

**STRENGTHENING TRUST IN GOVERNMENT:
WHAT ROLE FOR GOVERNMENT IN THE 21ST CENTURY?**

**Conclusions of a Meeting of the Public Governance Committee at Ministerial Level
Rotterdam, The Netherlands, 28 November 2005**

TABLE OF CONTENTS

SUMMARY	2
I. TRUST IN GOVERNMENT	4
II. DIALOGUE WITH CITIZENS	6
III. DELIVERING RESULTS	12
ACKNOWLEDGEMENTS	16
ANNEX A HIGHLIGHTS OF THE MEETING	17
ANNEX B. A SNAPSHOT OF MODERNISATION IN OECD COUNTRIES	24
ANNEX C. LIST OF PARTICIPANTS.....	25

SUMMARY

How can government strengthen public trust? How can it deliver better results in terms of both policies and services? How can it better communicate with the public?

Ministers and senior officials from twenty-seven member countries and Slovenia met in Rotterdam, the Netherlands, on 28 November 2005 to discuss the role of government in the 21st century and strategic dimensions of public sector modernisation, well aware of the significant government reforms in all OECD countries. The meeting was hosted by the Netherlands, and chaired by Alexander Pechtold, Dutch Minister for Government Reform and Kingdom Relations.

Following opening remarks by Minister Pechtold and the OECD Secretary-General, Donald J. Johnston, Mr. William Pfaff, journalist and political commentator, gave a keynote address highlighting issues of public trust and communication between government and citizens. Ministers then focused first on experiences and challenges of improving government's dialogue with the public, both in terms of listening to citizens' concerns, expectations and needs, and communicating with the public about government processes and policies. They then debated ways to deliver better results, examining the tools available to modern governments and approaches to enhancing government capacity.

Trust in government

In many countries, governments are concerned with strengthening citizens' trust in government. But public trust is multi-faceted and complex; governments need to address it in many different ways.

“Good government” can be described as responsive, responsible and legitimate. A responsive government listens to citizens and takes their needs and expectations into account. A responsible government is fair, inclusive, respects the rule of law, works for the collective interest, and looks at the medium to long term to ensure that future generations are not short-changed. A legitimate government is a government deserving of the trust of citizens.

Gaining and keeping the public's trust is an ongoing challenge -- but one that governments must meet to carry out programmes successfully, especially reforms.

Dialogue with citizens

Ministers agreed that two-way communications with citizens were essential to formulating and implementing effective policies, as well as to strengthening trust. New technologies can provide innovative ways to communicate, but these should merely complement, not supplant, more traditional forms. A proactive, multi-pronged approach is the most effective, including both broad-based (e.g. surveys and polls) and more targeted (e.g. focus groups) communications efforts, as well as dialogue with civil society organisations and interest groups. Delegates stressed the need to reach all stakeholders, and to ensure that the results of consultation exercises were taken seriously.

It is also important for governments to be clear with the public, to explain risks and necessary trade-offs.

Delivering results

For the past two decades, OECD countries have been carrying out reforms to modernise government, making it more efficient, transparent and responsive. While much progress has been made, it is clear that governments will need to continually adapt to changes such as globalisation – and in some cases, the reforms themselves have raised new problems that need to be addressed. Countries are currently focusing on issues such as measuring and improving public sector performance and results, offering quality services for citizens, enhancing flexibility and integrity in the public service, and reducing administrative burdens. Delegates noted the usefulness of international learning, including benchmarking, in these areas. They also highlighted the need for better risk assessment and management in the public sector.

Parallel student conference

In parallel to the Ministerial meeting, a student conference was organised by Erasmus University Rotterdam. An international mix of Master students in Public Management and Public Policy at the Department of Public Administration were given the same questions to discuss as ministers, and reported on their findings at the end of the day. This innovative arrangement provided a way to introduce the views of younger citizens and, perhaps, future leaders, in the debate.

Future directions

In addition to allowing countries to share ideas and experience, the ministerial meeting provided important guidance for future OECD work on public governance. Helping governments build and strengthen public trust will be an over-arching goal of the Public Governance Committee's activities for the next several years. This goal will be furthered by work on:

- assessing results of reform, including the development of key indicators of good government and efficient public services;
- open and inclusive policy making, increasing transparency and engaging citizens for better policies;
- improving risk awareness, assessment and management in the public sector; and
- building better relations across levels of government, particularly in a context of decentralisation.

I. TRUST IN GOVERNMENT

“Trust arrives on foot but leaves on horseback”

-Alexander Pechtold, Minister for Government Reform
and Kingdom Relations, The Netherlands

Trust between a government and its citizens is an essential element of the democratic contract and a prerequisite for effective public policy, a healthy democracy and a thriving economy. Public trust is achieved when citizens are confident that the government will protect and serve the public interest. Such confidence is based not only on whether the government has kept its side of the bargain, but also on citizens' *perception* that it has done so. Trust therefore needs to be constantly consolidated and reinforced. Indeed, accumulated trust is “capital” for governments to “invest” in reform.

A decline in trust can lead to lower rates of compliance with rules and regulations, and make it more difficult to introduce and implement them. In particular, lack of public trust can make it difficult, if not impossible, to implement reforms and policies that will only produce benefits in the long term and which may have perceived negative effects for some citizens in the short term.

Declining trust is a dangerous proposition. It leads to increased costs of government services, declining likelihood of success for any reform agenda, and declining performance of the market system, therefore affecting the wealth of all citizens and, in turn, the ability to share the wealth.

Jocelyne Bourgon, Ambassador of Canada to the OECD

In many countries, citizens' trust in government is increasingly an object of concern. However, it is difficult to form a coherent picture of public trust, and it is not always clear what citizens want:

- Citizens have less deference for authority, and are insisting on having a greater voice in public policy making. At the same time, they are demanding more from government.
- Citizens often show a high degree of trust in the government services they have *direct* interactions with, but still declare an overall negative view of government.
- Citizens make a distinction between trust in “politicians” or the political level of government and trust in “the administration”.

Maintaining public trust is always a work in progress since citizens' relationship with government is complex and constantly evolving. On a basic level, citizens expect their government to be legitimate, honest and responsible – in short, trustworthy. They expect it to respect democratic principles such as fairness and transparency, ensure national security, abide by the law, and serve the collective interest. They expect public servants to respect certain ethics and carry out their duties with integrity. They expect leadership and vision from politicians. As taxpayers and service recipients, they expect value for money, efficiency and responsiveness. As businesses, they also expect reasonable

regulation and limited “red tape”. As civil servants, they expect government to be a responsible employer.

Once basic needs are met, such as the protection of freedom and physical security, citizens focus on other things such as greater public participation, a wider choice of services, and more responsive and better-performing government. The criteria for trust in government are thus in constant flux.

Political leaders and policy makers therefore need to address a range of challenges if they are to successfully build and maintain trust. These challenges involve both the political and administrative levels of government, and include how government communicates with its citizens, what the citizens themselves expect, and whether governments can deliver the promised results.

Failure to address these challenges can lead not only to short-term loss of trust in the government in power and its bureaucracy, but also, in the longer term, to a loss of public trust in the democratic system itself.

Strengthening citizens' trust in government: there can be no higher priority for any government, even non-democratic regimes

Donald J. Johnston, Secretary-General of the OECD

II. DIALOGUE WITH CITIZENS

Over the past decades, OECD countries have undertaken a significant number of reforms to make government more efficient, effective, transparent and responsive. These reforms have led to major changes in how the public sector operates, how government and citizens interact, and how the public participates in policy making. Examples of reform for better government-citizen dialogue include freedom-of-information policies, consultations, e-government initiatives and cutting red tape.

This, however, does not appear to have been enough to enhance public trust. Why? Are governments not listening enough? Do they not communicate clearly enough? Are they misreading what citizens want? Do they take partnerships with citizens seriously?

Listening to citizens

Globalisation and new technologies have led to more information circulating more rapidly than ever before. The challenge is to ensure that information flowing between government and the public is accurate, credible and relevant – and expressed in clear, comprehensible language.

Governments across the OECD share a concern of how to communicate better with the public, but take different approaches depending on the specific democratic traditions of each country. As noted by Greece, some countries are faced with the challenge of creating a “culture of dialogue” that may not exist for historical reasons. Even where dialogue with and among citizens is well established, communications efforts need to be reinforced, taking advantage of new technologies where possible.

Citizens increasingly expect to have their views taken into account in decision-making on major public policy issues, and not just through the parliamentary process and institutions. Well-designed citizen consultation can lead to better-designed, better-implemented policies and, ultimately, better compliance with them. It also provides an opportunity for government to explain its policies and foster appropriate expectations.

Involving citizens in the policy process is decisive for all modern states; the legitimacy of government decisions depends on it.

Annemarie Huber-Hotz, Federal Chancellor, Switzerland

Governments should therefore take a proactive approach to communications, turning to citizens and asking for their views. But this needs to be underpinned by a political will to listen and a commitment to show concrete results from consultations with the public. Consultations can backfire if they are perceived as nothing more than “lip-service” or if they address the wrong issues. If consultation occurs too late in the process, or if citizens feel that their views had no input on the final decision, governments can lose credibility.

It's much more than listening, it's communicating to the citizens what we are hearing and how we are taking what they are telling us and translating that into programme goals, and then subsequently how we are performing relative to those goals.

Clay Johnson III, Deputy Director for Management,
White House Office of Management and Budget, USA

In all consultation exercises, from simple polls to complex referenda, it is vital that clear information reach the public throughout the process, from preparation through the final decision and any follow-up or evaluation phases. Good communications can be quite resource-intensive, so governments need to ensure adequate funding.

Using information and communications technologies

New technology offers innovative means for communication, enabling governments to reach large numbers of people. Governments should make the most of this opportunity to create new tools for information and consultation, including electronic surveys and polls, electronic voting, etc.

E-government can be an excellent instrument to pursue a strategy for better interactive communication and transactional systems.

João Gonçalves de Figueiredo, Secretary of State
for the Public Administration, Portugal

Technology is a means of solving differences in opinion about politics, of trying to explain our views to the electorate.

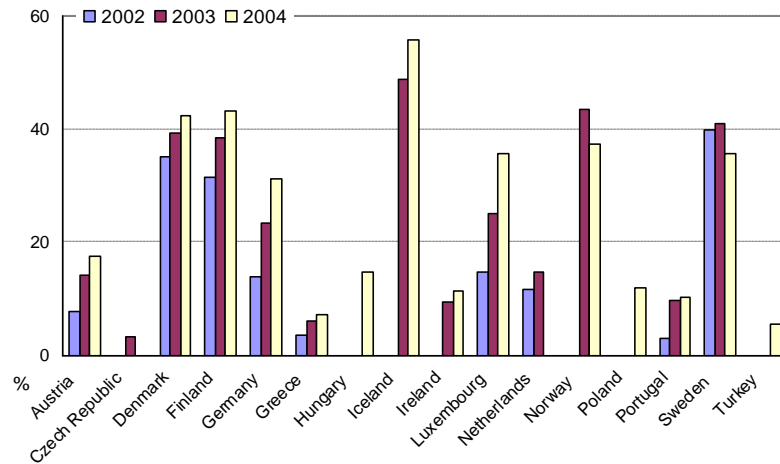
Arni M. Mathiesen, Minister of Finance, Iceland

But electronic communication can merely complement, not replace, other consultation tools, and is not suitable for all policy issues. Furthermore, not all citizens have easy access to the Internet; relying too heavily on electronic communication can lead to the exclusion of some segments of the population, often those with the most urgent needs and the least influence. Governments need to help bridge the digital divide and ensure that citizens have the necessary access to technology and the skills to use it. They also need to continue to use and develop more traditional means of communication and consultation, including focus groups, deliberative dialogue, town hall meetings, and surveys.

E-government has significant potential for engagement and communication. But if citizens are to have trust in that approach we will need to focus on consistent standards, on issues around security, privacy, accessibility in terms of language, etc.

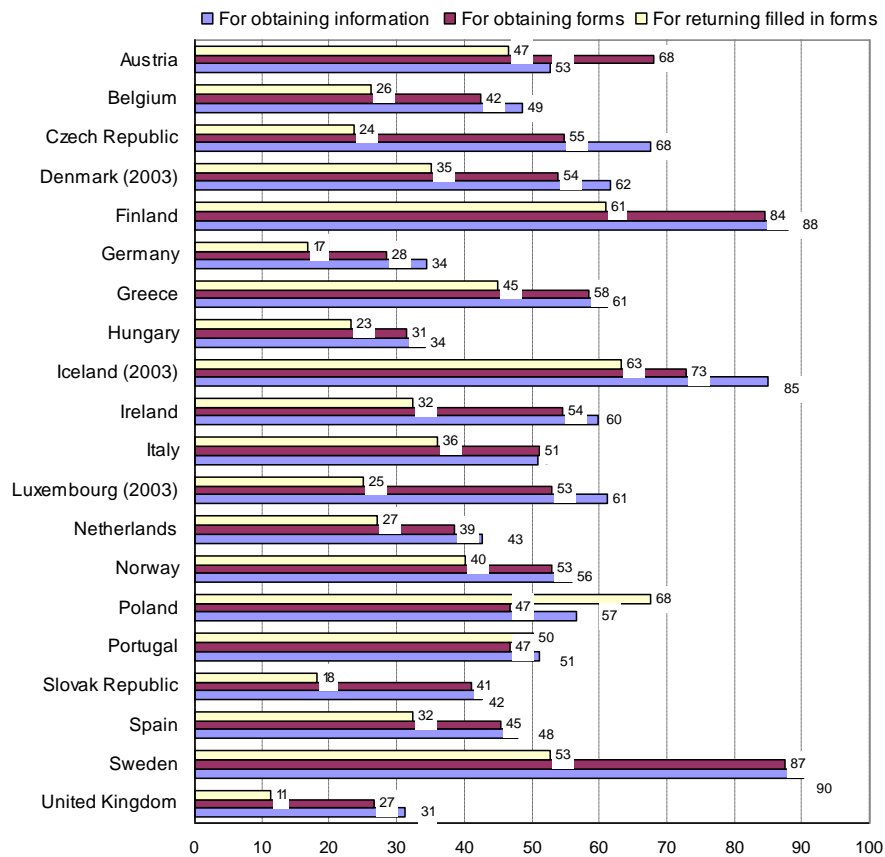
Lynne Tacy, Deputy Public Service Commissioner, Australia

Figure 1. More people are using the Internet to interact with governments
(As a proportion of all individuals aged 16-74)



Source: OECD (2005), E-Government for Better Government

Figure 2. The Internet is a universal means for businesses to interact with the government
(As a proportion of all businesses with 10 or more employees in the business sector)



Source: OECD (2005), E-Government for Better Government

Direct democracy

Direct democracy (e.g. referenda) can be a very powerful tool, but the extent of its use will depend on national circumstances (geographical, institutional and cultural). In many countries, it is used most often at the local level. However, it can be used more extensively. For example, in Switzerland, it is a major pillar of the democratic system -- referenda are held around four times a year at the national level, and even more often at the local and cantonal levels.

Ensuring all citizens are heard

The development of highly effective interest groups has a profound influence on decision-makers and decision-making. The issue of democratic accountability under these conditions is a complex one, and the general welfare may not always be well served.

While it is important to maintain and strengthen consultations with civil society organisations, trade unions and other groups, it is equally important to recognise that they do not represent all of society. Dialogue with these organisations is a complement to, not a replacement for, broad-based consultation.

Many people in society – often the most vulnerable – do not have an official “voice”. Ways must be found to reach these people and to ensure their needs are taken into account in policy design and implementation.

Communicating about public sector reform

The challenges of effective communication and true partnership are all the more important as there is an urgent need for further structural reforms in most member countries in order to respond to globalisation, adapt to demographic changes, and ensure fiscal consolidation. The reform agenda needs to encompass both the services provided by governments to citizens and the legal and regulatory environment for citizens and the private sector. The overarching challenge for governments is to be able to formulate and implement necessary reforms as a *permanent process* of adapting and adjusting to an ever-changing environment.

Experience to date amply demonstrates that adopting reforms can be extraordinarily difficult. Governments need to send out clear and consistent messages to citizens that effectively convey why reforms are needed and what they will achieve, linking changes to real-life experience. This is especially the case where the results are long-term rather than immediately visible or where the reforms imply short-term sacrifices. Citizens must know what they will gain and at what cost. Here, vision and political leadership are essential.

While I will always be cynical -- but I think realistic -- about politicians tackling long-term issues at the expense of short-term electoral success, the operating systems of government (i.e. the public service) must do more, and constantly search for approaches and mechanisms that will persuade their political masters to do the right thing for the long term.

Donald J. Johnston, Secretary-General of the OECD

Transparency and clarity are also vital. Because most reforms are complex, there is a temptation to oversimplify and oversell reforms, or to focus more on the negative consequences of not reforming than on the positive results of reform. If governments are tempted to promise too much it may create unrealistic expectations. When these are not met, government credibility is undermined.

If action appears at odds with official discourse, government legitimacy is at stake.

Claude Wiseler, Minister of Public Service
and Administrative Reform, Luxembourg

Sometimes it is necessary for government to say “no”. It is important to explain why certain decisions are taken (e.g. to proceed with unpopular reforms, or to reallocate resources, etc.) despite opposition by certain segments of the population.

The participation of citizens and civil society organisation in the decision-making process can help build support for change and improve the quality of policies. An internal communications strategy is needed as well, to build support for reform among government employees.

If government employees are not on board, reforms will not happen

Clay Johnson III, Deputy Director for Management,
White House Office of Management and Budget, USA

There is also a need for evaluation of reform, and for international co-operation in developing comparable and objective indicators and analysis. Clearly demonstrating the results of government programmes can not only help design better programmes in the future, but can also help build support and, ultimately, trust.

There will always be those who resist change; the government needs to speak to the “silent majority”.

Ulla-Maj Wideroos, Minister of Finance, Finland

The public expects openness and transparency from government. This includes being clear with the public about risks and tradeoffs.

Public policy is rarely a choice between black and white, but between two propositions of value. Documenting and sharing risk, and disseminating knowledge on risk, is essential to transparency and responsible government.

Jocelyne Bourgon, Ambassador of Canada to the OECD

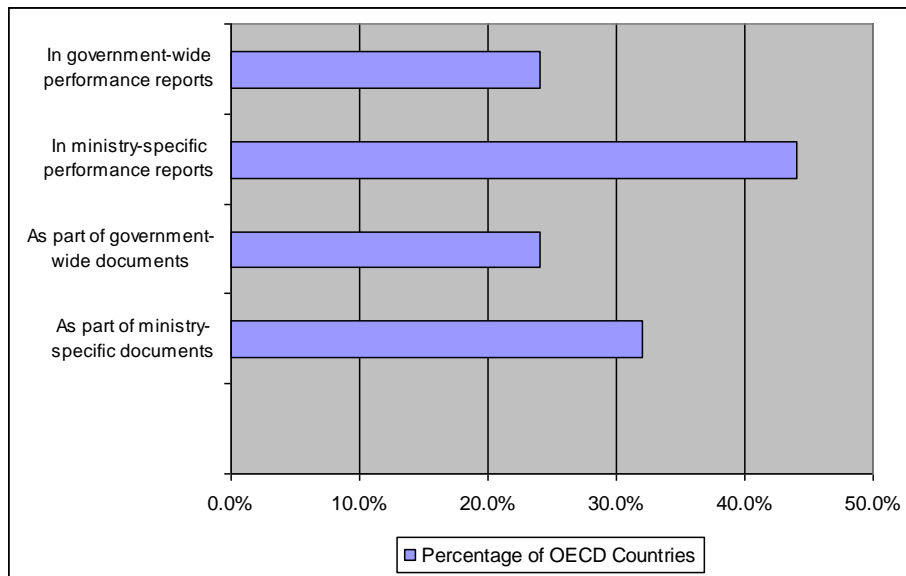
The general public and the media may forgive a blunder (after all, to err is human), but they will never forgive untruths and unfulfilled promises

Gregor Virant, Minister of Public Administration, Slovenia

Risks and mistakes belong to the everyday agenda of politicians. We have to live with uncertainty – we cannot do otherwise. An open and networked administration can help to communicate risks and mistakes, but not to avoid them.

Vassalis Andronopoulos, Secretary General of the Ministry of the Interior and Public Administration, Greece

Figure 3. Public sector performance information is published widely



Source: OECD (2003), OECD/World Bank Budget Practice and Procedures Database

III. DELIVERING RESULTS

What government actually delivers to citizens, in terms of both policies and services, also has an impact on public trust. One aspect of serving the public interest is producing policies and services that meet the real needs of citizens, and ensure the best use of public resources.

Part of legitimacy and a responsive government is ensuring we provide the best services to our clients when there is a public policy role to do so.

Wayne Wouters, Secretary of the Treasury Board, Canada

Governments in OECD member countries have been implementing reforms to modernise the management of government for over two decades. These reforms have proceeded at a different pace – and from different starting points – in individual member countries, but they have a common aim: to increase flexibility and promote innovation, which in turn are expected to make government more cost effective and responsive to citizens’ needs.

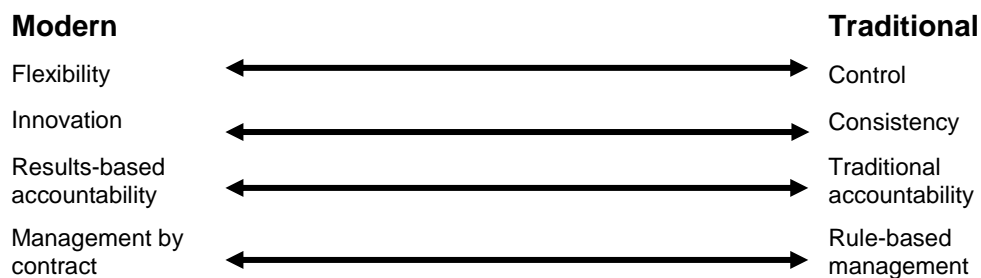
The reforms affect both the role of government and how it is organised. They include making it easier to allocate resources to where they have the highest social and economic returns, reforming budgets to focus on results, improving the quality of regulation, establishing independent agencies to implement policies effectively, strengthening the integrity and professionalism of civil servants and devolving functions to lower levels of government.

Increasingly, governments are also engaging in public-private partnerships, such as outsourcing service delivery, to achieve productivity gains and increase consumer choice.

These reforms have, however, affected the capacity of national governments to steer and control public policy delivery from the centre, and have sometimes blurred the image of clear-cut responsibility for government actions. There is a need for better co-ordination and coherence in both vertical and horizontal relations across levels of government.

Compared to “traditional” government, “modernised” government offers flexibility, innovation, performance management and a new accountability framework based on results. Although the traditional model was criticised as being too rigid and slow to adapt, it did offer greater control and consistency. The challenge for governments is to strike the right balance, allowing them the flexibility to respond to crises and changing needs while providing adequate predictability, stability and consistency to their citizens.

**Figure 4. Aspects of modern and traditional government:
Finding the right balance**



A focus on performance and results

To improve transparency and ensure taxpayers are getting value for money, governments are increasingly introducing performance management in their budgeting and personnel systems. Although different approaches are used, countries share the basic goals of improving performance and ensuring accountability for results. A truly responsive government needs to be able to link resources to results and outcomes. While this seems simple and is standard practice in the private sector, in the public sector, it remains a challenge. As the United States pointed out, developing reliable measurements of outcomes and costs is difficult, and such metrics by themselves do not produce results. Vital to improving performance is ensuring clarity: of the purpose of a programme, of its methodology, of who is responsible and accountable for the different parts of the action plan, and of the importance and priority given to the programme by political leaders.

I don't believe our citizens expect high levels of service from their government. They don't expect private sector levels of service, or high levels of accountability or candour. Our challenge is to change all that: to give them high levels of service, clear accountability, candour; to make this what they expect, so that when they do not get it, or face a candidate running for office who may not give it to them, they will not be inclined to vote for him.

Clay Johnson III, Deputy Director for Management,
White House Office of Management and Budget, USA

It is also important to be transparent about how resources are spent, for example through better reporting to Parliament and clear access to information for citizens. As part of its recent major budget reform, France has changed the way the budget is presented. It is now organised around broad public policy areas and programmes, and provides more information on programmes, including objectives and indicators of success.

Citizens want to know what is done with their tax money, how public policies are organised and implemented, whether they yield outcomes in line with the tax money they pay.

Frank Mordacq, Director-General for Government Modernisation,
Ministry of the Economy, Finance and Industry, France

Nothing is more significant to the legitimacy of the government than the ability to show that action did match what was set in the agenda, and if not, why not. This is a form of political accountability to citizens.

Jocelyne Bourgon, Ambassador of Canada to the OECD

Korea has used new technologies to provide greater transparency, for example through its “Easy-One System” that allows online management of the policy process. It has also set up a system that allows customers to evaluate government policies and organisations.

By making government services and information widely accessible online, we can expand our citizens' satisfaction with administrative services while enhancing transparency, and thereby foster a closer relationship between citizens and governments.

O-Ryong Kwon, Vice Minister of Government Administration
and Home Affairs, Korea

Better quality services, centred on the citizen

In addition to increased transparency, the performance movement aims at providing better quality to citizens: better targeted services, easier access to government and its services, more choice, and greater efficiency. Citizens' charters are used in many countries to set out standards of quality for public services.

One approach to improving quality is to provide more integrated services. Canada has launched a "Service Canada" initiative to provide a single service delivery network across departments. Australia is also developing cross-cutting arrangements across different departments and levels of government to address issues related to security and the environment, and delivering services to indigenous people. Many countries are using e-government to help break down "silos" in government and improve access to services by citizens.

Our citizens will judge us by the usefulness of the services we launch.

Wenche Lyngholm, Secretary of State, Norway

In such ways, countries are focusing on citizens and their needs, changing the way government is organised and operates. Some approaches involve bringing services closer to citizens, for example through decentralisation to lower levels of government. Many countries are also seeking to offer greater choice or more personalised and targeted services to citizens. To this end, some, such as Hungary, are contracting out services to private and not-for-profit providers for many areas of the public service.

What we really need is not more capacity for the government, but a better capacity to govern the issues we face.

Gyula Pulay, Administrative State Secretary,
Prime Minister's Office, Hungary

Administrative simplification is another important element of improving the quality of government interaction for businesses and individuals. Both time and money can be saved by reducing administrative barriers and burdens.

The trust of citizens is to a large extent based on how public administration works, if procedures are reasonable and simple.

Gregor Virant, Minister of Public Administration, Slovenia

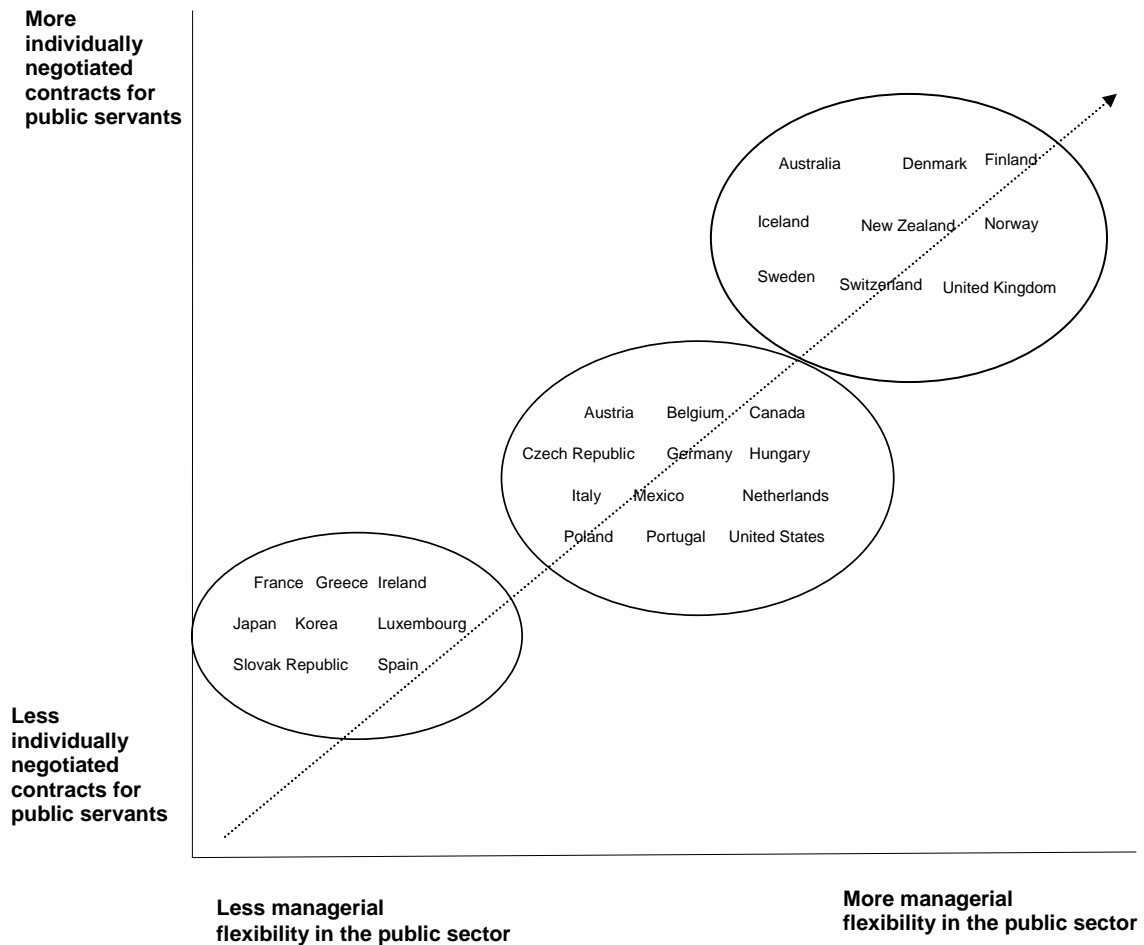
A changing civil service

Underpinning these changes is a new approach to the civil service. In exchange for having to achieve, measure and report on specified levels of performance, managers are given greater flexibility and autonomy. Some countries are also introducing more individualised contracts and pay arrangements -- including performance pay -- and increasingly recruiting from outside the public sector. But this implies a new organisational culture, which can be difficult to embed. To help ensure that civil servants are motivated and involved, and have the skills they need for this new environment, many countries are focusing on training. For example, Italy emphasises ongoing training, and is developing a new training module as well as creating a databank of training projects to avoid overlap and duplication.

Trust is not just a problem for citizens who receive services, but for civil servants, too. They need to be motivated, to feel part of a team, to be involved, to have a sense of service. Management must be both professionally skilled and competent, but also responsible.

Federico Basilica, Head of Department,
Department of the Civil Service, Italy

Figure 5. Towards a more flexible civil service



Source: OECD, HRM Survey 2004. For further information on methodology, see "Trends in Human Resources Management Policies in OECD Countries. An Analysis of the Results of the OECD Survey on Strategic Human Resources, Paper Presented to the Human Resources Management Working Party". OECD, Paris.

But this flexibility, with greater decision-making power for public managers, new recruitment practices and new contractual arrangements, can carry risks, such as unclear lines of accountability, lack of coherence across government, over-politicisation of the civil service and conflict of interest or even corruption.

Countries stressed the need for a robust ethics infrastructure based on public service values, codes of conduct, training and a system of sanctions consistently applied in the case of breaches of ethics.

The trust that we in government want to have from citizens is trust that the government will deliver, that it lays out the truth, that it is clear, and accountable, and that non-compliance will not remain unpunished.

Eduardo Romero Ramos, Secretary of Public Administration, Mexico

Evaluating and managing risks

Governments face risks in many public policy domains – economic, financial, health, safety, environmental and national security. Public officials must make policy decisions where future uncertainties are economically significant and unavoidable. There is thus a need to assess and manage risk in helping develop suitable policy responses. Furthermore, one aspect of managing risk, crisis management, is particularly critical to trust in government. As noted by Australia, having to provide a quick response across departments and levels of government requires strong risk identification, scenario planning, preparation and readiness. Increasingly, risk evaluation and management is also a global issue.

By and large, governments are not well prepared to identify and manage risk, and countries therefore called upon the OECD to assist them in this area.

[Hurricane] Katrina was a wake up call for all of us, reminding us that the identification and management of risk is one of the most important challenges and responsibilities of governments, requiring close coordination and cooperation among elected officials, public servants, governments at all levels and of course, the private sector as well. As disasters also spill over frontiers, effective international coordination is also critical amongst all these actors.

Donald J. Johnston, Secretary-General of the OECD

ACKNOWLEDGEMENTS

The OECD would like to thank the Netherlands Ministry of the Interior and Kingdom Relations, the City of Rotterdam and Erasmus University Rotterdam for their contribution to the success of the Ministerial meeting.

ANNEX A HIGHLIGHTS OF THE MEETING

Concluding remarks by the Chair

by Alexander Pechtold, Minister for Government Reform and Kingdom Relations,
The Netherlands

Ladies and gentlemen,

There is an old Dutch saying: “Trust comes on foot, but leaves on horseback”.

At the start of this meeting, the Secretary-General of the OECD noted that there can be no higher priority for any democratic government than maintaining the trust of its citizens. This truth is amply demonstrated by the fact that we – the ministers responsible for public governance arrangements in our respective countries – decided to meet to discuss ways to strengthen citizens’ trust in government. This is especially important in today’s globalised world where effective and efficient public governance is more important than ever in order to ensure economic and social development.

I would like to share with you what I thought were some of the key messages emerging from the day’s discussion.

We need to be better at engaging with citizens. National elections are the ultimate test of citizens’ views, but they are not enough. The democratic system needs constant input and renewal. OECD countries have implemented a variety of consultation mechanisms – all aimed at putting citizens at the centre. These include: user surveys and polling, explicitly soliciting feedback from users of government services through the Internet or call centres, citizens’ charters, the use of public hearings, the establishment of inclusive consultation panels for policy development – and the use of petitions and referendums. Such measures require the investment of sufficient time and money. It needs to be recognized as an integral and inherent cost of policy development and implementation in modern democracies.

But simply putting such mechanisms in place is not enough. Governments have to demonstrate to citizens how they use their input – or why they decide not to do so. Otherwise, such consultation mechanisms may only foster cynicism among citizens – and undermine the very purpose that they were originally established for.

Governments also need to ensure that the results of citizens’ consultations reflect the wishes of the whole community – not just those of vocal vested interests who participated in the exercise. The use of E-government may be of assistance in this regard.

But government cannot do everything. Citizens cannot expect their governments to fix every problem. Sometimes in the public interest government will say “no.” Political leaders should not make promises they cannot keep: that erodes trust in government.

Governments also need to send out early, clear and consistent messages to citizens that effectively convey why reforms are needed and what they will achieve. This is especially the case where the results are long-term rather than immediately visible – such as efforts to reform pension systems to tackle the challenge of ageing societies. Here, vision and political leadership are essential. Measuring results is key here.

Governments also make mistakes. The tasks facing governments today are increasingly complex -- and the potential for mistakes is higher as a result. The use of effective risk management strategies is increasingly essential to mitigate the potential for mistakes. When mistakes occur, however, the common lesson was the importance of admitting the mistake, explaining what went wrong and why, and correcting the course.

We need to continually improve the performance of government. The public's trust in the institutions of government is related to the public's perception of whether those institutions are working well or not and whether governments deliver what they promise. We are all implementing policies to modernize how our respective governments operate. The key element of these reforms is to re-orient the allocation and management of resources in government around results. They also include transferring responsibilities to lower levels of government – and thus closer to citizens where they are in a better position to influence them. But at the same time, the organisational boundaries of government should not be “visible” to citizens!

It also means introducing greater user choice – often by involving the private sector and the voluntary sector in the provision of public services. This reform agenda is on course, but is by no means complete.

The public service is key to the success of any reform. As stated by the delegate of the United States, “If government employees are not on board, reforms will not happen.” Government employees need to be partners in the reform process. It is essential to overcome both the resistance to change and the fatigue that may set in as a result of continual reforms.

Integrity is critical to government. Governments need to be more vigilant than ever that the highest standards of ethics and prevention of conflict of interest are adhered to.

We call on the OECD to continue its work with Member countries on public governance issues and help us in our efforts to strengthen citizens' trust in government.

Finally, there is no alternative to strengthening citizens' trust in government. If you do not do it, you drive up the cost of government for everyone and promote the disengagement of citizens.

Opening remarks –extracts

***Alexander Pechtold, Minister for Government Reform and Kingdom Relations,
The Netherlands***

We can only do our work with a certain amount of “trust” of the citizens and of society as a whole. This does not mean citizens should not be critical of what government does or does not do. On the contrary, they should always be critical of the ways public power is exerted. But on the other hand, they should have confidence that whatever government does, it acts in the general interest.

Whatever the causes, it is a fact of today's life that government is less trusted than it was in the recent past. For the sake of democracy and good government we will have to concern ourselves with the reasons for that. And then with the even more interesting question of the actions needed to strengthen trust and, sometimes, to regain it.

It is a fact that democracy requires permanent maintenance. As a Dutchman, I compare it to the dikes that are essential to live in this country. They need constant care and maintenance. As soon as we notice that they can be or even are eroded by whatever cause, we have to take action.

Weakened trust is an erosion of democracy and good governance. It is not a luxury to cope with this problem.

Donald J. Johnston, Secretary-General of the OECD

I firmly believe that any decline in trust is most likely at the political level, namely the software of policies and practices put in place by the political level. And in democracies the response to a lack of trust in government is usually reflected at the next election.

However this is sadly not always the case, which takes me to my second issue, namely, meeting short-term needs within a long-term perspective.

I sincerely wish I could be optimistic about the capacity of the political class to take obvious and necessary decisions that bring long-term rather than immediate benefits, but based on what I see as needed reforms in many countries it is extremely difficult to be so. What is the answer?

While I will always be cynical but I think realistic about politicians tackling long term issues at the expense of short term electoral success, the operating systems of government (i.e. the public service) must do more, and constantly search for approaches and mechanisms that will persuade their political masters to do the right thing for the long term.

If visionary politicians are made aware of a problem of the future before it becomes a problem of the present, the likelihood of implementing the right policy options should be greatly increased because radical solutions which would create too much pain can be avoided. Pension reform stands as an example. Minor adjustments today, which might find political support, especially if accompanied by a good communication strategy, would help avoid more dramatic moves some years hence

Keynote address – extracts

by William Pfaff, Author and Political Commentator

We are in a new situation to the extent that many traditional mechanisms of mediation between government and public, contributing to the formation and interpretation of policy, are now weakened or changed. The churches have lost influence, as have unions and other

civil society groups. Political parties often are no longer active membership organisations but simple ideological rallies without constant interaction.

The media's assumption of a new importance in political life is largely by default. Speaking generally, the press reflects the conventional wisdom, and accepts uncritically the underlying assumptions of governments and public institutions concerning the economy, the evolution of society, certainly about foreign relations, and generally about where we are all going and why. Hence the best advice I can offer is be open and truthful with the press.

Your problem usually is not one of communication but of policy itself. A great many decisions still are being taken with little popular consultation on matters having important and sometimes devastating consequences for citizens.

Governing elites tend to see the problem of communication with the public as one of the downward transmission of the analyses and decisions of the elite, whereas the real problem is transmission up of public opinion. The citizen is not a "client," and government is not a purveyor of goods.

Despite polls and other measures of public opinion, upward communication is incoherent and difficult to interpret outside elections, and often even then. Elections are blunt instruments. They convey shocking truths but not subtle ones, and governments and international organisations are frequently unable to understand what people are saying, or reject what they hear as unpalatable and therefore wrong.

Many of [the democratic systems within which we live], within living memory, were anything but democratic. They are fragile, and we elites are responsible for them.

Moderator's summary

by Jocelyne Bourgon, Ambassador of Canada to the OECD

Good government has something to do with responsive government, responsible government, legitimate government. We have been looking at responsive government. Responsible government is about fairness, inclusiveness, the rule of law, the collective interest, not short-changing future generations – it is about the medium to long term. Legitimate government is a government deserving of the trust of citizens.

Citizens are very different from consumers, fundamentally different.

What are the consequences of declining trust in the public service? One of them is that it drives the cost of government up, because it drives the cost of control up. It leads to an organisation of the public service that is more rigid, more rule-based, that has more layers of oversight and of monitoring and control. In the end it is probably less responsive. The cost of distrust in the public service, ultimately, is very high.

The real cost of distrust in government is probably closer to things like the disengagement of citizens, non participation, the erosion of social cohesion.

The cost of distrust in government institutions is even greater. It can lead to the incapacity of government to lead an ambitious reform agenda. Eventually, distrust in institutions has a pervasive effect on the functioning of the marketplace. You cannot have a well-functioning market with dysfunctional state.

Benchmarking is not a pass/fail proposition. It is measuring oneself because of a commitment to improving oneself, but with the knowledge of what others are doing. Benchmarking could be a promising proposition to improve responsive government.

Responsible government starts with speaking the truth. But this means doing at least two things that many governments are not adept at doing. One is risk assessment and risk management, and the other is identifying tradeoffs. Public policy is rarely a choice between black and white, but between two propositions which are of value. Internalising a way of documenting and sharing risk and disseminating knowledge on risk is fundamental to transparency and responsible government.

The Weberian model of neatly defined lines of responsibility and accountability does not work in a world of networking, horizontal management, and collective responsibility. That is uncomfortable. Unless we address the question of modernising our concept of accountability and responsibility, it may lead to a bit more blame than is useful.

Parallel student conference

Erasmus University Rotterdam organised a conference for students in parallel to the Ministerial meeting. Master students in Public Management and Public Policy at the Department of Public Administration were invited to discuss the same questions put to Ministers:

Dialogue with citizens

- How can governments improve their capacities to listen to and understand the needs and expectations of citizens? What role for e-government?
- What innovative forms of citizens' consultation mechanisms can be employed?
- How can governments ensure that the results of citizens' consultations reflect the wishes of the whole community and not only those of vocal vested interests who participated in the exercise?
- How can governments better explain the need for, the potential benefits and the results of reforms? Has this become easier or more difficult in a context of globalisation and an increasing role for supranational institutions?
- How do governments respond to the high expectations of their citizens? How can government best say "no" when necessary?
- How can government communicate with citizens about risks and mistakes?
- Is there a role for the media in improving communications between citizens and governments?

Delivering results

- Is the modernising government agenda providing the right tools for delivering results? What instruments offer the greatest potential? Moving from inputs to outcomes and outputs (results)? New organizational forms (agencies)? A greater “client”-focus? New monitoring and evaluation tools? E-government? Others?
- Can greater citizen choice, effectiveness and efficiency in public services best be achieved by the use of third-party providers (private and voluntary sectors; lower levels of government)? Under what conditions?
- How can the civil service best be organized and equipped in order to translate political agendas into administrative reality? How can government be organised around problems and not vice-versa?
- Do current policy design and implementation mechanisms adequately integrate risk assessment? Do policy makers take enough notice of empirical evidence?
- What actions need to be taken to reinforce civil service ethics in an environment characterised by decentralisation and managerial flexibility?

At the end of the day, the students reported on their findings to Ministers via video link.

The students noted that there was a danger in seeing trust as a holistic concept. There is a need to make a distinction between trust in politicians and trust in civil servants, and between short-term and long-term trust. Strengthening each type of trust needs a particular approach.

Focusing on trust as an absolute value also has its dangers. Focusing on short-term trust, for example by avoiding implementing unpopular reforms, can lead to a loss of long-term trust. Governments need to address long-term issues such as pensions and health care.

The students looked at some instruments for improving trust, in particular improving communication. Government needs to listen to its citizens, especially those who are unheard. New instruments for improving listening capacity need to take these unheard citizens into account. E-government will not necessarily solve this problem, given the digital divide. E-government will benefit most those who are educated and equipped to use it. Governments tend to promote e-government as a solution to the listening problem, but this can be dangerous.

Modernising government is not only about concentrating on economic values. Modernising values should not only be reduced to outputs and inputs, because governments have other priorities (e.g. the more traditional issues of investing in infrastructure and other social services).

Ethics are also essential for increasing citizens’ trust. Ethics in the civil service can be reinforced by:

- Providing ongoing ethics training and periodic ethics assessments;
- Reinforcing the independence of entities such as “ethics Ombudsmen” and their sanctioning power;

- Protecting and rewarding informants that denounce the unethical behaviour of colleagues and higher officials.

ANNEX B.

A SNAPSHOT OF MODERNISATION IN OECD COUNTRIES

In preparation for the Ministerial meeting, countries were asked to identify the key challenges they face as well as their current priorities in the area of public sector modernisation. Their responses were summarised as background to the discussions at the meeting. Although countries differ in their approaches, it is clear that many share similar concerns. Below is an overview of what OECD countries see as the main modernisation challenges and priorities for future action.

Key challenges for the future

- **Globalisation**, including national competitiveness and a greater role for supranational organisations (e.g. European Union, World Trade Organisation, etc.)
- **Rising citizens' expectations**, including demands from the public for greater say in policy making, better-quality and increasingly tailored government services, and the need to reconcile short-term demands with the long-term collective interest.
- **Ageing populations**, including pressures on social programmes and on the public and private sector labour markets.
- **Fiscal constraints**, including the need to lower deficits and/or reallocate to higher-priority areas, and thus to make further efficiency gains in government.
- **Reform fatigue in the public sector**, including resistance to change and the need for long-term, continuous reform.

Current modernisation priorities

- **Putting citizens at the centre**, including increased consultation with citizens; providing greater choice in public services; being more responsive and making services more focused on the client; publishing quality standards or charters for services; and making government more accessible, through “one-stop shops” and online information and services.
- **More effective budgeting**, including a focus on performance and results, top-down budgeting, and greater managerial flexibility.
- **Organising government differently**, including reorganising government institutions and structures, for example by creating agencies; reallocating tasks among levels of government (e.g. decentralisation); and outsourcing and other market-type mechanisms.
- **Making the civil service more agile and responsive**, including devolving managerial authority and pay-setting arrangements; developing leadership and management skills in senior executives; creating a more performance-oriented organisational culture; recruiting from the private sector; encouraging lifelong learning; and promoting integrity.
- **Using e-government for better interaction with citizens**, including on-line information and services, shared databases within government, and using the Internet as a two-way communications tool to improve public participation in policy making.
- **Making markets work**, including improving regulatory quality, reducing administrative burdens and regulatory impact analysis.

ANNEX C.
LIST OF PARTICIPANTS

Country representatives

- Mrs. Lynne Tacy, Deputy Public Service Commissioner, Australia.
- Dr. Alfred Finz, State Secretary, Ministry of Finance, Austria.
- Dr. Jacques Druart, Advisor, International Coordination, Federal Civil Service Personnel and Organisation, Belgium.
- Mr. Wayne Wouters, Secretary of the Treasury Board, Canada.
- Mr. Josef Postranecky, Deputy Minister, Czech Republic.
- Ms. Elisabeth HVAS, Head of Division for Public Management, Ministry of Finance, Denmark.
- Ms. Ulla-Maj Wideroos, Minister of Finance, Finland.
- Monsieur Frank Mordacq, Director-General for Government Modernisation, Ministry of the Economy, Finance and Industry, France.
- Mrs. Marga Pröhl, Deputy Director-General, Federal Ministry of the Interior, Germany.
- Mr. Vassalis Andronopoulos, Secretary-General of the Ministry of the Interior and Public Administration, Greece.
- Mr. Gyula Pulay, Administrative State Secretary, Prime Minister's Office, Hungary.
- Mr. Arni M. Mathiesen, Minister of finance, Iceland.
- Mr. John O'Connell, Assistant Secretary, Department of Finance, Ireland.
- Mr. Federico Basilica, Head of Department, Department of the Civil Service, Italy.
- Mr. O-Ryong Kwon, Vice Minister of Government Administration and Home Affairs, Korea.
- Mr. Claude Wiseler, Minister for Civil Service and Administration, Luxembourg.
- Mr. Eduardo Romero Ramos, Minister of Public Administration, Mexico.
- Mr. Alexander Pechtold, Minister for Government Reform and Kingdom Relations, The Netherlands.
- Ms. Wenche Lyngholm, Secretary of State, Norway.
- Mr. Jacek Czaputowicz, Deputy Head of Civil Service, Poland.
- Prof. Dr. Maria Manuel Leitão Marques, Secretary of State for Administrative Modernisation, Portugal
- Dr. João Gonçalves de Figueiredo, Secretary of State for Public Administration, Portugal
- Mr. Martin Pado, State Secretary, Slovak Republic.
- Mr. Francisco Javier Velázquez, Secretary General for Public Administration, Spain.

- Mr. Anders L. Johansson, Director-General, Swedish Agency for Public Management, Sweden.
- Mrs. Annemarie Huber-Hotz, Federal Chancellor, Switzerland.
- Mrs. Ilgin Atalay, Director, Foreign Relations Department, Prime Ministry, Turkey.
- Mr. Clay Johnson III, Deputy Director, White House Office of Management and Budget, United States of America.
- Dr. Gregor Virant, Minister of Public Administration, Slovenia.
- Donald J. Johnston, Secretary-General of the OECD.

Other participants

- Mme Jocelyne Bourgon, Ambassador and Permanent Representative of Canada to the OECD (Moderator)
- Mr. William Pfaff, Author and Political Commentator (Keynote address)
- Mr. John Evans, General Secretary, Trade Union Advisory Committee to the OECD (TUAC)
- Mr. Thomas Vant, Secretary-General, Business and Industry Advisory Committee to the OECD (BIAC)
- Dr. Pia Marconi, Director of the Office for Innovation in the Public Administration, Italy, and Chair of the Public Governance Committee
- Mr. Lex van den Ham, Director-General for Management of the Public Sector, Netherlands
- Mr. Richard Hecklinger, Deputy Secretary-General, OECD
- Ms. Odile Sallard, Director of the Public Governance and Territorial Development Directorate, OECD
- Mr. Rolf Alter, Deputy Director of the Public Governance and Territorial Development Directorate, OECD