharon Moshavi has some good ideas for how journalistic organizations can fight back. So too have NGOs, which Lysa John and Mandeep Tiwana believe should have experienced rising trust due to their heroic work during the pandemic yet have been hurt by lies spread by populist politicians who want to weaken civil society. They call on civil society organizations to make more use of social media and other communications tools to build trust.

Unfortunately, building trust with one group by undermining trust in another seems to be far easier today than building trust in inclusive ways that bring everyone closer together— though it is the latter that the world needs in 2022. Nor is it obvious what to do about the tendency of social media to isolate people in information bubbles that reinforce their own biases and prejudices and increase their over-confidence in being right. On this, even Gates admits, perhaps for the first time in his life, "The truth is, I don't have the answers."

No one said rebuilding trust would be easy. But it should be at the top of everyone's agenda in 2022. Perhaps some innovations will help. The blockchain may start to live up to its theoretical promise as a "trust engine." Old ideas may find new relevance, too. In his book, Ho argues for more use of apologies to build trust— especially sincere apologies that come at some personal cost. Ultimately, trust will come to the trustworthy. PayPal's Schulman is right: The crucial thing is for our words and actions to be aligned.

Hopefully, these essays will stimulate further conversation about how trust can be rebuilt this year— and may even provide an actionable idea or two for your own efforts at building trust. ◆

No one said rebuilding trust would be easy. But it should be at the top of everyone's agenda in 2022.



■ Chinese president Xi Jinping on video at the Museum of the Communist Party of China

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Matthew Bishop spent 25 years as an editor and writer at The Economist, including as business editor and New York Bureau Chief, and is a Non-Resident Senior Fellow at the Brookings Institution. He cofounded the Social Progress Index.

“You Are What You Do, Not What You Say:” How to Keep Trust at the Top of the CEO Agenda

Dan Schulman *in conversation with* Rik Kirkland

■ Schulman delivers remarks on the importance of technology for inclusive finance at the 74th UN General Assembly in New York City in September 2019

Since Dan Schulman became President and CEO of PayPal in September 2014, the online payments company and its leader have delivered a performance for the ages. Since PayPal went public in July 2015, revenues have nearly tripled as transaction volumes climbed fourfold, which has in turn delivered significant long-term value creation to stockholders. Looking back, Schulman has no doubt that trust-building has been at the heart of PayPal’s success. In this interview with Rik Kirkland, former managing editor of Fortune, Schulman reflects on what it takes for businesses to earn trust— and why doing so is going to matter more than ever. (PayPal is an Edelman client.)

Rik Kirkland: Trust is declining across so many countries and institutions these days. How can organizations move that needle in the right direction?

Dan Schulman: First, understand that trust can only be built over time. A company can't just look up and say, "Hey, we want to be trusted." Today, PayPal regularly shows up at the top of various lists of the world's most trusted brands. But a lot of what we did to support that goes back six or seven years. You have to think longer term than the next few quarters.

Second, be consistent. For a brand, that requires a clear mission that sets out what you're about; a clear set of values to support that mission; and articulating both clearly, internally and publicly. Above all— this is incredibly important— it requires acting on those values. Saying that you have values and not acting on them is worse than not having any values. That's what causes employees to revolt, that's how you sow distrust with customers or regulators. My dad told me, "You are what you do, not what you say." Make sure what you say and what you do are always aligned.

RK: Does earning trust for a business today require more than simply offering reliability and products that deliver good value?

DS: Trust extends well beyond whether you deliver an excellent product or service. Doing that is very necessary, but it's not sufficient. To be a company that embodies trust, your mission and values should make it clear that you stand for more than just maximizing profit. That you stand up for social issues that are important, and you do the right things to help create a better world. I really believe companies can't think of themselves as separate and distinct from the communities they operate in.

RK: For example . . .

DS: Some is about the things you do. We've taken a lot of positive stands: backing immigration reform; providing access to interest-free loans to help federal workers when they were furloughed during the government shutdown in 2019; and investing more than $500 million since 2020 to close the racial wealth gap by supporting Black-owned small businesses and creating an economic opportunity fund to invest in community banks and credit unions serving underrepresented communities.

Some is about things you stop doing. For example, we've barred hate groups, the Proud Boys on the far right and Antifa on the far left, from using our platform. The difficult part there is identifying what is hatred and what is freedom of speech. Nobody teaches you that.

To be a company that embodies trust, your mission and values should make it clear that you stand for more than just maximizing profit.

But the older I've gotten and the longer I've been in CEO jobs, the more I've realized that if mission and values are what guide your toughest decisions, it's not actually that hard. When North Carolina passed a bathroom law in 2016 that discriminated against LGBTQ citizens, I immediately made the decision that we were going to withdraw our plans to open an operations center there in a week. Because that was a clear assault against people for their gender identity and their sexual orientation. Now, I didn't realize how much it was going to thrust us into the national spotlight, that I couldn't go into a bathroom for a while without security searching the stalls first. But it was clear to me that this was a case of putting our values into action, and honestly, we had no choice but to make that decision.

RK: How can trust serve as a guide to managing the conflicting demands of diverse stakeholders?

DS: That companies operate in a world of stakeholder capitalism has to me always been a full no-brainer. It's also clear that while I serve at least five different constituencies— employees, customers, communities, shareholders, regulators— my number one constituency is my employees. And I'll say that in front of any shareholder.

The reason is, if I can attract and retain great employees, a passionate, diverse workforce who believe in what we are doing, then nobody will work harder or execute better against PayPal's mission. And that is going to give me all the competitive advantage that I need.

That said, all stakeholders matter. A lot of tech companies aren't trusted because people don't understand how they work. At PayPal we launch no product or service without regulatory consultation. When I first came here, we had about 100 compliance and financial crimes related staff. Today we have more than 4,000. You might say, "Wow, that must stop you from innovating ." But I consider it a competitive advantage. Because when we launch a new product with the backing of regulators, consumers can trust it as well.

RK: Does a more digital world put a higher premium on trust?

DS: Digitization is making us all more vulnerable to people we don't really know. People know their information is "out there," regardless of whether it's packaged or sold on the dark web. The world is ever more prone to cyberattacks. As a result, people are feeling very vulnerable. They are looking for safety, rocks in a shifting landscape that they can count on.

© Omaha World Herald

■ Schulman in Omaha, Nebraska after announcing a new "employee financial wellness initiative" that put more money in workers pockets

What they really care about is: Is a brand secure and does it protect my privacy? For PayPal, security and privacy are the two pillars we rest on. Transparency is also critical. Products should be simple to use and easy to understand. No surprises, no fine print. Your business model shouldn't rely on people not having all the facts, or pricing that's not clear.

RK: Trust in autonomous systems and distrust in fiat currencies are part of the explosive rise of crypto and blockchain technologies. How do you see those forces playing out?

DS: People misunderstand or conflate various parts of the complex debate over crypto, digital currencies and blockchain. Yes, there is a set of people who believe some form of cryptocurrency should be out of the hands of government and disintermediate everybody. But I strongly believe there is no way that the world's financial system is not going to be regulated by governments. That system's stability and integrity is just too important. Yes, a lot of people get hung up on the price of Bitcoin and whether it's in a bubble. I think we should have the humility and courage to admit that we're in the early stages, and we don't know perfectly what the future is going to hold.

But none of that means we shouldn't explore the opportunity now to innovate responsibly. The core of PayPal's mission is to make sure people aren't left behind or left out when it comes to the financial system. The current system is antiquated, inefficient, expensive, and exclusive. Those are facts. And pretty much every regulator and central banker agrees.

If I had to predict, I think what's going to happen with crypto is that it will become an enhanced utility for payments. That involves things like the ability to create programmable money, which uses software and new technology to take payments to a different level. You can embed compliance in a payment, you can embed identity. This all goes well beyond what we can do today. You can digitize assets by creating non-fungible tokens or take pieces of asset classes that could never be available to the masses and decompose them in ways that make them more affordable.

What all these ideas do is use the underlying distributed ledger technology to make the system more efficient and, where it makes sense, disintermediate unnecessary intermediaries. If I'm sending an international remittance from one digital wallet to another digital wallet, why go through four or five different middlemen who tack on 8% or more in fees when I can do that transaction at a miniscule cost and do it instantaneously? The key will be to experiment and explore the potential innovations in crypto and blockchain hand in hand with regulators, so they continue to trust us as well.

■ Schulman participating in a panel session at the Bloomberg New Economy Forum in Singapore in November 2021 where he discussed pandemic recovery efforts and the ways in which we can collectively ensure a more inclusive future

RK: Looking ahead, will trust stay at the top of the corporate agenda?

DS: The typical financial metrics that people look at, such as revenues and profitability, are products of other drivers. For example, revenue is really driven by our ability to grow engagement, minimize churn, and continue to scale. But behind all those quantifiable drivers are deeper things: Are you putting out products that are safe, secure, and easy to use? What is your brand trust rating?

To me, trust is the primary driver. Because there's been such an erosion of trust around the world, I believe it's going to continue to be a huge potential differentiator. To get this right, leaders need to operate over the medium-to long-term and think in a multi-constituent fashion. Without doing that, you can still be a good company. But you will never be a great, enduring, or iconic company. Because building a great company relies, above all, on trust— trust earned consistently over many years. ◆

Inclusive Leaders You Can Trust

Practical priorities for leaders building an inclusive corporate culture

June Sarpong

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The brutal police murder of George Floyd in Minneapolis in the summer of 2020 prompted an unprecedented outpouring of commitments (many with big dollar amounts attached) from business leaders in America and beyond to fight racism, within their firms and in society more broadly. Yet as we enter 2022, there remain huge doubts about whether business leaders can be trusted to deliver on their promises.

The scepticism starts with the money. In the summer of 2021, a year after Floyd's death, of the $50 billion supposedly pledged to address racial equity, only $250 million had been spent or committed, according to analysis by Creative Investment Research. Yet the bigger cost of failing to address racism and racial disparity is reflected less in the figures spent or unspent than in the ongoing trust deficit that grows from the lack of progress. Even at the height of all the committing and pledging, many of us (especially long-time campaigners for inclusion) looked at the sudden and ostensibly overwhelming support for racial justice and wondered how long it would last.

Those on the receiving end of racial injustice are inclined to maintain a distrustful disposition because their lived experience and history has taught them not to put faith in words alone. When rhetoric is not backed up with action, scepticism is reinforced, and the trust deficit grows. Reduced trust makes it even harder to achieve the engagement needed for even the most sincere and well-designed inclusion and racial justice initiatives to succeed. The danger then is that "inclusion fatigue" will set in and support slip away.

To break this depressing cycle, leaders must commit to taking bold, uncomfortable steps. They need to understand that the spoils of the system need to be shared and, often, that the system itself will need to be changed fundamentally. And they must act quickly on that understanding. For those we want to reach, hearing may be deceiving but seeing is believing, and significant action is how we can repair the trust deficit.

I wrote about these challenges in my book, "*Diversify – Six Degrees of Integration.*" One thing has definitely changed since it was published in 2017.

Then, I typically found myself having to make the case to corporate leaders that diversity is good for business. I'm heartened to say that in these extraordinary past four years we have now largely moved beyond that "why?" to the "how?" I now also know from personal experience in my role since 2019 of Director of Creative Diversity at the British Broadcasting Corporation that, although "the how" is never easy, progress is possible, in everything from including minority leaders in our highest-level decision-making to rethinking our approach to content creation and finding and championing minority talent.

Even so, if 2022 is to be a year of real progress in delivering inclusion on the scale implied in all those commitments made around the world two summers ago, much will depend on whether leaders can break old habits.

Even so, if 2022 is to be a year of real progress in delivering inclusion on the scale implied in all those commitments made around the world two summers ago, much will depend on whether leaders can break old habits.

Leaders, of whatever colour, are human, and humans are notoriously creatures of habit. When it comes to improving racial inclusion most leaders, especially in the corporate world, revert to what they normally do: Articulate a goal and set targets. But racial disparity is not just about numerical representation. It lives in whether people who are not the default ethnicity of White feel they are valued at work.

Truly changing hearts and minds requires a leader to have different qualities from those required to successfully meet numerical targets. It requires leaders to be at once both bold and personally vulnerable— indeed, to place their own trust in those they are seeking to include, and by doing so, gain the trust of diverse workers and customers. Trust building is the foundation of inclusive leadership.

In that spirit, I offer six key priorities in the year ahead for would-be inclusive business leaders.

- **Be compassionate.** See each other's reality. We can't greet the trauma experienced from racist violence and discrimination with silence, because silence, at best, gives the impression of indifference. For someone who is, say, the only Black person in the team, that perceived indifference can increase feelings of isolation. Be prepared to engage and listen to the lived experience of people from different ethnic backgrounds, especially to identify the barriers to entry and progression in your firm.

- **Recognise that non-Whites are not all the same.** Historically, racism has applied differently to different ethnic groups across the world, resulting in different challenges and circumstances for various non-White groupings today. Treating all people who are not White as a single grouping, such as Black, Asian and Minority Ethnic (B.A.M.E) or Person of Colour and adopting a one-size-fits-all approach to them will deliver you even more disparities. If particular demographics are under-represented in your team or department, publicly acknowledge this, or nothing will change. Seek guidance from the relevant employee network or Diversity and Inclusion team on what processes or procedures need to be changed.

- **Network to access minority talent.** Legacy procedures and structures often create institutional barriers to achieving ethnic diversity and establishing cultural inclusion. Collaborate with contacts at other organisations who can help access a more diverse pool of young and early career talent. Support Black and minority colleagues (including by setting yourself a personal target) to gain access to a mentor or sponsor in your network.

- **Knock down structural and procedural barriers.** Change structures that constrain innovation and change. Create new entry routes for minorities, such as apprenticeships or work trials. Be receptive to initiatives that could open your team up to colleagues from more diverse teams for the purpose of bringing new skill sets and perspectives into your team. This will help to break down silos and may also create new career opportunities.

- **Become an ally, inside and beyond your firm.** Join, or help set up, a Black and minority allies network to support your organisation's Black and minority employees and their networks. Use your global network to seek additional allies who can help to connect Black and minority affinity groups and allies across different jurisdictions: Racism always was, and still is, a global issue that requires an effective global response.

- **Think long-term.** Systemic racism which filters down through all aspects of society has been centuries in the making and will take a sustained effort over time to dismantle. Dedicated staff focusing on this challenge and ongoing programs will be needed to achieve a systemic shift, not just a few limited interventions.

At the BBC, one of the long-term changes we recently introduced that has delivered quick progress, and demonstrated clearly where we are heading, is our diversity advisors programme. Each of the corporation's key leadership groups now has two internal diverse advisors, at least one of whom has knowledge and understanding of issues around race. This has allowed us to rapidly increase minority representation in our highest decision-making committees. I can't overstate the importance, when tackling issues of race, of ensuring that individuals with relevant lived experience are engaged in the process of change. Increasing diverse representation in leadership groups is essential to maintaining the buy-in of a diverse workforce, as well as authentically serve a diverse customer base.

We also took steps to reinvigorate our core mission as one of the world's leading media organisations, by reimagining our historic responsibility to share stories and connect experiences to audiences who may otherwise never come across them. Key to this was our Creative Diversity Commitment, which you will hear much more about in 2022.

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■ Sen. Mazie Hirono (D-HI) speaks during a news conference with Senate Majority Leader Charles Schumer (D-NY) lowing the passage of the COVID-19 Hate Crimes Act

This pledge has a goal of commissioning £112 million in diverse content over three years. Minority writers and other content creators have too often been seen as too risky by us and other leading media giants. Now we are proactively seeking to support storytellers from diverse backgrounds to bring un- and under-told stories to life both on screen and on radio.

Though it predated this initiative, one encouraging sign of how this approach can be a game changer is the massive global success of "I May Destroy You," Michaela Coel's fictionalised dramatization of a sexual assault against her. A pioneering joint-commission by the BBC and America's HBO, the mini-series by a British-born writer-actress of Ghanaian decent aired in the summer of 2020, during the first peak of the pandemic and the surge in anger at racial injustice. It was described by the *New York Times* as "the perfect show for an anxious world." With the BBC's new commitment to creative diversity, we are anticipating many more such timely, socially relevant hits written, produced by, and starring minority talent.

My hope for 2022 is that there will be lots of similarly inspiring stories told across many different industries and businesses— including yours. ◆

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June Sarpong OBE is the BBC's Director of Creative Diversity and author of "Diversify – Six Degrees of Integration" and "The Power of Privilege— How White People Can Challenge Racism," both published by Harper Collins.

■ Michaela Coel, Creator of 'I May Destroy You,' accepts award for Outstanding Writing for a Limited or Anthology Series or Movie at the 73rd Emmy Awards

Building Trust At Work

As employees gingerly return to offices, employers must prove they can be trusted

Kevin J. Delaney

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The late Kurt Lewin of the Massachusetts Institute of Technology once observed that companies' practices and cultures are usually frozen, making deep change harder. But sometimes external factors can bring about a thaw, making transformation possible—before the organization freezes again.

The pandemic has, without a doubt, brought on a massive thawing and extended period of slush, as Lynda Gratton of London Business School has noted. Now, as we head into 2022, we need to expect practices and norms to naturally freeze in place once again. And that creates a unique window before they do for leaders to reshape their organizations and deepen the trust of their employees.

Yet there are reasons to be concerned that many will squander this unique opportunity to redefine the culture and practices of their organizations to better equip them for how work and our world have changed.

Numerous surveys have found a wide gap between executives' expectations for workers to return to offices and their employees' own desires. More than three-quarters of C-suite executives polled by McKinsey in May said they expected typical white collar employees to come back to the office three or more days per week, while over half of the workers they surveyed wanted three or more days of remote work. Meanwhile, a recent Gallup survey found that the majority of production and front-line workers (many of whom have been required to work on-site throughout the pandemic) are "struggling" or "suffering," even as many of their employers are reporting record profits.

This broad disconnect is a recipe for disengagement and employee departures. It's possible that we're seeing some of that in the record voluntary resignation numbers posted in recent months— some 3% of the U.S. workforce quit their jobs in September alone, and another 2.8% voluntarily resigned in October. Whether you think this is truly a "Great Resignation" or not, a lot of workers are feeling empowered to voluntarily leave their jobs.

Now, the Omicron variant, the broader return to the workplace planned for 2022 will almost certainly test corporate leadership further. Some 60% of workers say that employees today have more power and leverage when it comes to creating change in organizations, according to the *2021 Edelman Trust Barometer*. And they're increasingly skeptical about companies' actions. Just 48% say their employer is acting on its values, down seven percentage points from January 2019. There has also been a sense of backsliding even in high-profile areas such as diversity. Some 65% of US workers said employees at all levels of their company reflect the diversity of their customers and community, down five percentage points from January 2019.

Build or botch?

Laszlo Bock, the CEO of Humu, a company focused on workplace behavioral change, and former Senior Vice President of People Operations at Google, believes that many companies will botch the return to the workplace. He predicts that 80% of large companies adopting new hybrid and remote approaches will abandon them in two years.

Bock also believes that many leaders will make the mistake of pushing workers for performance at a moment when many remain exhausted and burned out. He advises formally relaxing performance standards to give employees breathing room to reset their energy and recommit to their roles, which will pay off in increased productivity over the long run. "Keep burning people out and they're all going to quit and your attrition is going to double and you're going to be further behind," Bock warns.

The good news for bosses is that workers today trust their own employers, more than just about any societal institution. According to the *2021 Edelman Trust Barometer Special Report: The Belief-Driven Employee,* some 78% of employees said they trusted their co-workers, followed by their direct manager (77%), chief executive (71%), and head of human resources (70%).

According to the same report, the other piece of good news for bosses, or at least those driven by a clear and positive purpose, is that belief-driven employees— a category that apparently has grown fast in recent years— are loyal, more likely to say they want to work for their employer for many years, and more likely to do more than what's expected to help the organization succeed.

So, what should leaders do to capitalize on this transitional moment and build trust?

- **First, earn and cement that trust.** Susan Ashford, professor at the University of Michigan and author of "The Power of Flexing," says workers are looking for confidence, competence, and compassion from leaders right now. "They want to know that someone is confident that we're going to get through this," Ashford says. "They want competence so that they can believe the first claim." And, she adds, "they want people that, whether they can accommodate it fully or not, are compassionate about what people are going through."

- **Second, communicate clearly with employees.** This requires sharing what you don't know, in addition to what you do know. It preferably includes engaging in a dialogue, such as a monthly "ask me anything" session between the leadership team and staff. And, above all, it involves communicating the reasoning behind decisions related to returning to the office and the future of work. Surveys throughout 2021 indicated that employees felt that too often executives weren't communicating adequately about what was ahead— and that failure was adding to their anxiety and disengagement.

- **Third, focus on outcomes over hours.** Our societies shifted in the 19th century from assessing work by output to primarily measuring hours worked. It's time now to shift back to focusing on the work people do and the impact that work has rather than the number of hours per day that workers are sitting in a sea of desks outside their manager's office.

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The good news for bosses is that workers today trust their own employers, more than just about any societal institution.

The research is clear that people are more productive when they are trusted with autonomy about how they use their time— including where and when they work. It's also clear that working longer hours isn't necessarily working better, or more productively. In fact, studies suggest that beyond 50 hours per week, there are dramatically diminishing returns to hours worked.

How do you provide flexibility, get the work done, and preserve a company's culture and creativity? Research shows that hybrid work models— where viable— may be the answer, with workers coming together two or three days a week to meet in person, while doing focused individual work remotely.

- **Fourth, ensure leadership actions and words line up.** Especially when it comes to areas like diversity and inclusion, and corporate mission, workers are looking for leaders' words to be followed by action (which in many cases has yet to be delivered). In 2022, things are likely to come to a head. Workers will have high expectations of their workplace preferences being taken into account, especially if leaders claim that the planning process will do so.

The workers who will return to workplaces in 2022 aren't the same as those who abruptly left their offices in early 2020. Data from the *2021 Edelman Trust Barometer Special Report: The Belief-Driven Employee* shows clearly that they're now looking more than before for their employers to connect their work to societal values and purpose, they are demanding flexibility in terms of when and where they work, and they are expecting that organizations prioritize their wellbeing.

In many industries and for many positions, the ability to recruit and retain talent will depend upon employers' willingness to match their practices to employees' expectations, for roles ranging from front-line retail, restaurant and delivery workers to senior executives. The baseline assumption of workers now more than ever includes fair wages and greater autonomy.

Meeting the challenge of building trustworthy work will require leaders with more advanced emotional intelligence than is often found in the C-Suite, the kind who innately understands that the key to satisfying customers and shareholders and to lasting corporate success is your people. And that ensuring they are inspired, healthy, and happy isn't a soft get, but a mission-critical goal. ◆

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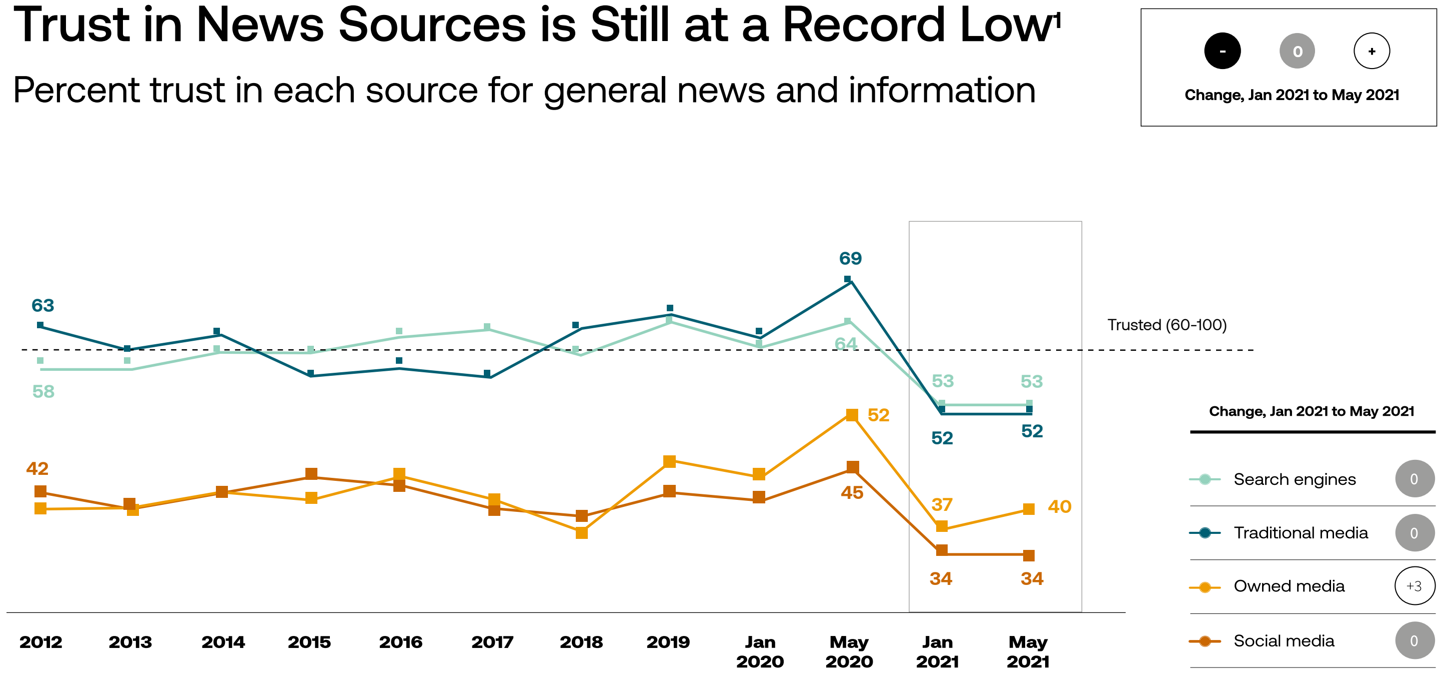
Kevin J. Delaney is CEO and editor-in-chief of Charter, a media and services company focused on the future of work. He was a co-founder of Quartz, managing editor at The Wall Street Journal, and senior editor at The New York Times.

2021 IN REVIEW
EDELMAN TRUST BAROMETER

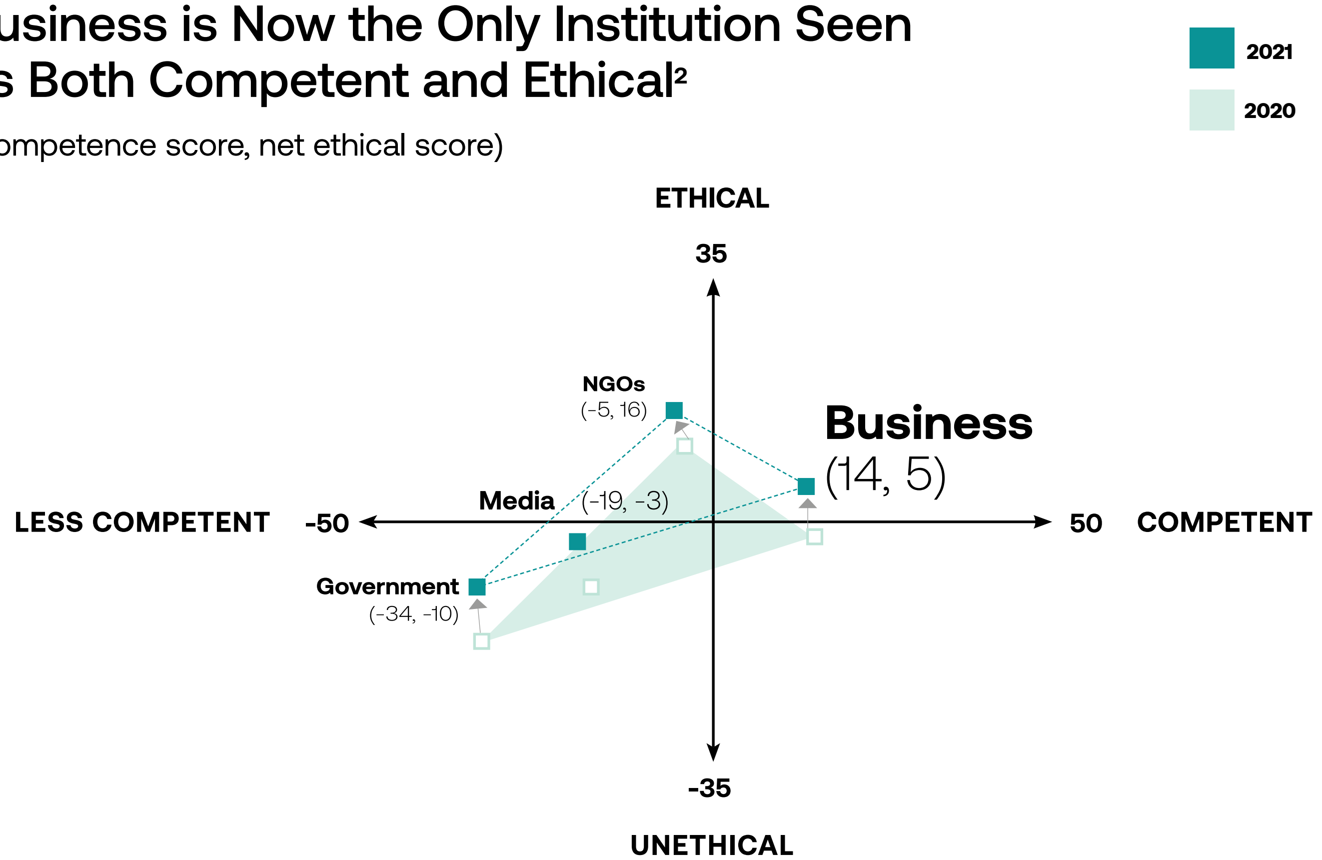
Trust in News Sources is Still at a Record Low[1]

Percent trust in each source for general news and information



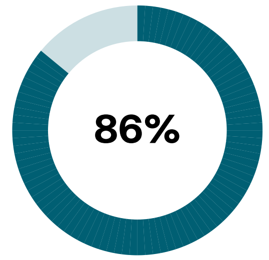
Business is Now the Only Institution Seen as Both Competent and Ethical[2]

(Competence score, net ethical score)



CEOs Must Speak Out on Societal Issues[3]

Percent who say

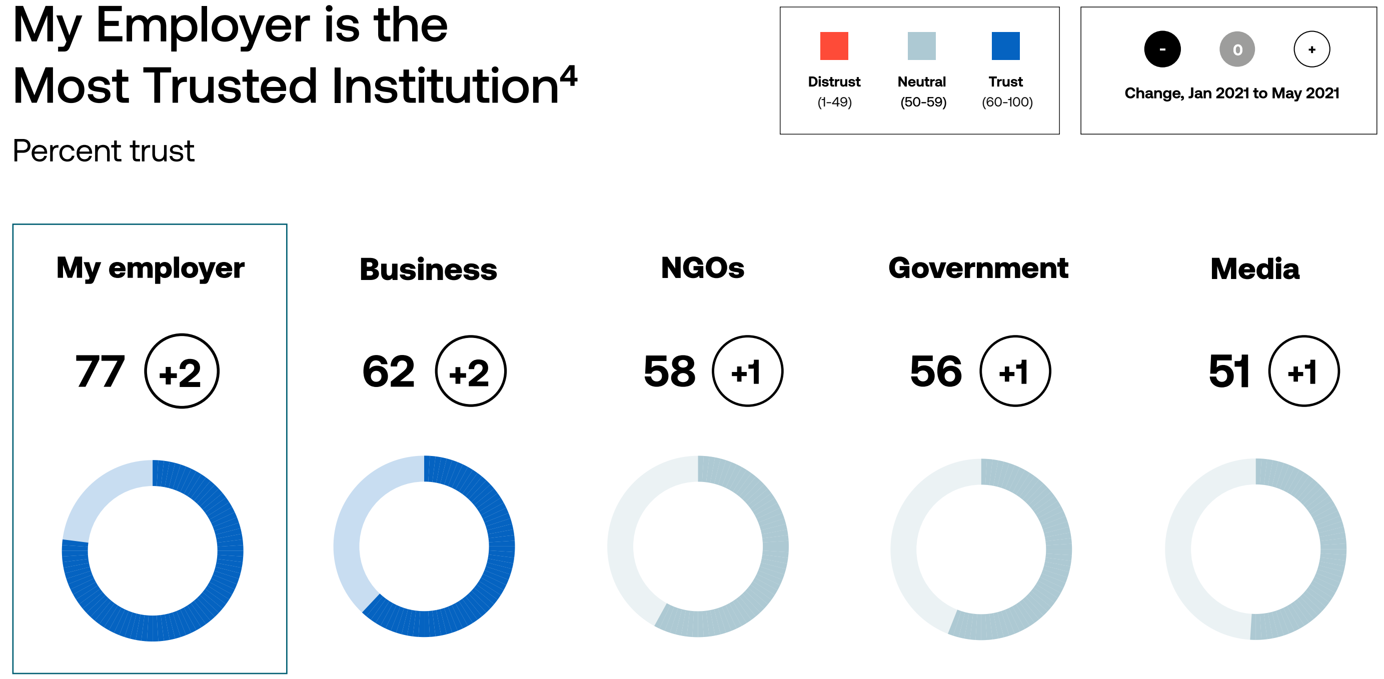


I expect **CEOs to publicly speak out** about one or more of these societal challenges

Pandemic impact	59
Job automation	51
Societal issues	43
Local community issues	40

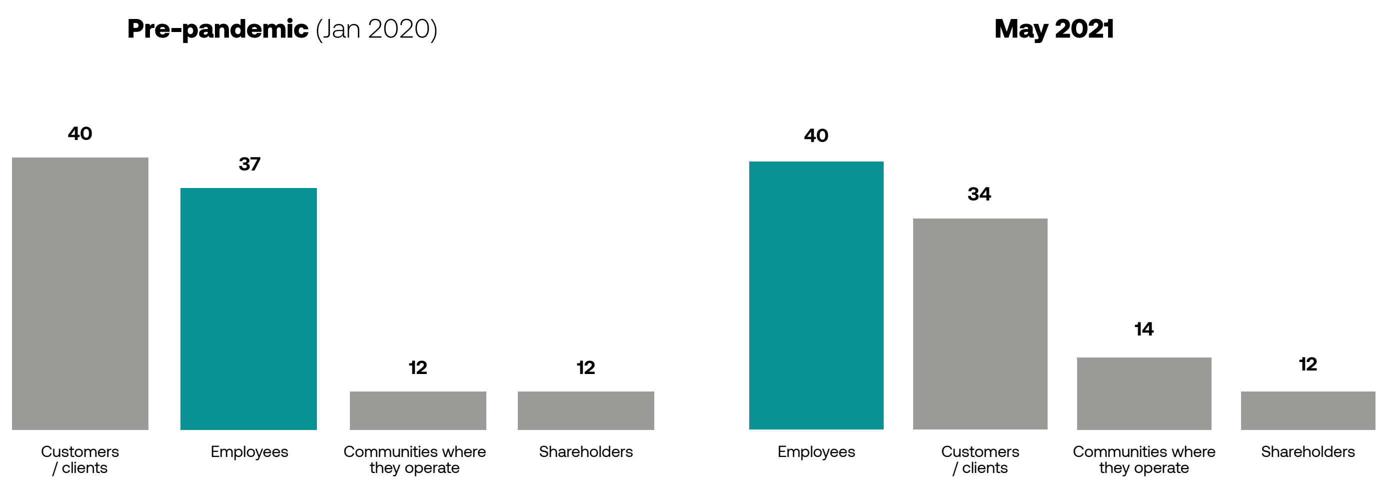
My Employer is the Most Trusted Institution[4]

Percent trust



Employees Now The Most Important Stakeholder[5]

Percent who ranked each group as most important to a company achieving long-term success



1. 2021 Edelman Trust Barometer Spring Update: A World in Trauma. General population, 10-market average.
2. 2021 Edelman Trust Barometer. General population, 24-market average.
3. 2021 Edelman Trust Barometer. General population, 27-market average.
4. 2021 Edelman Trust Barometer Spring Update: A World in Trauma. General population, 14-market average.
5. 2021 Edelman Trust Barometer Spring Update: A World in Trauma. General population, 14-market average.

Calling Business to Account on Climate

If they are serious about helping end the climate crisis, companies must publish accounts we can trust

Natasha Landell-Mills

Haven't we done well? Following the latest climate Conference of Parties (COP26) in Glasgow in November, world leaders have amassed enough promises and ambitions to limit global warning to 1.8°C, according to the International Energy Agency. This is within reach of the 1.5°C temperature target scientists tell us we must achieve to avoid dangerous societal harm.

But will it happen? COP26 is unlikely to have changed the minds of the public, which according to the 2021 Edelman Trust Barometer is both deeply worried about climate change and sceptical about the likelihood of disaster being avoided. Some 70% of the 33,000 interviewed globally by Edelman say they are worried or extremely worried about climate change. About half of the 14,000 interviewed for a subsequent *2021 Edelman Trust Barometer Special Report: Climate Change* have concluded that the fight on climate is already lost. A majority believe both governments and businesses are pulling the wool over their eyes when it comes to promised climate action. Climate anxiety is high.

Why the distrust?

There are many factors at work, but at its simplest, the public knows that incentives are still not aligned with taking robust action to combat climate change. When an oil and gas company promises to get to net zero emissions by 2050, and thereby wipe out its current core business activity and the associated profits, it is treated with a high degree of distrust. Turkeys don't vote for Christmas. As long as markets reward companies and their leaders for climate destruction, we cannot expect them to do the opposite.

Likewise, while governments know they need to rewire market incentives, broadly speaking, politicians struggle to act for the long-term good where this requires short-term sacrifice that may hurt them at the polls.

Nevertheless, as public opinion turns in favour of action (as the Edelman trust data shows), we are seeing steps forward. Banning harmful activities, such as coal-fired power or internal combustion engine vehicles, are obvious examples. Agreeing to end deforestation by 2030, as was promised at COP26, is enormously welcome. Continued expansion of carbon taxes or carbon-trading regimes also clearly shift incentives away from emitting carbon— making it no longer free to do so. These policies must be ramped up quickly.

There is another lever, however, buried within the bowels of corporate decision-making that has so far been largely over-looked. Yet it has the power to transform the incentives facing business executives and investors to align with rapid decarbonisation. And it can be pulled immediately.

It is this: Companies must be required to reflect the economic impacts of a 1.5°C pathway in their published financial statements.

Accounts are there to tell the truth about what is profitable and what is not. One of the foundations of trust in business, they thereby guide investment decision-making and also provide a mechanism for holding executives to account. In the case of carbon-intensive companies, if the accounts ignore the decarbonisation associated with combating climate change, they will very likely provide an illusory view of profitability and capital strength.

If the accounts of a coal-fired power company, for example, ignore the decarbonisation required to deliver the world's 1.5°C goal, management will presume stronger future cash flows and longer lives for assets. The company will leave out likely carbon taxes associated with future production and probably understate the required clean-up costs, which they will assume are decades away rather than close at hand.

Such blinkered accounting will make this company appear profitable. Management will be incentivised to throw good money after bad and reinvest into coal power. Adding salt to the wound, executives would probably receive large bonuses for the very efforts that put our planet at risk.

Accounts essentially act like a control panel for directing capital flows. Until company accounts reflect a 1.5°C pathway, few executives will treat a 1.5°C outlook as real, and investment will continue to flow towards harmful activities. No amount of promises and ambitions will stand in the way of such powerful accounting incentives.

The potential for material misrepresentation in company accounts— and thus harmful incentives— does not just apply to the fossil fuel extractive companies. Any entity that relies on carbon emissions for its economic health— whether that is part of its supply chain, production process, or the use of its goods and services— will need to consider how accelerating decarbonisation could impact their assets and liabilities.

Even banks are exposed where they lend to carbon-intensive companies and fail to price the risk appropriately. Indeed, the parallels with the financial crisis of 2008 should alarm us. Could banks once again be building up hidden risks on their balance sheets on the back of poor lending and asset purchases? Whereas the financial crisis took roughly a decade to recover from, the damage done by the climate crisis could well be irreversible.

The good news is that to get companies to reflect the economic impacts of a 1.5°C pathway, no new rules or regulations are required. Companies are already prohibited under existing laws and accounting standards

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from misrepresenting their true economic position. Financial statements must not omit the expected costs of their carbon emissions, leave out climate-related liabilities, nor ignore the economic consequences of anticipated decarbonisation.

Moreover, beyond requiring that all companies include foreseeable climate-related costs and liabilities into their financials, the standards demand that information deemed important to investor decision-making be disclosed. This information is termed 'material' under the standards, whether or not directors agree that it is important. With investors representing over $100 trillion in assets calling for accounts consistent with a 1.5°C pathway, it behoves companies to provide this visibility. This point has been underlined in the past year by the International Accounting Standards Board and the International Audit and Assurance Standards Board.

The bad news is that these rules nonetheless appear to be widely flouted. In a review of 107 carbon-intensive companies' latest financial statements, less than 30% mentioned climate change, decarbonisation, or the energy transition. Virtually none considered the global 1.5°C goal in drawing up critical, forward-looking accounting assumptions. More surprising still, even as companies have rushed to make "net zero" promises, most of them appear to have left out the costs of these commitments from their accounting. If ever we needed evidence of greenwash, this would be it.

Radio silence on climate change in company accounts should be a wake-up call for directors, auditors, regulators, and investors. Each group needs to act.

First, company directors must ensure their financial statements are taking expected decarbonisation into account; and disclose how a 1.5°C pathway would likely impact the entity's financial position. Taking the coal example above, is the company ensuring that its asset lives do not exceed 2030, or the relevant date when coal power will be banned? Have they made sufficient provisions to cover clean up costs at that point? Have they included expected carbon taxes associated with the production until phase out?

Second, auditors should call out companies that fail to properly reflect climate risks in their accounts. They should sound the alarm where the accounts are predicated on unsustainable emissions pathways that would take the world above the 1.5°C warming target. They should call out greenwash too-- where a company promises to deliver net zero emissions, but then ignores this in its forward-looking accounting assumptions.

Third, regulators need to enforce the rules that exist today and make crystal clear this also means providing visibility on financial impacts of a 1.5°C pathway.

While there are signs that this may be starting, with the European Securities and Markets Authority and the UK's Financial Reporting Council recently issuing statements that they will investigate whether companies' financial statements are including climate factors, they are silent on whether this includes disclosures for a 1.5°C world. Elsewhere, notably in the US and China, we've seen little sign that regulators are looking at enforcing climate-aware accounting.

Not only is this relaxed approach to enforcement concerning in and of itself, it is also hard to square with governments' promises of achieving 1.5°C. Here we have an immediate and powerful policy lever to shift capital onto a 1.5°C pathway. Why are regulators holding back?

Finally, while investors have led the charge in calling for more sustainable financials, they should now use their powers to hold directors and auditors to account in delivering 1.5°C aligned financial statements. According to research by Greenpeace on investor voting in 2021, in all but five of the high carbon companies they examined, auditors were reappointed with over 95% support. In the remaining five companies, auditors received over 90% support. With financial statements systemically ignoring climate factors, investors appear to be asleep at the wheel.

Again, we see signs of change. As COP26 got underway, investors with combined assets of $4.5 trillion wrote to the Big Four audit firms in the UK setting out their intention to vote against auditor reappointment where they failed to call out climate misrepresentation in the accounts. This auditor outreach builds on letters last year to company directors, coordinated by the Institutional Investor Group on Climate Change, setting out clear expectations for 1.5°C-aligned accounting.

Trust is built where promises are kept. The clear priority for 2022 must be to ensure capital flows that deliver net zero promises. To achieve this, few levers are as powerful as ensuring that all companies produce climate-conscious accounts. We need to stop companies reporting illusory profits and capital on the back of climate harm. If we do not, we are arguably turning a blind eye to the most harmful fraud the world has ever seen. We will have no one to blame but ourselves. ◆

Trust is built where promises are kept. The clear priority for 2022 must be to ensure capital flows that deliver net zero promises.

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Natasha joined Sarasin & Partners in 2013, where she oversees the firm's stewardship activities.

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NGOs and the Future of Trust

Despite a viral rise in disinformation, an effective response to the pandemic and new organizational forms should reinforce faith in civil society's worth

Lysa John *and* Mandeep Tiwana

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Despite a percentage point decline in trust in NGOs in the *2021 Edelman Trust Barometer*, these institutions actually delivered a strong performance during the COVID-19 pandemic— especially in comparison with the well-documented failures of many governments and businesses in dealing with the crisis. Should those notable contributions continue— and we believe they will— then NGOs and civil society organizations (CSOs) globally may well be in for a reputational rebound in 2022.

Our report, Solidarity in the time of COVID-19, includes many examples of the ways CSOs responded to the crisis with flexibility, creativity, and innovation. They did so in the face of a storm of misinformation and other forces that undermined civil society's quest for justice and equality. Hostile politicians ramped up censorship and propaganda to mislead the public about their responses. Adding to the confusion, while some businesses loudly said the right things, many of them acted in ways that only increased the pressures on governments and civil society, such as prioritizing their profits and even pumping up their share prices (and billionaire wealth) by abruptly laying off millions of workers when there was no alternative work to be found.

Civil Society Steps Up

Many CSOs were sources of credible information about the pandemic to communities around the world and acted as determined advocates for rights-oriented policies and accountability amid state and market failures. As schools, daycare centers, and shelters were shuttered, government emergency support schemes were often inadequate given the scale of the needs. Existing social safety nets struggled to meet the sudden surge in demand as many people found themselves unable to pay for essentials; and many government emergency responses were poorly designed, hurting some groups even as they helped others. Civil society groups stepped in to provide vital assistance to excluded groups and those without their regular incomes, including stigmatised homeless people in Japan and abandoned trafficked sex workers in Italy. In India, in May 2020, government data indicated that NGOs had outperformed local governments in rapidly providing humanitarian assistance such as free meals to stranded migrant labourers.

Organisations that normally prioritise advocacy for rights rapidly pivoted to provide essential supplies and services to needy communities, including food, healthcare, and cash support. In Chile and Algeria, protest movements such as Movimiento Salud en Resistencia (Health Movement in Resistance) and the Hirak movement reorganised to provide food supplies and personal protective equipment to hospitals. In other contexts, numerous new neighbourhood-level mutual help groups formed, tapping into and enabling local resilience.

While civil society cooperated with governments wherever possible, it did not wait for them to act, and often moved more rapidly than state apparatuses could. CSOs around the world took responsibility, showed leadership and modelled responses that could be scaled up. In Zimbabwe, an urgent legal complaint brought by Zimbabwe Lawyers for Human Rights won a ruling that ordered state security forces to respect human rights and refrain from assaulting people during lockdown. In Brazil, a coalition of over 160 CSOs campaigned for the introduction of an emergency basic income, resulting in approval of the scheme ten days after the campaign's launch. Over half of Brazil's population is estimated to have directly or indirectly benefited.

Time and again, the civil society response was not simply a case of doling out charity that positioned people as the recipients of aid, but of reaching out to communities that were struggling, hearing people, and working to meet their needs in ways that upheld human dignity and rights while recognising the long-term challenges and histories of exclusion that the pandemic patterned onto.

Given all this, why then did trust in NGOs (apparently) decline? We see at least two reasons.

Civil Society Under Attack

Authoritarianism, polarising populist politics and unregulated markets have provided fertile breeding ground for disinformation— creating what Edelman and others have called "the Infodemic". Our 2021 State of Civil Society report shows that, while the burgeoning of social media has created new opportunities for enhancing communications and organising by civil society, disinformation in the public sphere has exploded in parallel.

While civil society cooperated with governments wherever possible, it did not wait for them to act, and often moved more rapidly than state apparatuses could.

The pandemic has further increased the deliberate use of disinformation by divisive politicians and anti-rights groups to sow discord, distort discourse and enable attacks on civil society. Social media platforms are awash with sensationalist content driving stigmatising narratives about civil society, including baseless allegations of being foreign agents; anarchists; disruptors of law and order; or underminers of cultural values, economic growth, and national pride.

Such disinformation has contributed to a significant decline in civil society operating environments. This was under way long before the pandemic, though authoritarian governments have used emergency measures to further tighten the screw of censorship, surveillance, and anti-civil society propaganda. The December 2021 annual report of the CIVICUS Monitor, a participatory research platform that measures global civic space conditions, laments that nine out of ten people now live in countries where civic freedoms integral to the ability of NGOs to achieve impact are severely restricted.

In parallel, groups that attack fundamental human rights are on the rise (as we showed in a 2019 report on the impact of anti-rights groups). Authoritarian and populist leaders along-with their supporters among anti-rights groups who oppose civil society's focus on social justice and human rights are most likely contributing to negative perceptions of, and lower trust in, NGOs.

Given this, the link is revealing between the 2021 Edelman Barometer Report's data on the protection of individual freedoms, health, and cyber security. Fear of losing cherished citizens' freedoms (32%) is almost as prevalent as the fear of contracting COVID-19 (35%) and being attacked by hackers (35%). This points to the growing need for civil society's role in defending fundamental freedoms.

New Frontiers For Civil Society

But there is a second, far more hopeful reason why trust in many minds may have declined— too few observers are aware of an ongoing and profound transformation in the civil society landscape. This shift is being driven by an upsurge in popular protests and social movements coupled with the rise of social enterprises spurred by technological innovations. As a result, today's civil society is about so much more than NGOs. Although a few international NGOs

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enjoy name recognition on a par with major corporations, they constitute a tiny sliver of the civil society sphere— and recent scandals at several of them have rightly triggered calls for greater accountability and focused attention on more dynamic alternatives to the big NGO model of charitable, service-delivery or policy-influencing organisations. Our analysis of trends in the period between 2011 to 2021 clearly points to the emergence of these new frontiers for civil society.

New platforms and forms of civic engagement are emerging that enable more direct action, collaboration, and sustained opposition to systemic injustices. Civil society mobilisations during the pandemic have consistently thrown the spotlight on fundamental challenges within prevailing social, economic, and political systems, often resulting in significant shifts in public discourse and policy.

Even as a few international NGOs continue to draw significant public and media attention, ensuring that civil society is trusted as much as it deserves will require the recognition and amplification of a much wider spectrum of civil society efforts. Candidly, many CSOs are not strong at communicating in ways that resonate with the public. Unlike governments and businesses, civil society invests surprisingly little in communications and public relations.

Many CSOs that operate with limited resources have relied on the integrity and rationality of their messages to make an impact. As disinformation is spread by anti-rights and authoritarian forces, there is an urgent need for approaches beyond conventional modes of outreach to influence public opinion and build trust in more compelling ways.

The pandemic saw innovative uses of social media to engage communities and the public that may point a way ahead. For instance, in Malawi, the Centre for Social Concern and Development used a combination of online and offline means to share messages with girls and young women about strategies to protect themselves from domestic violence while under lockdowns. In Argentina, civil society developed a web platform that geo-referenced local resources for inhabitants of slums and informal neighbourhoods, and enabled them to identify their needs, backed by a virtual assistant to answer questions from people in those neighbourhoods and communication through community social media groups.

The future of civil society lies in being able to fulfil its historic role of promoting rights, defending democracy, and asserting accountability. Our ability to respond to new and increasingly complex societal challenges requires the emergence of newer and more dynamic forms of civil society. In recent years there has been a spotlight on increasing internal mechanisms for accountability and inclusion. In particular, the #AidToo exposés have proved to be moments of reckoning for several NGOs around the world. As we enter a third year of pandemic-related restrictions, a similar process of introspection around opportunities to galvanise the trust and partnership of publics will be critical to the future of civil society and civic action. ◆

Even as a few international NGOs continue to draw significant public and media attention, ensuring that civil society is trusted as much as it deserves will require the recognition and amplification of a much wider spectrum of civil society efforts.

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Lysa John is Secretary General and Mandeep Tiwana is Chief Programmes Officer of global civil society alliance, CIVICUS

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Trust Me, I'm A Journalist

The crisis of confidence in news media and what journalists can do to fix it

Sharon Moshavi

© Torstein Be/AFP via Getty Images

Nobel Peace Prize winner Maria Ressa

Being a journalist right now is not easy. You face daily menace and harassment from every corner: repressive governments and would-be autocrats, abusive Tweets and Facebook posts, as well as physical threats and an unprecedented risk of being killed for your work. Add to that the chronic stress of working in an industry bedeviled by existential financial crisis.

The reward for coping with all this? Hardly anybody trusts you. According to the *2021 Edelman Trust Barometer Spring Update: A World in Trauma*, trust in traditional news media is at a record low (though trust in social media is even lower). While the public's trust in most institutions (including government and NGOs) isn't strong, its faith in news media is even feebler. You know it's bad when people say politicians are more credible sources than us journalists.

Increased political polarization and a swamp of disinformation deserve much of the blame, it is true. Increasingly, journalists aren't viewed as independent voices, but perceived to have hidden agendas, making them either "with us or against us." Meanwhile, fact-based news is competing for attention with rage-inducing, button-pushing disinformation. Some "bad actors" are actively targeting journalists' credibility—and too often succeeding, thanks to the enabling environment of today's social media ecosystem.

Case in point: Intrepid 2021 Nobel Peace Prize winning Filipino-American journalist Maria Ressa. My organization, the International Center for Journalists, working with the University of Sheffield and Ressa's *Rappler* news site, recently conducted a forensic analysis of hundreds of thousands of social media attacks against Ressa over the past five years. Nearly 60% of these attacks were specifically designed to undermine her professional credibility and, by extension, public trust in her journalism.

What can be done to reverse this hostile tide? Better self-regulation by the social media platforms would help, as might other policy interventions—though there is currently little consensus about what these might be, and many journalists worry that government actions ostensibly designed to help the media often end up doing the opposite. That is why many journalists believe the best strategy is simply to "put your head down and do your job."

I don't believe that's good enough. It is time for a fundamental rethink of journalism, from how it is produced and distributed to how it interacts with audiences to how we measure impact. Restoring trust requires numerous actions, large and small, that journalists and the organizations that still employ them can take. Think of the suggestions that follow not as some kind of shovel-ready blueprint for change, but rather as an initial exploration of possible steps that might make a difference.

Rethinking Reporting

One suggestion comes from an unexpected source: Pope Francis. The pontiff recently articulated a vision for journalism that speaks directly to rebuilding a culture of trust. The journalist's mission, he said, is "to explain the world, to make it less dark, to make those who live there fear it less and look at others with greater awareness, and also with more confidence." In other words, don't stop at uncovering dark doings; supply the light, too.

Many journalists, of course, are already doing plenty of both. They reveal the "dark doings" by helping bring down corrupt governments in Slovakia, uncovering human trafficking rings in Nigeria, and documenting an escalating hunger crisis in Afghanistan. They also provide some light, reporting on the lives of people in São Paulo's most under-resourced and under-covered communities, on successful voter turnout efforts in the Navajo Nation, on what countries can learn from Estonia on cybersecurity, and on and on.

Without cutting back on essential investigative journalism that exposes problems, are there other smart ways media organizations can figure out how to do more reporting on solutions? And how else can newsrooms evolve their coverage to be more relevant to readers? A few suggestions:

- **Fight disinformation head on.** Newsrooms could take a more holistic approach to covering disinformation, scrutinizing the "Infodemic" the same way they've tackled every aspect of the COVID-19 pandemic. They can ferret out the figures behind disinformation campaigns, and regularly report stories like this, uncovered by researchers, that found that just 12 Facebook, Twitter, and Instagram accounts were behind the majority of misinformation across the platforms on COVID-19 vaccines. Imagine if newsrooms did this kind of work on a regular basis, identifying misinformation pathogens as they crop up, rather than waiting for them to spread. News outlets could team up regularly with researchers and think tanks with the computing and analytics power to identify such social media trends.

- **Connect better with audiences.** Research shows that people engage with news more when a piece of journalism answers the question all readers often instinctively ask: "What does this mean for me?" Why not do more stories that take a big issue and bring it down to its impact on a community and less horse-race style political coverage? One example: Code for Africa, a civic engagement organization, regularly launches data-driven projects that, for example, help people calculate the gender pay gap in any African country, or see competing prices for medications at pharmacies near them.

- **Put trust in the frame.** In every story, journalists should ask themselves, "How can I approach this piece in a way that helps people trust it?" That may include highlighting solutions instead of just problems; including a diversity of voices; and directly involving the audience in the piece— by crowdsourcing community input, for instance.

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Edit For Transparency

Few outside journalism really know how news is produced. This opacity contributes to suspicions about journalists' bias. The "story behind the story" offerings by some news outlets (like the *New York Times Insider)* are a step in the right direction. Media organizations should consider going further by:

- **Better distinguishing opinion from straight news.** As opinion pieces and news analyses have proliferated across all types of news outlets, so have more opportunities for audience confusion. In a 2018 study, just 43% of people said they could easily distinguish news from opinion on Twitter and Facebook.

- **Sign on to efforts such as The Trust Project,** a consortium that has developed a series of eight "Trust Indicators" that news organizations can use to show who and what is behind a news story. Research by the University of Texas at Austin found the indicators improve a news outlet's credibility. The indicators audiences paid most attention to were "the description of why the story was written (noticed by 44%) and information about the Trust Project (noticed by 43%)." The project, which launched in 2017, has just 200 media partners worldwide to date. 2022 should see that number grow much higher.

- **Measure and communicate the impact of news.** Following up on a story's impact makes good editorial sense, whether it's a big investigative piece, or a purely local story about some ordinary problem. A Brazilian outlet, *Gazeta do Povo*, attempted to do just that a couple of years ago, producing an impact newsletter for its audience. A citizen journalism effort in India, CGNet Swara, has tracked hundreds of tangible impacts of its reporting (electricity turned on, teachers paid) and lets its audience know.

It's The Distribution, Stupid

In today's social media dominated world, controlling how content is distributed has become a complex challenge that many news organizations struggle to meet. Research from the Reuters Institute shows, not surprisingly, that news is less trusted when seen on disinformation-infested social media platforms. The media has tried to respond with push notifications and newsletters galore, reaching readers through their phones and inboxes. That's a start. But journalism needs to work more creatively to figure out other ways to gain more control over distribution of its product. For instance:

- **Create consortia.** We've seen great editorial collaborations like the Panama and Pandora Papers. But there are other types of collaborations, ones focused on distribution and co-branding, that could help build better connections with readers. These might take the form of experiments like the Ohio Local News Initiative that is banding together small outlets and community groups across the state under a single umbrella. Or the effort by Switzerland's largest media companies to create a single log-in for all their sites to reclaim a direct connection with readers. Initiatives like these could also yank audiences out of their own echo chambers and direct them to new sources of information. Or consider #FactsMatter, which brings together fact-checkers and news organizations in Nigeria with social media influencers (i.e. trusted messengers) to help get the accurate news they produce to larger audiences.

- **Think big.** News organizations came late to the digital age and have been playing catch-up ever since. Yet a few journalistic mavericks were actually ahead of their time. Roger Fidler, at the now-defunct Knight Ridder, invented the tablet in the 1990s, 15 years before Steve Jobs, but newsrooms were too fat and happy to pay attention. We need to reignite that sort of innovative spirit – and this time, back the big ideas it generates. We don't yet know what will be the Next Big Thing. What we *do* know is that the time for complacency is long over.

Whatever you think of these specific ideas, the overall thrust should be clear: Strengthening journalistic credibility cannot be an afterthought, something that news media turn to after doing the "real work." This ***is*** the real work for news organizations and those of us who value and support them. Trust needs to sit squarely in the center of every aspect of the journalistic enterprise, from reporting and editing to marketing and distribution. The stakes are high. Journalism faces not only a crisis of trust but an existential financial crisis as well. Yet people are much more likely to pay for news that they trust. Solve one crisis, and you might just solve the other. ◆

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A Time for Humble Governments

We are more likely to trust a government that is honest about what it can, and can't, do

Juha Leppänen

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Let's face it. During the last decade, liberal democracies have not been especially successful in steering societies through our urgent, collective problems. This is reflected in the *2021 Edelman Trust Barometer Spring Update: A World in Trauma*: Democratic governments are less trusted in general by their own citizens. While some governments have fared better than others, the trend is clear.

There are many reasons trust is falling, from social media noise to political populism. But the fundamental reason is a governance crisis: the grand societal challenges of our times--climate change, health crises and endemic inequalities— have not been and will not be solved by the very same industrial era approach to governance that created these problems in the first place.

At Demos Helsinki, we believe that solutions can be found and trust salvaged only if we infuse governments with humility. We define humility as the capability to recognise that leadership in the 21st century is not about having all the right answers, but about continuously learning and collaborating rigorously in inventive new ways.

Think of the responses to COVID-19. Before the pandemic hit, the United States was ranked highest in health security. But it turned out that we were preparing for the wrong pandemic. Leaders who thought they knew what to expect failed, and leaders who recognised the uncertainty and were humble towards the new virus, were able to manage better.

Three core challenges need to be addressed to rebuild trust and revitalise democracies (including the ones that hitherto score relatively well on trust like Finland and our neighbours in Scandinavia).

The first challenge is a widespread **sense of detachment**. Relationships of trust are built on the ability to see, influence, and test each other. However, in the past decade, governments have been too out-of-touch with their polities. This distance demotivates citizens from contributing to collective problem-solving and gives governments very little information on how people really feel about specific policies. As the *2021 Edelman Trust Barometer* shows clearly, trust is local. "My employer" enjoys a higher level of trust than business in general, governments, NGOs, and the media. 21st-century governance requires mechanisms to reestablish closeness and engagement.

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■ Finnish Prime Minister Sanna Marin speaks to the media during a press conference outside the Finnish Parliament

The second challenge is **fragmentation.** An important but often ignored source of the decline in trust has taken place not outside, but within governments. At a time when an ability to collaborate is ever more important, traditional silos in government create blind spots resulting in ineffectiveness, slowness, and unproductive "gatekeeping" behaviour. Structural reforms are needed, including in budgeting processes, to provide room for cooperation both across silos and between governments and societal stakeholders at large.

The third challenge is **purposelessness**. Beyond its persistent failures to deliver, much of today's policymaking lacks any clear goal or effective strategy for achieving it. In addition, the typical government's habitual pretense of infallibility hinders its capacity to engage in effective long-term problem solving. To restore trust, policies from the top must take local considerations into account and be implemented with the clear purpose of solving the actual problems of people and communities on the ground.

So, how can humility help to solve this governance crisis?

Humility entails both a willingness to listen to different opinions, and a capacity to review one's own actions in light of new insights. True humility does not need to be deferential. But embracing humility legitimises leadership by cultivating stronger relationships and greater trust among other political and societal stakeholders — particularly with those with different perspectives. In doing so, it can facilitate long-term action and ensure policies are much more resilient in the face of uncertainty.

There are several core steps to establishing humble governance:

- **Some common ground is better than none, so strike a thin consensus with the opposition around a broad framework goal.** For example, consider carbon neutrality targets. To begin with, forging consensus does not require locking down on the details of how and what. Take emissions in agriculture. In this case all that is needed is general agreement that significant cuts in CO_2 emissions in this sector are necessary in order to hit our national net zero goal. While this can be harder in extremely polarised environments, a thin consensus of some sort usually can be built on any problem that is already widely recognised — no matter how small. This is even the case in political environments dominated by populist leaders.

- **Devolve problem-solving systemically.** First, set aside hammering out blueprints and focus on issuing a broad launch plan, backed by a robust process for governmental decision-making. Look for intelligent incentives to prompt collaboration. In the carbon neutrality example, this would begin by identifying where the most critical potential tensions or jurisdictional disputes lie. Since local stakeholders tend to want to resolve tensions locally, give them a clear role in the planning. Divide up responsibility for achieving goals across sectors of the economy, identify key stakeholders needed at the table in each sector, and create a procedure for reviewing progress. Collaboration can be incentivised by offering those who participate the ability, say, to influence future regulations, or by penalising those who refuse to take part.

- **Revise framework goals through robust feedback mechanisms.** A truly humble government's steering documents should be seen as living documents, rather than definitive blueprints. There should be regular consultation with stakeholders on progress, and elected representatives should review the progress on the original problem statement and how success is defined. Where needed, the government in power can use this process to decide whether to reopen discussions with the opposition about how to revise the current goals.

In this era of sharply divided parties and bombastic populists promising the earth, what we have just described may sound like a fantasy. Yet we know this approach can work. As our partner in humble governance work, Columbia Law School professor Charles F. Sabel, points out, one of the best historic examples of humble governance (before it had the name) was the Montreal Protocol of 1987. That agreement remains to this day arguably the most successful example of global environmental governance and the reason why we do not worry much about the ozone layer any more.

Before the Montreal Protocol, climate treaty negotiators wrongly assumed that solutions to this inherently global problem also had to be global. Instead, what ultimately made it successful was the way it leapt past consensus and spurred pockets of action and innovation across many different industries, sectors, and local environments. Eventually, this bottom-up approach fostered not only broad commitment, but also collectively shared results: a real-life lesson in how humble, small steps can lead to extraordinary outcomes.

Currently, the state of Colorado is working with Demos Helsinki to develop a decision-making model for infrastructure investment that also enhances and promotes equity. In the past, infrastructure decisions have typically been top-down heavy, with limited citizen engagement, and have often been the source of inequality between different communities. The goal of deploying the humble governance model here is to recognise that the State does not hold all the answers and needs the collaboration of local administrations and Coloradoans to better steer a historic influx of federal funding in public infrastructure, not seen in seven decades. There is an opportunity to start righting the wrongs of the past and to start building together a more equitable future. What does success look like? The investments made through the infrastructure package are felt to have a purpose to people living in the state of Colorado because they can be seen clearly to solve their specific current and future problems. This ongoing work was featured in September at Berlin's Creative Bureaucracy Festival (yes, really!), where Demos Helsinki and the Finnish Government also received an award for developing the model.

In Finland, we started to develop the humble governance model with our Prime Minister's Office in 2020. The Prime Minister of Finland, Sanna Marin, may be widely known for being one of the youngest heads of government in the world, but her early response to COVID-19 is a great example of practical humility. Instead of only trusting the advice from technocrats, as happened in some countries, or turning on them, as others did, she humbly stressed the uncertainty around the virus, and from that made the case for a form of decisive action which has been praised widely fort its effectiveness. (She made some wrong moves recently, however, making headlines at home and abroad for going clubbing when she should have been quarantining. Still, as a humble leader would be the first to point out, nobody's perfect.)

Democratic systems can only really work when they are underpinned by sufficient levels of trust. It is time for our governments to start playing to their strengths whilst enabling others to play to theirs, and so earn back the trust of the people.

Today, we are using the humble governance model to accelerate the development and implementation of sustainable timber construction, bringing together the Finnish Ministry of Environment and key stakeholders such as cities and construction companies. In this instance, transformation requires multiple simultaneous changes in regulation, supply-chain composition, competence, design and zoning. This is being built on the thin consensus that timber should be the new normal in urban construction by 2030.

As more and more governments wake up in 2022 to the need to change old, failed ways of working, humble governance offers the way forward.

What's certain is that the *zeitgeist* has changed. Ask most citizens today and you will hear them tell you that governments are no longer expected to hold all the answers. The way forward will not be found in the old debate about the size of government, whether it is too big or too small. Instead, policy makers need to set an entirely different direction and acknowledge the need for both new language and new ways of engaging with the governed on tackling the key challenges of our times.

History tells us two things. First, that liberal democracies thrive under conditions of experimentation, analysis, and deliberation. And second, that democratic systems can only really work when they are underpinned by sufficient levels of trust. It is time for our governments to start playing to their strengths whilst enabling others to play to theirs, and so earn back the trust of the people. ◆

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Juha Leppänen is the Chief Executive of Demos Helsinki. With a mandate to build a fair, sustainable and joyful next era, Juha helps national and local governments, businesses and NGOs to anticipate and lead societal transformation.

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