

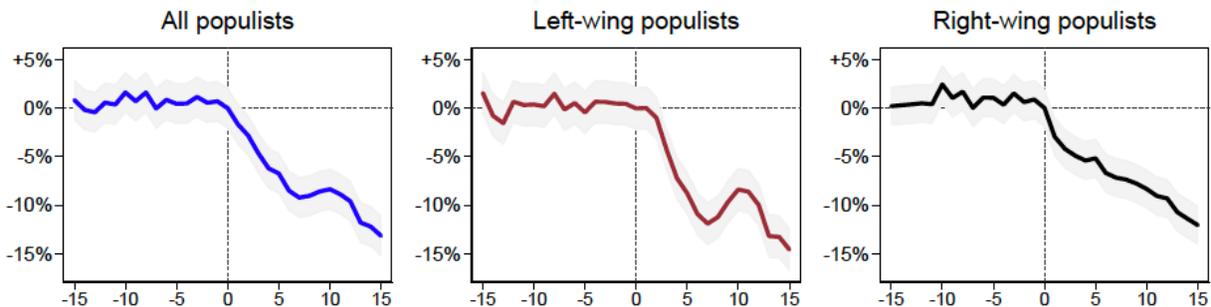
## Highlights from the OECD Webinar: “Trust, Institutions and Resilience: Opportunities for Recovery”, 19 January, 2021

The fifth webinar of the OECD series “Building a New Paradigm for Public Trust” discussed how public trust facilitated or hindered policy responses during the COVID-19 pandemic and contributed to building resilience. Speakers presented general trends and experiences from different OECD countries to analyze how the quality of public administrations and governments’ responses have affected people’s confidence and resulting levels of citizens’ compliance with policies. Special emphasis was placed on governments’ approaches to foster a sustainable and inclusive recovery, as well as on its relevance to rethinking the future of democracies.

### The economic and social conditions of countries following the 2008 financial crisis can provide some lessons for how countries can address the erosion of trust.

- The financial crisis of 2008 and subsequent austerity caused both decline of trust in political institutions and the rise of populism, triggered also by globalization, automation, and cultural divides.
- Democratic discontent has been on the rise since the mid-1990s: the number of people who are “dissatisfied” with the condition of democracy in their countries rose by 9.7 percentage points to 57.5% in 2019 (Cambridge Global Trust Report, 2020).
- Recent evidence shows that when populist parties govern they underperform most of the time in terms of economic growth on average; inequality continues, institutions (judiciary constraints on the executive, free and fair elections, media freedom) deteriorate.

Differences in real GDP relative to the counterfactual



Source: Funke, Schularick and Trebesch 2020

- Lessons have been drawn in response to the current crises as governments have implemented expansionary fiscal policy to mitigate the immediate effects of the shock. This is especially important as health and economic effects from COVID-19 have affected predominantly vulnerable groups. It is key for recovery to develop and continue generous fiscal policies, and to tailor policies to those who suffer most.
- Government need to address the large intergenerational transfers resulting from the economic crisis (fiscal, pension, climate) to maintain people's trust. The European Recovery and Resilience Facility is designed both to mitigate the economic and social impact of the pandemic and to set out reforms and public investment projects to make European economies more sustainable and resilient.
- Low trust between citizens and government erodes democratic values and increases the complexity faced by government.

**Clear communication with citizens has been a key factor in building trust throughout the pandemic and will continue to be critical in the future.**

- The expansion of mobile broadband internet was found to have a positive effect on the increase of populism (Guriey, Melnikov, and Zhuravskaya 2021)<sup>1</sup>. That is why governments should pay special attention on fact checking everything they communicate and follow a coherent narrative.
- Clear communications with citizens, a commonly shared collective vision, and supporting communication from the scientific community helped handling the crisis and increased compliance with government's measures. The Prime Minister of Canada appeared with the Chief Health Officer in all his speeches, validating scientific evidence. Similarly, in New Zealand, the government has been transparent about the number of cases and their mobility (respecting privacy standards). Frequent communication with the press, including acknowledging what is unknown and providing updates of the situation have contributed to enhance communication with citizens.
- Distrust in government, experts and scientific evidence often takes the form of misinformation and disinformation on media and social media. In Canada, efforts to enhance the entire ecosystem (media, academia and education) are underway including through direct discussions between the government and social media platforms.
- Important efforts to communicate better to traditionally excluded groups that historically have reason to doubt what the government tells them, have been put in place. In Canada, government messages have been translated into 30 languages. Focus groups with people of colour, indigenous groups and migrants have helped understand how messages can be communicated more effectively.

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<sup>1</sup> Guriev, S, Melnikov, N and E, Zhuravskaya (2021) "3G Internet and Confidence in Government", Quarterly Journal of Economics forthcoming

- Demand for information and evidence has increased. While many countries have provided information during the crisis, including daily briefings and institutional communication, open data and transparent information help maintain trust and improve responses.

#### **A high-quality public administration is needed to build the economic and social resilience**

- Evidence shows that the quality of governance is a significant factor in understanding the impact of the COVID-19 crisis in European countries. Institutions ensure stability and hence enhance trust. The response of countries with a higher quality of public administration has outperformed those with a lower quality of public administration. (Sapir 2020<sup>2</sup>).
- New Zealand's response to the pandemic, grounded in high levels of institutional trust, relied on various good governance practices, such as good dialogue between civil servants and government, strong emphasis on the spirit of service by the public administration; and focus on sense of respect for human beings in the response to the pandemic.
- Delivering high quality public services during the crisis, not only health but also quick response and support to families and business, has been crucial to maintain social trust and confidence in public institutions. Panellists at the webinar agreed that more needs to be done to redesign service delivery according to citizens' expectations and needs.
- Improving the quality of public administrations is crucial to regain trust. Priority areas include digital transformation, attractiveness for young generations, innovation, and implementation of reforms.

#### **Coordination within government and inclusive institutions to support resilience**

- Coordination among government agencies and across levels of government has ensured coherence in policy responses and provided a consistent narrative to citizens. In Canada, several frequent "First Ministers' Meetings" between the prime minister and heads of state governments were organized to ensure a seamless response. Similarly, there were numerous ad-hoc cabinet committee meetings with all relevant ministries to address the health, economic and foreign relations aspects of COVID-19. At the same time, as noted in the German experience, the needed consensus-building efforts across levels of government may slow down responses to the COVID-19 crisis, with negative effects on people's trust.
- The crisis has been an occasion to strengthen collaboration across government agencies in New Zealand and to organise service delivery around citizens' needs rather than government organizational structure. It will be important to maintain this way of delivering according to citizens' needs after the crisis when competing goals will arise.

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<sup>2</sup> Sapir, A. (2020) 'Why has COVID-19 hit different European Union economies so differently?', *Policy Contribution* 2020/18, Bruegel <https://www.bruegel.org/2020/09/why-has-covid-19-hit-different-european-union-economies-so-differently/>

- To regain citizens' trust, countries underlined the importance of inclusive policy-making that addresses the distributional and intergenerational impacts of the COVID-19 crisis, responds to citizens' demand, and builds inclusive institutions.

**Cooperation and multilateralism could play a key role in preserving and building institutional trust as well trust among countries**

- It is key to create and promote cooperation that precedes crisis, as Allen Sutherland, Assistant Secretary from the Privy Council Office of Canada, said, "you should never try to exchange business cards within a hurricane".
- Learning from other countries' experience dealing with the pandemic has contributed to improve responses to the pandemic. Canada underlined the role of international organizations, such as the OECD, to facilitate exchange of knowledge and good practices.
- The sentiment within the European Union that an exceptional response beyond national ones is needed has helped to establish the EU Recovery and Resilience Facility.
- In turn, the COVAX program developed by the World Health Organization (WHO) and Gavi<sup>3</sup> as a way to make vaccine allocation between countries more equitable by procuring vaccines jointly and allocating doses in proportion to populations could help ensure access and promote trust between countries and in the multilateral system. It is therefore key to preserve, nurture and strengthen trust based cooperation mechanisms that could increase the effectiveness of responses to crises.

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<sup>3</sup> Gavi, the "Vaccine Alliance", is a public private partnership to improve access to vaccines in low-income countries.