Towards an OECD Strategy on Trust in Government

Meeting of the Public Sector Integrity Network

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Trust in public institutions is one of the foundations upon which the legitimacy and sustainability of political systems are built. In recent years, trust in public institutions has received heightened political attention from senior policy makers as levels of trust have plummeted. At the 2013 OECD Ministerial Council meeting the OECD was requested to develop a Trust Strategy building on its work on integrity and governance.

This document presents the main elements of an OECD Trust Strategy with the aim of providing methodological, empirical and practical guidance.

“Delegates are invited to discuss how to take forward the key elements of the Trust Strategy, in particular the module on “Securing fairness in policy making” and case studies on trustworthy institutions.”

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TOWARDS AN OECD TRUST STRATEGY

Trust in institutions and OECD priorities

1. Since the beginning of the economic and financial crisis, trust in public institutions has received heightened political attention from senior policy makers as levels of trust have plummeted. A significant erosion in trust in public institutions recorded across OECD countries has been accompanied by the growing realisation that this decline undermines the effectiveness of policy making. Trust is now a matter of central concern for senior policy makers: nearly three quarters of Centres of Government in OECD countries currently monitor trust indicators, and more than half have recently commissioned studies in this field.

2. Trust is one of the foundations upon which the legitimacy and sustainability of political systems are built: it is essential for social cohesion and a major determinant of well-being; it is an ingredient for successful policy-making, as the implementation of a wide range of government policies depends on behavioural responses from the public; and it strongly influences competitiveness, by lowering transaction costs and costs of enforcement and compliance of regulations. Trust represents a core outcome of governmental performance.

3. The issue of trust in governments and in public institutions received prominent attention at the OECD 2013 Ministerial Council meeting, which focused on “Jobs, Equality and Trust”. Regaining the trust of citizens in public institutions was one of the key themes discussed during that MCM, where Ministers stressed that lower trust in public institutions has implications for the willingness of citizens and businesses to respond to public policies. Ministers discussed the need to build more effective, transparent and open institutions to regain the trust of citizens. They welcomed the agenda on “Trust in Government: Evidence, Policies and Decision Making” and called upon the OECD to strengthen its efforts in this area, building on existing OECD work on integrity and governance. Ministers underlined that a “smart” state, open government, transparency and cohesive societies are all important aspects of this work. They also highlighted the importance of building confidence and trust in the private sector, including in the areas of corporate governance, long-term investment, SME finance, consumer policy, and efforts to combat corruption and foreign bribery. Ministers called upon the OECD to strengthen its efforts to understand better the influence of trust in public institutions on economic performance and people’s well-being, along with its determinants.

4. This guidance to OECD work was well justified and timely, as it can help fill some of the current knowledge gaps. On the one hand, the concept of “trust” used in many studies is still too broad to separate its political, cultural, economic and policy foundations. The measure most commonly used is based on a question on “confidence in government” in international opinion surveys, which is likely to mix political support to government, cultural factors and economic expectations. This makes it very difficult to: (i) identify how trust may influence behaviour of citizens and businesses; (ii) compare levels of trust across countries; and (iii) assess the weight of public policies in influencing trust and thus provide a better guidance to policy making. In addition, most of the empirical studies that try to identify the drivers of trust are backward-looking, based on historical evidence that often predates the crisis, while the policy interest on trust is more forward-looking.
5. Responding to these challenges requires a multidisciplinary approach, combining elements of institutional and behavioural economics, sociology and statistics, as well as integrating a “Making Reform Happen” and political economy dimension. This approach would help revisit the concept of trust in public institutions from an empirical and policy-oriented perspective to facilitate future reform implementation and support countries in their way out of the crisis and in their search for a sustainable recovery. Similarly, the mainstreaming of trust into policymaking involves reassessing the policy cycle and the conventional separation between formulation, implementation and impact. All this is very much in tune with the purpose of the OECD to revise conventional analytical frameworks through the NAEC initiative which called for forward looking approaches and greater attention to trust.

The policy drivers of trust in public institutions

6. While trust is broadly understood as holding a positive perception on the actions of an individual or an organization, the policy approach demands clearer links to behaviour and causality. In this regard, we have adopted a definition of trust as an attitude that: (a) shapes behaviour, and (b) derives from past experience and expectations. On this basis, an OECD stocktaking report submitted to the Public Governance Committee (PGC) by the Public Governance and Territorial Development Directorate (GOV) in 2013 concluded that, to support the policy agenda better, the broad notion of trust in public institutions should be analysed in terms of specific dimensions linked to concrete experiences on how to handle the relationship between citizens and institutions. In particular, this work invites to consider five dimensions shaping trust in public institutions that could make this concept amenable to policy change:

- **reliability**, i.e. the ability of governments to minimise uncertainty in the economic, social and political environment facing people, and to act in a consistent and predictable manner in responding to this uncertainty;
- **responsiveness**, i.e. the provision of accessible, efficient and citizen-oriented public services that effectively address the needs and expectations of people, and evolve over time along with these needs;
- **openness and inclusiveness**, i.e. the existence of a systemic and comprehensive approach to interact with stakeholders;
- **integrity**, i.e. the alignment of public institutions with broader principles and standards of conduct in order to safeguard the public interest while mitigating the risk of corruption; and
- **fairness**, i.e. the consistent treatment of citizens (and businesses) in policymaking and policy implementation.

7. This framework provides the basis to operationalize alternative measures of trust in institutions and to link better to the policy agenda through the proposed trust strategy.

The OECD Trust Strategy

8. The OECD Trust Strategy draws on the exploratory work conducted in the context of the PGC in 2013, deepened through a project under the NAEC initiative and through further dialogue engaging other OECD policy communities. The Trust Strategy proposed for the CPF is conceived as a 2-year project aimed at providing methodological, empirical and practical guidance for OECD governments aiming at raising citizens’ trust in public institutions for greater effectiveness of public policies on the basis of sound policy frameworks. Within the OECD, the Trust Strategy is expected to mainstream trust into OECD policy work, both in the governance and other key policy areas, bringing a citizen-oriented perspective into
the policy making process and innovating in the way citizen and business behaviour is integrated into policy analysis.

9. The Trust Strategy will require a systematic, horizontal effort that can draw on existing work on public governance, statistics, taxation, education, finance, corporate governance, and others. To organize and support this work and to produce concrete products that can be useful to policymakers, the Trust Strategy is conceived as a horizontal OECD initiative reaching out to large parts of the organisation. The Strategy will also reach out to government stakeholders, social partners and civil society, given the fundamental role that they can play in strengthening the credibility and legitimacy of policies and institutions. The Strategy will deliver outputs that will be relevant not only to OECD member countries but also to developing and emerging non-members that see mistrust in institutions as an important obstacle to development.

10. The OECD Trust Strategy will complement the substance of public policies (the ‘what’) with the ways in which they are implemented (the ‘how’), including in particular a stronger voice for citizens in policy design and delivery. The trust perspective will provide a lens to look into policymaking and implementation that enhances the role of citizens.

11. The Trust Strategy will be structured in five components: (a) measuring and assessing trust; (b) case studies on the past and future drivers of trust; (c) securing fairness in policymaking; (d) strengthening the reliability of governments through foresight, and (e) building trust in key policy areas.

**Measuring trust in public institutions**

12. The OECD stocktaking report of 2013 concluded that existing surveys fall short of what is needed for monitoring, benchmarking and understanding this complex phenomenon, recommending initiatives in three main areas. First, more needs to be learned about how trust in public institutions is measured in member countries, and on the involvement of National Statistical Offices (NSOs) in this area in cooperation with the Statistics Committee. Second, there is a clear need to improve the frequency and comparability of trust measures across OECD countries. Finally, there is a need to refine existing measures towards more actionable, policy-focused dimensions that could allow governments to understand the causes of distrust and the ways of addressing it.

13. Improving the measurement of people’s trust in public institutions would enrich the work of CSSP over the 2015-16 biennium to measure the different aspects of governance from the perspective of citizens. This work, which is part of the broader OECD well-being agenda, aims to defining a conceptual and statistical framework for government statistics; and to operationalizing this framework through a survey module that NSOs count implement in their household surveys. Aspects that could potentially be covered through this household survey module include: (i) people’s perceptions that governments behave according to agreed standards and norms of behaviour; (ii) people’s actual experiences when dealing with public officials and public institutions (e.g. satisfaction with the quality of public services delivered, or direct experiences of corruption); (iii) different forms of political participation and voice (i.e. people’s opportunities to make their voice heard in the political field, and their sense that their voice is heard and acted upon); and (iv) the extent to which different types of rights (i.e. human, political and economic) are guaranteed and respected.

14. The measurement work to be pursued as part of the OECD Trust Strategy will enrich the CSSP conceptual and statistical framework in a decisive way. This work, to be conducted under the leadership of STD in close cooperation with GOV, will identify how the key dimensions shaping people’s trust in public institutions mentioned above could be linked to people’s own experiences for the purpose of measurement through household surveys. Building on this enriched framework, STD will then develop a prototype
survey-module on governance statistics that NSOs could incorporate into their national household surveys. Such work would be supported by an expert Advisory Group, made up of statisticians and researchers with experience in the field, and would be conducted in close cooperation with other international initiatives in this area (i.e. the proposal to establish a UN City Group on Governance Statistics). The objective of this work would be to accomplish in the field of governance statistics what has been achieved with the OECD Guidelines on Measuring Subjective Well-being.

15. The output of this component of the OECD Trust Strategy will be a guidance paper that will contribute to broaden the conceptual and statistical framework for measuring governance through household surveys. The new set of indicators that would emerge from this work would provide a sounder basis for analysis, policy making and regular monitoring of member countries. This will not only lead to a breakthrough in the methodological framework that supports the analysis on trust, but will also strengthen the quality of data by involving NSOs, and provide a sounder advice to policymakers.

Case studies enabling a fuller understanding of the drivers of trust

16. The limitations of international surveys make it difficult to gain a thorough understanding of how citizens’ trust in government is evolving over time and of what influences it across OECD countries and beyond. The incidence of cultural factors on how people approach public institutions makes pure cross-country comparisons of trust in government especially challenging. The OECD trust strategy will include a set of five or six in-depth country studies aimed at digging deeper into the past and future drivers of trust to build a richer, country-specific pool of information through a common framework of analysis. This could generate insights into: (i) understanding the historical evolution of trust and its drivers over time in a country-specific context; (ii) drawing possible future scenarios and systems dynamics/causal linkages that can inform today’s initiatives to raise trust in institutions; (iii) generating feedback into the measurement agenda by broadening the sample of questionnaires and data-gathering strategies, and (iv) identifying factors that may influence trust across a broader spectrum of countries.

17. The case studies will draw from a richer set of data and evidence than usually found in multinational surveys. Although current national surveys measuring trust in government cannot be used in a cross-country comparative exercise, they better support policy analysis: they provide greater insight into the drivers of trust and can be corrected for election cycles. The Barometer of Citizen Confidence conducted by Metroscopia in Spain publishes data on a monthly basis that allows government satisfaction to be compared with perceptions on the economy. National surveys also cover trust across the public spectrum more in depth. IPSOS Mori in the United Kingdom publishes twice a year trends of trust across public institutions (e.g. different levels of government; parliament), public services, economic policies (e.g. economic growth, unemployment, inflation, purchasing power), political parties and political representatives (leaders in the executive; politicians; members of parliament), and perceptions of corruption in government. National surveys can also provide measures of trust on existing policies. IFOP in France asks citizens’ whether they trust their government to meet specific policy targets announced when they took office. National surveys also usually have much longer time series, for example the PEW Research Centre in the United States provides trust in government data since the late 1950s.

Securing fairness in policymaking

18. The deterioration of trust in some OECD countries over the course of the crisis has been driven by a sense of unfairness by citizens concerning the distribution of the costs of the crisis and the policy responses as compared to the distribution of the benefits of the expansionary period that preceded it. This is further exacerbated in some countries by a negative perception of the behaviour of regulators and policy makers in the areas that prompted the crisis. The OECD Trust Strategy will address these perceptions by including a substantial component on securing fairness in policy-making.
19. The inclusiveness dimension will involve the consideration of inclusive institutions that may have the biggest impact on reducing inequality or restoring trust. It will also help to identify the "right" indicators and the approach to measure inclusive institutions and policy making and explore the best ways to measure the impact of these institutions on social, economic and political outcomes. In addition, this work will focus on identifying the obstacles governments are facing to establish an inclusive institutions agenda and strengthening the tools to support this agenda moving forward. In addition, this work will consider the dimensions of inclusive institutions in the multi-level governance context.

20. This component will consider two dimensions of policy-making processes: (i) how to make the policy-making and implementation processes more inclusive through information, evidence building, consultation and involvement of the public in policy design and implementation and, (ii) how to prevent undue influence in policy-making, addressing challenges posed by political financing, conflict of interest and lobbying.

21. It will also draw substantially on the notion of Open Government. This could facilitate co-operation with the Open Government Partnership to help promote openness and transparency for effective public governance from a global perspective. The OECD could contribute through a focus on conceptual, methodological and practical issues, including the drivers of open government, impact assessment, consultation processes and indicators. The work on consultation could be undertaken in co-operation with the regulatory policy community.

22. The preventive component will provide an updated and integrated vision of existing OECD guidelines on conflict of interest, lobbying, pre- and post- public employment. This will be extended to issues of political financing to provide a holistic view of the different potential sources of undue influence of money in politics and a more functional set of guidelines to mitigate it. This will help countries to pursue a concrete agenda to integrity and transparency in government at the policymaking level, in close co-operation with professional communities and international networks.

**Strengthening the reliability of governments foresight**

23. The Trust Strategy will explore how countries can “govern for the future” and “govern for the unexpected” addressing wicked issues, by using foresight and other tools to prepare for the long term and strengthen the reliability of government.

24. Under this component the Trust Strategy will help governments better manage complex challenges and wicked issues through coordinating the foresight and horizon-scanning efforts with other public governance tools at the center of government. For a number of countries that have been deeply affected either by the crisis or by other major recent events, rebuilding forward-looking foresight capacity that also helps to anticipate and manage major events is a key objective in strengthening the reliability of governments.

25. This will help to rethink the foresight work at the center of government, through establishing a series of strategic dialogues bridging the gaps between national horizon-scanning and resilience-building activities. The goal will be to identify good practices and develop guidance that will complement the existing advice. Enhancing strategic capacity in countries to elaborate policy responses and better prepare for the unexpected will contribute to strengthening forward-looking government and stakeholder involvement, thereby contributing to the trust agenda.

**Building trust in key policy areas**

26. The core test to the reliability and trustworthiness of governments is at the level of policy and service delivery in key sectors. It is also at this level where citizens’ trust matters for the successful
implementation of policies. The Trust Strategy will enable a systematic analysis at sector level through a common framework to offer a better understanding of several policy areas, in a horizontal effort including some public governance policy communities, but also reaching out to a number of other sectoral partners:

- Tax compliance.
- Financial and security markets and corporate governance.
- Regulation (compliance, enforcement of sectoral laws).
- Education.
- Budgeting.
- Justice administration.

27. The purpose of this work is well illustrated by what can be achieved in the area of tax compliance. Work already undertaken on what drives taxpayer behaviours has identified how important trust is in explaining levels of compliance with the tax system. As a result a number of tax administrations now track how well they are regarded by taxpayers. This is also a central theme in the OECD’s work on tax and development. A fair, transparent and credible tax system not only provides revenue to sustain development but also promotes state building by encouraging governments to be more accountable to their citizens. Developing a consistent approach to the measurement of trust in the tax system will be one important outcome of this work and can build on current studies of how to measure the results of policies designed to encourage higher levels of voluntary compliance. This is just one example of the value of this approach: the other sectors will be providing their own perspectives and useful lessons as well.

28. In each of these areas, the Trust Strategy will identify the relevance of citizens’ trust for policy effectiveness, how the different dimensions of trust are driven and will extract relevant lessons and good practice for policymakers. Each of these areas will fall under the purview of its committee that will identify and assess the policy challenge and conduct the study on the basis of a common and jointly agreed framework.

Outputs

29. The OECD Trust Strategy will contribute to the following outcomes for the OECD member and non-member countries:

- Enriched guidance to NSOs and other data producers and users on how to improve available measures of trust in public institutions and of other aspects of government performance.
- Improved awareness of the importance and relevance of trust at political and citizen level through a stronger governance component of the OECD Better Life Initiative.
- Improved capacity for policy implementation through a sounder analytical framework and empirical knowledge on the drivers of trust in concrete country and policy area settings, providing more concrete guidance for policymakers in OECD member and non-member countries aiming at making their institutions more trustworthy and their policies more effective. This will include concrete guidance to improve policy formulation and implementation in policy areas in which trust is particularly important (regulation, tax, education, public budgeting, and justice administration).
• Improved inclusiveness of public institutions and fairness in policymaking as a result of developing the right indicators for measuring institutional inclusiveness, identifying the right policies to foster inclusiveness of institutions, organising an international seminar on inclusive and fair policymaking, preparing a set of guidelines and a final report increase trust in policymaking by increasing fairness, inclusiveness and reliability of government as whole, with a particular focus on the policy-making process and the role of the centres of government.

• Mainstreaming trust into OECD policy work, including horizontal initiatives such as the NAEC and Inclusive Growth, as well as the regular monitoring of member countries.

• A stronger voice for citizens in policy design and recovery, rebalancing the role of policymakers, public managers, civil servants and private actors with that of citizens in securing the success of public policies.

30. The Trust Strategy will install a more forward-looking approach, integrating foresight to identify future drivers of trust that will be relevant for the success of public policies, as the policymaking approach to trust is motivated by the future response of citizens and businesses to public policies which cannot be expected simply to mirror the past.