

# Edelman Amsterdam Trust in **2020** Whitepaper



# Edelman Trust Barometer 2020

The 20th annual trust and credibility survey. Research conducted by Edelman Intelligence, a global insight and analytics consultancy.

## Methodology

Online survey in 28 markets

34,000+ respondents total

All fieldwork was conducted between October 19 and November 18, 2019

### ▲ General Online Population

Ages 18+

1,150 respondents per market

### ▲ Informed Public

500 respondents in U.S. and China;  
200 in all other markets

Represents 17% of total  
global population

Must meet 4 criteria

Ages 25-64

College-educated

In top 25% of household income per  
age group in each market

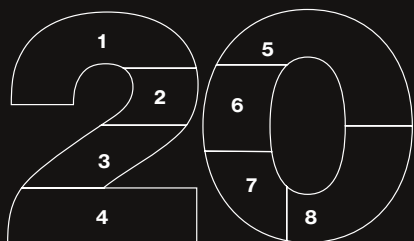
Report significant media consumption  
and engagement in public policy and  
business news

### ▲ Mass Population

All respondents not including  
Informed Public

Represents 83% of total  
global population

## On the cover



**1** Fire and rescue personnel battle a bushfire near the town of Bilpin in Sydney, Australia: David Gray/Getty Images; **2** Jamie Dimon, Chairman of Business Roundtable, which released a new Statement on the Purpose of a Corporation signed by 181 CEOs committed to leading their companies for the benefit of all stakeholders: Mark Wilson/Getty Images; **3** Swedish environment activist Greta Thunberg gives a speech at the plenary session during the COP25 Climate Conference: The Asahi Shimbun via Getty Images; **4** China's President Xi Jinping and U.S. President Donald Trump at the G20 Summit in Osaka: Brendan Smialowski/AFP via Getty Images; **5** UK Prime Minister Boris Johnson talks with newly elected Conservative MPs at the Houses of Parliament: Leon Neal/Getty Images; **6** New Zealand Prime Minister Jacinda Ardern, who announced a ban on military-style semiautomatic guns after a gunman killed 50 people at two mosques in Christchurch, New Zealand: Marty Melville/AFP via Getty Images; **7** Emmanuel Faber, CEO and Chairman of Danone, who chairs the Business for Inclusive Growth (B4IG) platform overseen by the OECD: Ludovic Marin/AFP via Getty Images; **8** Former Prime Minister of Malaysia Najib Razak, who is facing allegations of corruption linked to the multibillion-dollar state investment fund, 1MDB: Mohd Rasfan/AFP via Getty Images.

# Edelman Amsterdam Trust in 2020 – Whitepaper

Hi there!

On the 13th of February, we launched the Dutch results of the 2020 Trust Barometer in Amsterdam. With fresh insights from this year's results, and based on 20 years of trends and data from measuring Trust, we had an engaging and thought-provoking debate with representatives from government, media, NGO's and businesses about what trust means for our market, brands and organisations.

This year's findings show that people around the world are questioning capitalism as we know it, and we have evolved our trust model to reflect what people expect from these institutions: a balance of competence and ethical behavior. The four major Dutch trust trends we examine are:

- **fears about job loss and income inequality due to globalization and automation, which have spurred populist movements;**
- **the “mass-class” divide, with a growing gap between trust among the informed public and the mass population;**
- **new expectations that business and CEOs will lead on change and be guided not only by shareholder value, but also by societal values;**
- **and the battle for truth, with social media being seen as the breeding ground for false information and fake news which is undermining democracy.**

In this whitepaper we offer you the most relevant local and global results and insights from Edelman's 2020 Trust Barometer. We end with a number of concrete actions and conversation starters you can bring back to your organization.

Don't forget to visit our website, [www.edelman.amsterdam](http://www.edelman.amsterdam), where you will find everything about this year's Trust barometer as well as “What The Trust?!” – our podcast series exploring what makes, shakes and often breaks trust in organizations and brands. You'll also find a video on this website, which includes opinions and visions of people like Saskia Kapinga (VP External Relations, Shell) and Ernst Jan Stigter (Managing Director, Microsoft Netherlands) on Trust.

Hope you enjoy reading this whitepaper!

Best,



Steve Heywood

General Manager and CEO, Edelman Amsterdam





# The Evolution of Trust



**Richard Edelman**  
CEO

People grant their trust based on two distinct considerations: competence and ethical behavior.

We are living in a trust paradox. This is an era of strong economic performance and nearly full employment; over the past two decades, more than a billion people around the world have lifted themselves out of poverty. The major societal institutions—government, business, NGOs and media—should be enjoying high levels of trust. Yet the 2020 Edelman Trust Barometer, our 20th annual study, tells us that no institution is trusted.

In past years, good economic conditions have presaged rising levels of trust, and this link still applies in developing markets in Asia and the Middle East. But in the developed world, major violations of the social contract—corporate malfeasance, government corruption, fake news—have upended this relationship. In developed markets, trust has become uncoupled from GDP growth because people feel they are not getting their fair share of growing prosperity. National income inequality is now the more important factor in institutional trust. In markets with high income inequality, the gap between trust in business and trust in government is much wider (12 points) than the gap in low inequality markets (four points). This is a worrying institutional imbalance.

Fears are stifling hope, as long-held assumptions about the benefits of hard work and citizenship have been upended. Eighty-three percent of employees globally are worried about

job loss due to concerns such as the lack of training, cheaper foreign competition, immigration, automation and the gig economy. Over half of our respondents said that they are losing the respect and dignity they once enjoyed in their country. Three in four are worried that fake news will be used as a weapon. Six in 10 fear the pace of technological change; they are no longer in control of their destiny. Cue the growing number of citizen-led protests and the rise of populism.

The “mass-class” trust divide has become chronic, reaching record

levels in more countries than ever, with a global 14-point gap between informed public and mass population trust in institutions. In developed markets, less than one in three people believe that they will be better off in five years. Under 20 percent of the general population express

confidence in the system, and 73 percent are looking for change. More than half of our respondents believe that capitalism causes more harm than good, and that democracy is losing its effectiveness. We find ourselves far from Francis Fukuyama’s 1992 book, “The End of History,” which touted the triumph of liberal democracy.

Business once paid only lip service to this kind of societal discontent but now it has leapt into the void left by populist and partisan government. It’s no longer business as usual, with an exclusive focus on shareholder returns. Business now

## Trust-Building Priorities for Business

- ▶ Pay fair wages
- ▶ Focus on retraining
- ▶ Partner with government



sees the need to play a positive role in global governance. The decision by the Business Roundtable to endorse a multi-stakeholder model for American multi-nationals; the initiation of Business for Inclusive Growth focused on fair wages by French multi-nationals; and the signing by 177 multi-nationals to the Business Ambition for 1.5°C are definitive steps toward an essential role for business as a means of improving society. These are incredibly positive developments, led by CEOs who understand that their mandate has gone beyond corporate social responsibility to fundamental operational change.

Business has been prompted to action by the recognition that stakeholders now have new expectations of the corporate sector. A stunning 92 percent of employees surveyed in the 2020 Edelman Trust Barometer say that they expect their employer's CEO to speak up on one or more issues ranging from income inequality to diversity and training for jobs of the future. Seventy-three percent of employees expect a prospective employer to offer the opportunity to shape the future of society in a positive way. Consumers share this determination; our 2019 "In Brands We Trust?" study found that nearly two-thirds of consumers buy based on their beliefs, and 81 percent agree that "a brand I can trust" is one of their top reasons for purchase. Our Edelman 2020 Trust Barometer respondents told us that customers and employees are over five times more important to a company's long-term success than shareholders.

**Ethical attributes drive 76 percent of the trust capital of global companies, while competence drives 24 percent.**

This seismic societal shift has led us, after 20 years of research, to evolve our model for measuring trust. This model supplants Professor Francis Fukuyama's trust construct from early the 1990s, which was premised on continued upward mobility,

guaranteed by a strong legal structure, and was the basis of the first Edelman Trust Barometer in the year 2000. We have always known that people grant their trust based on two distinct considerations: competence and

ethical behavior; for two decades we have asked people if they trust institutions "to do what is right." Now, based on new societal expectations, we are probing deeper into "what is right," measuring purpose, vision, honesty and fairness as the dimensions of ethical behavior. We have proved the undeniable importance of these dimensions for business through our Edelman Trust Management framework. After tracking trust in 40 global companies over the past year, we learned that ethical attributes drive 76 percent of the trust capital of organizations, while competence drives 24 percent.

This year's Trust Barometer reveals startling imbalances among the institutions. Business ranks highest in competence, holding a gigantic 54-point gap over government as an institution that is good at what it does. NGOs are much more trusted on ethical behavior than government (a 31-point gap). Government is trusted more than twice as much as business to protect the environment and close the income inequality gap.

The four existential issues of the next decade—income inequality, sustainability, information quality and artificial intelligence—will require higher levels of cooperation among our institutions; no single entity can take on these complex challenges alone. But only about one-third of people believe that business does a good job of partnering with NGOs or government. Currently business and government are like children of different weights on an unbalanced playground seesaw; government, perceived as both incompetent and unethical, is unable to provide the necessary counterbalance to business, which is considered highly effective but too self-interested. Business must stop pushing government away. An exemplary model is Unilever\*, which has pledged to cut its use of virgin plastics in half by 2025, working with partners that include the United Nations and the Government of Indonesia. All eyes are now on the tech industry, which will need to be much more open to forward-looking regulation of innovation.

Business must take the lead on solving the trust paradox because it has the greatest freedom to act. Its immediate mandates are clear. An overwhelming number of respondents believe that it is the duty of business to pay decent wages (83 percent) and provide retraining for workers whose jobs are threatened by automation (79 percent). Yet less than a third of people trust that business will do these. The time for talk is over. 2020 must be the year of action.

\*Edelman client

# Reflections on 20 years of Trust



**Steve Heywood**  
General Manager  
and CEO,  
Edelman Amsterdam

A society once built on the success of business has turned into one which questions capitalism's ability to serve us all.

The Edelman Trust Barometer was launched in 2000, in direct response to the WTO protests in Seattle, which were to mark the beginning of the anti-globalization movement.

In an almost unsettlingly symmetrical manner, two decades later, the 20th edition of the Trust Barometer is launched against the backdrop of discussions on, and protests against, the potential adoption of WTO rules between the UK and EU as the Brexit story continues to unfold.

The new millennium was ushered in with the hope that the Trust Barometer would build on, and support, the framework of mid-1990s thinking, such as those found in Francis Fukuyama's influential book *The End of History*, which argued that liberal democracies had won the argument and conquered rival ideologies.

20 years on, it is clear that these insights had failed to predict the seismic shifts we've seen since.

In the intervening years, manufacturing jobs in the US fell by almost a third, house prices in the Netherlands doubled, even as wages stagnated. From the Iraq War to the Global Recession, this period witnessed institutions acting in ways which undermined trust.

However, this was also a time the general public got the opportunity to share their own thoughts and opinions with the rest of the world, albeit with huge implications for the ways in which trust is earned and lost.

Where does this leave us today? 73% of people globally have an urgent desire for change. Indeed, whenever they can, they are demanding change, often desired at any cost. Trump. Brexit. Yet, the protests continue – in France, in Brazil and even in the Netherlands.

It is evident that we need to do more in order to build trust between individuals, brands, organizations and society. Our findings from this year's Trust Barometer show three clear priorities for the road ahead.

First – do the right thing. Businesses need to take the long-term view and do the right thing – by customers, employees and communities, and not just shareholders. This needs to be combined with action: not a vague commitment in a glossy brochure but tangible next steps and commitments. Our data shows people want businesses to take responsibility, particularly when it comes to training, reskilling and job security.

Second – partner. Overwhelmingly our findings highlight that people believe governments must collaborate with businesses and NGOs. People do not trust a single institution to possess the perfect combination of competence and ethics needed to drive change, so it is imperative that partnerships are forged to address key issues.

Finally – lead. Now is the time to raise your reputational head above the parapet – your CEO in particular. It is important for businesses to voice their opinions on the big issues of the day. This will require leaders to embrace and address difficult conversations, and more difficult changes.

We have 20 years of evidence to back why trust matters. What is surprising is how few organizations are embedding this insight into their thinking. In a world where your license to operate stands on a ground that's more shaky than ever, trust is the foundation stone you need to build long-term, sustainable value.

# What we see

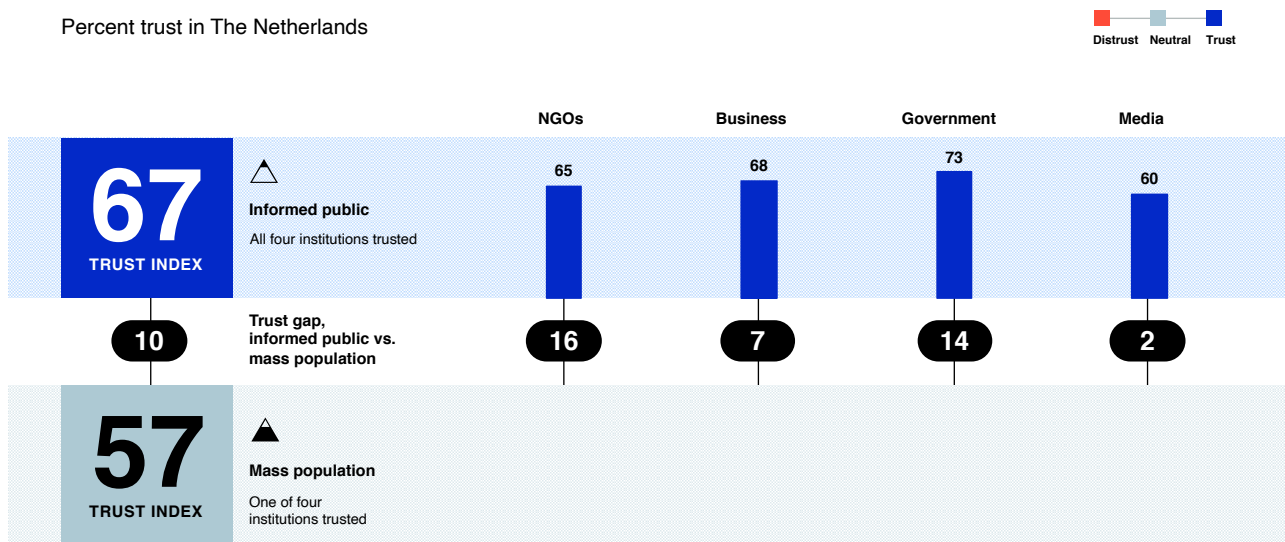




# Two different trust realities in The Netherlands

There's a big difference in trust between the informed public, who has trust in (nearly) all four institutions, and the mass population, who distrust NGO's and have a neutral standpoint towards government and media.

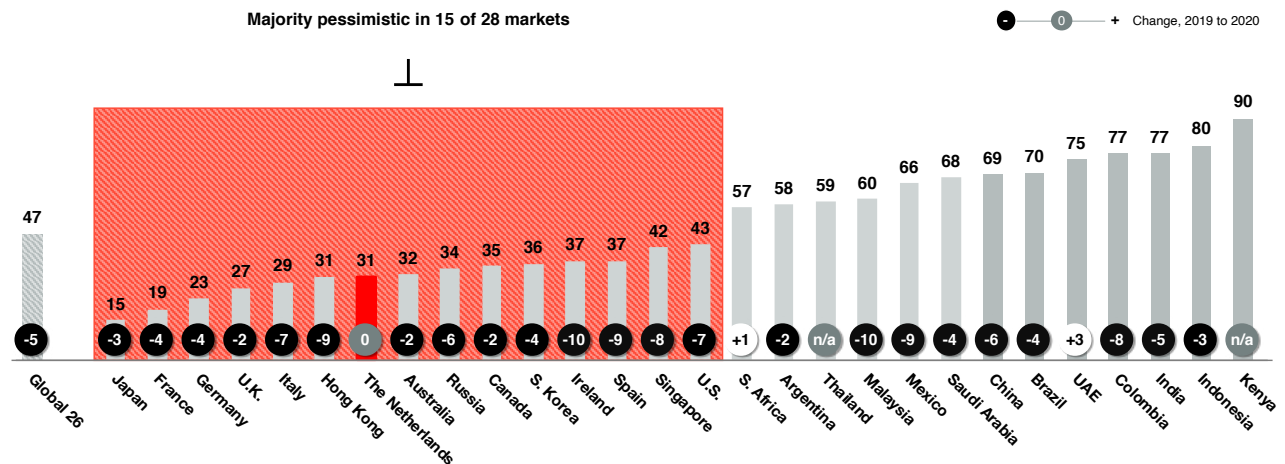
Percent trust in The Netherlands



# The Netherlands is amongst the countries that are most pessimistic about economic prospects

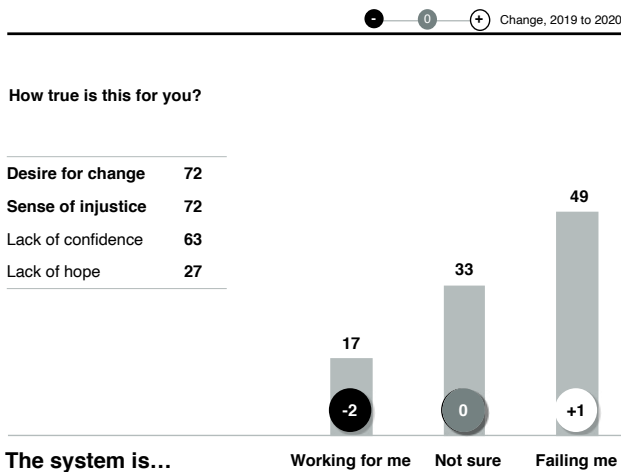
Behind this pessimism is a number of worries and concerns, and a general feeling of unease about the future.

Majority pessimistic in 15 of 28 markets



# The majority of Dutch people experience a desire for change and sense of injustice.

Nearly half of the Dutch population says the system is failing them, while 56% agrees that capitalism in its current form does more harm than good in the world. A clear and loud call for change.



Capitalism as it exists today  
**does more harm than  
good in the world**

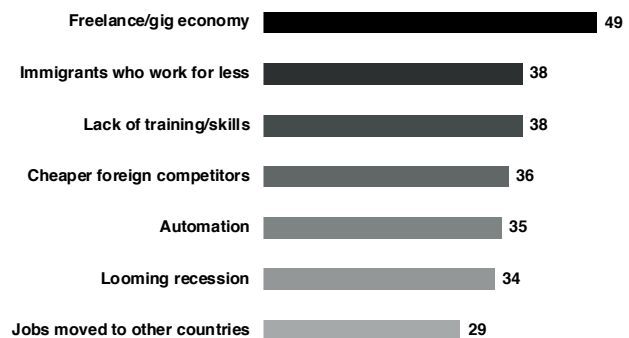
⊥  
**59%**

## We worry about the future of work

At a personal level, in spite of a high-employment economy, people are concerned about their economic future. This is due to one or more of a series of issues, led by a growing shift to a gig economy and what that might mean for them. But there are also surprisingly strong concerns about the possibility of a looming recession.

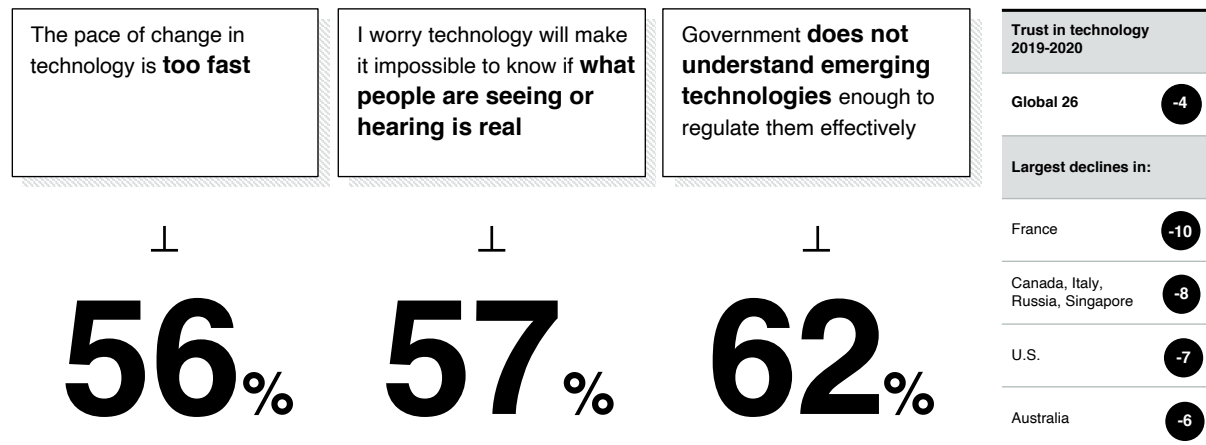
I worry about **losing my job**  
due to one or more of these causes

⊥



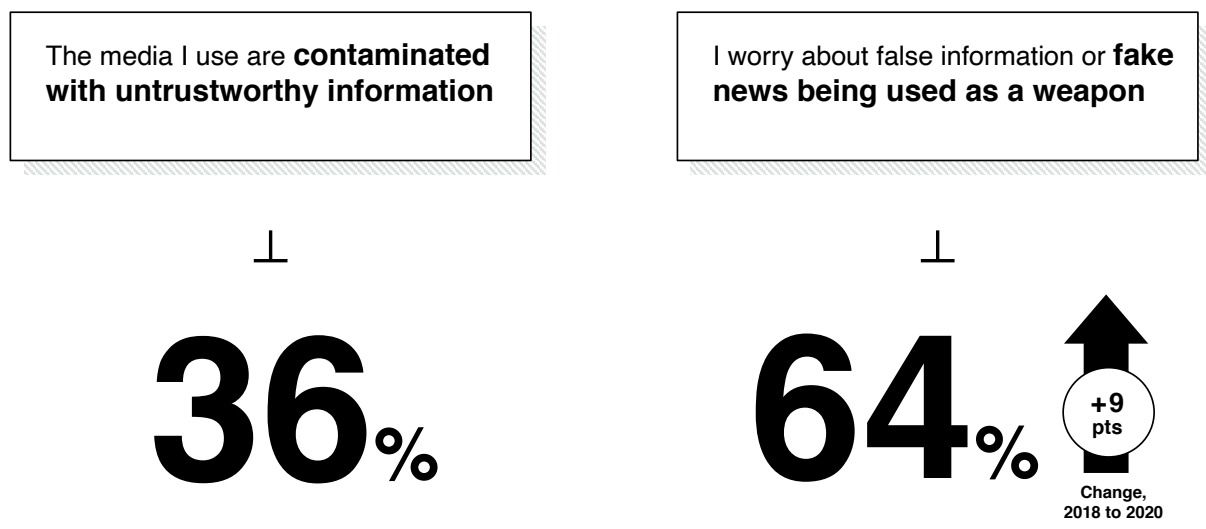
# The Dutch worry that technology is out of control

People worry that the pace of change, particularly with technology, is happening too fast. The government is not seen as understanding emerging technologies enough to regulate them effectively, and there are concerns about technologies that manipulate content – making it difficult to know what is real.



# We worry about the quality of information we see and content we consume

People are worried about being unable to discern what is real, and whether they can trust information that is available to them. There is an increasing concern about false information or fake news being used as a weapon.



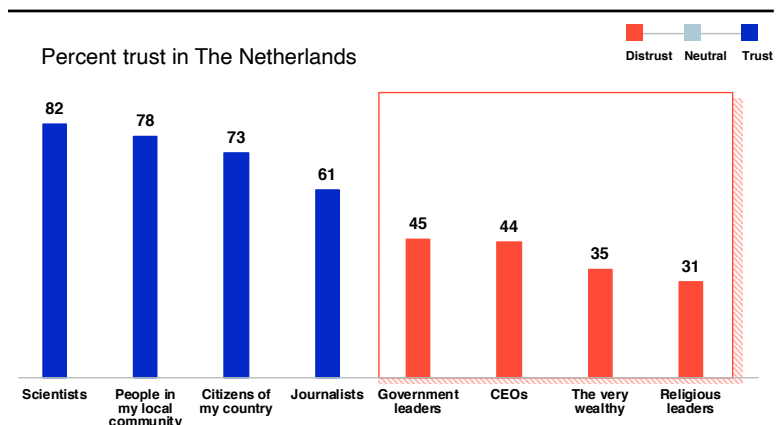


# The Dutch don't trust societal leaders to address challenges

63% of the Dutch population doesn't believe that our current leaders will successfully address the country's challenges. They most distrust religious leaders, the very wealthy, CEOs and government leaders – while they have the most trust in scientists, people in their local community and other citizens in the country.

“  
I do not have confidence that  
our current leaders will be able  
to successfully **address our  
country's challenges**  
”

**63%**

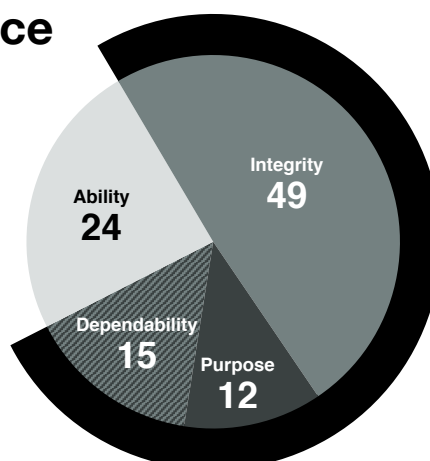


## We care more about ethics than about competence, when talking about trust in companies.

Based on research on trust in 40 major companies in three markets, we see that competence accounts for only 24 percent of the total trust score while the other 76 percent is explained by dimensions related to company ethics: integrity, purpose and dependability.

**Competence**

**24%**



**Ethics**

**76%**

# What you (and your organization) can do



# 1. Embrace an all-stakeholder model

When we asked respondents about which stakeholder is most important to the long-term success of a company, 89% chose stakeholders (customers, employees and communities) over shareholders.

Percent in The Netherlands who ranked each group as most important



Stakeholders, not shareholders, are most important to long-term company success

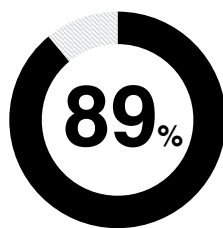
Percent in The Netherlands who agree

a company can take actions that both increase profits and improve conditions in communities where it operates

# 2. Make your CEOs lead

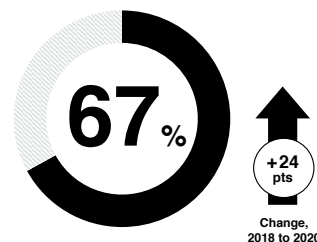
CEOs need to continue to show leadership, especially on issues like jobs, technology, income inequality but also on topics like climate change and diversity.

It is important that **my employer's CEO speak out** on one or more of these issues



Training for jobs of the future	79
Automation's impact on jobs	75
Ethical use of tech	70
Income inequality	70
Climate change	64
Diversity	64
Immigration	50

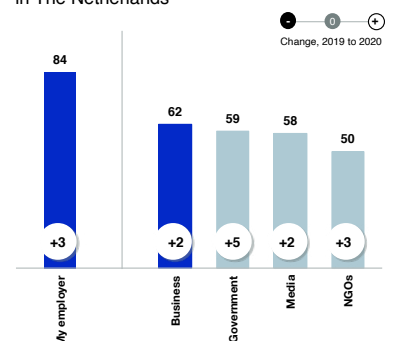
**CEOs should take the lead** on change rather than waiting for government to impose it



# 3. Listen to and involve employees in the journey

People see the relationship with their employer as the most trusted. Employees want to be part of the solution. They want to be included in the planning, to be part of the conversation. They want jobs that make them feel empowered and most importantly, employees want a sense that they are shaping the future of society.

Percent trust in The Netherlands



Percent of employees in The Netherlands who expect each from a prospective employer

71%

Opportunity to **shape the future** of society

67%

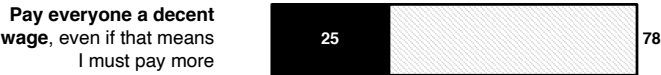
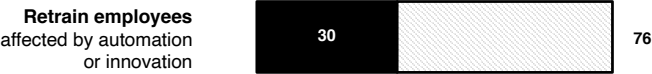
Employees **included in planning**



# 4. Act on key societal issues

People are not looking for more conversations – they want companies to act, and are even willing to pay higher prices to make that happen if necessary. Nearly eight in 10 say businesses should take ownership of key issues, but only three in 10 believe that business will follow through on these expectations. Convincing them otherwise will require not just making promises, but acting on them as well.

☐ Business **has a duty** to do this    ☒ I trust business **will do this**



# 5. Find your purpose

Consumers are making buying decisions based on what a brand stands for. People are more likely to see brands as representing their views than politicians, and they believe that they can use their influence to make change happen. Being clear about the purpose of your organization can immediately add value to trust and business.

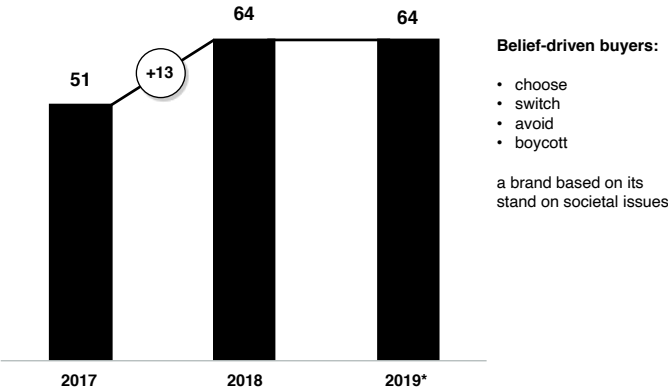
☒ - ☐ 0 ☐ + Change, 2017 to 2018

## Brand Democracy

I believe brands can be a powerful force for change.

I expect them to represent me and solve societal problems.

My wallet is my vote.



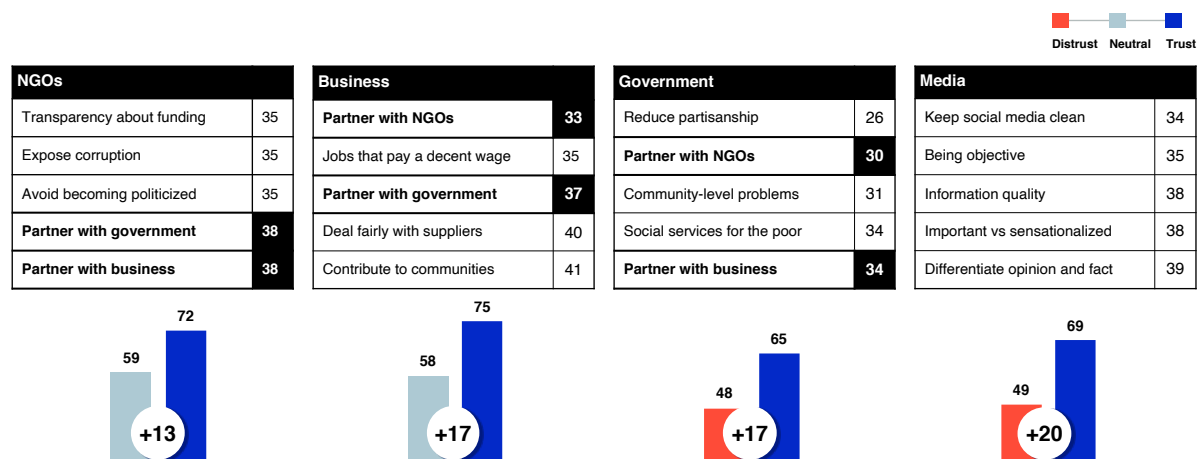
## 6. Seek partnerships with other institutions

Partnership between business and government essential on jobs.



## 7. Address your greatest failures

Every institution has the opportunity to earn trust by focusing on just a handful of their greatest weaknesses.





## Summary of key highlights

Businesses must **embrace an all-stakeholder model**, as opposed to one catering only to shareholders.

More **CEOs need to lead** by engaging in conversations around issues that require urgent attention and action from governments.

Businesses also need to **listen to their employees and involve them** in the journey that aims to shape the future of society, for their relationship with the employer is considered the most trusted one.

It is time to **move beyond conversations and act**, even if change can only be brought at a higher price.

Organizations need to **find and convey their purpose**, because consumers are increasingly making buying decisions based on what a brand stands for.

More organizations need to recognize that **partnerships between business and government is essential** to protect the economy.

Lastly, businesses need to turn to their weaknesses and **address their failures** in order to learn and build trust.



## About Edelman Amsterdam

Edelman is a global communications firm that partners with businesses and organizations to evolve, promote and protect their brands and reputations. Our 6,000 people in more than 60 offices deliver communications strategies that give our clients the confidence to lead and act with certainty, earning the trust of their stakeholders.

Edelman's Amsterdam team of more than 80 professionals is a tight-knit group of experts that take an integrated approach to marketing and communications and specialize in delivering intelligent, effective solutions for its clients' business needs.

Visit **[edelman.amsterdam](http://edelman.amsterdam)** for more information.

