

“Trust in the age of post-factualism” Remarks by Prof David Grayson CBE to Edelman Ergo, Frankfurt, Germany January 24th 2017

In the week after the British Prime Minister announced her BREXIT plan and the UK Supreme Court ruled on the legal process for triggering Article 50, and Donald Trump was sworn in as US President, you might think Edelman Ergo rather courageous to ask two Anglo-Saxons like Matt Harrington and I to comment on what is happening in the world.

In particular, I note Tobias has asked the Brit to talk about post-factualism!

I realise, of course, that the word "post factual " was named "word of the year" here in Germany, so I assume everybody is quite aware of what is meant - basically: people don't need facts and don't care much about facts, all they want and need is emotions and buzz regardless of substance and truth.

Similarly, after much discussion, debate, and research, the Oxford Dictionaries Word of the Year 2016 was post-truth – defined as ‘relating to or denoting circumstances in which objective facts are less influential in shaping public opinion than appeals to emotion and personal belief’.

Now, you might argue that whilst we are suddenly talking about a post-factual, post-truth world, the phenomenon has been building for a while. The US TV comedian Stephen Colbert popularized Truthiness more than a decade ago: truthiness:

"the quality of preferring concepts or facts one wishes to be true, rather than concepts or facts known to be true." Merriam-Webster's Word of the Year for 2006.

As The Economist newspaper noted in an editorial last September, commenting on their cover story: The Art of the Lie:

Post-truth politics has many parents.One is anger. Many voters feel let down and left behind, while the elites who are in charge have thrived. They are scornful of the self-serving technocrats who said that the euro would improve their lives and that Saddam Hussein had weapons of mass destruction. Popular trust in expert opinion and established institutions has tumbled across Western democracies.

Post-truth has also been abetted by the evolution of the media. The fragmentation of news sources has created an atomized world in which lies, rumour and gossip spread with alarming speed. Lies that are widely shared online within a network, whose members trust each other more than they trust any mainstream-media source, can quickly take on the appearance of truth. Presented with evidence that contradicts a belief that is dearly held, people have a tendency to ditch the facts first. Well-intentioned journalistic practices bear

blame too. The pursuit of “fairness” in reporting often creates phoney balance at the expense of truth.”¹

But we can certainly agree that post-factual, post-truth has become much more prominent. And as citizens we should be deeply concerned.

If you have not yet read it. I strongly recommend you read an Op-ed by Gideon Rachman in The Financial Times this morning.

The article is headlined: “Truth, lies and the Trump administration - Falsehood cannot be the basis for US foreign policy.”

It begins:

“The man from the BBC was laughing as he reported the White House’s false claims about the size of the crowd at Donald Trump’s inauguration. He should have been crying. What we are witnessing is the destruction of the credibility of the American government.”

Gideon Rachman goes on to argue:

“spectacle of obvious lies being peddled by the White House is a tragedy for US democracy. But the rest of the world — and, in particular, America’s allies — should also be frightened. A Trump administration that is addicted to the “big lie” has very dangerous implications for global security.

As Robert Moore, the Washington correspondent for ITN, puts it: “If the White House press secretary says things that we know to be demonstrably false, why will we trust him on North Korea, Russia, Iran [and the] war on Isis?” That is not just a good question — it is a vital one.

There are international crises during every US presidency.how will America be able to rally support, in the Trump era, if its allies no longer believe what the US president and his aides have to say?”

All of us as small “d” democrats, as active citizens, yes as citizens of the world, should be concerned.

But as someone who prefers to find positive solutions, to light a candle rather than to curse the darkness, I was struck by the possibility contained in a second article this morning in the FT.

¹ <http://www.economist.com/news/leaders/21706525-politicians-have-always-lied-does-it-matter-if-they-leave-truth-behind-entirely-art>

It is headed: "For India's complaints department, visit Facebook Live" and it is about how Social media cuts through red tape in a country beset by inertia. It tells the story of Tej Bahadur Yadav, of India's Border Security Force, who has made national headlines with Facebook videos complaining about his food rations along India's tense line-of-control with neighbouring Pakistan.

As the article notes:

"That a soldier posted in a remote border area could unleash such a kerfuffle via a video highlights how Indians armed with mobile phones are taking to social media to hold to account the traditionally non-responsive political and bureaucratic establishment."

Yes! Intense, pervasive global connectivity including social media can amplify Post-Fact, Post-Truth - but it can also empower the fight back!

There is a remarkable TEDx talk filmed in Amsterdam last November. It is given by Elliot Higgins. He is talking about the power of on-line, open-source investigations. He illustrates his argument with an extended explanation of how ordinary citizens pieced together from myriad on-line sources including a range of social media postings, the data which established the facts about how a Russian missile shot down Malaysian Airlines flight MH17 from Amsterdam over the Ukraine with the loss of 298 lives.

This on-line, open-source investigation was crucial for the Dutch-led Joint Investigation Team (JIT) which confirmed in September 2016 the missile type which had downed the aircraft and said that the Buk missile system had been transported from Russia on the day of the crash, fired from a field in a rebel controlled area and returned to Russia after the Buk was used to shoot down MH17.

Finding truth in a post-truth world | Elliot Higgins
| <https://www.youtube.com/watch?v=mozxTk3Brqw> - example of 2 year citizen inquiry into shooting down of MH17 by Russians - NGO Bellingcat - Eliot Higgins

Now, what does all this mean for businesses?

It means we are now in a world where everything is ultimately for the record. The Canadian writer Don Tapscott wrote a best-selling book called "The Naked Corporation" about the enforced transparency which businesses and other organisations now face. As Tapscott says, if you are going to be naked, you had better be buff!

One crucial lesson I took from the BP Deepwater Horizon disaster in the Gulf of Mexico in 2010 was precisely this lesson about the Naked Corporation.

You can make a strong argument that BP lost control of the crisis when the US Congress forced BP to provide a live-feed of the oil gushing out of the damaged well-head 5,000feet below the Gulf of Mexico. Congress immediately put that live-feed on the Internet. Right

away you had geologists and retired oil exploration folk around the world commenting on-line, sharing their calculations and fatally undermining the BP estimates of how many thousand barrels of oil were escaping. Up to that point, the US authorities had been using the BP estimates. Suddenly, the credibility of BP was shot through.

Crucially, the world lost trust in BP.

Which brings us to the Edelman Trust Barometer. For me, the great value of the Barometer is that it is not just a one-off. It provides longitudinal data already covering 17 years - and hopefully continuing for many years to come.

I think the real story is the general public's loss of trust in authority generally - governments, business, media, NGOs - it is the loss of trust which has been the catalyst which has allowed Post-Factual, Post-Truth.

So, for big businesses specifically you will certainly need the skills of experts like Edelman and similar, to be prepared for Post-Factual, Post-Truth attacks.

But the real, long-term defence against Post-Factual, Post-Truth will be to make yourself a trusted business.

And in my view, this cannot be based on business as usual.

Let me be clear: I am pro-market, pro-profit; I believe capitalism is the default mode of human behaviour- but these concepts are not fixed, not set in concrete.

As a minimum, businesses need to understand their material Social, Environmental & Economic impacts and actively to minimise negative Social, Environmental & Economic impacts: to do no harm.

I would argue, however - as do business leaders like Paul Polman from Unilever - that businesses that aspire to continue into the indefinite future, to be sustainable in every sense of the word, need to do more than no harm - and need to seek Net Positive impact.

That involves abandoning the false Anglo-Saxon dogma that the purpose of business is to maximise shareholder-value.

Optimising value to shareholders and other stakeholders over the medium to long-term should be the *consequence* of a well-run business - but not its *purpose*.

As the British economist John Kay has argued: to suggest the purpose of business is to maximise shareholder-value is like saying that breathing is the purpose of life! It is a necessary requirement but hardly the purpose.

Rather each business needs to define its own purpose - what the Harvard professor Rebecca Henderson calls “a concrete, pro-social goal or objective for the firm that reaches beyond profit-maximization.”

As Unilever has done with their Sustainable Living Plan.

Sometimes long-established incumbents have to learn from newcomers, the disruptive innovators. In this case, I would suggest there is much to learn from the B-Corp movement which began in the US but has now spread around the world. B Corps are for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency. They pursue profit with purpose - not as two parallel goals but as an integral, single organising idea.

John Browne, Lord Browne of Maddingley, the former CEO of BP has written a very readable and practical book called CONNECT. I commend it because it is written by someone who ran one of the world’s very largest companies so his advice is worth considering. He argues that if businesses are to re-build trust, to connect with society they need to do four things:

- understand their material impacts
- define a societal purpose beyond just profit
- apply world-class management skills to this mission
- and - Browne’s words not mine - radically engage with a range of different stakeholders - including critics. In other words, to get beyond “business as usual” echo chambers.

I would argue that world-class today requires individual companies to set science or evidence-based targets for improving their Social, Environmental & Economic impacts. The Centre I run at Cranfield University School of Management has just published a paper on science or evidence-based targets:

“Will evidence-based management shape the future of Corporate Sustainability Reporting.”

<https://www.cranfield.ac.uk/som/press/where-is-the-evidence-report-reveals-future-of-corporate-sustainability-reporting>

So my argument is that if businesses want to survive and thrive in a Post-Factual, Post-Truth world, they have to rebuild trust. And rebuilding trust requires doing business in a very different way: profit with purpose. This is how business becomes more resilient to fight post-factual, post-truth. And then businesses with purpose need to get out there and tell their story in a compelling and powerful way.

Allow me one final observation. Great companies today are corporate citizens. A truly responsible business will thoughtfully, humbly but firmly and with conviction, be an active corporate citizen.

That includes not just the right but arguably the responsibility to advocate as an individual business and collectively through trade associations and business federations for pro-sustainable development public policies.

That means business leaders being willing to lift their heads above the parapet when public policies are hostile to diversity and inclusion or human rights or sustainable development.

The very best companies are defending and supporting NGOs which are working to defend human rights and the environment - especially in those parts of the world where there is weak or poor or even bad governance, and where often today Civil Society organisations are under threat from repressive laws and punitive state sanctions and from Post-Factual, Post-Truth.

Big business needs to radically engage with stakeholders so that it hears truth spoken to *its* power - but responsible business also needs to be willing to speak truth to politicians and governments if they are using Post-Factual, Post-Truth.

I leave you with these sobering words from the great Edmund Burke - the 18th Century Irish statesman -

“All that is necessary for evil to triumph is for good men (and women) to do nothing.”