



Trust Crisis - with the people, not for the people
Ed Williams, CEO Edelman UK

When historians look back on the last 100 years, distinct chapters will emerge. Peace. War. Dislocation. Prosperity. As we live history, of course, each chapter ineluctably leads to the next.

Twenty years ago, William Strauss and Neil Howe published *The Fourth Turning*, identifying distinct repeating eras of history. Reviewing the past 500 years, they identified four eras or “turnings” that, like the seasons, reliably follow another.

The first, which Strauss and Howe called *High*, is expansion and confidence. This is followed by *Awakening*, when society looks at what has been created and challenges the now-established order. Then *Unravelling* leads to weakening institutions. The Fourth Turning, is *Crisis* when “society passes through a great and perilous gate”.

Each new generation is shaped by its own era; that casts the mould for the era that they shape. In the 1990s, the authors said America was on the brink of a Fourth Turning, when institutions collapse and are rebuilt to save nations. This process makes its participants more civic-minded and community-focused.

The authors may have called it two decades early, but it’s clear today we’ve entered a period of immense public disillusionment, of injustice, of unfairness and with it a logical desire for change. At the heart of the current crisis is a complete collapse in trust in the institutions we rely on.

For 17 years, Edelman’s conducted the most detailed tracking survey of trust. We measure trust in four institutions (government, NGOs, business and media) alongside examining who and what kinds of information we trust.

Last year, we noted the early tremors that led to Brexit and President Trump: a widening gap between the trust that elites have in “the system” and that felt by everyone else. We said the classic model of influence - a pyramid with authority at the top and instruction distributed downwards by elites, was being turned on its head. There were many factors feeding this phenomenon; social media, as brilliantly harnessed by Trump, was one.

Looking at this year’s data, it is evident we are seeing all the elements of *Turnings*. We see highs, we witness civic awakening, we experience unravelling and we confront crisis. But it is the inter-relationship between them that is accelerating us towards the authors’ “great and perilous gate.”

On the one hand, technology is creating new companies, new jobs and new ways of doing business. Many experience prosperity - rising living standards in developing countries, fortunes made in Silicon Valley. Even in the UK, recent data showed inequality of income actually narrowing.

But how people *feel* is very different; they sense our institutions and society failing. Disappointment abounds: the feeble global response to Syria and the refugee crises; corporate tax avoidance; automation consuming jobs; stuttering income growth – these are realities.

It is no surprise the Trust Barometer shows 21 of the 28 countries we survey now distrust their institutions. There is a rejection of those in authority in favour of ordinary people, family members and friends.



But what is most alarming is the viral nature of distrust. Over the past five years we have seen the tide of distrust rise, first covering the mass population, then the middle classes. As of 2017, it is lapping at the feet even of the rich, who escaped austerity.

Of course, it's predictable low-income households distrust our four institutions, but less so to find the virus in higher income homes. Globally, almost 50% of university-educated, news-following members of society say the system is not working.

In the UK, just 11% of the population think the system *is* working. We recorded a strong sense of injustice, a lack of hope and a desire for change. This should alarm all of us.

Theresa May has staked her premiership on addressing the concerns of Britons who feel the system isn't working. Her analysis is backed by the Trust Barometer: Britons have serious worries about crumbling social values, immigration and the pace of change in technology.

But the PM is wrong to assume that it is only the views of those who are "just about managing". Our data suggests that rage is more widespread.

So what can be done? Are Strauss and Howe's epochs inevitable? Any answer is a guess, but it's clear from our findings that citizens don't think Theresa May or indeed, any politician in this country, will make things better.

The highest levels of trust in a single party is the mere 28% recorded by Mrs May's Conservatives. She herself, on 35% is, pitifully, the only politician to win the trust of even as much as a quarter of the population.

When it comes to the biggest challenge and opportunity of the modern era – Brexit – the three politicians delivering our future have awful trust scores with the public: Boris Johnson, 26%, David Davis, 24%, Liam Fox, 20%. People accept Brexit, and if run again today our data shows the referendum's outcome would be the same; it's just that we believe it will be a hopeless mess.

Perhaps the business world is the last hope. Seventy five percent of people want business to lead. If the corporate world can demonstrate commitment to training, particularly given the impact of automation, and show how it benefits a world beyond its shareholders, and be genuinely part of the communities it operates in, trust could improve. If it doesn't, we will continue to see a rise in protectionism, tightening regulation and aggressive tax policies.

But the biggest challenge for business is who will deliver the message. Trust in CEOs has dropped to a historic low of 28%, plunging 12 points from 2016. Why? Simple: excessively paid, not leading but only managing, offering a tin ear to their staff.

The message from the Trust Barometer is that we must rebuild faith in the system citizen by citizen, community by community, where common goals and fairness matter. We need a new generation of leaders or we are heading for the dismal view of WB Yeats' *Second Coming* where "the best lack all conviction, while the worst are full of passionate intensity".

ENDS



About Edelman

Edelman is a leading global communications marketing firm, with more than 5,500 employees in 65 cities worldwide. Edelman partners with many of the world's largest and emerging businesses and organizations, helping them evolve, promote and protect their brands and reputations. As the number one agency in the UK, a team of more than 550 brand, reputation and digital strategists drive award winning creative communication programmes. We have deep expertise in consumer trends, research, analytics and insights, corporate reputation, health, technology, crisis, energy, and government affairs.

Edelman has been awarded seven Cannes Lions including the Grand Prix for PR in 2014. Edelman has been voted Global Agency of the Year and Best Agency to work for 2013 by the Holmes Report and International Agency of the Year 2013 by the PRCA and is a 2015 Sunday Times Best Company to Work For.

www.edelman.co.uk

About Edelman Trust Barometer

The 2017 Edelman Trust Barometer is the firm's 17th annual trust and credibility survey. The survey was done by research firm Edelman Intelligence and consisted of 25-minute online interviews conducted on October 13th – November 16th, 2016. The 2017 Edelman Trust Barometer online survey sampled more than 33,000 respondents consisting of 1,150 general population respondents ages 18 and over and 500 informed public respondents in the U.S. and China and 200 informed public respondents in all other countries across 28 markets. All informed publics met the following criteria: college-educated; household income in the top quartile for their age in their country; read or watch business/news media at least several times a week; follow public policy issues in the news at least several times a week.

A supplementary survey was done by research firm Edelman Intelligence and consisted of 15-minute online interviews conducted between 23 December, 2016 – 7 January 2017. The supplementary survey sampled 1,150 General Online Population respondents, with additional boosts of 250 Low Income Household respondents and 100 High Net Worth individuals in the UK. Low Income Household Individuals are defined as anyone with a household income under £15,000 per annum. High Net Worth Individuals are defined as those with a household income of £100,000 or more who also have liquid assets of more than £650,000 excluding property.

<http://www.edelman.com/insights/intellectual-property/>