



New Approaches to Economic Challenges [C1] Revisiting the social contract: rebuilding trust for sustained economic recovery

THEME OF THE PROJECT

Trust in government has been eroded...

The recent crisis significantly eroded trust in government institutions. This was the case in the majority of OECD countries. Levels of trust declined between 2007 and 2012, with further declines till 2014 in the countries most severely affected by the crisis, such as Slovenia, Spain, Portugal, Greece and Ireland. Countries that weathered the crisis, for instance Germany, Israel and Switzerland, reported higher levels of public trust in government.

...calling for a new understanding of trust, its drivers and the role of public governance

There are four main drivers of trust - culture, institutional settings, economic and social outcomes, and performance of institutions. At the macro-level trust relates to political institutions and the functioning of democracy. At the meso-level, trust relates to policy making, the ability of governments to manage economic and social issues, and to generate positive expectations about future well-being. Finally, at the micro-level, trust refers to the impact of government on people's daily lives through service delivery. This structured perspective offers a lens through which inter-related components of trust can be understood.

RESULTS OF THE WORK STREAM

A new framework and new metrics for understanding trust...

The OECD has developed a comprehensive and policy-focused framework for mapping trust. This helps to deepen understanding of the measures that can be taken to increase confidence in public institutions and actors. In addition, new metrics to identify the determinants of trust have been developed collaboratively

between the Public Governance Committee and the Committee on Statistics and Statistical Policy.

The OECD work has proposed the following framework for analysing the drivers of trust:

- **reliability:** the ability of governments to minimise uncertainty in the economic, social and political environment of their citizens, and to act in a consistent and predictable manner;
- **responsiveness:** the provision of accessible, efficient and citizen-oriented public services that effectively address the needs and expectations of the public;
- **openness and inclusiveness:** a systemic, comprehensive approach to institutionalising a two-way communication with stakeholders, whereby relevant, usable information is provided, and interaction is fostered as a means to improve transparency, accountability and engagement;
- **integrity:** the alignment of government and public institutions with broader principles and standards of conduct that contribute to safeguarding the public interest while preventing corruption.
- **fairness:** in a procedural sense this involves the consistent treatment of citizens and businesses in the policymaking and policy implementation processes.

...are being used to tackle frontier issues in public governance

The trust approach has highlighted the need to explore governments' capacity to address complex or "wicked" challenges, and to address the long-term uncertainty of public policies. This has led to a new vision of the Strategic State, where policy frameworks are built to manage complex policy challenges, including future uncertainty.

New work is being undertaken on the role of centres of government, analysing coordination mechanisms, and discussing how governments can manage the full range of risks through All Hazards approaches and forward-looking engagement. In addition, strategic foresight can be linked to existing capacities for horizon scanning to develop anticipatory government.

NEW APPROACHES

This project was an exploratory exercise which helped to identify new connections in the broader governance agenda and highlight gaps in the data that can help understand them better.

New metrics are needed to develop an indicator-based approach to monitor trust...

A stock taking of metrics has been conducted and a critical analysis has highlighted the limitations of existing measures. Therefore, new metrics need to supplement existing ones, fully engaging the statistical community as well as country experts. The outcomes of this work will be critical to support the development of further policy analysis and conclusions.

...to support countries' efforts to restore trust

Such a data-driven framework should be used to support country-specific reform. This helps to focus on the pressure points for trust in countries and the specific policy dimensions, relating them to identifiable sectors and stages in the policy cycle. Pilot projects have been initiated with a number of countries including Korea.

...and investigate the impact of declining trust on a range of policy outcomes.

The work on trust undertaken in the context of NAEC has generated interest among several OECD policy communities. Further work is required to investigate how insufficient trust constrains policy outcomes across a number of policy domains and to understand which policy levers government can mobilise to do something about it. Such an integrated agenda requires follow-up activities at the sectoral level involving a variety of committees.

A structured approach to trust has stimulated further work on financing democracy and on justice institutions, which will further enhance OECD's broad expertise on the public sector.

PROJECT PAPERS

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