

PRESS RELEASE

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DECLINING PUBLIC TRUST FOREMOST A LEADERSHIP PROBLEM

WORLD ECONOMIC FORUM SURVEY REVEALS DATA BEFORE LEADERS MEET IN DAVOS

Geneva, 14 January 2003— A just-completed global public opinion poll reveals that trust is not only declining in institutions across the world, but leaders themselves have suffered declining public trust over the past year and today enjoy less trust than the institutions they lead. The poll also reveals a decline in public trust that the world is going in the right direction, compared to a year ago.

Following its release of a Gallup International poll in November 2002 that disclosed very low levels of trust in institutions across the world, the World Economic Forum has worked with global pollsters at Environics International to examine the role of leaders around the issue of trust. International public opinion research, conducted over the last two months in 15 countries, reveals the following:

- With few exceptions, leaders across a number of spheres of endeavor and in most countries are given lower trust ratings than the institutions they lead.
- The survey asked respondents how much they trust various leaders “to manage the challenges of the coming year in the best interests of you and your family.” Of the eight leadership categories tested, leaders of non-governmental organizations (NGOs) are the only ones that enjoy the trust of a clear majority of citizens across the countries surveyed.
- Leaders at the United Nations and spiritual and religious leaders are next most trusted of the leaders tested, with over four in ten citizens each saying they have a lot or some trust in them.
- Next most trusted are leaders of Western Europe, “individuals responsible for managing the global economy,” those “responsible for managing our national economy,” and executives of multinational companies; all trusted by only a third of citizens.
- Least trusted of the eight leadership categories to manage the challenges of the coming year in the interest of average citizens are leaders of the United States.
- Over the past year, trust in executives of domestic companies has fallen more than trust in executives of multinational companies in most countries. Over four in ten citizens report decreased trust in executives of domestic companies, six percentage points more than the number reporting decreased trust in multinational executives. A slim majority report their trust in both sets of executives has stayed the same or improved in the past year.
- Four in ten citizens across the 15 countries surveyed say the terrorist attacks of September 11, 2001 caused their trust in government leaders to decrease, while just over one in ten say it increased their trust in national leaders.
- There is also declining trust that the world is going in the right direction. Today, a majority of citizens across the 15 countries do not agree with the direction in which the world is moving. This disagreement is up significantly in half the countries surveyed, compared to a year ago.

- The survey also reveals several attributes of leadership that most affect public trust levels. Asked which of five characteristics is most important for them to trust individual leaders, one in two choose honesty, with vision coming next, followed by experience and intellect. Compassion is least important of the five characteristics tested.
- “Not doing what they say” is chosen by over four in ten citizens as the factor that most leads them to distrust a leader. Three in ten choose self-interest, and one in ten each select secrecy or arrogance. Character flaws is the least important of the five factors tested.

The World Economic Forum Poll was conducted on a survey that involved a total of 15,000 in-person or telephone interviews across mainly “Group of 20” countries (n = 1,000 per country), and was conducted between November and December 2002 by respected research institutes in each participating country under the leadership of Environics International Ltd. of Toronto, Canada. (Please see page 6 for a list of field dates by participating country and research institute.)

Detailed Findings

In order to determine the role of leadership in the public trust equation, the survey asked citizens to rate their level of trust in a range of leaders. The accompanying chart shows the proportion trusting each category of leader. There are a number of significant differences among the individual countries surveyed, but the overall rank order is generally similar to the order in the chart.

Some interesting differences in trust include:

- In Qatar, multinational executives come second to NGO leaders, enjoying the same high levels of trust as spiritual leaders there.
- A strong majority of Americans (75%) trust US leaders to manage the challenges of the next year, but only slightly fewer Americans (66%) trust UN leaders to do so as well.
- Almost twice as many Canadians trust UN leaders than trust US leaders to manage the next year’s challenges in their interests.

Trust in Leaders

Percentage Saying “A Lot” and “Some Trust”
(Average across All 15 Countries Surveyed)



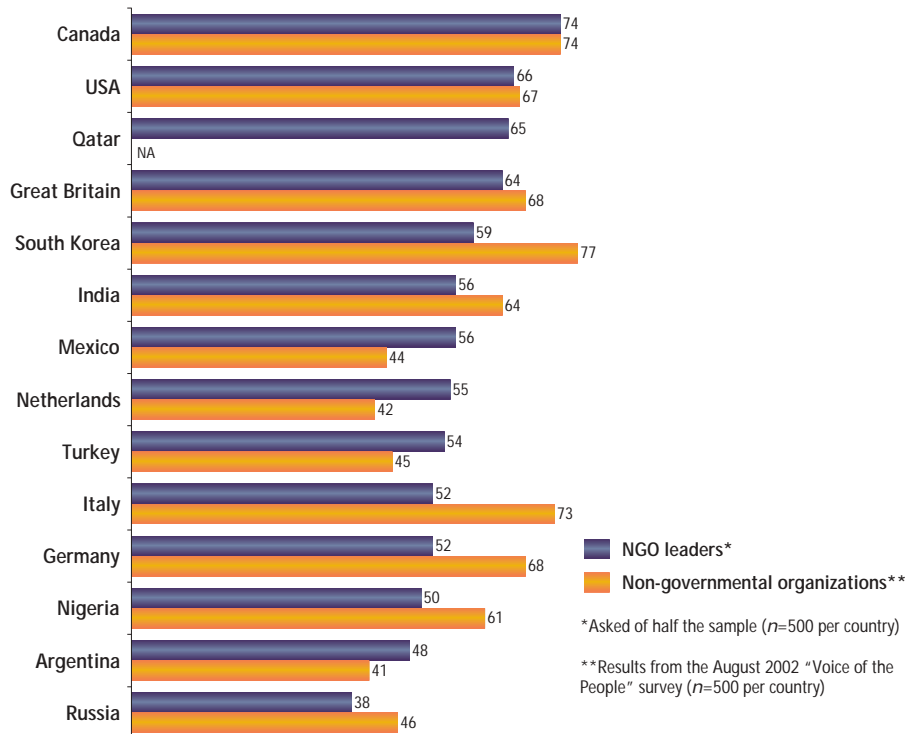
Asked of half the sample in each country

An analysis was made between public trust levels in leaders and trust levels for their institutions (the latter was measured in Gallup International’s Voice of the People survey previously released by the World Economic Forum). While question wording differs slightly, the comparison shows that with few

exceptions leaders across the spheres of endeavor and countries where comparisons are available are given lower trust ratings than the institutions they lead. While these differences are least significant in the case of NGOs, even here NGO leaders receive lower public trust than do non-governmental organizations in most countries where comparisons are available.

Trust in NGO Leaders vs Non-Governmental Organizations

Percentage Saying "A Lot" and "Some Trust"

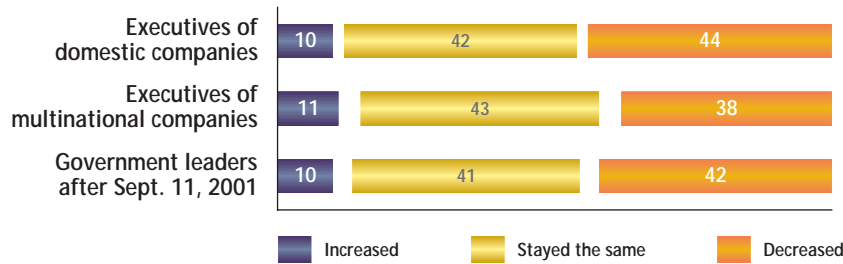


In order to assess the impact of the past year on key trust levels, the survey asked whether respondent's trust had increased, decreased or stayed the same in three categories of leaders: executives of domestic companies, executives of multinational companies, and government leaders. The questions were worded the same except with government leaders respondents were asked specifically about the impact of the terrorist attacks of September 11, 2001 on their trust levels. The chart below shows that significant minorities of citizens self-report that their trust in all three categories of leaders has fallen over the past year, while one in two report their trust has stayed the same or increased.

- Germans, Americans and Argentinians are most likely to report decreased trust in executives of domestic companies, while this trust has fallen least in Qatar, Russia, and Canada.
- Executives of multinational companies have suffered the greatest decline in trust in Argentina, the United States, and the Netherlands; and the least decline in China, Russia and Qatar.
- As for government leaders, Americans are most likely to say their trust in these leaders has increased following the events of September 11th, but still only one in four say this compared to three in ten who report decreased trust in government leaders. Residents of the Netherlands and Mexico are most likely to report decreased trust in government leaders.

Change in Trust Levels of Leaders in Past Year

Self-Reported Changes (Average Across All 15 Countries)



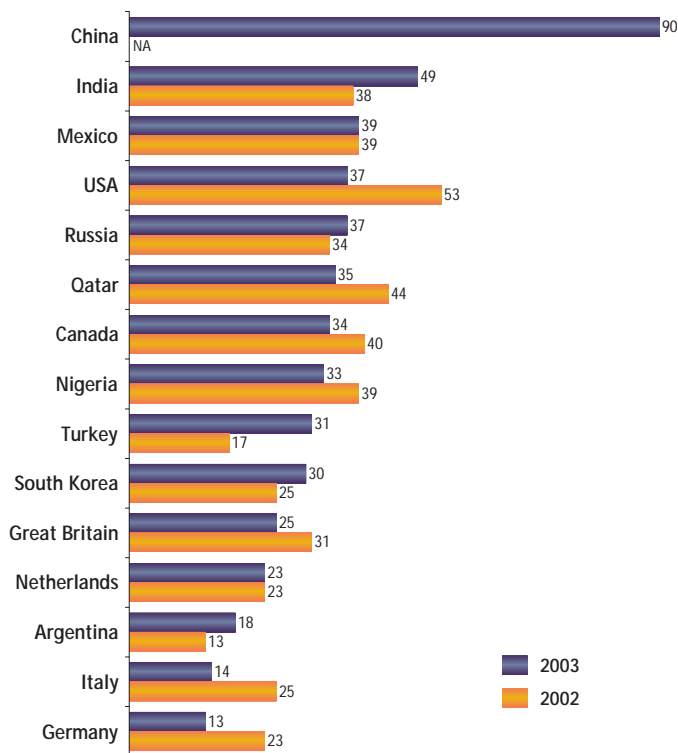
Asked of half the sample in each country

White space in chart represents "Don't Know" / no answers

The survey also reveals declining trust in the direction the world is moving. A majority of citizens across the countries surveyed disagree with the statement, "The world is moving in the right direction;" and this disagreement has increased from a year ago in half the countries surveyed, especially among citizens in the United States and its allies.

World Is Going in the Right Direction

Percentage Saying "Agree" (n=1,000 per country), 2002–2003



The survey also explored several attributes of leadership that may help address the public trust deficit. Asked which of five characteristics is most important for them to trust individual leaders, citizens across the countries surveyed select: honesty (49%), vision (15%), experience (12%), intellect (10%) and compassion (5%), with seven percent volunteering "all of the above."

Asked which of five factors is most likely to cause them to distrust leaders, citizens across the 15 countries choose: "not doing what they say" (45%), self-interest (28%), secrecy (11%), arrogance (8%), and character flaws (5%).

In commenting on the poll's findings, Michel Ogrizek, Director of Communications at the World Economic Forum said, "The magnitude of the public trust deficit is a worrying and urgent challenge. The fact that leaders are less trusted than their institutions, suggests that leaders across all fields of human endeavor need to share part of the responsibility in rebuilding trust. As leaders from government, business and civil society prepare to meet in Davos, we urge them to bring this sense of common purpose with them."

According to Doug Miller, President of Environics International, "There are three key take-aways from the survey: 1) declining public trust appears to be a leadership problem more than an institutional reform issue, 2) regaining trust will largely require changing policies and directions to better reflect citizen aspirations, and 3) leaders of NGOs, the UN, and religious groups (as well as others enjoying high public trust) will need to be included as part of any solution."

Miller went on to say, "Unless existing leaders pull together some significant trust-building initiatives relatively quickly, there is likely to be even greater system instability, and many *new* leaders will no doubt soon replace them. But more importantly, without action there will likely be mounting calls for fundamental system changes."

Each national survey was based on a representative sample of about 1,000 adults and was conducted in-home or by telephone between November and December 2002 as part of Environics' annual 20-nation *Global Issues Monitor* survey. Individual country findings are accurate to within + or - 3 percent, 19 times out of 20. Multi-country results were calculated using the one nation / one vote method. As the trust questions reported here were asked to half-samples in each country, they are accurate to within + or - 4.4 percent, 19 times out of 20.

The World Economic Forum <www.weforum.org>, based in Geneva, Switzerland, is an independent organization committed to improving the state of the world. Funded by the contributions of 1,000 of the world's foremost corporations, the Forum acts in the spirit of entrepreneurship in the global public interest to further economic growth and social progress. The Forum serves its members and society by creating partnerships between and among business, political, intellectual and other leaders of society to define, discuss and advance key issues on the global agenda. Incorporated in 1971 as a foundation, the World Economic Forum is impartial and not-for-profit, and is tied to no political, partisan or national interests. In 1995 the Forum was awarded NGO consultative status with the Economic and Social Council of the United Nations.

Environics International Ltd. www.EnvironicsInternational.com, based in Toronto Canada, is a global public opinion and stakeholder research firm providing quantitative metrics and strategic counsel on key trends and emerging issues. More detailed coverage of the research presented in this release will be included in Environics' 2003 Global Issues Monitor report.

Participating Research Institutes

Country	Research Institute	Location	FIELD DATES start-close
Argentina	Gallup Argentina	Buenos Aires	Nov.21-25, 2002
Canada	ComQUEST Research	Montreal	Nov.18-Dec.1, 2002
China	Survey & Statistics Institute of BBI	Beijing	Nov.16-17, 2002
Germany	Ri*QUESTA GmbH	Teningen	Nov.18- 30, 2002
Great Britain	ICM Direct	London	Nov.21- Dec.1, 2002
India	ORG-MARG Research Limited	Mumbai	Nov. 16-30, 2002
Italy	Eurisko SpA	Milan	Nov.22-30, 2002
Mexico	Mund Americas	Mexico City	Dec.2-16, 2002
Netherlands	Motivaction Amsterdam B.V.	Amsterdam	Nov.20-Dec.4, 2002
Nigeria	Market Trends Research International, Nigeria Ltd.	Lagos	Dec.9-20, 2002
Russia	CESSI Institute for Comparative Social Research	Moscow	Nov.17-Dec.4, 2002
Qatar	MEMRB-QATAR	Doha	Dec.7-23, 2002
South Korea	Gallup Korea	Seoul	Dec.4-16,2002
Turkey	Yontem Research & Consultancy	Istanbul	Nov.8-Dec.13, 2002
USA	ComQUEST Research	Montreal	Nov.18-Dec.1, 2002