Drivers of Trust in Public Institutions in Finland



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Preface

Trust is essential to the proper functioning of democracy. It is also essential to the success of public policies and for maintaining social cohesion.As we have seen during the COVID-19 pandemic, trust makes a big difference in citizens' willingness to comply with restrictive measures aimed at stopping the spread of the virus. High levels of institutional trust have allowed some governments to focus their efforts and resources on limiting the socioeconomic consequences of these measures, and on drawing important lessons that will help mitigate future shocks. A government's ability to harness public trust is critical for planning and implementing an inclusive recovery from the COVID-19 crisis; and it is key to reinforcing democracy.

To gain and retain citizens' trust, however, governments must understand what drives it and what undermines it. To this end, the OECD has developed a unique policy and analytical framework for understanding and measuring the key drivers of public trust along two dimensions. First, competence – a government's responsiveness, and its reliability in delivering public services and anticipating needs. And second, values – a government's principles of integrity, openness and fairness. Finland is the second country – after Korea in 2018 – to apply this framework and take a closer look at what drives citizens' trust in its public institutions. The scope of this study was adapted to the context of the COVID-19 pandemic and, as such, provides a model for future case studies.

Levels of public trust in Finland are currently among the highest in OECD countries. During the COVID-19 crisis, Finns' trust in different levels of government and in the civil service remained high, contributing to the national policy response to the pandemic. Nevertheless, there have been indications of a slow but steady decline of trust in government since 2007. This trend, alongside slower economic growth and comparatively low levels of productivity, is worrisome. Tackling these challenges, along with possibly even bigger ones such as climate change, biodiversity loss and socioeconomic transformations (e.g. ageing, diversification of the society, increasing wealth inequality), will require both the support and the trust of citizens. The findings and recommendations of this report will help guide public administrations in these endeavours.

This study is an important part of the continuous dialogue among OECD member countries and partners on how to build and maintain trust. Moreover, it is a major step forward on the path to developing more and better comparative evidence on public trust and its drivers. At the OECD, we are convinced that the example and experience of Finland will serve as a benchmark and inspiration for other countries. Finally, we would like to stress our firm and shared belief in the importance of trust in public institutions as a requisite for democratic stability and a fast and sustainable recovery from the COVID-19 crisis.

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Foreword

While Finnish citizens' trust in their government and public institutions is relatively high, recent trends and emerging challenges have underscored the importance of maintaining and strenghtening this trust to ensure a strong recovery from the COVID-19 pandemic and its socioeconomic impact. This report analyses public trust in Finland using a framework developed by the OECD comprising 5 drivers grouped under two dimensions, government competence and government values.

This report is the result of a close collaboration between the OECD and the Public Management Department of the Finnish Minister of Finance. It is the second in the series of OECD trust case studies, which began with Korea in 2018. It is thus the first case study developed in the context of COVID-19. It has been informed and enriched by a revision of the OECD analytical and measurement instruments carried out via the OECD webinar series "Building a New Paradigm for Public Trust", which brought together practitioners, academics and experts in the field of public trust. The report is based on a comprehensive population survey, a series of interviews with different stakeholders, and a workshop on the preliminary findings.

Drivers of Trust in Public Institutions in Finland emphasizes the importance of adapting services to meet people's needs and expectations as well as improving government preparedness and co-ordination for coping with future challenges. It also stresses the need to bring distrustful segments of the population on board for maintaining social cohesion and ensuring Finnish democratic continuity The study provides a detailed set of recommendations to guide public institutions in reinforcing public trust in Finland.

The Trust Study was declassified by the Public Governance Committee on 12 April 2021.

Acknowledgments

The report was prepared by the Governance Indicators and Performance Evaluation Division in the OECD Directorate for Public Governance, under the leadership of Elsa Pilichowski, Director. Santiago González co-ordinated the report, under the direction of Monica Brezzi.

The report was drafted by Frédéric Boehm, Monica Brezzi, Santiago González and Mariana Prats, supported by the statistical assistance of Laura-Sofia Springare and Guillaume Guinard. The report greatly benefitted from useful comments provided by Miguel Amaral, Janos Bertok, Claudia Chwalisz, Emma Cantera, David Goessman, Felipe González-Zapata, Claire McEvoy, Anna Pietikainen, Arturo Rivera Perez, Piret Tonurist and Gregor Virant in the Public Governance Directorate and David Carey from the Economics Department. Editorial assistance was provided by Dacil Kurzweg.

The team in the Public Governance Department at the Finance Ministry of Finance in Finland in charge of co-ordinating and supervising this study was composed by Katju Holkeri, Johanna Nurmi, Tuomas Parkkari and Onni Pekonen under the leadership of Juha Sarkio, Director General, Public Governance Department.

The study benefitted greatly from insights provided by experts and different stakeholders during more than 40 semi-structured interviews carried in May 2020 as well as the workshop on the preliminary findings of “The Drivers of Trust in Government Institutions in Finland” organised by the Ministry of Finance of Finland and the OECD in February 2021. The OECD would like to thank all people interviewed and all workshop participants for their inputs to this study.

Finally, this study also benefited from invaluable input provided by OECD peers, in particular Hildengunn Vollset (Deputy Director General, Norwegian Agency for Public and Financial Management) and Hugo Vitalis (Manager of Strategy and Policy, New Zealand Public Commission), who took part in the virtual workshop “The Drivers of Trust in Government Institutions in Finland”.

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Executive Summary

People's trust in others and in governments is an important foundation of democratic systems, ensuring their legitimacy and sustainability. The COVID-19 pandemic has demonstrated that governments need to rebuild trust to handle crises, facilitate policy responses and implement reforms.

Finland is a high-trust society, ranking among the top performers in OECD countries. In 2019, 64% of the Finnish population reported trusting the government, compared to an OECD average of 45%. Indeed, the notion of a trust-based governance system is deeply enshrined in the ethos of Finnish civil servants, and, together with the rule of law, a merit-based system and a values-based integrity approach, underpins the functioning of Finnish public institutions. However, by 2019, trust in government had declined by 12 percentage points from 76% in 2007.

Finns maintained high levels of trust in the capacity of the government to manage the pandemic, inform the public, and address the consequences for the economy and society. People with higher levels of institutional trust also complied more with restrictions imposed during the COVID-19 emergency. As of November 2020, 86% of the population considered the information provided by political leaders reliable. At the same time, the pandemic provides an opportunity to better understand how government competences and values influence public trust and to identify actions to strengthen and maintain trust.

This report analyses the challenges for reinforcing trust in Finland and identifies opportunities to address them. Alongside desk research and interviews with the main stakeholders, the report is based on the OECD Trust Survey, which provides the citizen's perspective on government performance and public governance values. The findings can contribute to the transformation of the Finnish public administration and to designing reforms to respond to evolving expectations and needs.

Despite the high national averages, trust in government institutions is significantly lower for rural residents, lower income households and the less educated. If these pockets of distrust deepen, they may undermine Finnish social cohesion, which is necessary for coping with change due to ageing, climate change, digitalisation and the transformation of work.

While trust in public institutions and satisfaction with democracy are high, the percentage of people who believe that they can influence political processes – either because they perceive they are competent to understand or participate in politics (30%) or because they believe they have a say in what government does (40%) – is low compared to countries with similar levels of trust. The potential disengagement of certain population groups should be tackled by promoting broader social dialogue.

According to the OECD Trust Survey, trust in different institutions varies. After the police, which is trusted by over 85% of Finland's population, the civil service (66%) is the most trusted institution in the country, followed by the national government (61%), the parliament (53%) and local government (52%).

The drivers of public trust also vary according to the institution and level of government considered, suggesting a need for different strategies to ensure that policies and reforms to address trust are correctly targeted. The responsiveness of public services and the reliability of the government in addressing future challenges and providing a stable economic environment have the greatest influence on people's trust in the national government and the civil service. While a large share of Finns perceives that the government and the civil service act with integrity, openness and fairness, these values have less influence on levels

of trust than the government's competence – most likely because they are recognised as being already well entrenched. Levels of trust in local governments are most influenced by interpersonal trust and engagement opportunities provided.

The main recommendations of this report revolve around six main areas related to: 1) improving measurement of trust in government; 2) strengthening responsiveness in service design and delivery; 3) improving reliability for a more inclusive policy making; 4) improving openness to strengthen political efficacy and participation; 5) supporting integrity to promote trust over compliance-oriented control; 6) ensuring fairness and non-discrimination. The main findings and key recommendations are summarised in the following table.

Main findings and key recommendations

Main findings	Key recommendations
Measuring people's trust in government and public institutions	
According to the OECD Trust Survey, Finns report high trust in government. However, trust in governmental institutions is significantly lower for rural residents, lower income households and the less educated.	Keep measuring people's trust in government, allowing the identification of pockets of distrust that may fracture the Finnish social contract. Strengthen the role of institutional trust as a key element for collectively addressing the societal transformations in Finland (e.g. ageing, climate change, a more diverse society).
According to the OECD Trust Survey fielded in August 2020, 66% of the population reported trusting the civil service, 61% the national government and 52% the local government.	Further promote the importance of maintaining the Finnish trust capital as a core value of the Finnish administrative culture and a cornerstone of institutional legitimacy, which provides a more efficient allocation of resources and builds resilience in the Finnish society.
People with higher levels of institutional trust also complied more with restrictions imposed during the COVID-19 crisis. Trust in public institutions has proven essential during the COVID-19 pandemic and has contributed to Finland's relative success in handling the pandemic.	
During the pandemic, the Finnish government put in place innovative instruments to gather information on people's views, needs and expectations for decision making, for example with the OECD Trust Survey, the Pulse Survey and Lockdown Dialogues.	Finland could repeat these surveys in the future as regular monitoring tools to evaluate governance outcomes, identify levers for change and improve evidence-based decision making.
Strengthening responsiveness in service design and delivery	
According to the empirical results, responsiveness in delivering public services has the highest influence on people's trust in the national government and the civil service. People's expectations of the administration's capacity to innovate has a strong positive influence on trust at the local level of government.	Finland is already spurring innovation as a core value within the administration and achieving systemic change. It could consolidate this process by aligning ways of working in the administration, institutionalising innovative experiences across different institutions and focusing on the longer term to address political cycle discontinuity.
The long-awaited reform of the health and social services may have a negative impact on levels of institutional trust because of the changes in how services are provided, but also because of previous failures to approve the reform and fragmented approaches to it.	Make sure that the implementation of the health and social reform comes with a broad political commitment and ownership for administrative integration and simplification. The government could accompany the reform with a sound, people-centred and transparent plan with numerical targets, clear time frames and ways for citizens to monitor progress to reduce uncertainty and build trust in the efficacy of this reform.
Strengthening the digital transformation and ensuring that it reaches all segments of the population is essential for further improving people's trust in the quality of services.	Take a cohesive approach to service design and delivery in the digital age, such as setting standards, guidelines and initiatives to secure people's involvement across the design and delivery of services. Strengthen the availability and adoption of common digital tools to enable an omni-channel approach for service provision.
The public administration plays a key role in defining trust relations within Finnish society. It is therefore essential to ensure that people perceive the public value created by civil servants.	Reinforce and promote the core values of serving people as part of the administrative culture and profile and display the work carried out by the administration, including during crises. Address the noxious effects brought about by hate speech and higher exposure of civil servants through social media. In addition, given that the civil service has been restructured and reduced over the past decade, it will be important to update necessary skills, including digital ones, and build capacity in local administrations in order to prepare the next generation of civil servants.
Improving reliability for more inclusive policy making	

Government's capacity to plan ahead and minimise uncertainty is an important driver of trust in government and the civil service. Finland is quite unique in carrying out foresight and preparedness exercises at all levels of government, but they could be better incorporated into policy making. The disruption caused by the COVID-19 pandemic can offer some direction on how to strengthen and align these processes and increase their effectiveness in building resilience for society.	Reinforce reliability by reviewing policy-making processes to make design and implementation more inclusive. In view of the important transformation of Finnish society, the government could reform the formulation process of government programmes by clarifying responsibilities and enhancing dialogue between the political leadership and the senior civil service to facilitate the inclusion of subjects such as climate change, intergenerational justice, equality, etc. in the recovery plans. Actions include strengthening political efficacy by engaging citizens in policy choices and monitoring results, and by giving regular feedback on inputs provided by civil society. Public accountability and transparency can be reinforced by focusing on results rather than processes, fostering innovation and experimentation in the civil service, and identifying clear and measurable results to be monitored in user-friendly and open source formats.
	Strengthening existing structures and adopting a systemic and unified approach that focuses on longer scenarios would strengthen foresight exercises The anticipatory governance project may help move towards a more transversal approach in foresight and futures scenarios.
Improving openness to strengthen political efficacy and participation	
Openness and people's engagement are strong determinants of trust in local government and have a weaker but significant effect on trust in the civil service. Overall, Finland has comparatively high levels of openness, although improvements are needed to make sure citizens are engaged in all parts of the policy cycle.	To ensure democracy continuity and strengthen the legitimacy of engagement, the government could develop initiatives to proactively reach out to those left behind and engage them, for example by exploring further representative deliberative processes, as well as making national dialogues a regular practice, and giving public and regular feedback on inputs provided by civil society at different stages of consultation.
There is a "Finnish paradox": while trust in public institutions and levels of satisfaction with democracy are high, Finns score comparatively low on self-perception of their ability to understand and participate in political processes (internal political efficacy) and belief that the political system in their country allows them to have a say in what the government does (external political efficacy).	Develop clear guidelines to communicate efficiently through social media, avoiding confusion and misunderstandings; include these guidelines in the government's communication strategy. Develop projects or programmes in schools, including some form of political or civic activities, such as including a service learning curriculum and community service activities that provide youth with opportunities to contribute to their communities.
	Consider other targeted experiences to enhance social cohesion and democracy, such as initiatives developed at the European level to support and fund groups and organisations if they face discrimination or support the common good; advocacy networks (AGE Platform Europe for older citizens' interests or the European Anti-Poverty Network); or support to citizens wanting to propose legislation to be considered by the European Commission (European Citizens Initiative).
Political parties and trade unions could help co-ordinate the diverse and multiple preferences and ensure the representation of interests in policy making. However, these institutions have witnessed a big drop in membership in Finland.	To strengthen interest representation institutions and rebuild trust in political parties and unions, the government of Finland may consider a more proactive approach to developing initiatives on transparency and good governance, such as promoting the accountability of leaders, democratic candidate selection procedures and participative decision-making processes within organisations.
Strengthening integrity to promote trust over compliance-oriented control	
Finland is perceived to be amongst the least corrupt countries in the world. A merit-based civil service and a values-based approach are fundamental elements of its public sector integrity system. Nonetheless, Finland should continue investing in maintaining this asset and risks should be identified early and managed effectively. For instance, 45% of civil servants are not aware of a channel for disclosing wrongdoing, and 58% stated that ethics training was needed in the civil service.	Strengthen the Finnish culture of public integrity by clarifying the existing channels for reporting wrongdoing and improving the measures for managing conflicts of interest and pre- and post-public employment.
	Specific ethics training could further engage public officials and allow them to link these measures to situations they face on a daily basis.

Lobbying has been recognised as an area where further work is needed, since there is some evidence that practices such as “old boy networks”, nepotism and excessively close connections with business are quite common in Finnish society.	Finland could take the opportunity of the upcoming Act on Transparency Register to promote an innovative and inclusive process to promote a transparent system and reinforce the commitment of key actors, such as business, non-governmental organisations and think tanks.
Ensuring fairness and non-discrimination as values to build trust	
The Finnish population considers its society to be fair and positively evaluates the government’s delivery on equity and non-discrimination, even during the COVID-19 pandemic. However, in recent decades, intergenerational social mobility in Finland has slowed, and challenges to maintain high levels of trust in institutions exist for some population groups, which may feel that policies have left them behind.	Secure equality in the availability of and participation in early childhood education as well upper secondary education. Implement specific protective measures in the school transitions of children and young people with an immigrant background.
	Strengthen good relations and dialogue among demographic groups at the local level and remove barriers to participation for marginalised groups to enhance fairness. The preventive units in the police districts seem to be effective in building trust at community levels and this method of working could be extended to other contexts.

1 Trust matters for public governance and more so for recovery

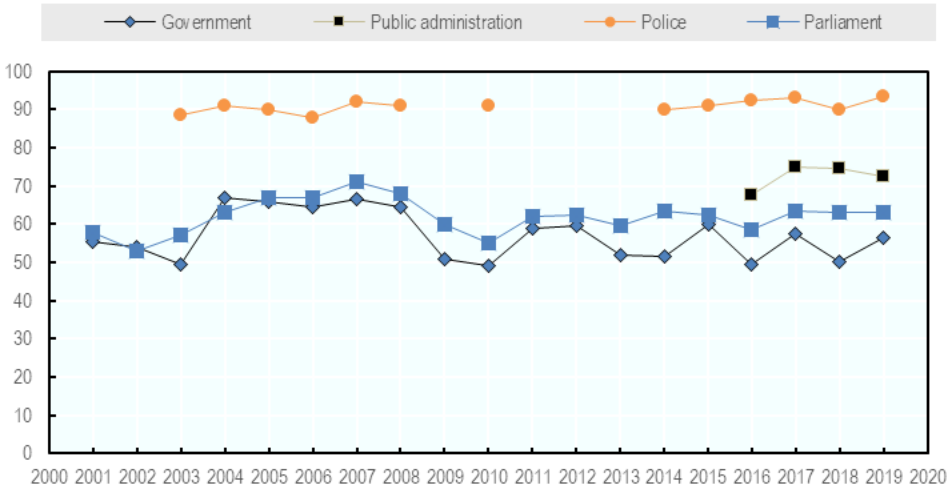
This chapter explores the theoretical and practical relevance of trust in public institutions by providing a critical review of the literature and presenting the OECD framework and methodology constituting the basis of this report. It introduces the concepts of competence and values as the main drivers of institutional trust according to the political science and public management literatures. This chapter also discusses the role that high levels of public trust have played in addressing the COVID-19 pandemic in Finland and designing the response to the crisis, both for achieving high levels of compliance and minimizing the unintended socio economic consequences.

The role of institutional trust in the Finnish administrative and political culture

Finland is a high-trust society. The government of Finland sees trust as a fundamental and guiding value that underpins the functioning of the public administration and the development of people-oriented public services. Various indicators of interpersonal trust, trust towards government and other institutions are, on average, high and have been relatively stable over the longer term. Notably, the police is the most trusted institution, with over 90% of the population reporting confidence in it, followed by trust in the public administration, which is significantly higher than for the government and the parliament (Figure 1.1).

According to other sources, such as the World Gallup Poll, the 2008 financial crisis had a negative impact on trust in national government in Finland, resulting in a 12 percentage point decrease from 76% in 2007 to 64% in 2019. This prompted the demand to better measure levels of trust in government and understand its main drivers so as to provide guidance to public institutions on the recovery from the COVID-19 crisis.

Figure1.1. Trust in government and other public institutions in Finland, 2002-19



Notes: Answers to the question: How much trust do you have in certain media and institutions? For each of the following media and institutions, please tell me if you tend to trust or tend not to trust it. The police, the public administration, your national government, your national parliament. Reported is the percentage of the population who answered that they tend to trust. For most years, the reported value is the average between both data collections during the same year. In 2002, 2009, 2010 and 2018, a single data collection took place and that value is therefore reported.
Source: Eurobarometer.

StatLink https://doi.org/10.1787/888934237197

According to the interviews carried out as part of this study and the literature review informing it, several historical and cultural reasons could help to explain high levels of institutional trust in Finland. Among these are strong adherence to the rule of law, low distance from people to power and elites, a shared belief on the benefits of egalitarianism, the role of public education for social mobility, a welfare system that widely provides opportunities and services to people living in Finland, shared Calvinist values of honesty and hard work, and cultural respect for constitutional and administrative stability (Box 1.1).

Box 1.1. Historical and cultural reasons to explain high levels of institutional trust in Finland

Finland was under Swedish rule for 600 years. It was an autonomous Grand Duchy in the Russian Empire from 1809 to 1917 and became independent in 1917. Since then, the development of institutional structures promoting individual esteem has been at the core of the nation-building process in Finland. Rather than developing on the basis of myths of past glory for the consolidation of a Finnish independent state, the buildout of the nation relied on institutional developments including schools and universities, social and healthcare services that strengthened the country's independence. Furthermore, highly performing public institutions have managed to treat people in an equal(ising) way, fostering trust, triggering social mobility and reproducing citizenship (Vogt, 2019[1]).

When Finland was annexed by the Russian empire in 1809, Lutheranism was the only nationwide institution and therefore became an important stabilising factor encouraged as a trust-building element by the ruling power (Sinnemäki et al., 2019[2]). As part of Calvinist values, comparative studies show that the protestant value of honesty in Finland (a behavioural norm that is followed) is individually important and a part of national identity (Helkama and Portman, 2019[3]). Additionally, the protestant value of hard work features in several studies on national stereotypes as a central trait Finns attribute to themselves (Helkama and Portman, 2019[3]). These culturally entrenched traits contribute to shaping a positive perception *vis-à-vis* public institutions and how they operate.

In addition, legalism and strict adherence to the law are key characteristics of the public administration and execution of power by administrative authorities in Finland. As the general norm, the exercise of public power by administrative authorities should possess an express basis in law (Maenpaa and Fenger, 2019[4]). Profound respect for the rule of law jointly with high levels of administrative ethics, evidenced by a traditionally low number of unethical actions, all contribute to fostering public trust (Salminen and Ikola Norrbacka, 2010[5]).

Furthermore, the distance between different strata of the society is comparatively low. Historical reasons explaining this pattern, and which have contributed to building a strong sense of egalitarianism, are the virtual absence of nobility in Finland and the late industrialisation and urbanisation processes. The late industrialisation and urbanisation processes allow tracing most people's roots in a rather homogeneous country side setting (Vogt, 2019[1]). In this context, access to free and high-quality public education has been a crucial force ensuring social mobility, economic development and the transition towards a knowledge-based economy (Sahlberg, 2012[6]).

There is also a strong commitment to consensus building by all social partners. As an example, the development of the Finnish welfare model from the 1950s onwards resulted from a strengthened corporatist approach based on political exchange between governments and labour market organisations that led to a series of collective bargaining arrangements and social security reforms (Bergholm, 2009[7]).

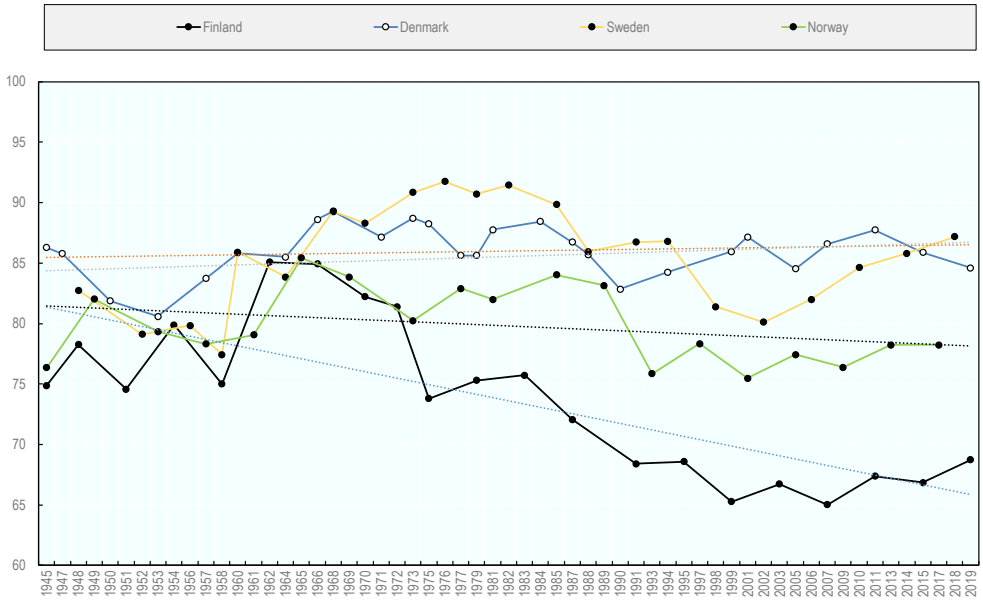
In fact, Finland has a generous welfare system developed throughout the 20th century. Through its different mechanisms, this system guarantees minimum income for all and compensates for losses of income due to old age, invalidity, sickness, unemployment, childbirth or other life events. In addition, the system promotes and ensures access to comprehensive and high-quality public social services, such as healthcare and education (Kangas and Saloniemi, 2013[8]), The existence of such a system and the trust placed in it allows people to fully exercise their freedom and make life choices that enhance their well-being (Partanun, 2016[9]).

Finally, the stability of the constitutional system has been regarded as an indicator of political maturity and considered key for the survival of the democratic system in Finland. Such preference for constitutional status quo has served to rescue democracy in many critical junctures and contributed to enhance trust on the resilience of the political system (Rainio-Niemi, 2019[10]).

However, despite the fact that institutions are highly regarded and the value of democracy is firmly rooted in Finnish society, voter turnout has decreased over the past decades[1] and is lower than in other Nordic countries (Figure 1.2). Reasons explaining the diminishing voter turnout in Finland often involve the ageing of traditional voters and apathy from younger segments of the population, as well as a diminishing number of people who consider themselves as belonging to the working class[2] (Borg, 2019[11]). Still others argue that starting in the mid-1980s, major parties became politically closer and increasingly consensual as major differences in policies could have affected their potential to integrate the coalition (Mykkänen, 2019[12]). This may have led to the loss of clear-cut differences in party profiles and a "they are all the same" feeling (Kangas and Saloniemi, 2013[8]). As a result, the usefulness of participation may be questioned and this could result in some citizens opting out from the system. In this context, even if trust in representative institutions, such as the parliament, is high and has remained consistent during last decade, political parties are reported as being the least trusted institution in Finland (Kantar, 2020[13]).

In the same vein, the levels of political efficacy, both internal (i.e. people's perceived ability to understand and participate in politics) and external (i.e. people's perception of having a say in what the government does), in Finland are relatively low, especially in comparison with other Nordic countries with otherwise similar levels of satisfaction with democracy and levels of political and institutional trust (see Figures 1.3 and 1.4 and Chapter 4). Levels of political efficacy are important, as they shape political participation (Finkel, 1987[14]), people's own life satisfaction (Flavin and Keane, 2011[15]) as well as perceptions of the legitimacy of public institutions (Mcevoy, 2016[16]). The fact that most of the referred indicators (i.e. life satisfaction, legitimacy of institutions) are comparatively high in Finland renders the result paradoxical and calls for further explanation on what is captured by the low levels of political efficacy and how to address it.

Figure 1.2. Voter turnout in Finland and other Nordic countries, 1945-2019



Note: Voter turnout at parliamentary elections.
Source: OECD calculations based on the IDEA dataset.

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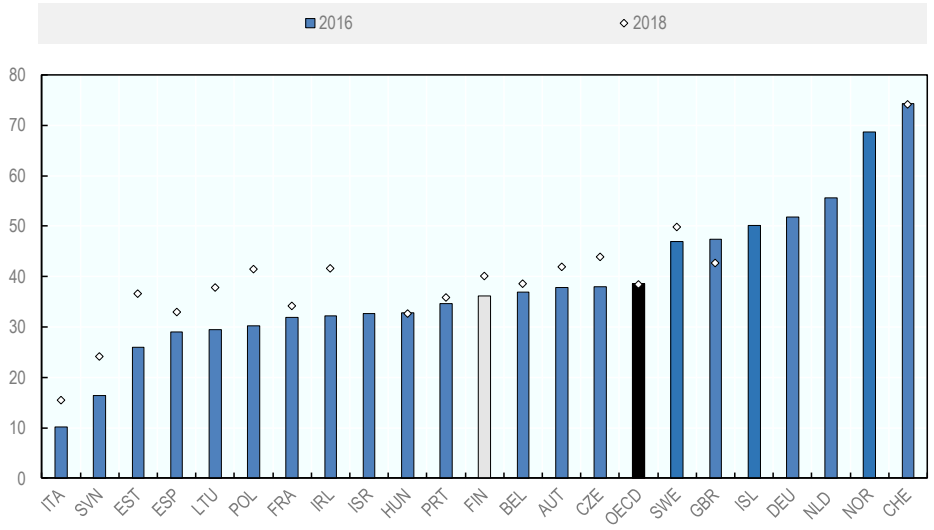
Still, political efficacy and trust are related but different concepts. While external political efficacy is primarily concerned with the perceived responsiveness of the system and internal political efficacy with people's perceived ability to understand politics, trust is also associated with a normative belief about the quality of

the outputs or the fact that public institutions are acting for the greater good and observing positive behaviour (Pollock, 1983[17]; Hetherington, 1998[18]; Chamberlain, 2012[19]).

Low levels of political efficacy in Finland have been associated with the existence of a complex and multi-level political system that makes it difficult for people to understand how and at what level decisions are taken. In addition, the language in which public affairs are dealt with and communicated could also render difficult their understanding for a non-expert audience (Laurinolli, 2019[20]).

Figure 1.3. Confidence in personal ability to participate in politics, 2016 and 2018

Percentage of the population over 15 who are confident about their ability to participate in politics

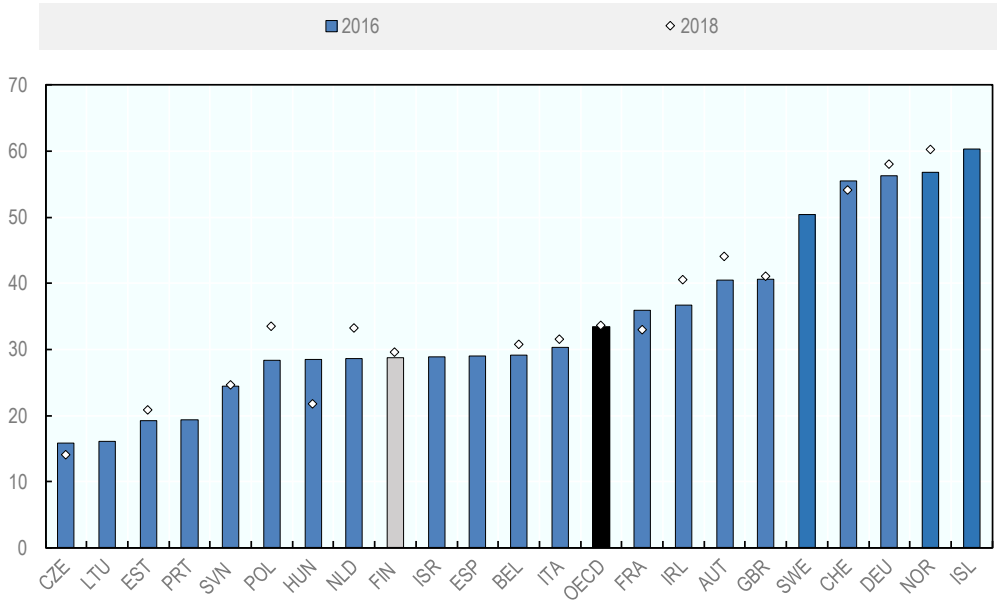


Notes: To the question: How confident are you in your own ability to participate in politics? The scores reflect the percentage who answered quite confident, very confident and completely confident.
Source: OECD calculations based on waves 8 and 9 of the European Social Survey.

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Figure 1.4. Citizens have a say in government decisions, 2016 and 2018

Percentage of the population over 15 who feel that the political system allows them to have a say in what the government does



Notes: To the question: How much would you say the political system in your country allows people like you to have a say in what the government does? The scores reflect the percentage who answered some, a lot or a great deal.
Source: OECD calculations based on waves 8 and 9 of the European Social Survey.

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Furthermore, as highlighted in a recent research project published by the Ministry of Finance, the high average level of institutional trust masks significant differences between different groups of society (Bäck and Kestilä-Kekkonen, 2019[21]). While more educated and well-off citizens tend to trust the government and the system, trust is lower in some groups of the population that are more vulnerable. Other studies confirm that people with more education and a higher level of skills tend to trust public institutions more (Foster and Frieden, 2017[22]). Looking beyond the averages and understanding what is behind these pockets of distrustfulness, who these citizens are and what drives their distrust is key for the government to take timely action and safeguard the trust-based society and governance from being potentially undermined over time. The evidence collected for this study finds statistically significant lower levels of trust in institutions for rural residents and people with low levels of education and income (see Chapter 2). As such, there is a need to unbundle these vulnerabilities and individual characteristics further. Who are these individuals? Why do they feel left behind or distrust the government?

In turn, highly aggregated indicators such as “trust in government” may provide a good overall picture, but are not granular enough to understand which parts of national governments are more or less trusted. The government is responsible for a wide variety of policy areas and delivering different public services at different levels and through many distinct organisations and mechanisms. It remains unexplored what exactly the respondent has in mind when answering the question of trust in “national government”. A more refined view on who and what is trusted or not could provide policy makers with relevant information on where to improve in a more targeted manner.

The OECD study on trust in Finland is an opportunity to explore the frontiers and intricacies of public trust, building on previous research efforts and a unique new dataset following the OECD trust measurement

and policy framework. The findings allow diving deeper into the drivers of trust – and mistrust – and provide concrete policy recommendations to the Finnish government to support its pledge to the citizens of bringing the public administration closer to their daily life. In addition, the Finnish case can provide important insights on the challenges faced even in high-trusting societies and help to deepen our understanding and measurement of institutional trust in a rapidly changing world.

OECD approach for measuring public trust

Why trust matters

Generally speaking, trust is understood as "a person's belief that another person or institution will act consistently with their expectation of positive behaviour". Trust gives us confidence that others, individuals or institutions, will act as we might expect, either in a particular action or in a set of actions. While trust may be based on actual experience, it is often a subjective phenomenon, based as much on interpretation or perception as on facts (OECD, 2017[23]). Trust is also a fragile societal asset; while it takes time to establish, it can be lost quickly.

Trust plays a very tangible role in the effectiveness of government institutions and the functioning of societies. In fact, few perceptions are more palpable than that of trust or its absence. Two major trends emerge from the academic literature for understanding levels of trust in institutions. A first theory emphasises the role of culture and argues that individuals learn to trust or distrust based on early socialisation and interpersonal networks which, in turn, influence their trust in institutions (Tabellini, 2008[24]). In turn, institutional theories focus on the performance and reputation of institutions, both in terms of processes and outcomes, as the key determinants explaining levels of institutional trust (Van de Walle and Migchelbrink, 2020[25]).

This case study acknowledges the importance of culture in defining the stock of trust in a given society. However, it places a greater emphasis on the role of public governance as a determinant that could influence levels of institutional trust over time. It recognises that institutional trust results from the interaction between people and government and is built when people appraise public institutions and/or the government as promise-keeping, efficient, fair and honest (Blind, 2007[26]).[3]

Another important theoretical differentiation should be made between the concepts of mistrust and distrust, as opposed to a trusting relationship. Mistrust implies that vigilant and well-informed people base their evaluations on what public institutions deliver (Devine et al., 2020[27]). In turn, distrust is associated with a heuristic response based on intrinsic beliefs or biases, which are not associated to actual performance, but often with endemic cynicism and expectations of betrayal (Thomson and Brandenburg, 2019[28]). While mistrust relates to the constructive scrutiny and control role that informed people are expected to exercise in a mature democracy, distrust often involves implicit biases, echo chamber effects and emotional aspects that are harder to overcome through policies and government actions.

Laws and regulations are issued by governments and legislators to protect consumers, workers, the environment and the like. Given that regulation is one of the most important interfaces between citizens and government, the ability of the regulatory process to engender public trust is crucial to the broader issue of trust in public institutions (OECD, 2018[29]). The disconnection between improved regulatory practice on the one hand and lower or diminishing trust on the other can have important policy consequences. When citizens have experiences with government that leave them feeling treated unfairly, they emerge from those experiences less willing to comply with regulations and with less trust in government. These negative attitudes in turn make enforcing regulations more difficult and can make the entire regulatory process less effective. It is therefore essential ensuring that as part of a sound regulatory process, consultation is taken into account in regulatory design. This means engagement, enhanced transparency and fluid

communication for ensuring that citizens and businesses feel included in the policy-making process, accept regulatory decisions and, ultimately, trust their government (OECD, 2018[29]).

Moreover, the levels of trust in institutions as captured by existing indicators are very sensitive to a wide array of phenomena (e.g. changes in the economic outlook, corruption scandals involving public sector representatives, terrorist attacks, or other systemic shocks such as wars or pandemics) and tend to fluctuate over time. However, even when the effects of these shocks fade away, empirical evidence and academic literature argue that trust levels have structurally declined in many countries and that institutions are confronted with a long-lasting legitimacy or trust crisis (OECD, 2018[29]; Hetherington, 2006[30]). This case study will investigate risk factors that could be threatening the sustainability of high levels of trust in Finland.

In addition, trust remains an abstract concept encompassing several actors and instances. The complexity of trust relations are illustrated in Table 1.1. This categorisation classifies measures of trust primarily in terms of the parties involved in the trusting relationship and has the advantage of capturing a very comprehensive range of situations. This case study is primarily concerned with institutional trust, or otherwise said, trust between people and public institutions.

A key distinction is the difference between political and administrative trust. Political trust refers to an assessment of the elected leadership, while administrative trust refers to institutions constituting the core of public administration, including those in charge of policy design and service delivery, commonly composed by the civil service. Still, a key challenge for addressing institutional trust is that these dimensions (i.e. institutional and political trust) could be influenced by similar factors (OECD/KDI, 2018[31]). Academic evidence shows that the performance of public institutions could influence political trust (Khan, 2016[32]), while political corruption could have an effect on administrative trust in systems where the accountability mechanisms of civil servants are associated to their political affiliation (Dahlström and Lapuente, 2017[33]).

Table 1.1. Different trust relationships

By whom/on whom	People	Institutions	Leaders
People	Interpersonal	**Institutional trust**	Political trust
Institutions	Civic	Inter-institutional trust	Political-administrative trust
Leaders	Political trust	Political-administrative trust	Multilateral trust

Source: González and Smith (2017[34]).

Institutional trust is, however, a two-way street; while the focus has traditionally been on understanding why citizens trust or do not trust government, it may be equally important to understand if governments trust their citizens, how such trust is communicated and if this, in turn, may affect citizens' trust in government. Such reciprocity in trust relationships has become evident during the COVID-19 crisis, as many of the measures that have been imposed by governments (e.g. lockdowns, travel restrictions, teleworking) are difficult to control and to a large extent rely on people's self-compliance.

From a public policy perspective, it is therefore key to get a better understanding of how (both interpersonal and institutional) trust influence the processes and outcomes of public policies and how governance changes may strengthen or weaken the drivers of trust. As a result, leaders and policy makers could

leverage these insights to design better policies that strengthen or rebuild trust and thus reverse the deterioration of institutional trust of the past few years observed in many countries around the world.

Understanding the drivers of institutional trust

Exploring the determinants of institutional trust helps to better understand what drives trust levels and therefore how public policy could strengthen trust. Attempts to identify the core drivers of trust usually highlight two different, but complementary, components that matter in understanding and analysing trust (OECD, 2017[23]): 1) *competence* or operational efficiency, capacity and good judgement to actually deliver on a given mandate; and 2) *values*, or the underlying intentions and principles that guide actions and behaviours.[4]

Digging deeper, there is also consistency in the literature regarding specific attributes that matter for trust, in relation to both the competence and values components:

- **Trust as competence:** Competence is a necessary condition for trust – an actor with good intentions but without the ability to deliver on expectations cannot be trusted. The provision of public goods and services (from security and crisis management to public health and education) is one of the principal activities exercised by government. However, citizens depend on the ability of governments to actually deliver the services they need, at the quality level they expect. These expectations entail two critical dimensions of trustworthiness:
  - **Responsiveness.** Responsiveness reflects the core objective of the public administration: to serve and deliver to citizens as expected and needed. As such, responsiveness is about availability, access, timeliness and quality of public services.
  - **Reliability.** Reliability is the capacity of government institutions to respond effectively to a delegated responsibility to anticipate needs and thereby minimise uncertainty in the economic, social and political environment facing people.
- **Trust as values.** When it comes to influencing trust, the process of policy making and its guiding motivations are just as important as the actual results. Citizens expect not only effective policies to improve socio-economic conditions, but also irreproachable behaviour. These expectations entail three critical dimensions of trustworthiness:
  - **Openness.** As a dimension of trust, *openness* refers to governments' mandate to inform, consult, listen to and engage citizens and other stakeholders, by letting them know and understand what the government does and including their perspectives and insights, thus increasing transparency and accountability.
  - **Integrity.** In essence, public integrity refers to ensuring that public interests are prioritised over private interests in the public sector. Available data suggest that the degree to which governments can be trusted to safeguard the public interest have the most direct influence on levels of institutional trust. High standards of behaviour reinforce the credibility and legitimacy of government and facilitate policy action by government.
  - **Fairness.** Citizens share a growing concern that the distribution of burdens and rewards among members of society is skewed in favour of the wealthy and powerful. Fairness addresses this concern by focusing on the consistent treatment of citizens and business by government, and protection of the pursuit of the benefit of society at large.

Interpersonal drivers. The literature also recognizes that levels of interpersonal trust and other personal characteristics, preferences and beliefs influence institutional trust levels. Accordingly the framework and measurement tools incorporate these elements in the analysis of the trust determinants.

Perception of government actions in key societal trends. Finally, the framework recognizes that expectations about the future and how societal challenges are being adressed could play a role in

shaping trust levels. Some of these societal challenges captured and analysed by the framework are climate change, equality of opportunity, social cohesion and preparedness for future crisis.

According to this competence-values approach, citizens assess government from the perspective of how service delivery responds to people's needs and expectations, but also with respect to the efficacy and fairness of the policy-making process and its outcomes. Furthermore, the framework provides guidance on measuring trust, its monitoring over time and analysing the factors that may drive it in the future – in effect opening the door to an alternative set of data than the one currently available.

Measuring the drivers of trust

Questions on public trust have been commonly included in official and non-official household surveys with varying degrees of coverage. These questions often take the form of a general formulation about trust or confidence[5] followed by a more or less comprehensive list of government institutions. However, it is less common to find a standard set of questions on the drivers of trust. One of the key features of this case study is to measure trust along its drivers based on a methodology developed by the OECD and presented in the *OECD Trust Guidelines* (OECD, 2017[35]), a previous case study implemented in Korea and six[6] OECD countries fielded through the Trustlab project (Murtin et al., 2018[36]; OECD/KDI, 2018[31]).

Research based on household surveys has demonstrated that survey respondents can distinguish between three different factors: 1) political institutions; 2) law and order institutions; and 3) non-governmental institutions (González and Smith, 2017[34]). In addition, the *OECD Trust Guidelines* (OECD, 2017[35]) further suggest differentiating between political and institutional trust and promote the collection of data for at least three different institutions: 1) the police; 2) parliament; and 3) the civil service. In addition, the survey conducted for this case study also includes questions on the local government and the government at large.

The micro performance theory put forward by the public management literature recognises that if appropriately measured, higher quality public services could lead to higher satisfaction which, in turn, could result in higher levels of trust (Yang and Holzer, 2006[37]). In the Finnish context, responsibility for service provision lies primarily at the local level and could therefore allow testing a more direct relationship. In turn, trust in government is the most widely studied and collected indicator capturing both political and institutional elements and allowing the results to be contrasted with other sources of information on trust.

The availability of metrics on trust has resulted in a growing attitude that something has to be done to maintain or restore trust levels. In turn, maintaining a trusting relationship between people and their agencies has become a key concern for practitioners. Still, the types of actions can be taken to restore trust remains unclear. This case study operationalises the drivers of trust as recognised in the academic literature through a series of quasi-behavioural questions that could not only help to understand the relative importance of each element, but also to outline some concrete actions that could help improve trust levels. The questions presented below on each of the framework dimensions is based on the experimental module included in the *OECD Trust Guidelines* (OECD, 2017[35]). Table 1.2 presents the two questions included for each dimension of the competence-values framework.

Table 1.2. Survey questions for each of the framework dimensions in Finland

Policy dimension		Questions
Competence	Responsiveness	a) If a large group of citizens expresses dissatisfaction with the functioning of a public service (e.g. the education, health or justice system) do you think that corrective actions will be taken?
		b) If a government employee has an idea that could lead to better provision of a public service, do you think that it would be adopted?
	Reliability	c) If an alert due to the appearance of a new disease is raised, do you think that existing public health plans would be effective?
		d) If you start a business today, do you think that the conditions under which you operate (taxes, regulations, etc.) will remain stable enough so that unexpected changes do not threaten your business?
Values	Openness	e) If a decision affecting your community were to be taken by the local or regional government, how likely is it that you and others in the community would have an opportunity to voice your concerns?
		f) If you need information about an administrative procedure, do you think that it will be easy to find?
	Integrity	g) If a large business offered a well-paid job to a high-level politician in exchange for political favours during their time in office, do you think that he/she would refuse this proposal?
		h) If a parliamentarian were offered a bribe to influence the awarding of a public procurement contract, do you think that he/she would refuse the bribe?
	Fairness	i) If an individual belongs to a minority group (e.g. sexual, racial/ethnic and/or based on national origin), how likely is it that he/she will be treated the same as other citizens by a government agency?
		j) If a tax reform is implemented, do you think that the financial burden would be shared fairly across social and income groups?

Source: OECD Trust Survey module questions.

In addition, the survey implemented as part of this case study also incorporates questions on other factors associated with trust as identified in the academic literature. For example, it includes questions on internal and external political efficacy, satisfaction with services, and voice and participation. A novel feature about the instrument implemented in Finland is the inclusion of a battery of questions on sustainability and perspectives about the future encompassing crucial aspects for the Finnish society, such as environmental sustainability, social cohesion, the resilience of public institutions and ensuring equality of opportunities in life. A detailed description of the survey is found in Annex A.

Impact of the COVID-19 crisis on trust in government

The COVID-19 crisis has dramatically raised the relevance of trust between citizens and institutions. The very constraining and uncertain character of policy alternatives during the pandemic requires broad support from the population to be efficient; hence, trust is a key element of analysis. Indeed, evidence shows that the efficiency of public policies and measures designed to address the COVID-19 crisis has been affected by levels of public trust (Bargain and Aminjonov, 2020[38]). Furthermore, results from a nationally representative survey conducted in Denmark showed that trust is positively correlated with people's willingness to practice physical distancing (Olsen and Hjorth, 2020[39]). It is therefore of paramount importance to maintain trust levels for improving the effectiveness of measures taken to mitigate the health and economic effects brought about by COVID-19.

At the same time, lack of trust in government has not only reduced the ability of countries to respond to the crisis, it has also undermined the legitimacy of public institutions, nurturing political polarisation and favouring populist movements (Devine et al., 2020[27]). The economic and social tolls of the pandemic may erode people's confidence in public institutions further (Ananyev and Guriev, 2019[40]) especially for the most vulnerable segments of population in terms of income, education and jobs (Goubin and Hooge, 2020[41]). Preliminary evidence shows that trust in government increased shortly after the virus outbreak and government responses to the crisis (Haavisto, 2020[42]). This type of spike in trust levels is often observed after major shocks and are labelled as a "rallying around the flag[7]" effect. However, more recent

data show an erosion of trust in government and public institutions in many European countries (Eurofound, 2020[43]).

This study makes use of an innovative Citizens' Pulse Survey carried out in Finland in 2020 that gathers citizens' feedback on how the government was handling the crisis and at the same time monitors levels of trust in public institutions following the COVID-19 outbreak. While on average trust levels remained high, between May and October 2020 a negative trend is observed for most institutions followed by a rebound in early 2021 (Figure 1.5). This difference is statistically significant for most institutions of political and administrative nature (i.e. government, civil service, parliament and political parties). The negative trend is also observed in the case of law and order (i.e. the police and the courts) and service provision (i.e. the health service) institutions. Trust in the media also experienced a significant decrease throughout this period. The same trend is observed for trust in the banks and the media. Later, a general rebound in trust levels is observed between October and January 2021, which could be attributed partially to the good handling of the "second wave" of the COVID pandemic. However, as the pandemic perpetuates and the rollout of vaccination is progressing slowly trust decreased again in April 2021.

In a similar way to other European countries, new infections were increasing rapidly in early October and a strong second wave was feared. However, in contrast to other countries where new lockdowns were required, the spike was controlled and the society has largely reopened. An effective test and trace system around the "Corona Flash" smartphone app has been put in place. The app has been downloaded by about half of the population, the largest figure for such apps in Europe (DW, 2020[44]). Furthermore, the debate between functionality and privacy that has hampered the application of such apps elsewhere has only occurred tangentially in Finland. High baseline levels of trust have been associated with little resistance to this and other government measures (DW, 2020[44]). In addition, restrictive measures in Finland have been comparatively milder than in other European countries which could help explaining the rebound in the last quarter of 2020 and early 2021. According to results from mid-April 2021 trust levels decreased again while in late April, further softening of restrictions at place has been announced by the government.

While the changes in trust levels during this period are particularly volatile as a result of the enormous socio-economic shock that COVID implies and a high degree of constant uncertainty, the aftermath of the COVID-19 crisis and how it will be handled still have the potential to impact trust levels persistently. In the months and years to come, levels of trust will be influenced by how resilient the Finnish society will be and the public governance tools put in place for absorbing and surmounting the socio-economic effects of this systemic shock and allowing to adapt to the new conditions.

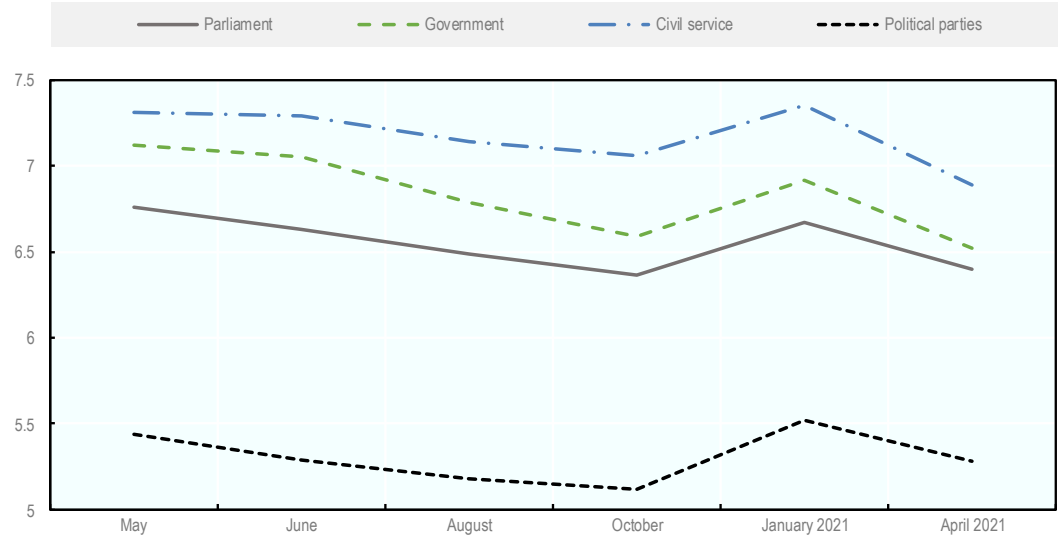
Box 1.2. Citizens' Pulse Survey

The Prime Minister's Office commissioned a survey from Statistics Finland to gather information on, amongst others, citizens' trust during the COVID-19 pandemic. The Citizens' Pulse Survey describes the opinions of citizens living in Finland about public authorities' activities, confidence in the fairness of society and in the future, trust in institutions, their well-being, compliance with recommendations, and where citizens get information and which sources they would like to get information from.

The survey was repeated every four to six weeks between May 2020 and April 2021. For every collection, the sample consists of about 1 300 individuals, aged 15-74, representative of the mainland population of Finland (the sample is extracted from the Labour Force Survey).

Source: Statistics Finland (n.d.[45]).

Figure 1.5. Trust in political and administrative institutions in Finland, May 2020 and April 2021



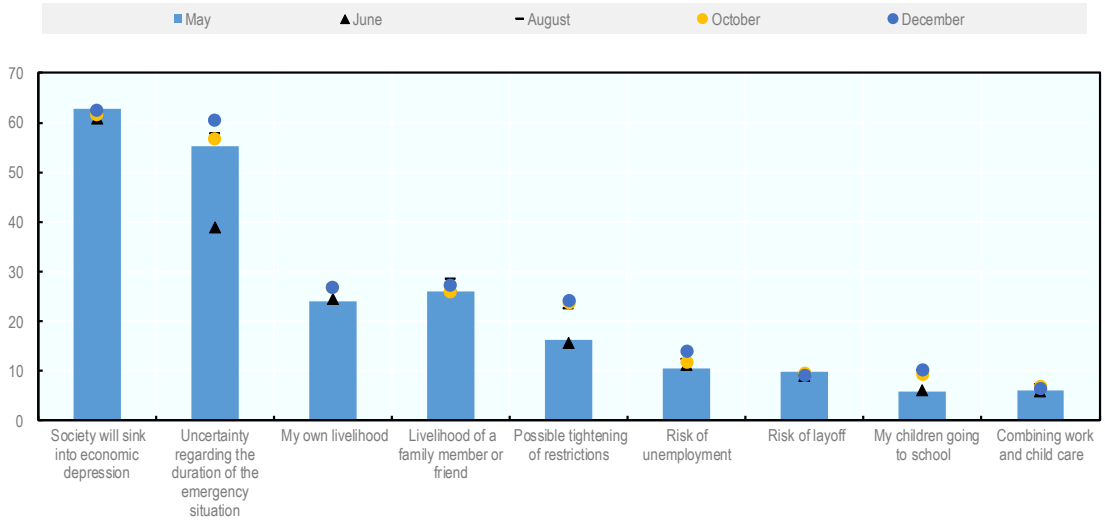
Notes: To the question: On a scale of 1-10, how much do you personally trust each of these institutions? 0 means you do not trust an institution at all, and 10 means you have complete trust. The government, parliament, political parties and the civil service. Only institutions for which the difference of the means between October and May was statistically significant, based on the analysis of the overlap of the confidence intervals, are presented.
Source: OECD calculations based on the PMO/Statistics Finland Pulse Survey.

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To a large extent, the effects of COVID-19 are still uncertain and will depend on whether or not there are new waves of the disease and how long it takes to vaccinate a sufficiently large segment of the population to generate collective immunity. All in all, this is reflected in expectations by the Finnish society, as, in December 2020, 61% of the population considers the uncertainty about the duration of the situation as one their main concerns. As restrictions softened during the summer months and the situation was seeming to return to normal, this concern became less prevalent (16 percentage points less in June compared to November), although its prevalence remained practically unchanged between August and November.

The referred uncertainty about the duration of the COVID-19 pandemic is the second concern, followed by the concern that the society will sink into an economic recession, which was mentioned by 63% of the population in December. Their own livelihood (in economic terms), the livelihood of a family member and the likelihood of restrictions being tightened again are concerns expressed by about a quarter of the Finnish population (Figure 1.6).

Figure 1.6. The most prevalent concerns about COVID-19 in Finland, May-December 2020

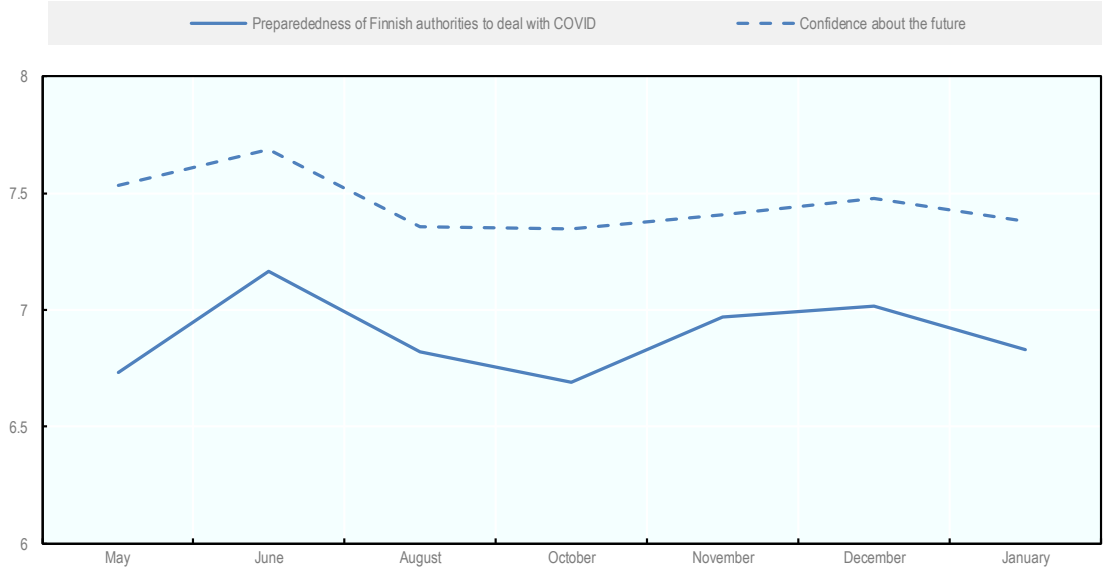


Notes: Percentage of the population who indicated the corresponding concerns to the following question: Are you worried about the following matters relating to livelihood and everyday life at the moment? Select 1 to 4 matters that you are worried about.
Source: OECD calculations based on the PMO/Statistics Finland Pulse Survey.

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Still, the assessment of the Finnish authorities' preparedness to deal with the COVID-19 emergency remains high, at an average of 6.83 (on a scale of 1-10, and 69% of the population answering 7-10) and Finnish people are still confident about the future: 7.38 on average (on a scale of 1-10, 82% of the population answering 7-10). Such confidence could act as a key asset for speeding up the recovery process and advancing on a path of inclusive and sustainable growth in the years to come. Following a spike in June, these figures decreased until October, bouncing back again in November (Figure 1.7).

Figure 1.7. Preparedness of the authorities for dealing with COVID-19 and confidence about the future, May2020 and January 2021



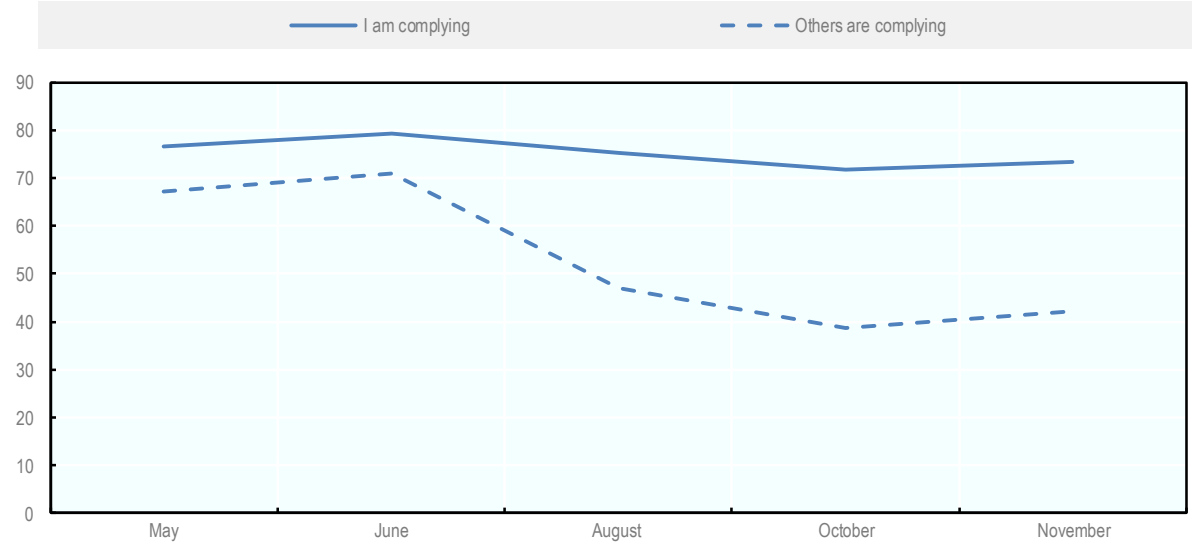
Notes: In your opinion, how well-prepared were the Finnish authorities for an epidemic such as that caused by the coronavirus? 10 means extremely well and 1 means extremely bad. How confident are you about your future at the moment? 10 means extremely confident and 1 means extremely unconfident.
Source: OECD calculations based on the PMO/Statistics Finland Pulse Survey.

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Self-reported compliance with COVID-19-related restrictions requested by the Finnish authorities remains high, around 75% in the period May-October 2020. However, while in May 67% of people trusted that the others were complying, this value had dropped drastically in October (39%) (Figure 1.8). While it is normal to observe a gap between these categories, as people tend to be more lenient when reporting their own behaviour *vis-à-vis* other people's behaviour in what is known as a social desirability bias (Phillips and Clancy, 1972[46]), this result may signal a potential decrease in interpersonal trust and "unitary of response" in Finland.

Diminishing compliance may reflect fatigue stemming from a lasting situation alongside the perception that the situation worsened again as the number of COVID cases in Finland increased significantly in September and October compared to the summer months as reported by the Finnish Institute for Health and Welfare. However, this indicator has not experienced the positive spike seen by other measures between October and November as the second wave was controlled.

Figure 1.8. Percentage of the population considering themselves and others to be complying with COVID-19-related restrictions, May-November 2020

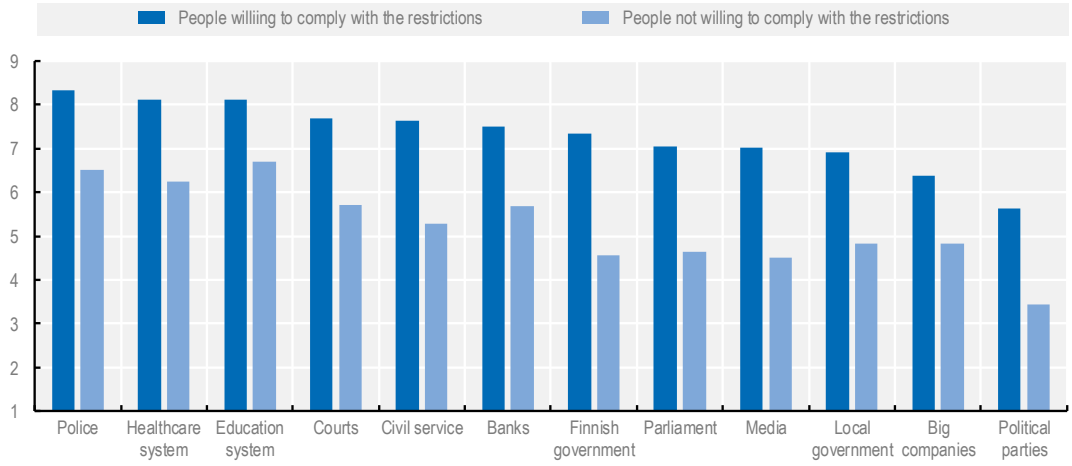


Notes: How willing are you to follow the instructions given by the authorities concerning the coronavirus crisis? Percentage of respondents who answered willing and quite willing. How well have other people followed the instructions given by the authorities during the coronavirus crisis? Percentage of respondents who answered well and quite well.
Source: OECD calculations based on the PMO/Statistics Finland Pulse Survey.

StatLink https://doi.org/10.1787/888934237368

The percentage of the population who reported complying with COVID-19-related restrictions decreased from 79% in June to 73% in November. In addition, those who reported that they are unwilling to comply with COVID-19 advised restrictions also report statistically significant lower levels trust in all institutions surveyed (Figure 1.9). This further stresses the important role played by institutional trust levels for enhancing the effectiveness of policies aimed at mitigating the effects of the COVID-19 crisis.

Figure 1.9. Average trust levels of people willing and unwilling to comply with the COVID-19 restrictions, November 2020



Notes: On a scale of 1-10, how much do you personally trust each of the institutions. 1 means you do not trust an institution at all and 10 means you have complete trust: the police, the healthcare system, the education system, the courts, the civil service, the banks, the Finnish government, parliament, the media, the local government, big companies. How well have other people followed the instructions given by the authorities during the coronavirus crisis? Percentage of respondents who answered well and quite well.
Source: OECD calculations based on the PMO/Statistics Finland Pulse Survey.

StatLink https://doi.org/10.1787/888934237387

Communicating with people during the COVID-19 pandemic: What can be learnt for the future?

The Finnish administration's response to the COVID-19 pandemic has been praised as one of the best in Europe. Finland flattened the COVID-19 infection curve faster than many OECD countries and has kept the infection rate low, thanks to its swift and well-targeted policy response. Core public services have adapted and been responsive to people's needs, digitalisation has deepened, and the transition to remote working and schooling was smooth. The government has worked to ensure that people in need get access to services by, for instance, providing computers or tablets to pupils in need and modifying old care modalities for the elderly and disabled to access them. As indicated in Section 1.3, Finland is one of the OECD countries where the use of tracing tools (apps) is the most widespread.

Over past years, the Finnish administration has worked to eliminate red tape and deregulate in service provision (EU, 2018[47]). The downside of pursuing lower regulatory density is the creation of unequal services and costly fragmentation (EU, 2018[47]). The pandemic has shed light on the importance of ensuring that high-quality services can reach all populations and all territories in plain language and that additional means are deployed to balance the field for those that could be left behind by a systemic shock such as COVID-19 and its aftermath.

Throughout the pandemic, the Finnish government has engaged in open, transparent and collaborative communications, emphasising the role of evidence, including further relying on data and experts, targeting messages to different audiences through the most relevant channels, and ensuring that they are available in different languages. As examples, the Prime Minister organised a dedicated dialogue with children to exchange on their expectations and concerns about the COVID-19 pandemic and the police translated messages on safety measures required to curb the spread of the disease and used diverse channels of communication, including social media, for ensuring that minority groups could be reached. In the context

of COVID-19, these types of interventions present the dual advantage of supporting the effective implementation of emergency measures and satisfying the need for clear and as definitive as possible information (OECD, 2020[48]).

Figure 1.10 shows that in November 2020, around 85% of the Finnish population considered that they had been very well or well informed about the effects of COVID-19 in their life. While the number decreased between June and October, it remained above 80% in all months. To a large extent, these figures reflect the effectiveness of the administration's communication strategy and the capacity to reach different audiences with clear and concise messages. For example, throughout the COVID-19 crisis, the government of Finland collaborated with civil society, media institutions and social media influencers to reach segments of the population that are traditionally harder to access, including youth. The campaign's aim was to support influencers in sharing reliable information on COVID-19 measures provided by public authorities. Finland has also advanced in developing innovative institutional media campaigns for reaching different segments of the population as evidenced by the communication campaign designed by the Finnish tax agency (Box 1.3).

Box 1.3. Communications campaign of the Finnish Tax Administration

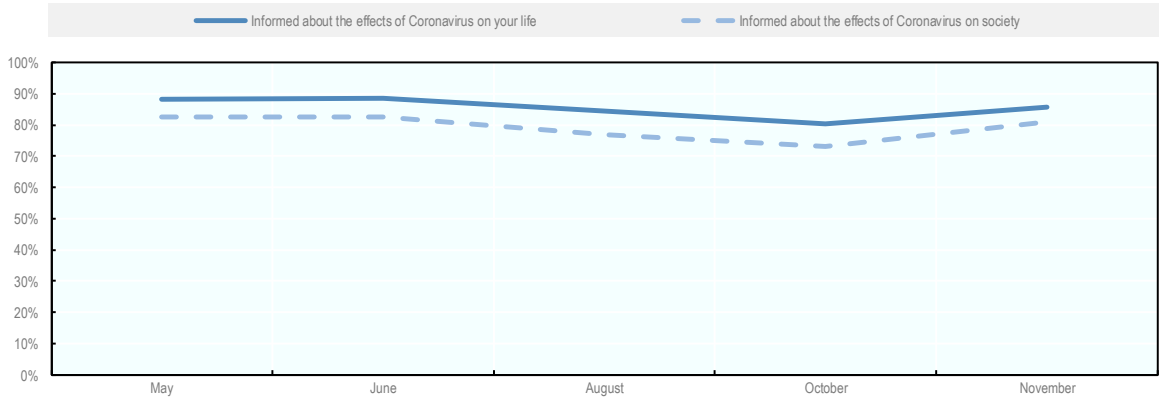
The Finnish Tax Administration developed a communication strategy through social media to reshape citizens' perception of tax issues and rebuild trust. Strong support of the top management as well encouragement of the organisation's staff to engage in social media (together with guidelines on how to do it) were part of the communication strategy. According to empirical evidence, employees' own social networks are 10-15 times bigger than the followers of the Tax Administration. Among the key objectives of the communication strategy were to use social media to provide factual information and create a community where people could quickly receive answers and help as a way to fight the spread of false information. As of 2020, the Tax Administration has several social media channels with 36 610 followers on Facebook, over 5 000 followers on its YouTube channel, 1 000 on Twitter and 35 000 on Instagram.

Source: https://www.vero.fi/en/About-us/finnish-tax-administration/strategy.

In addition, 86% of the Finnish population considered the information provided by political leaders to be reliable, a figure that goes up to 93% for the scientific community and 97% in the case of healthcare professionals.

Another part of the success of the COVID-19 strategy has been the use of simple and concise messages through different channels. This has further evidenced the need for using plain language when addressing the population. Behavioural communication campaigns have played an important role in facilitating the enforcement of regulations by nudging or instructing wide segments of the population to comply with the required measures. The pandemic has evidenced the importance of effective communication for helping to reach specific segments of the population and facilitating dialogue with citizens to ensure that policies and services are adapted to their needs and respond to their expectations (OECD, 2020[49]).

Figure 1.10. Finnish people feel they have been well informed about the effects of COVID-19 in their life and for the society, May-November 2020



Notes: Percentage of the Finnish population that to the questions: a) How well have you been informed about the impacts of the coronavirus crisis on your everyday life? and b) How well have you been informed about the impacts of the coronavirus crisis on the situation in society? answered well or quite well.
Source: OECD calculations based on the Pulse Survey.

StatLink https://doi.org/10.1787/888934237406

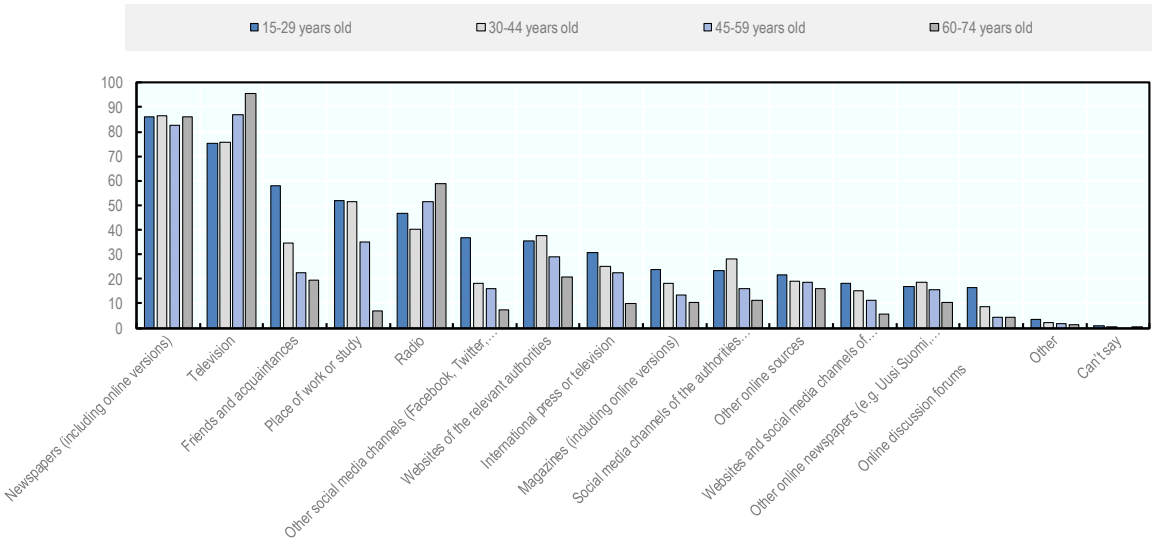
There are also differences in how and where people access information about public issues, as well as the motivations leading to the use of certain communication channels instead of others. Information is key in shaping attitudes and feelings towards public institutions and could therefore influence trust levels. Finland has a strong and long tradition of non-partisan independent legacy media and high levels of trust in journalism. According to the Gallup World Poll, in 2020, 95% of the Finnish population considered the media to have a lot of freedom, a figure that has remained practically unchanged over the past decade. However, new digital technologies and an increased level of connectedness have allowed alternative sources of information through social media to spur. While on the one hand this contributes to the dissemination of information, it also renders it difficult to ensure the quality and accuracy of the sources consulted. Adapting communication based on government's knowledge of audiences, the audience's preferred means of receiving government information, as well as their fears, concerns and expectations, is fundamental. The use of audience insights could be key in helping to communicate complex information (OECD, 2020[49]).

During the interviews conducted for this study, several interviewees mentioned that social media misinformation and disinformation could be leading to distrust towards public institutions by some segments of the Finnish population. Recent research about the consumption of Finnish populist counter-media defines user as belonging to three different profiles: 1) system sceptics, expressing all societal distrust; 2) agenda critics, who expressed politicised criticism towards media representation of selected themes; and 3) casually discontent, searching occasionally for alternative information and entertainment (Noppari, Hitlunen and Ahva, 2019[50]). More importantly, it finds that consumption of popular counter-media content is not driven by difficulties distinguishing the nature of content, but rather by an affective and conscious choice to engage with this content even when this represents unfounded and extreme views (Noppari, Hitlunen and Ahva, 2019[50]).

The April wave of the Pulse Survey included a question on the information sources people regularly used to inform themselves about COVID-19. As seen in Figure 1.11, older cohorts relied comparatively more on television and radio. In turn, about 60% of those aged 15-29 reported getting their information from friends and acquaintances, which is significantly higher than for other cohorts. Similarly, about 16% of those belonging to the youngest cohort reported finding information on online discussion forums, more than twice as many as for the group aged 30-44. This is consistent with trends identified in other OECD countries and

highlights the need of working to develop compelling content and deliver it to users through their preferred channels (OECD, 2020[48]).

Figure 1.11. Sources used to find information about the coronavirus by age group, April 2020



Notes: Percentage of the population who reported consulting the following on a regular basis in answer to the question: From which sources have you found information about the coronavirus crisis? Answers are not exclusive.
Source: Statistics Finland, Pulse Survey.

StatLink https://doi.org/10.1787/888934237425

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Notes

[1] In 1945, turnout to parliamentary elections was 75%, reaching a peak of 85.1% in 1962. A clear downward trend can be observed from the mid-1980s, reaching its lowest point in 2007 when only 65% of the eligible population casted a ballot. While for recent elections there has been a slight recovery, reaching 68.7% in 2019, this is still below initial levels.

[2] This argument is coherent with the evolution of the productive structure of the Finnish economy since the 1960s when a "tertialisation" of the Finnish economy started, which has led the number of white collar service class workers to increase steadily.

[3] Kestilä-Kekkonen and Söderlund (2016[67]) distinguish between the diffuse and specific forms of institutional trust. The latter relates to what an institution does (how the individual in question judges its operation and performance) while the former reflects what the institution is, i.e. its conformity with the values and beliefs of the individual and its place in society.

[4] Other authors have also used the concept of diffuse vs. specific institutional trust. Specific institutional trust relates to what an institution does, and is thus related to the dimension of competence. Diffuse institutional trust, in turn, reflects what the institution is, i.e. its conformity with the values and beliefs of the individual and its place in society, and relates therefore more to the dimension of values in the OECD framework (Lehtonen and De Carlo, 2019[54]; Kestilä-Kekkonen and Söderlund, 2016[67]).

[5] The differentiation between trust and confidence found in the English language is not common to most languages. Theoretically, the literature on trust in institutions suggested that confidence and trust tap into slightly different concepts. Trust is something one does and is more concrete, whereas confidence is something one has and is more abstract. However, the experiment found no clear-cut evidence that this distinction is mirrored in how respondents actually respond to questions. Such a distinction does not exist in Finnish, where only the term *luottamus* exists.

[6] The countries fielded through the Trustlab experiement are: France, Germany, Italy, Slovenia, the United Kingdom and the United States.

[7] A "rallying around the flag" effect is an observed increase in trust during sudden crises (e.g. natural disasters, terrorist attacks, epidemics) in which citizens align behind leaders and pay less attention to other policy issues for a brief period of time.

2 Finland, a high-performing and trusting society

This chapter analyses different socio-economic aspects with the capacity to influence levels of public trust and provides relevant evidence for each of them. Based on primary data specifically collected for this report through the OECD Trust Survey, it displays an analysis of trust by different socio economic characteristics, including by income, education and geographical location. In turn, the chapter puts forward the empirical analysis identifying the main drivers of trust in government, the local government and the civil service in Finland.

Trust is comparatively high

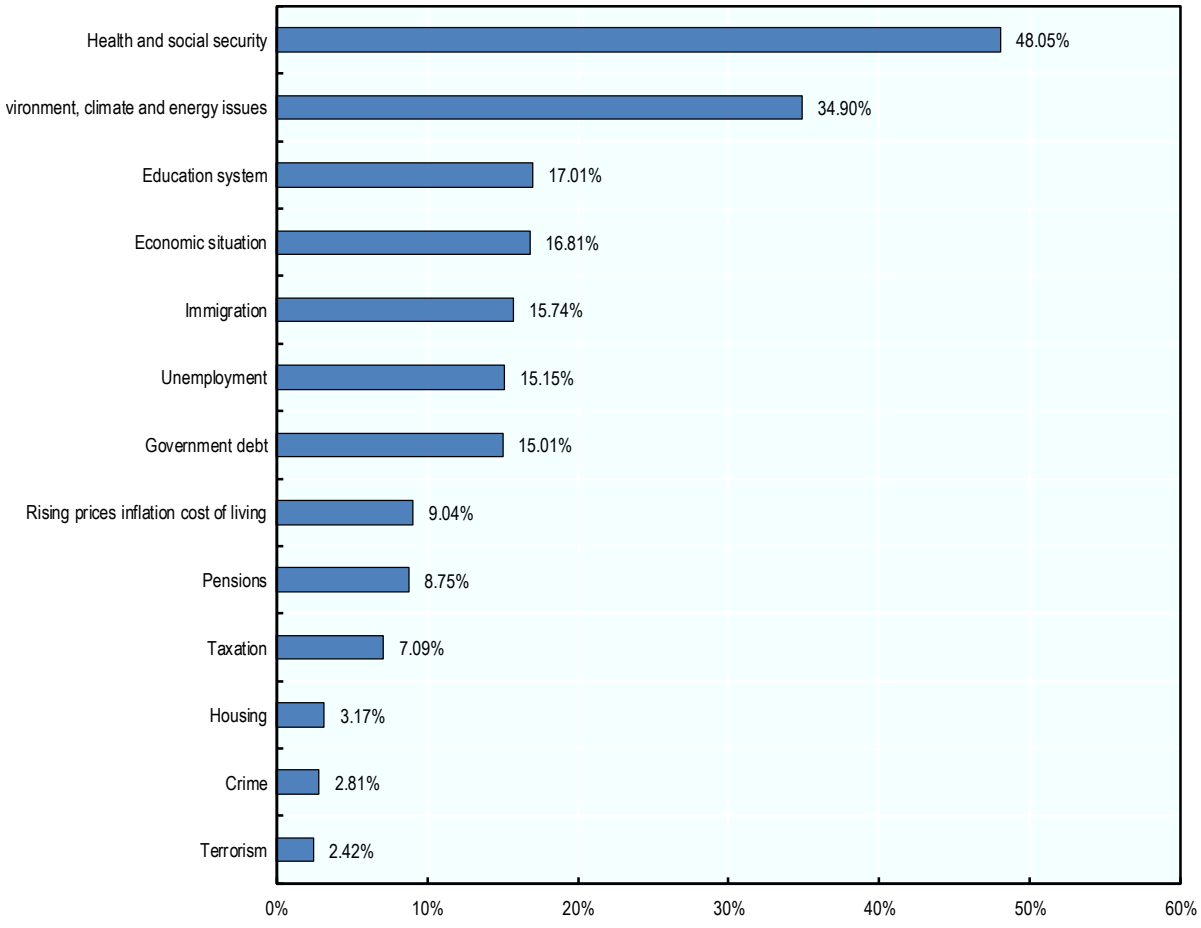
Important drivers of institutional trust include whether public institutions deliver as expected by the citizens – and as promised by the government – and how they deliver; that is, through which processes and based on what values these outcomes are achieved. The interviews conducted as part of this case study demonstrated that the notion of a trust-based governance is deeply enshrined in the *ethos* of civil servants as a key element for the smooth functioning of the public administration and fulfilment of its mandate.

Maintaining high levels of trust across different players in the society is included in the Government Programme as a "key condition for building a socially sustainable society". Accordingly, maintaining and reinforcing people's trust in their institutions is a guiding principle of the Public Administration Strategy and its implementation plan, currently being prepared, and that will set the principles for the reform of the public administration and public services in the years to come.

The starting point in Finland is high, as results achieved by the Finnish society over the past decades are impressive.[1] Both individual and institutional trust levels have been traditionally high in Finland (Section 1.1), socio-economic outcomes are strong (Section 2.4) and citizens are, in general, satisfied with public services, which also display a perform rather well (Section 2.5). Furthermore, jointly with its Nordic neighbours, Finland has one of the highest levels of subjective well-being in the world (OECD, 2020[1]). Among the factors explaining this outcome are institutional quality and social cohesion (Martela et al., 2020[2]).

Nonetheless, it is necessary to go beyond these numbers and understand what matters to the Finnish citizens, including from the perspective of those that may be excluded or feel that they are left behind. In 2019, Finnish people considered health and social security (48%) as well as the environment and climate change (35%) as the top two issues of concern – well above issues such as unemployment (15%), pensions (8.7%) or crime (2.8%) (Figure 2.1). While fighting the COVID-19 health and economic crisis is certainly the most urgent public policy challenge at the moment of writing this report, these pre-existing concerns have not disappeared and may come back in an even more acute way. The major shock to the health system brought about by the COVID-19 emergency can provide important lessons to inform the health and social security reform envisaged by the Finnish government, as well as how to tackle globally and rapidly the pressure of environment and climate change.

Figure 2.1. The most important issues facing Finland in 2019



Source: Eurobarometer 2019.

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In addition to more than 35 interviews with different institutional stakeholders and representatives from the Finnish society and desktop research, 2 main sources of quantitative information informed this case study: 1) the Citizens' Pulse Survey, in which the core OECD questions on interpersonal and institutional trust were included; 2) a specific household survey designed by the OECD (OECD Trust Survey) based on the *OECD Guidelines on Measuring Trust* and other case studies was fielded by Statistics Finland as part of its Consumer Confidence Survey in August 2020 (see Box 2.1)

Some key findings from the survey are presented below. Consistent with most surveys on institutional trust in Finland, the police is the most trusted institution, reaching an average of 8.1 (Figure 2.2). Such trust levels are also high in comparative terms (Figure 2.3). Nonetheless, according to Eurostat, in 2018 Finland had 139.4 police officers per 100 000 inhabitants, the lowest figure among European countries with available information (the average is 359.6 for 32 European countries).

High levels of trust in the police could be explained by high-quality education and continuous training for police officers, as well as by an emphasis on responsibility and strict abidance to law and procedures by police representatives. The perception of high ethical standards and almost inexistent corruption cases

involving police representatives may also help to explain these figures. In addition, police officers work closely with the community to build ties that could be maintained over time. For instance, during the spring 2020 lockdown, the police relied heavily on communication campaigns, including through social media, as a key tool for influencing people's behaviour.

Still, the latest Police Barometer found that only 53% of respondents considered that the Finnish police treated people from other cultural backgrounds in the same way (Vuorensyrjä and Rauta, 2020[3]). In a recent interview, the police commissioner indicated that while this could be driven by the fact that migrants come from contexts where low trust in the police is prevalent, it also indicates that there is room to improve relations with minority communities, including through recruiting people from different backgrounds (Mac Dougall, 2020[4]).

Box 2.1. Characteristics of the data collection for the Finnish trust case study

Data collection for this study was carried out between 1 and 19 August 2020. The OECD Trust Survey, "Trust in the Public Administration", was included in the Consumer Confidence Survey (CCS). The CCS is a monthly survey based on a focal person sampling conducted through the mixed data collection mode, which is a combination of online and telephone interviews. The CCS is a rotating panel in which each respondent participates in the survey twice within six months. The CCS describes the views, projections and expectations of people in Finland concerning the development of their own economy and Finland's general economic situation. Data are collected in Finnish, Swedish and English.

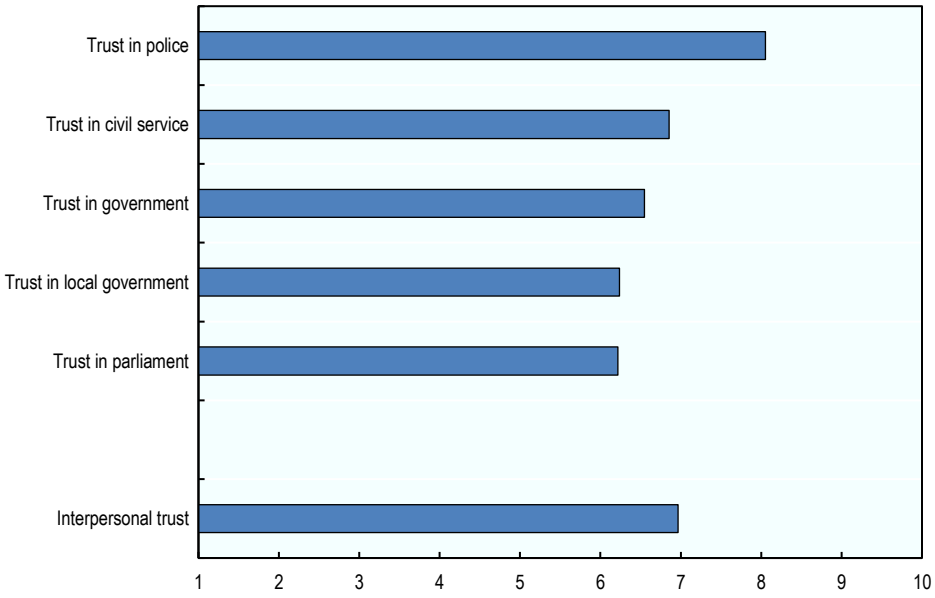
The survey is representative of the 3.9 million people in Finland aged between 18 and 74 years old and is representative by age, gender, area of residence and native language. In August 2020, the sample size of the CCS was 2 181 respondents, half of whom were first respondents. The OECD survey was completed by 1 011 respondents.

All response data of the statistics are expanded to the entire population with weighting coefficients. The weighting corrects the effects of non-response and improves the statistical accuracy of the data. Weighting coefficients are calculated by using the probability of each observation to be included in the sample. In the final stage, weighting coefficients are obtained with the calibration method (Calmar) so that the estimated marginal distributions of the selected background variables (e.g. gender, age group, education level and area of residence) correspond to the marginal distributions obtained from the entire population.

Source: OECD based on statistical report provided by Statistics Finland.

Figure 2.2 Average trust levels in Finland, 2020

Average on a scale of 1-10



Notes: The questions on institutional trust were preceded by the following text: The next questions are about whether you have trust in various institutions in Finland. Even if you have had very little or no contact with these institutions. Please base your answer on your general impression. Please tell me on a score from 1 to 10 how much you personally trust each of the institutions I read out. 1 means you do not trust an institution at all and 10 means you have complete trust: the Finnish government, your local government, the Finnish parliament, the Finnish police, the civil service. The question on interpersonal trust is the following: On a scale of 1-10, where 1 is not at all and 10 is completely, in general how much do you trust most people?
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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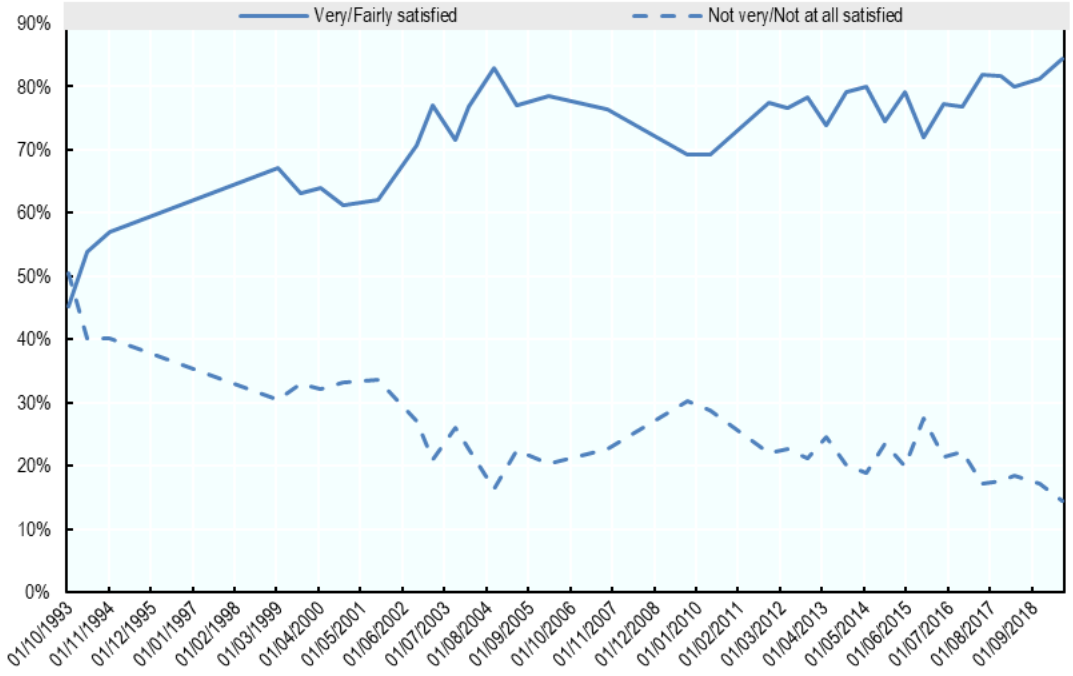
Consistent with data from Eurobarometer (see Figure 1.1) trust in the civil service[2] is higher than trust in government. The relatively strong trust that Finnish citizens have in law and order institutions and the civil service seems to define Finland. As emphasised by Lehtonen and De Carlo (2019[5]): "Legalism – belief in the power of law and order – is the mental backbone of Finland. To simplify, the primary object of institutional trust is the state bureaucracy in Finland (…)."

In turn, institutions of a clear political nature, in this case the parliament, tend to be the least trusted, hence with a very similar value as local government. Despite the fact that institutions of a political nature are less trusted in relative terms, support of democracy still remains strong in Finland.

On the one hand, and according to the Eurobarometer, 85% of the citizens in Finland are either very satisfied or fairly satisfied with democracy, which is only slightly lower than the average of Denmark, Norway and Sweden (87%), but significantly higher than the EU average (59%). Since 1993, this satisfaction with democracy has been increasing significantly (Figure 2.3) with only some minor fluctuations during shorter time periods (e.g. between 2004 and 2010). On the contrary, and as shown in the previous chapter, levels of political efficacy and voter turnout in Finland have decreased over time (see Figure 1.2). These big differences could be related to the fact that according to Finnish tradition and historical background, the prevalent model of democracy in the country exceeds the procedural conception, hence citizenship, and evaluations at the system level are linked not only to political rights, but also to social rights.

Figure 2.3. Satisfaction with democracy in Finland, 1993-2018

Percentage of the population who reports being…



Notes: How satisfied are you with the way in which democracy works in your country? Percentage of the population who answered very and fairly satisfied are bundled into a positive category. Respondents who answered not very or not at all satisfied are bundled into the negative category.
Source: Eurobarometer 2019.

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Social capital as captured by levels of trust "in most people" is also at a comparatively high level (seven out of ten) in Finland. Social capital has been conceptualised and measured in four main ways: 1) personal relationships; 2) social network support; 3) civic engagement; and 4) trust and co-operative norms (Scrivens and Smith, 2013[6]). The evidence suggests that social capital can be of key importance in contributing to a wide range of positive outcomes, including higher income, life satisfaction and social cohesion (OECD, 2001[7]). Moreover, there is evidence that high levels of social capital make people's well-being more resilient to crisis (Helliwell, Huang and Wang, 2014[8]). Social capital reduces transaction costs related to distrust and has been acknowledged as a fundamental building block of democracy (Putnam, 2020[9]).

Trust placed in strangers facilitates co-operation. While knowledge-based trust, that is, trusting the individuals in one's own close social network (particularised trust) is important, it does not necessarily have benefits for the society or co-operation (Rothstein and Stolle, 2003[10]). If people trust that they can rely on each other, it is more likely that they will be able to overcome different types of social dilemmas that require co-operation by reducing free-riding tendency, reducing the need – and costs – of control and sanctions. Overcoming such social dilemma is perhaps the single most important challenge faced by societies (Ostrom, 2000[11]). Such trust in other people is based on the ethical assumption that the others share one's fundamental values; it is this recognition of having common grounds that makes co-operation possible (Uslaner, 2001[12]).

In general, Nordic countries are known for performing well in this key aspect of social capital, which is generalised interpersonal trust, and it has been argued this can be explained by the high degree of economic equality, the low level of patronage and corruption, and the predominance of universal non-discriminating welfare programmes (Rothstein and Stolle, 2003[10]). Finland even seems to have particularly high levels of interpersonal trust (Lisakka, 2006[13]) (Figure 2.4). According to Eurobarometer, in 2019, almost 82% of the citizens reported that they tended to agree with the affirmation that most people can be trusted,[3] while only 9.5% tend to believe that one cannot be too careful in dealing with people (Figure 2.5), which places Finland the highest among European countries with available information. This strong level of social capital has positive implications for the ability of the Finnish society to jointly solve collective action problems (Borg, Toikka and Primmer, 2015[14]).

Figure 2.4. Trust in Finland is the highest among a sample of OECD countries

Average value on a scale of 0-10

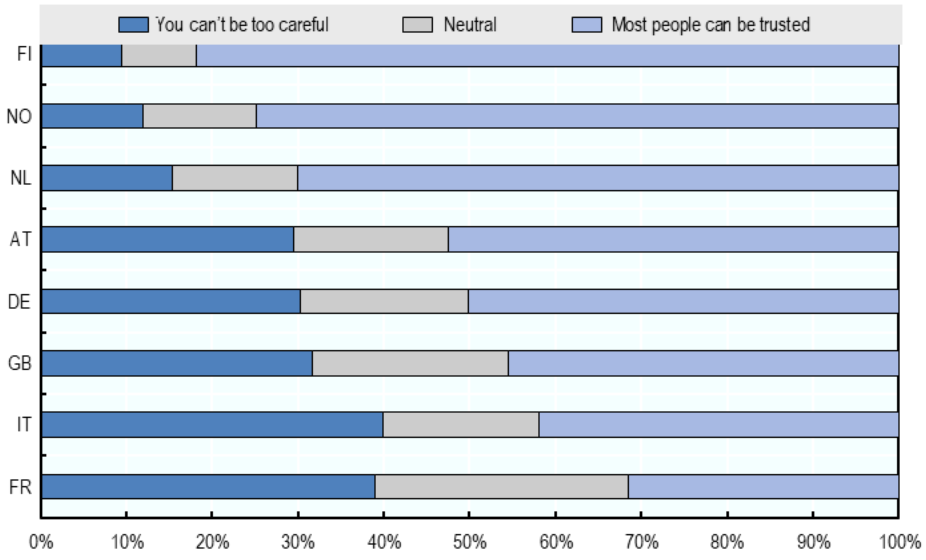


Notes: In the case of Finland, data on interpersonal trust, trust in government, the civil service, the police and parliament are based on the OECD Trust Survey applied in the Consumer Confidence Survey, fielded by Statistics ey in August 2020. Trust in financial institutions, the judicial system and the media are based on the October 2020 collection of the Pulse Survey implemented by Statistics Finland at the request of the Prime Minister's Office. Data for Finland uses a scale of 1-10. Data for France, Germany, Italy, Korea, Slovenia and the United States are for 2017 and were collected through the Trustlab project. In the case of trust in others, data for France and Korea are based on the Rosenberg question; those for Finland, Germany, Italy, Slovenia and the United States are based on the OECD question. Data for Korea on the civil service are from the report *Understanding the Drivers of Trust in Government Institutions* and represent the situation in 2017.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland, Trustlab, OECD/KDI.

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Figure 2.5. Interpersonal trust in Finland, 2018

Percentage of the population

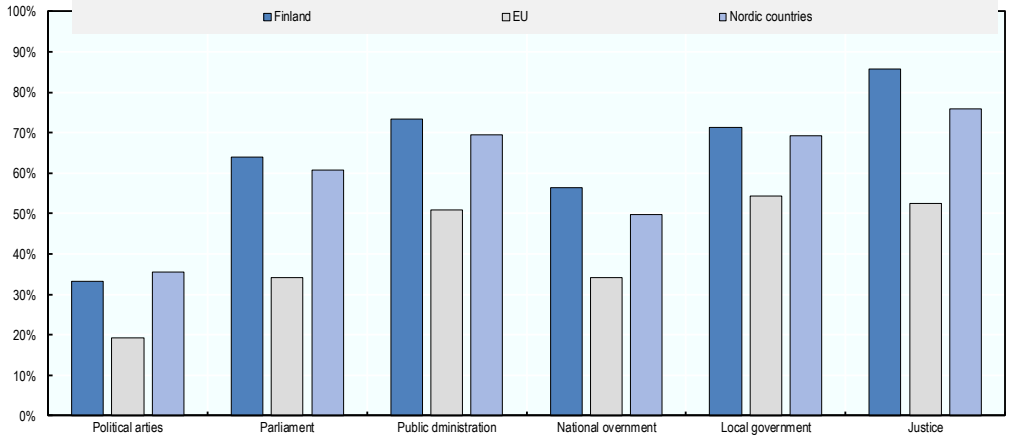


Notes: Using this card, generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people? Please tell me on a scale of 0-10, where 0 means you can't be too careful and 10 means that most people can be trusted. Most people can be trusted refers to people who answered 6-10, neutral are people who answered 5, you can't be too careful refers to people who answered 0-4.
Source: European Social Survey, wave 9 2018.

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Like interpersonal trust, trust in institutions is high in Finland compared to the EU average, at a level similar to that of other Nordic countries (Figure 2.6). Trust in Finland is comparatively high for both political (e.g. parliament) and administrative institutions (e.g. public administration). Of all the institutions surveyed, political parties is the only category for which reported trust levels are lower in Finland than the average of other Nordic countries.

Figure 2.6. Trust in institutions, 2019, Finland, EU and Nordic countries



Note: Nordic countries include Denmark, Iceland and Sweden, except for public administration, where data for Iceland are not available.
Source: Eurobarometer 2019.

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Finally, many studies find a strong and robust correlation between interpersonal and institutional trust (Zmerli, Newton and Montero, 2008[15]; Denter, Oscar and Torcal, 2007[16]; Jagodzinski and Manabe, 2004[17]). A previous study in Finland found that interpersonal trust seems to have a strong impact on all levels of political trust, while the influence of the degree of voluntary organisational activity, as another key component of social capital, is less evident for explaining political trust (Bäck and Kestilä, 2009[18]). Another study found that in Finland, unlike in other Nordic countries, the level of interpersonal trust can explain differences in institutional trust at the individual level, but not over time variations of political trust. This seems to be rather determined by institutional performance, e.g. its handling of the economy, the government's involvement in political scandals or the perceived effectivity coalition governments (Kestilä-Kekkonen and Söderlund, 2016[19]).

Recent comparative evidence from Europe studying the determinants of populism finds that although different types of distrust are associated with unwanted consequences in terms of favouring populism, they result from different factors; while distrust in institutions is associated with economic insecurity, low levels of interpersonal trust are associated with loneliness and mobility in post-industrial societies (Algan et al., 2019[20]).

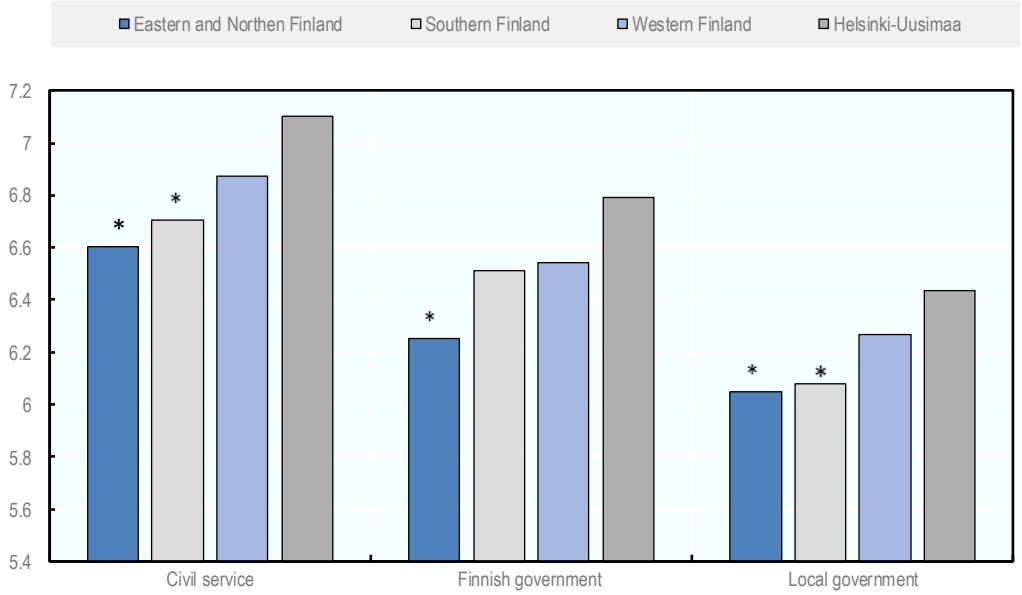
Trust gaps among population groups and regions

While trust averages provide an indication of the general picture in Finland, more attention could be given to the degree of equality of trust within the country, as there are important differences among socio-economic groups. Analyses based on the Finnish National Election Survey from 2015 indicate that even if the overall level of generalised trust in Finland is high, it tends to accumulate in certain social groups, namely "the winners" of society. Higher education, good health, optimism about the future, participation in voluntary associations and trust in implementing institutions were all significant factors in estimating the level of generalised trust in Finland (Bäck and Kestilä-Kekkonen, 2019[21]).

Results captured through the OECD Trust Survey included in the Consumer Confidence Survey in Finland shows that average trust levels, particularly in the local government and the civil service, tend to be higher for people living in the Helsinki-Uusimaa region compared to other regions of Finland (Figure 2.7). Citizens in Helsinki-Uusimaa reported thae mean of 6.4 in trust in local government, whereas people in the Eastern and Northern Finland region reported a mean of 6.05, a difference that is statistically significant. On the contrary, Eastern and Northern Finland systematically reports the lowest average trust levels in all institutions. The widest gap between this region and Helsinki-Uusima were observed for trust in the civil service (0.5). The difference in means of trust in the civil service were also significant between the Capital region and the Southern Finland region.

The Eastern and Northern Finland region covers about 67% of Finland's land area and is the most sparsely populated region. Inhabitants of Eastern and Northern Finland experience lower economic and well-being outcomes than Finland on average and have to travel further to access services, including health and social services, which should be taken into consideration in the implementation of the health and social services reform (see Section 2.3).

Figure 2.7. Trust in Finnish regions, 2020



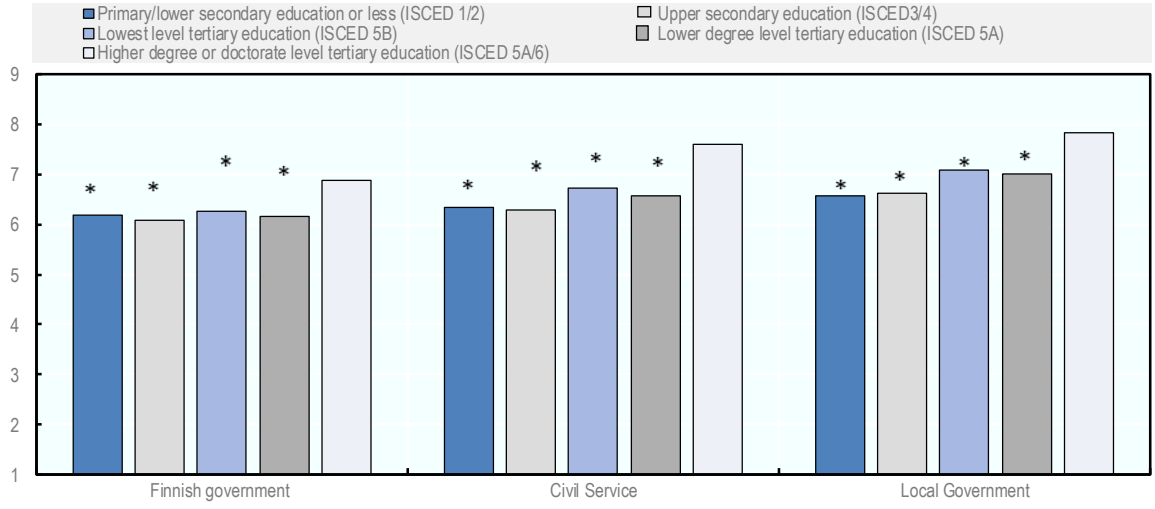
Notes: * The difference of the means is statistically significant based on the analysis of the confidence intervals overlaps. Helsinki-Uusimaa is the reference for comparisons across the means. On a scale of 1-10, how much do you personally trust each of the following institutions: government, local government, civil service.1 means you do not trust at all and 10 means you trust completely.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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Looking at levels of institutional trust among citizens by level of education, people with a higher tertiary degree report systematically higher trust in different political and administrative institutions than less educated people (Figure 2.8). In the Finnish context, where education has an important equalising role and promotes social mobility, the positive relationship between level of education and institutional trust is associated with a high-quality system of democratic governance and low levels of corruption (Hakhverdian and Mayne, 2012[22]). However, people with lower levels of education may be more inclined to feel stigmatised and face difficulties in finding a positive social identity, which could result in support for populist groups (Spuryt, Keppens and VanDroogenbroeck, 2016[23]).

Regardless of their level of education, citizens have the highest trust in the civil service and the lowest in local government. On average, the population with the highest education rates trust in the civil service is 7.83 on a scale of 1-10, while they report an average trust level of local government of 6.89. Correspondingly, citizens with a lower level education report an average rate of 6.57 of trust in the civil service whereas their trust in local government was, on average, 6.20. The largest gap in average trust between the highest and lowest educated population is in trust in the Finnish government and in the civil service.

Figure 2.8. Institutional trust by level of education, 2020

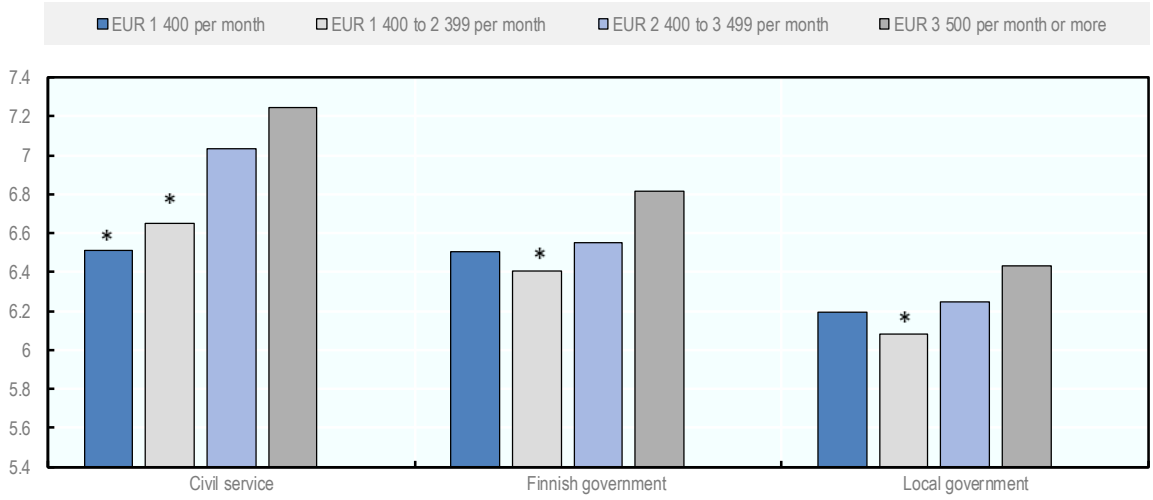


Notes: * The difference of the means is statistically significant based on the analysis of the confidence intervals overlaps. Higher degree is the reference for comparisons across the means.On a scale of 1-10, how much do you personally trust each of the following institutions: the government, the local government, the civil service.1 means you do not trust at all and 10 means you trust completely.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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An identical pattern is detected when looking at the average levels of trust in key political and administrative institutions across self-reported income groups. Empirical results indicate that income inequality affects citizens' trust in institutions. The analysis finds that Finnish citizens with higher self-reported income display higher trust levels than their counterparts with lower self-reported income (Figure 2.9). This is especially the case in citizens' trust in the civil service, where the difference (0.73) between the higher and lower income groups is much more significant than it is in trust in the Finnish (0.41) and local government (0.35). The lowest levels of institutional trust are reported by Finnish citizens who report a monthly gross income of EUR 1 400 to EUR 2 399 per month.

Figure 2.9. Institutional trust by income level,2020



Notes: * The difference of the means is statistically significant based on the analysis of the confidence intervals overlaps. The highest income cohort is the reference for comparisons across the means.On a scale of 1-10, how much do you personally trust each of the following institutions: the government, the local government, the civil service.1 means you do not trust at all and 10 means you trust completely.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

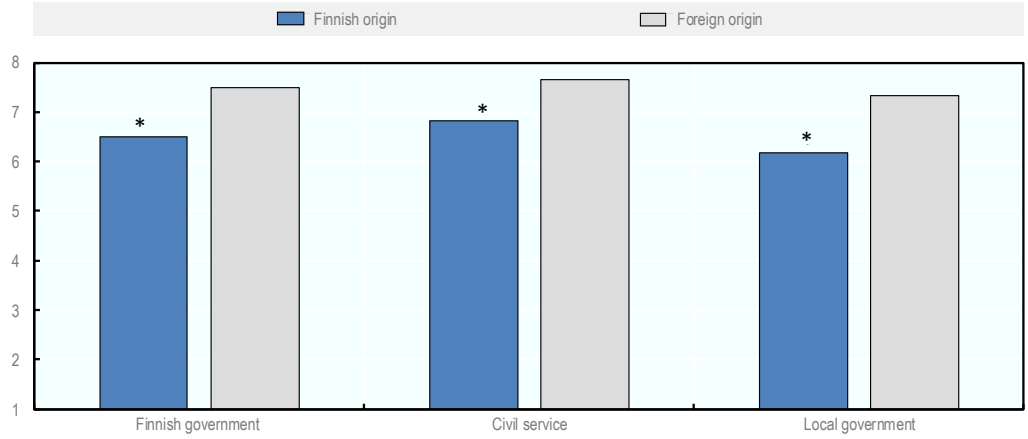
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People of foreign origin living in Finland tend to exhibit higher levels of trust in political and administrative institutions than the native-born population. This seems to be a trend in many European countries. The population with a foreign origin is generally more likely than the native-born population to trust the political and administrative system. A variety of factors may drive these slightly higher levels of trust, including a relative comparison with the situation in their country of origin, as the population with a foreign origin may have lower levels of expectations of institutions or have more positive evaluations of the host society (OECD, 2017[24]).

The empirical analysis shows that the only institution for which the difference between the foreign-origin and native-born populations is not statistically significant is the police. Therefore, we cannot conclude that the native-born population has more trust in the police than the foreign-origin population (or vice versa). However, as indicated during the interviews, perceptions and evaluations *vis-à-vis* the police could be influenced by people's experience in their own country. Another study carried out in Finland seems to indicate that an individual experience of bad policing did not seem to erode trust in the police. This could indicate that institutional trust in Finland is a more general phenomenon that does beyond an evaluation of the quality of policing (Kaariainen, 2008[25]).

The available data do not allow examining whether trust differs between a first-generation immigrant and their descendants; it should be noted that compared to other European countries, migration in Finland is a rather recent phenomena and the proportion of second-generation migrants is low. Still, measuring trust of the descendants of first-generation immigrants would be important for policy makers to see how the society serves citizens with different ethnic backgrounds, as there is some evidence of intolerance and racism towards ethnic minorities (OECD, 2021[26]). According to a study carried out by the Office of the Non-Discrimination Ombudsman, racist discrimination was a widespread phenomenon widely underreported for lack of confidence that it would result to any changes in behaviour (Office of the Non-Discrimination Ombudsman, 2020[204]).

Figure 2.10. Institutional trust, by Finnish or foreign origin, 2020



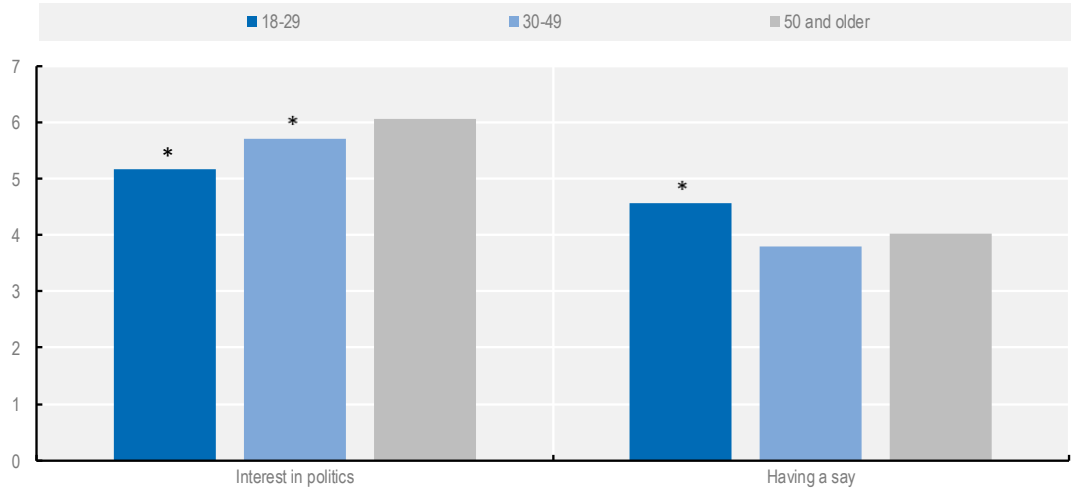
Notes: * The difference of the means is statistically significant based on the analysis of the confidence intervals overlaps. Foreign origin population is the reference for comparisons across the means.Foreign origin population is people with a foreign background. Finnish origin is people who have a Finnish background. Answers to the question: On a scale of 1-10, how much do you personally trust each of the following institutions: the government, the local government, the civil service.1 means you do not trust at all and 10 means you trust completely.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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Finally, trust in institutions may differ from one age group to another depending partially on how well public institutions meet the expectations of different age groups. In some OECD countries, such as Chile, Greece or Hungary, younger cohorts report lower trust levels than their older peers (OECD, 2019[27]). However, based on Gallup trust data, in the Nordic countries, young citizens report higher trust in the national government than older citizens (OECD, 2019[27]).

According to the data from the OECD Trust Survey, in Finland there are not significant differences in trust in political and administrative institutions between different age groups. The data suggest that young Finns, namely 18-29 year olds, are less interested in traditional politics but feel more empowered that they can have an impact in politics than their peers in older age cohorts, especially those aged 30-49 (Figure 2.11). In Finland as elsewhere, youth have suffered significantly from COVID-19 effects. Since the COVID-19 outbreak, young citizens have had a higher probability of losing their job or facing difficulties finding one; they have also experienced a bigger drop in well-being than citizens in other age groups, on average. They are also expected to bear a heavy part of the socio-economic effects of the crisis. Notwhistanding, comparative evidence in Europe during the COVID-19 emergency shows that young people reported higher trust in national and supranational institutions (European Union) than citizens in older age cohorts (Mascherini and Eszter, 2020[28]). In turn, while women reported slightly higher trust in government than men, this trend is not consistent across different institutions and does not allow any gender-related patterns on institutional trust levels to be drawn.

Figure 2.11. Interest in politics and having a say in what the government does by age group, 2020



Notes: * The difference of the means is statistically significant based on the analysis of the confidence intervals overlaps. The oldest age cohort is the reference for comparisons across the means.On a scale of 1-10, how interested would you say you are in politics; and how much would you say the political system in Finland allows people like you to have a say in what the government does?
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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This section has shown that although the level of trust in institutions is high in Finland, Finns with a lower education, a lower income and those who live outside of the capital region report significantly lower levels of trust in various institutions. Decision makers could put more emphasis on factors leading to lower levels of trust from specific social groups. Among the causes researchers indicate to explain these inequalities in institutional trust are the complexity of the political and administrative system, which causes make it difficult for citizens to understand the political decision-making process, and at what level decisions are taken. Furthermore, the language of politics and administration can cause confusion. Policy makers should concentrate on making policies for different groups and empowering groups with lower trust to engage and participate in the political fora. It is vital to have diversity in the policy-making bodies that represent the citizens. One example would be including minority groups. Similar conclusions have been reached in the *OECD Civic Space Scan for Finland* (OECD, 2021[26]).

Economic performance and trust

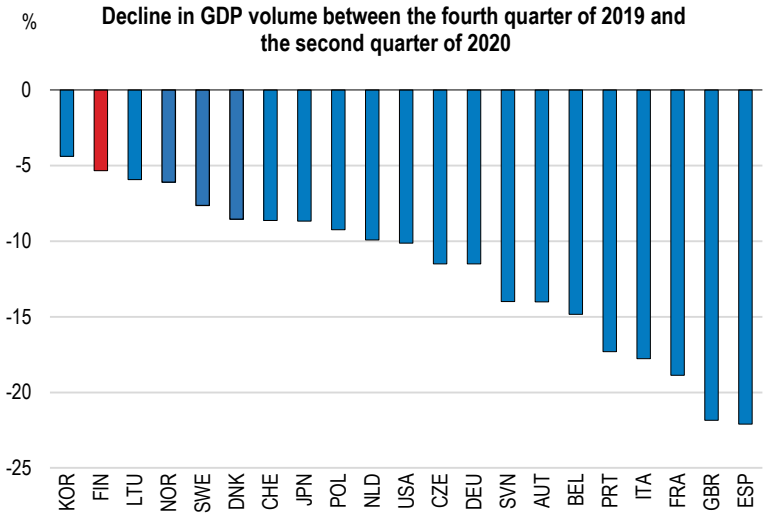
As elsewhere in the world, an external shock of the nature of the COVID-19 pandemic will have impacts on the Finnish economy and society. As mentioned earlier, academic evidence shows that economic shocks have a direct impact on levels of institutional trust (Algan et al., 2019[20]; Ananyev and Guriev, 2019[29]). However, these effects could be attenuated by welfare measures that could cushion the effects of those shocks. The Finnish government took early measures for constraining the spread of COVID-19 and by doing so avoided overwhelming the health system and succeeded in containing numbers of confirmed cases and deaths per capita to levels lower than in most OECD countries. In mid-May, Finland adopted a “hybrid” strategy, shifting the focus of containment measures from confinement to more extensive testing and tracing, border control, and targeted regulations.

The COVID-19 pandemic has plunged Finland into a deep recession, albeit milder than in most other countries, partly thanks to more targeted confinement measures and a relatively small loss of mobility (see Figure 2.12). The economy is projected to shrink by 3.3% in 2020 and recover gradually with growth of 2.1% in 2021 and 1.8% in 2022, led by private consumption and exports (OECD, 2020[30]). Despite the fact that the first shock in Finland has been comparatively small, the depth and pace of the recovery will depend on the success of the vaccination campaign, whether or not there are new waves of COVID-19 caused by variants, and the effects they will have in the exports market and businesses' operation.

The Finnish government has carried out expansionary measures amounting to 5.4% of gross domestic product (GDP). Such measures, most of which were projected to terminate by the end of 2020, have been aimed at protecting jobs and supporting households and business income during the crisis. The government also mobilised financial support for small and medium-sized enterprises and microenterprises and provided support for hard-hit industries, such as air and sea transportation, restaurants and cafés. It also reduced firms' tax burdens and social security contributions temporarily, easing cash flow, and limited creditors' right to petition for bankruptcy on the basis of a debtor's temporary insolvency until 31 October 2020 (OECD, 2020[30]). Still, the Finnish Ministry of Finance expects that private consumption and investment will substantially decrease as public debt spikes. All in all, the mild economic growth expected for the next couple of years will not be enough to balance the general government budgetary position and Finland's general government finances will remain in deficit in the coming years (Ministry of Finance, 2020[31]). According to the OECD, the projected deficit in 2020 will amount to 8.2% of GDP in 2020.

Beyond the COVID-19 pandemic, there are structural challenges faced by the Finnish economy to be addressed, not only for helping the recovery, but for strengthening the economic foundations and ensuring the robustness of the Finnish economy in the years to come. These include, for instance, increasing productivity, boosting employment, achieving fiscal consolidation and meeting greenhouse gas reduction objectives (OECD, 2020[30]). A key challenge for the Finnish economy is increasing employment levels. In May 2020, unemployment in Finland was 7% (Figure 2.13), slightly above the EU-27 average. Moreover, unemployment increased by 0.3 percentage points between February and May 2020 (OECD, 2020[32]). The Finnish government has set an objective to create 80 000 new jobs, which will be crucial not only for boosting employment, but also for reducing the structural budget deficit. Still, boosting employment will rely on the pace of economic activity as well as on extending the working life of older workers (OECD, 2020[30]). As previously indicated, research has shown that economic insecurity is a cause of institutional distrust (Algan et al., 2019[20]).

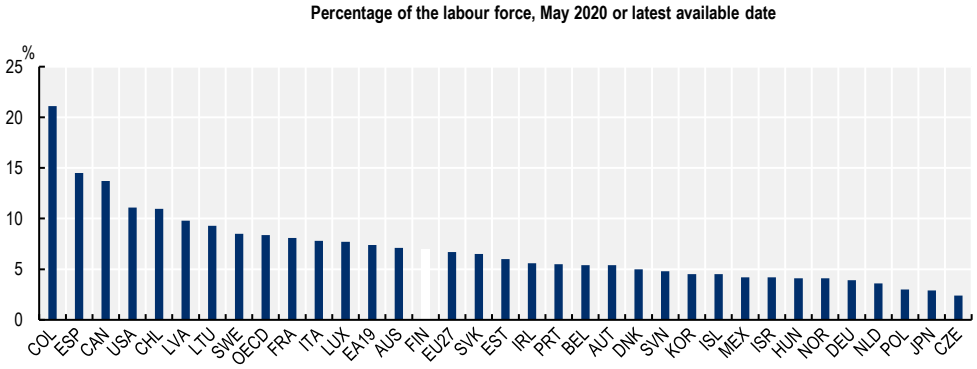
Figure 2.12. Economic activity collapsed as a result of the pandemic



Notes: Values refer to the percentage difference between 2019Q4 and 2020Q2 GDP levels. Mobility change is a comparison relative to a baseline day before the pandemic outbreak. Baseline days represent a normal value for that day of the week, given as a median value over the five-week period from 3 January to 6 February 2020. Data refer to the fall in mobility from the baseline between 1 March and 27 June.
Source: OECD (2020[30]).

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Figure 2.13. Unemployment rate, May 2020 or latest available date



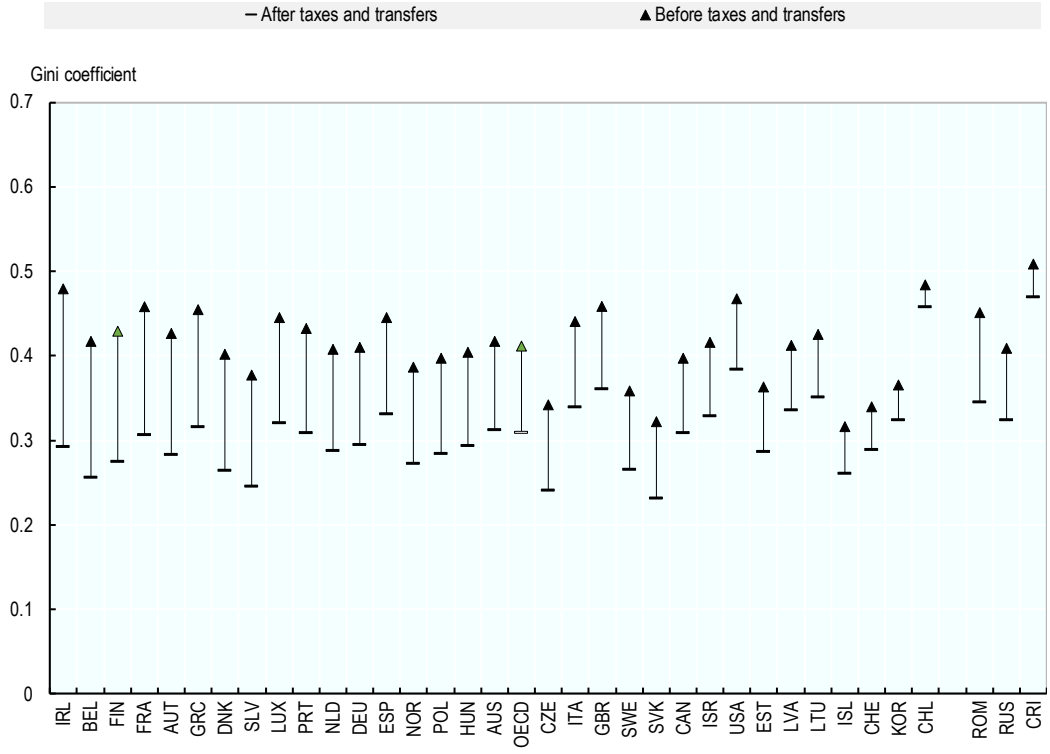
Notes: April 2020 for Chile, Estonia, Hungary and Norway; June 2020 for the United States. Greece, New Zealand, Switzerland, Turkey and the United Kingdom have not yet released figures for April and are therefore not shown in this chart. Countries are ordered in descending order of the unemployment rate. Figures for Sweden refer to the seasonally adjusted series, which differ from the trend component data published by Eurostat in its press release. Due to the introduction of the new German system of integrated household surveys, including the LFS, the monthly unemployment rate for May 2020 is an estimation based on the figures recorded in previous periods, taking into account current developments. The May 2020 figure for Mexico is an OECD estimate based on the INEGI ETOE phone survey and is not directly comparable with the results for earlier months. The classification of people not working because of being on a job retention scheme or a temporary layoff differs across countries.
Source: OECD (2020[32]).

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A key aspect that has contributed to building and maintaining high levels of institutional trust in Finland is the perception that the system delivers for all people and that Finland is a fair society (see Box 1.1).

Figure 2.14 shows the Gini coefficient (a measure of income distribution within a society) before and after government taxes and transfers. Alongside other Scandinavian countries, Finland (0.27) is amongst the group of countries with lower Gini coefficient scores after taxes and transfers. Furthermore, Finland is the country where the government plays a larger redistributive role (0.25 points between the before and after taxes and transfer measures). The generous welfare system in Finland has been recognised as a lever explaining the high levels of institutional trust (CMI, 2013[33]).

Figure 2.14. Income distribution before and after government taxes and transfers, 2018 or latest available year



Note: Data for Finland, Norway, Sweden, United Kingdom, Canada, the United States, Israel, Korea and Chile are for 2017 and for New Zealand are 2014 rather than for 2016. Data for Japan, Iceland, Switzerland and Turkey are for 2015 rather than 2017. Market income is post taxes and before transfers for Mexico and Turkey, so data are not strictly comparable.
Source: Government at a Glance (forthcoming 2021) based on the OECD Income Distribution dataset.

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Still, measures of economic performance and inequality should be complemented with measures of happiness or life satisfaction to fully grasp how a society is doing and endorsing an agenda that looks beyond GDP (Stiglitz, Fitoussi and Durand, 2018[34]). Happiness is considered an ultimate goal of life; virtually everybody wants to be happy (Frey and Stutzer, 2002[35]). When asked to rate their general satisfaction with life on a scale of 0-10 for the OECD Better Life Index, Finns on average gave it a 7.6 grade, much higher than the OECD average of 6.5. The 2020 *World Happiness Report* confirms that impression, with four Nordic countries in the top five happiest nations, and Finland at the top. Among the reasons explaining this comparatively high performance are: a well-functioning democracy; generous and effective social welfare benefits; low levels of crime and corruption; and satisfied citizens who feel free and trust each other and governmental institutions (Martela et al., 2020[2]).

Nonetheless, both the *World Happiness Report* and the Better Life Index rank the well-being of populations based on national averages. The average level of subjective well-being tells us something about the overall level of well-being in a country, but it does not give us any insight into how that well-being is distributed (Andreasson, 2018[36]). Again, understanding who feels unhappy and why is needed to tailor relevant policy advice and ensure that nobody is left behind.

The challenging economic outlook and measures taken to steer the economy out of the crisis are expected to have a salient role in public debate in the years to come. Tensions between the implementation of recovery measures alongside planned reforms (e.g. in education, health and social care) on the one hand and achieving budgetary balance and reducing public debt, both of which are culturally very important in Finland, on the other hand are expected to frame government actions in the years to come.

The process for reaching and implementing decisions for coping with effects brought about by COVID-19 as well as communicating them to people will certainly play a role in strengthening or weakening institutional trust in the years to come. Historically, hardships resulting from external shocks are not foreign to Finland, which has proven itself to have an economy and society highly resilient to external shocks. While a lot of uncertainty lies ahead in terms of what the total impact of the COVID-19 crisis will be, the economic measures put forward by the government have greatly contributed to softening the shock and maintaining people's well-being. Implementing the necessary economic reforms for achieving consolidation while safeguarding and strengthening the key features of the welfare model will be of essence for maintaining institutional trust.

High-quality public services reinforce trust

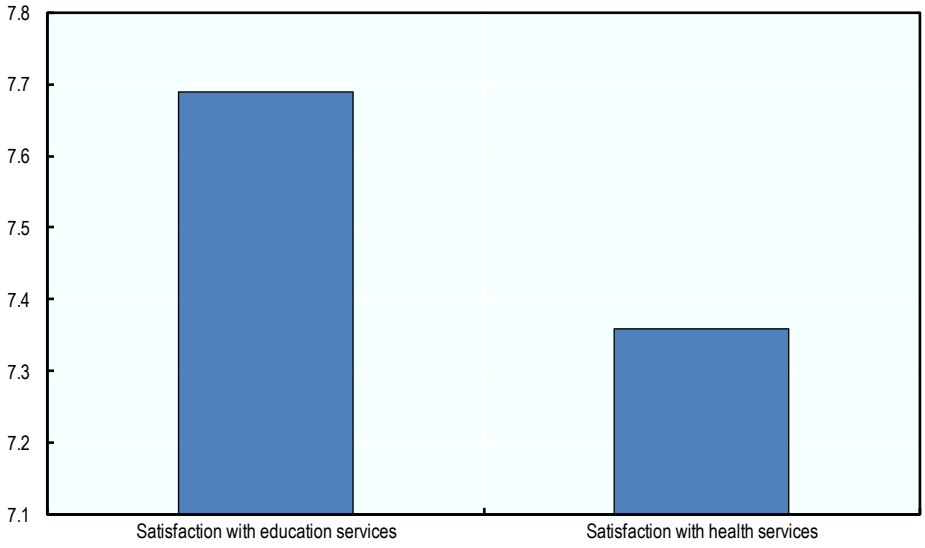
Public services contribute to people's lives in several ways. They are essential for building the stock of human capital in a society and for levelling the field for people to have equal opportunity in life to use their capabilities. Public services also support people in difficult situations and help them to alleviate the impact of negative shocks throughout their lives. Finally, public services are the most tangible aspect of what people get in return for their taxes. It is expected that high-quality services would lead to high institutional trust. The transmission mechanism has been referred to in the literature as the micro-performance hypothesis: better quality public services can lead to more satisfied users, which in turn can generate increased trust in government (Van de Walle and Bouckaert, 2003[37]; Yang and Holzer, 2006[38]).

In Finland, government revenue as a share of GDP, which is high by OECD standards, contributes to high-quality public services and, as highlighted in the previous section, low and relatively stable income inequality (OECD, 2018[39]). In particular, general government expenditures on social protection in Finland represented 24.9% of GDP in 2017, marking it the largest share among the OECD countries (whose average was 13.3%) (OECD, 2019[27]).

According to the survey carried out for this study, 50% of the Finnish population reports having had a recent experience with the education system, because they or their children have been enrolled in it over the last two years. In turn, 80% of the population reported having had a direct experience with the health system in the course of the last year. On average, for people having had a recent experience, satisfaction with the health and education systems is comparatively high, and it is slightly higher for education (84% of the population reported a score between 7 and 10) than for health services (79% of the population reported a score of 7-10) (see Box 2.2 on the importance of recent experience in Finland).

Figure 2.15. Average levels of satisfaction with education and healthcare services for people with recent experience using those services, 2020

Average on a scale of 1-10

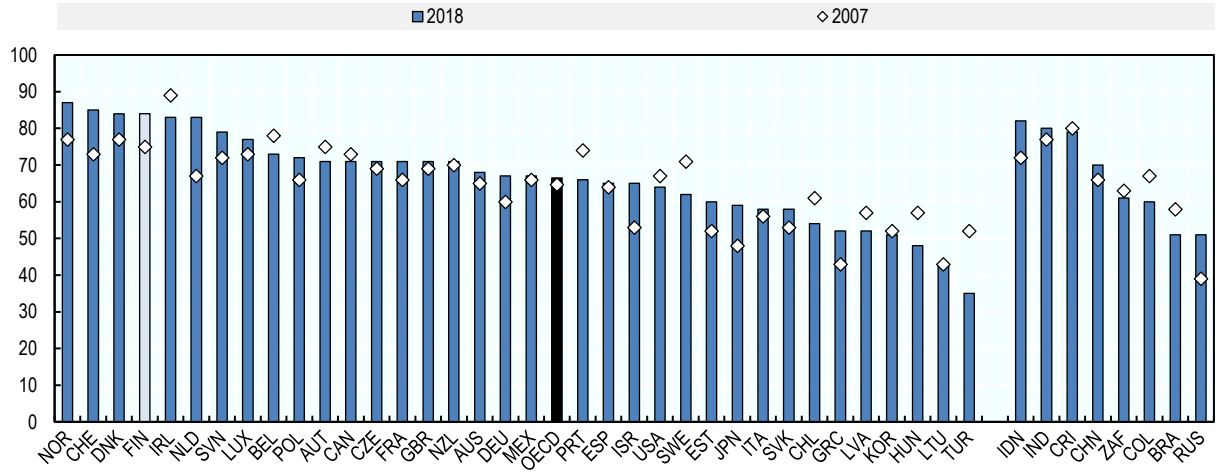


Notes: Question only applicable to people who reported having had a recent experience with the health and education systems. Average values to the questions. On a scale of 1-10, where 1 means not at all satisfied and 10 means completely satisfied, how satisfied are you with the quality of the educational system? How satisfied are you with the quality of the healthcare system?
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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When it comes to quality of services, Finland fares extremely well in comparative terms. According to the Better Life Index dataset, Finland ranks as the top OECD country in education. In Finland, 88% of adults aged 25-64 have completed an upper secondary education, higher than the OECD average of 78%. This is truer for women than for men, as 85% of men have successfully completed high school compared to 91% of women. Finland is a top-performing country in terms of the quality of its educational system. The average student scored 523 in reading literacy, maths and science in the OECD's Programme for International Student Assessment (PISA). This score is much higher than the OECD average of 486. On average in Finland, girls outperformed boys by 24 points, considerably more than the average OECD gap of 2 points. In addition, Finns aged 15 are the third-most satisfied with their lives among same-age young people in OECD countries (OECD, 2019[40]). Reflecting these excellent performance indicators, citizens' satisfaction with the education system and schools is indeed among the highest in the OECD and increased between 2007 and 2018 (Figure 2.16).

Figure 2.16. Citizens' satisfaction with the education system and schools, 2007 and 2018



Note: Data for Austria, Finland, Ireland, Norway, Portugal, the Slovak Republic, Slovenia and Switzerland are for 2006 and Luxembourg are for 2008 rather than 2007
Source: Gallup World Poll 2018 (database).

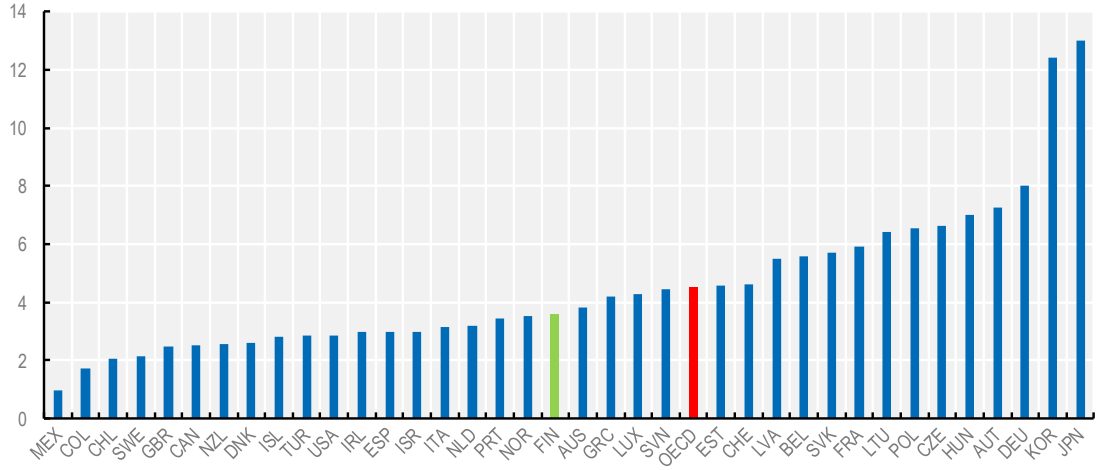
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Finland is a rapidly ageing society. According to the Finnish Institute for Health and Welfare, life expectancy has increased and at the same time the age of first-time mothers has risen and birth rates have declined. The share of people over 65 will increase from the current 22% to 26% by 2030 and to 29% by 2060 (THL 2021). In turn, in 2019, Finns identified "health and social security" as their number one concern (Figure 2.1). One of the most challenging aspects of the COVID-19 crisis is that it has put health systems under acute and constant stress and, in some contexts, they have been simply overwhelmed. Acting early to contain the spread of the virus was especially prudent for Finland because it had fewer hospital beds by international comparison (Figure 2.17), making it vital to flatten the infection curve early to avoid overwhelming the hospital capacity. In turn, the total number of ventilators in Finland, required for Intensive Care Units (ICUs), was about 1 000 at the beginning of the pandemic, 280 of which were located in the Uusimaa region (WHO; European Comission; and European Observatory of Health System and Policies, 2020[41]). After the declaration of the Emergency Powers Act, the government instructed all emergency care services to streamline their activities and hospitals in the Uusimaa region to increase their ICU capacity. All hospital districts trained more nurses and doctors to work in ICUs. ICU capacity has not been exceeded in any region since the beginning of the pandemic.

Finland was more successful in containing the COVID-19 epidemic than most other OECD countries. The cumulative incidence of confirmed cases and excess mortality rate by mid-August were lower than in most other countries and about 90% of confirmed cases hospitalised had recovered by late June. Finland succeeded in putting the death rate on a downward path when the total death rate was relatively low by international comparison. These outcomes are similar to the other Nordic countries, with the exception of Sweden (OECD, 2020[30]).

Figure 2.17 Hospital beds, 2019 or latest available

Total per 1000 inhabitants

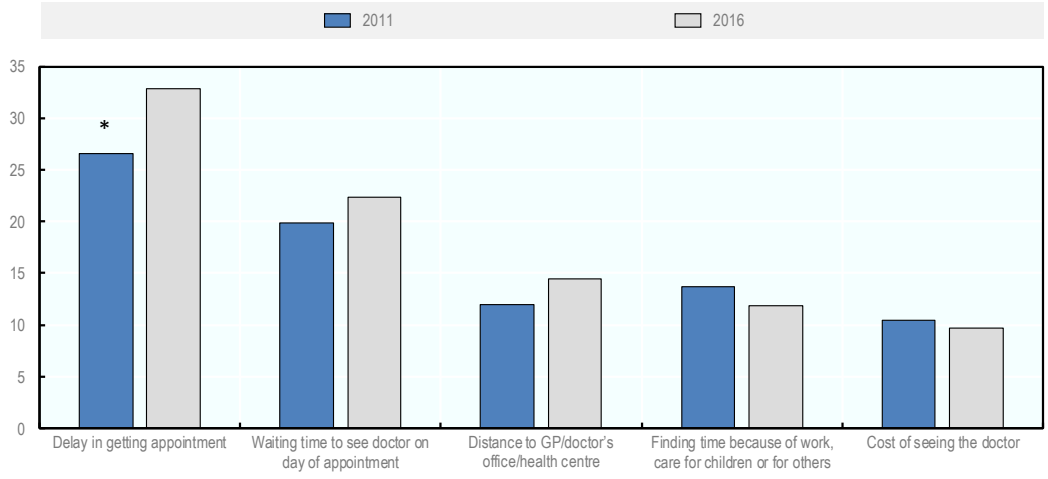


Source: OECD (2021), Hospital beds (indicator). (Accessed on 07 April 2021).

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While Finland has universal health coverage, there are some features of health service need to be considered, for example OECD research shows that it is among the bottom third performers with respect to "unmet health services", mainly because of waiting times[4] (OECD, 2019[42]). Figure 2.18 displays the difficulties reported by people when seeking access to health services. In 2016, about a third of the Finnish population reported experiencing a delay for getting a medical appointment, an increase of 6.3 percentage points from 2011.

Figure 2.18. Difficulties accessing health services, 2011 and 2016



* The difference is statistically significant at 95%.

Notes: Percentage of the population who answered very difficult and a little difficult to the question: Thinking about last time you needed to see or be treated by a general practitioner, family doctor or health centre, to what extent did any of the following make it difficult or not for you to do so: a) delay in getting an appointment; b) waiting time to see the doctor on the day of the appointment; c) cost of seeing the doctor; d) finding time because of work, care for children or others.

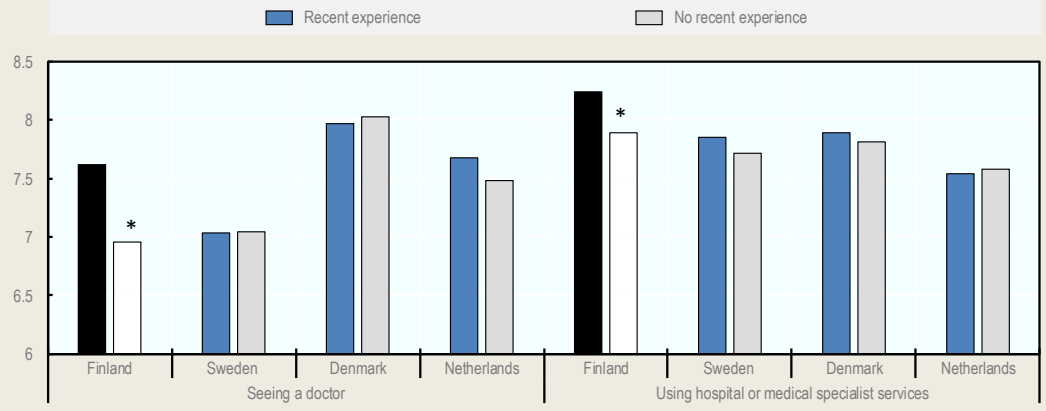
Source: OECD calculations based on the European Quality of Life Survey.

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Box 2.2. The role of experience in shaping satisfaction with services

Access to good-quality public services, such as education, healthcare, transportation and justice, is essential to people's lives. Overcoming challenges to accessing public services may require, among others, improving the affordability, geographic proximity and accessibility of information across social groups and places. It is expected that improving the quality of public services can lead to more satisfied users, which in turn can increase trust in government. Standard metrics of satisfaction with core services are included in cross-country comparative surveys. The European Quality of Life Survey goes a step further by asking questions on specific aspects of some services as well as their attributes (e.g. in the case of healthcare it asks about the quality of the facilities, expertise and professionalism of staff, courtesy of treatment, and patient involvement). It also addresses satisfaction on the basis of people's recent experience (e.g. over the past 12 months) with them, which is expected to have an effect on satisfaction (González, 2020[43]). Figure 2.19 shows average levels of satisfaction with: a general practitioner, family doctor or health centre services; and hospital or medical specialist services, in Denmark, Finland, the Netherlands and Sweden. Satisfaction levels in Finland are significantly higher for people with recent experience with such services (from an average of 6.9 to an average of 7.6 for experience with doctors and from 7.9 to 8.3 in the case of hospitals or specialists).

Figure 2.19. Satisfaction with specific health services, 2016



* The difference is statistically significant at 95%.
Notes: Average answers to the question: In general, how do you rate the quality of the following two healthcare services in your country? a) general practitioner, family doctor or health centre services; b) hospital or medical specialist service. Experience is based on an affirmative answer to the following question: Have you or someone else in your household used any of the following services in the last 12 months? a) general practitioner, family doctor or health centre services; b) hospital or medical specialist service.
Source: OECD calculations based in the European Quality of Life Survey.

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In addition, the "share of out-of-pocket expenditure[5] in household consumption" for healthcare is relatively high in Finland (OECD, 2019[27]). By integrating primary healthcare, specialised hospital care and social welfare services in the regions, the proposed healthcare reform aims to improve co-ordination as well as the system's overall performance. However, the governance of this reform has been complex and its

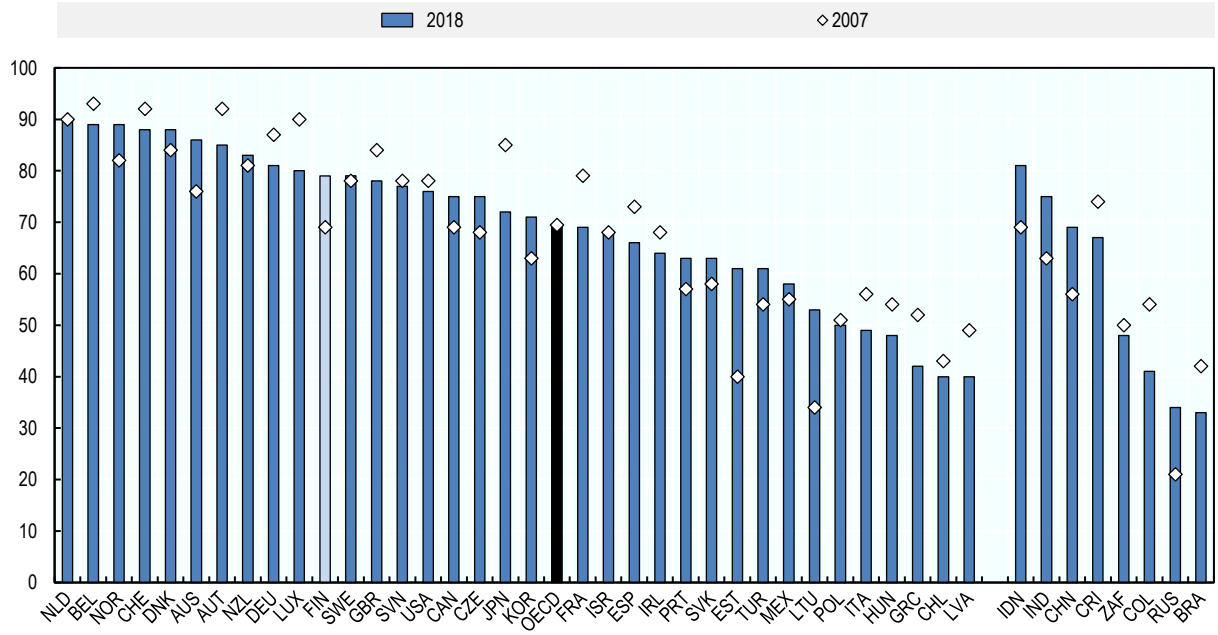
enactment and application postponed several times over the last 15 years. Yet, the government is committed to push it forward before the end of its term (see Section 2.3).

The preoccupation for health issues is, in particular, an issue for older segments of the population. More elderly people in Finland report poor health compared to the other Nordic countries: 9.5% of Finns in the 70-79 age group say that they have poor health, and for the oldest group (80+), the figure is 15.1%. By comparison, the figures for Norway are 7.5% and 11.4% respectively, and for Denmark 4.4% and 10.6% (Andreasson, 2018[36]). Indeed, while life expectancy has improved in Finland over the past two decades, many of these additional years of life are spent with some chronic diseases and disabilities, raising demands on health and long-term care systems (OECD, 2019[42]).

Also, while Finns aged 15-59 report feeling healthier than those in the other Nordic countries, younger Finns seem to grapple more with mental health problems, manifesting themselves in the form of stress, depression, anxiety, self-harm, consumption of antidepressants and, in extreme cases, suicide. In Finland, despite the overall high level of satisfaction with life and happiness, suicide is responsible for one-third of all deaths among 15-24 year olds (Andreasson, 2018[36]).

Nonetheless, despite these challenges, on average, citizen satisfaction with the healthcare system in Finland is higher than the OECD average and increased between 2007 and 2018 (Figure 2.20).

Figure 2.20. Citizens' satisfaction with the healthcare system, 2007 and 2018



Note: Data for Austria, Finland, Ireland, Norway, Portugal, the Slovak Republic, Slovenia and Switzerland are for 2006. Data for Luxembourg are for 2008 rather than 2007. For information on data for Israel, see: http://doi.org/10.1787/888932315602.
Source: Gallup World Poll 2018 (database).

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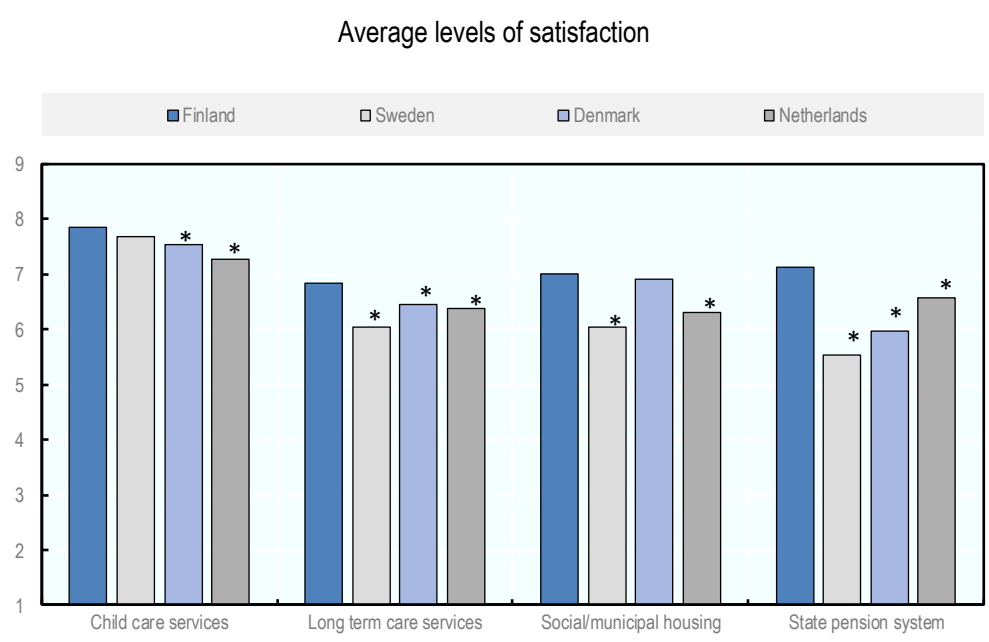
In addition to health and education, which are the most broadly considered public services, other (social) public services are key for improving people's quality of life. Figure 2.21 shows levels of satisfaction with four social services in Finland and some neighbouring and similar countries. Along with education and healthcare, access to services such as childcare and housing are key means to address inequalities and

the transmission of inequalities across generations. In general, Finland displays high average levels of satisfaction with childcare and housing, differences that are statistically significant in most cases.

Trust in institutions declines when people feel insecure about their income in old age; however, if they consider that the state pension system in their country is of good quality, their overall trust in institutions is considerably higher (Eurofound, 2019[44]). Finns report high satisfaction with their state pension system, a difference that is statistically significant with similar countries under study. Pensions in Finland are almost entirely publicly financed; however, ageing related costs driven by pension and health expenditures are a source of rising fiscal pressures, hence the pension system may need additional reforms to remain viable if the fertility rate, which is comparatively low, fails to recover (OECD, 2020[30]).

An ageing population also increases the need for long-term care services, particularly home-care and community-based services. Finland, the Netherlands and Sweden provide a relatively high proportion of publicly funded residential or nursing home-care services. While Finns stand as the most satisfied with their long-term care services, it is crucial to reflect on the provision model, the adaptation of services to new technologies and their sustainability in the context of an ageing population (Eurofound, 2019[44]).

Figure 2.21. Satisfaction with other public and social services, 2016



* The difference between the means is statistically significant at 95% when compared to Finland.
Notes: In general, how would you rate the quality of each of the following public services in your country? On a scale of 1-10, where 1 means very poor quality and 10 means very high quality**:** child care services, long-term care services, social/municipal housing, the state pension system.
Source: OECD calculations based on the European Quality of Life Survey.

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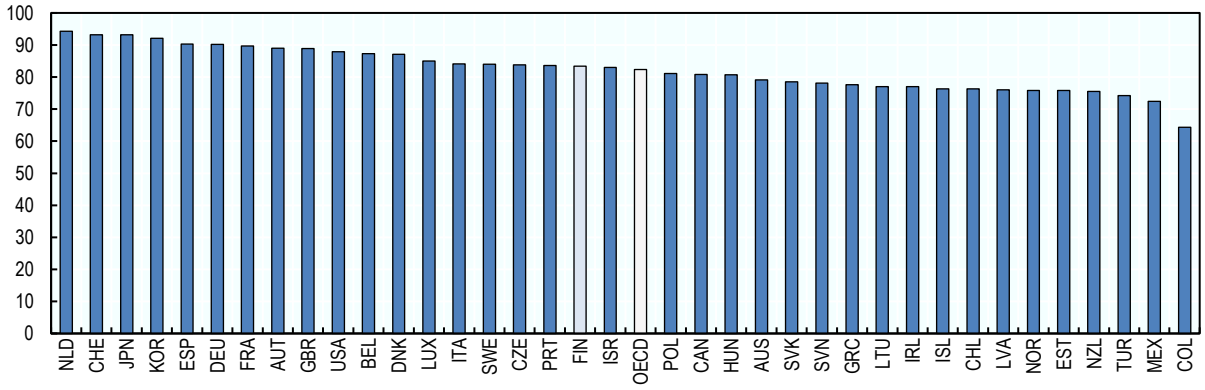
A further key public service is guaranteeing safety and security. Indeed, personal security is a core element for an individual's well-being. According to the 2019 OECD Better Life Index, in Finland, about 85% of people feel safe walking alone at night, more than the OECD average of 68%. However, violence against women remains high compared to other OECD countries. Thirty per cent of women in Finland have experienced physical and/or sexual violence from an intimate partner in their lives, compared to 22% in

the OECD on average (OECD, 2021[45]). Violence and intimate partner violence are among the biggest challenges to the enjoyment of civic freedoms in Finland (OECD, 2021[26]).

In turn, according to the latest OECD data, Finland's homicide rate is 1.3 murders per 100 000 inhabitants, lower than the OECD average of 3.7. Data from Eurobarometer 2019 shows that 93% of Finns trust the police, which is significantly higher than the EU average of 72% and higher than that of Sweden (87%) and Denmark (91%), but slightly lower than Iceland (94%).

With respect to providing infrastructure, Finland's score in the World Economic Forum's *Global Competitiveness Report 2019* is close to the OECD average, and better than Norway and Iceland, but slightly worse than Denmark and Sweden (World Economic Forum, 2019[46]) (Figure 2.22). This indicator measures both the quality of different components of the existing transport infrastructure and the utilities infrastructure. In particular, the indicator for transport infrastructure, however, is below the OECD average.

Figure 2.22. Infrastructure quality, 2019



Source: World Economic Forum (2019[46]).

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Results on the main factors influencing trust in institutions in Finland

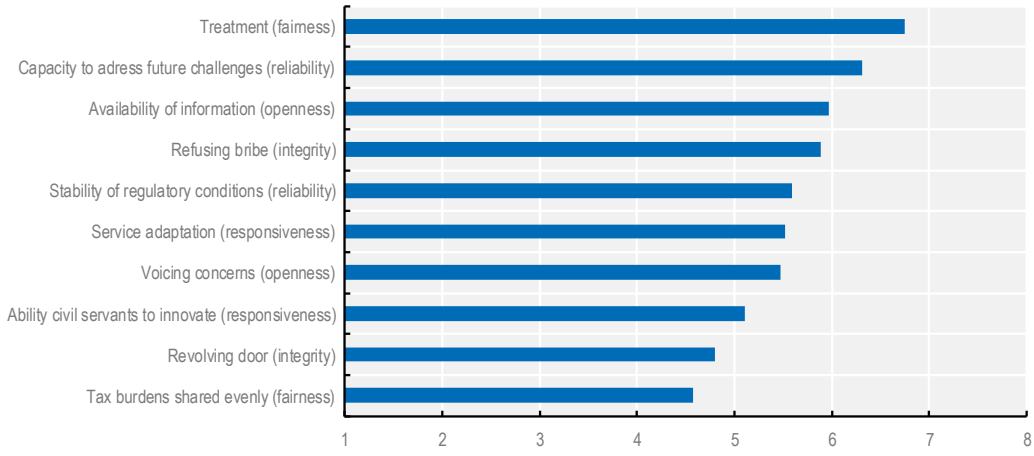
The OECD Trust Survey carried out as part of this case study allows, for the first time, a comprehensive analysis on the determinants of trust in Finland.

The survey includes ten situational questions to investigate people's perception and evaluation of public institutions' responsiveness, reliability, integrity, openness and fairness. In Finland, fairness – measured by equal treatment, reliability – measured as capacity to contain diseases, and openness – measured by ease to access information, received the most positive assessment by survey respondents (Figure 2.23, Panel A). Similar questions were fielded in Germany, Italy, Korea, Slovenia and the United States (through a similar country study in Korea (see Box 2.3) and through the Trustlab project; (Murtin et al., 2018[47])). With the exception of openness, Finland is the top performer in all the dimensions of the framework. For example, 62% of the Finnish population (the highest) considered the government fair, while this percentage was 23% in Korea (the lowest) in 2018. Compared to the other countries with available data, Finland displays the highest percentage of the population with a positive opinion on all the dimensions with the exception of openness (e.g. possibility to raise concerns if a decision affecting the community is to be taken), where the average score is higher for the United States (Figure 2.23, Panel B).

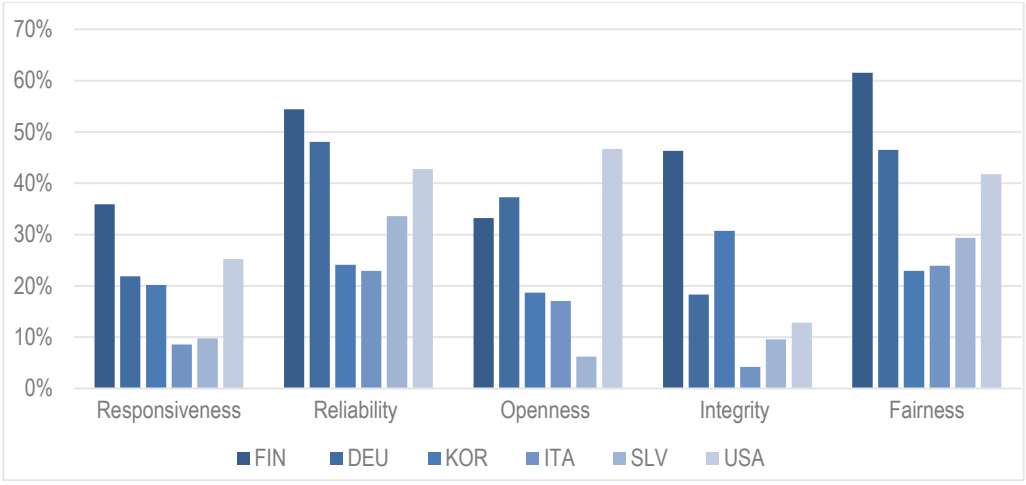
Figure 2.23. Comparative evidence on the determinants of trust in government institutions

Panel A. There is wide variation on the determinants of trust

Average on a scale of 1-10



Panel B. Percentage of the population considering their government to be responsive, reliable, open, honest and fair



Notes: The scale used for Finland is 1-10. The reliability question for Finland is on health shock. In the case of Finland, data are based on the special module on Trust in Public Institutions Survey, fielded by Statistics Finland in the framework of the Consumer Confidence Survey in August 2020. Panel A: The policy dimension is within brackets. Average value to the questions on the trust determinants. Panel B: Data for Germany, Italy, Slovenia and the United States are from 2017 and were collected through the Trustlab project. Data for Korea are also from 2017 and were collected by the Korean Development Institute in co-operation with the OECD. Percentage of the population answering 7-10 for each of the drivers.Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland, Trustlab, OECD/KDI.

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The analysis presented in the following pages focuses on three main trust indicators. Trust in the central government is the most widely used statistic in the field of trust and captures both political and institutional factors (OECD/KDI, 2018[48]; Algan, 2018[49]). The other two main trust indicators are trust in the local government and trust in the civil service. While these three concepts are not exclusive and some overlap

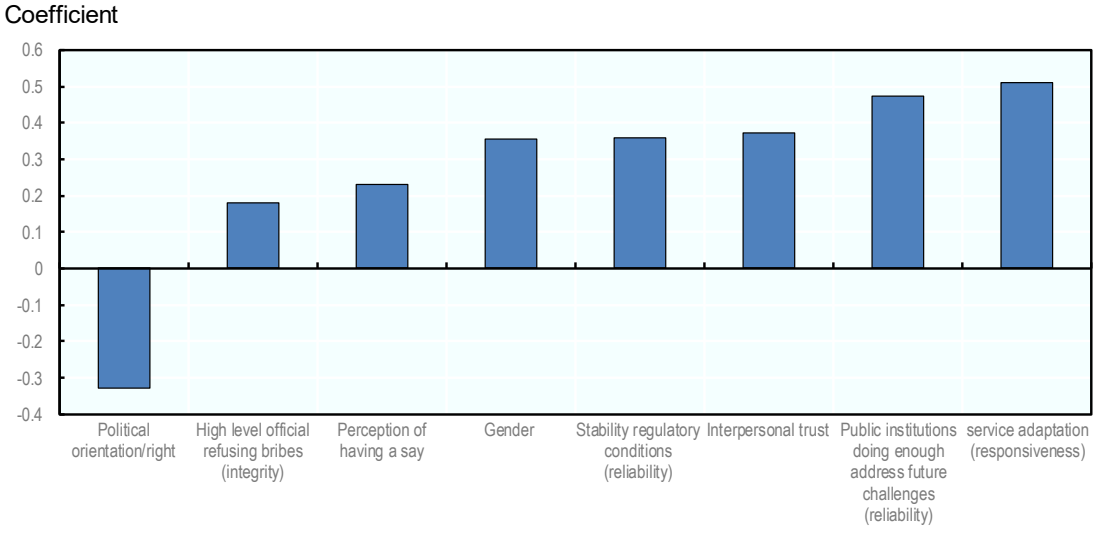
exists between them, analysing them independently could provide insight on the determinants of trust at different levels as well as guidance on how to prioritise action aimed at influencing trust levels. Before analysing the results in greater detail, it should be considered that the data collection took place during the COVID-19 pandemic, these exceptional circumstances that have altered people's lives and affected the economic and social context could therefore be influencing responses to the survey.

The three institutional variables referred to above are regressed on different trust determinants through stepwise regressions[6] (See Annex B). Figure 2.24 shows the determinants of trust in government. In each case, the policy dimension is given in brackets followed by the specific situations according to the OECD questionnaire. The most important explanatory factor of trust in government is the responsiveness of public services, meaning the extent to which people consider that they will be adapted to respond to their needs and views. If the responsiveness of services increases by one standard deviation, trust in government will increase by 0.5 points. The second highest factor influencing trust in government is the belief that public institutions are doing enough to address future challenges. Reliability of government, measured by the stability of regulatory and fiscal conditions, is also an element influencing trust in government, as is the perception of integrity by high-level public officials, particularly on what refers to their potential behaviour when mediating private interests.

Four additional elements beyond the OECD framework appear as determinants of trust in government in Finland. In agreement with previous literature, interpersonal trust, as a measure of social capital, influences trust in government in Finland (Bäck and Kestilä, 2009[18]). Second, the level of external political efficacy, or the perception of having a say in government decisions affecting them, explains levels of trust in government. Finally, two individual characteristics influence trust in government in Finland: 1) gender, with women trusting the government more than men; and 2) political orientation, with opinions to the right of the political spectrum resulting in low levels of trust.

Figure 2.24. Determinants of trust in government in Finland

Change in self-reported trust associated with one standard deviation increase in…



Notes: This figure shows the most robust determinants of self-reported trust in government in an ordinary least squares estimation that controls for individual characteristics. All variables depicted are statistically significant at 99%. The policy dimension is shown in brackets.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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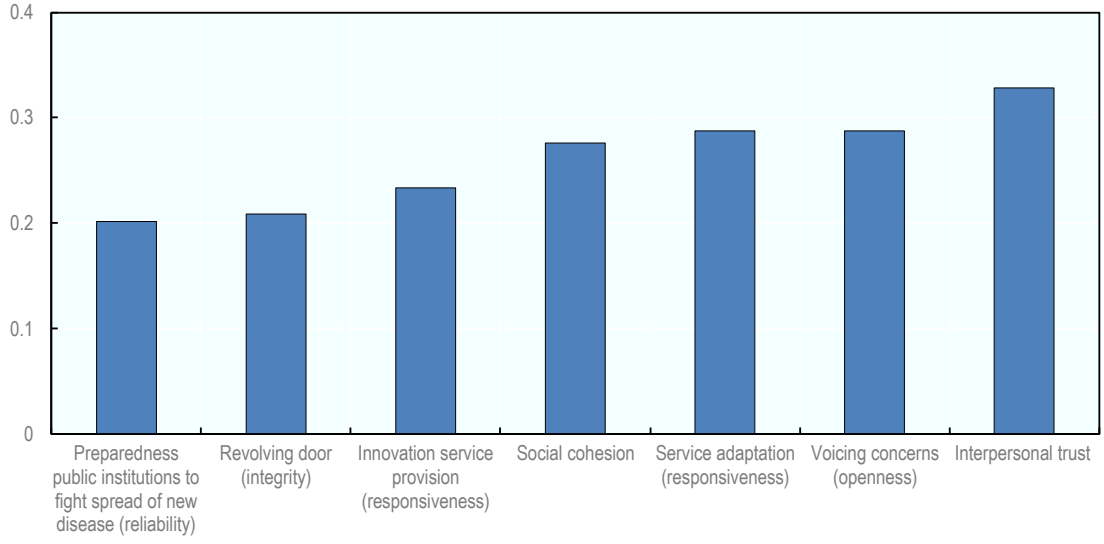
Approximately two-thirds of public services in Finland are provided by the municipalities. Self-governing municipalities provide services including preventive and basic healthcare, dental healthcare, social services, education (excluding universities), and cultural services (public libraries, youth services and

sports facilities, etc.), infrastructure and land use, promotion of the local economy and employment, and inspection functions (such as food safety, animal welfare, environmental protection, parking and public transport payments).

When analysing the causes of trust in the local government, some differences appear with respect to trust in the central government. While interpersonal trust and the responsiveness of services are statistically significant on the level of trust in local governments, as it is for trust in government, people's capacity to participate and express their views on public decisions affecting them (one of the aspects measured as part of the openness dimension), appeared as the second-most important factor influencing trust in the local government (Figure 2.25). Other statistically significant factors influencing trust in local government include the capacity of civil servants to innovate, perceptions of high standards of integrity, in particular related to the revolving door, preparedness of the health sector for fighting new diseases, and the belief that public institutions are doing enough to maintain social cohesion (Figure 2.25).

Figure 2.25. Determinants of trust in the local government in Finland, 2020

Change in self-reported trust associated with a one standard deviation increase in the broad policy dimensions and other determinants



Notes: This figure shows the most robust determinants of self-reported trust in government in an ordinary least squares estimation that controls for individual characteristics. All variables depicted are statistically significant at 99%. The policy dimension is shown in brackets.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

StatLink https://doi.org/10.1787/888934237919

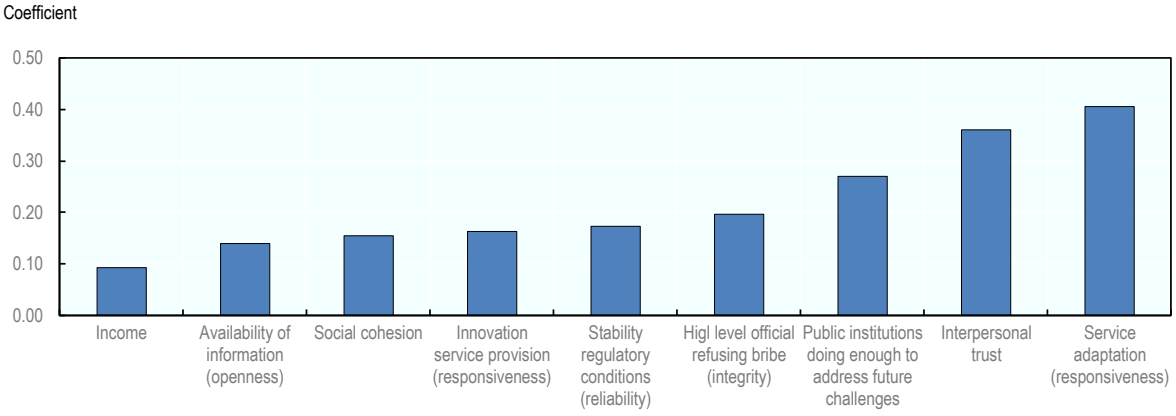
The third factor refers to trust in the civil service. Public servants are directly responsible for exercising public authority and it is with them that people have the most interactions. Moreover, they represent public values and are responsible for designing and implementing policies.

Trust in the civil service, which has the highest starting value of the three institutions considered (see Section 1.1), is influenced by elements also captured by trust in government and/or trust in the local government, along with some additional ones. The responsiveness of services, followed by interpersonal trust and the capacity to address future challenges (dimension of reliability) are the key determinants for building trust in the civil service. Although weak, openness – and particularly what relates to having access to information about administrative procedures in a timely and user-friendly manner – is a unique determinant influencing trust in the civil service. In terms of individual characteristics, people in a higher income group tend to trust the civil service slightly more (Figure 2.26).

A summary of the main drivers of trust in the government, local government and civil service is included in Figure 2.27, which shows which drivers are common to the three institutions and which are distinctive.

Figure 2.26. Determinants of trust in the civil service in Finland, 2020

Change in self-reported trust associated with a one standard deviation increase in…
Coefficient



Notes: This figure shows the most robust determinants of self-reported trust in government in an ordinary least squares estimation that controls for individual characteristics. All variables depicted are statistically significant at 95%. The policy dimension is shown in brackets.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

StatLink https://doi.org/10.1787/888934237938

Figure 2.27. Comparison of the determinants of trust in the different public institutions in Finland

	Trust in government	Trust in local government	Trust in civil service
Political orientation/right			
High level official refusing bribe (integrity)			(+)
Perception of having a say			
Gender			
Stability regulatory conditions (reliability)	(+)		
Interpersonal trust	(+)		
Public institutions doing enough to address	(+)		
Service adaptation (responsiveness)			
Preparedness public institutions to fight			
spread of new disease (reliability)			
Revolving door (integrity)			
Innovation service provision (responsiveness)		(+)	
Social cohesion		(+)	
Income			
Availability of information (openness)			

variables that influence trust in more than one institution
variables tha influence trust in a single institution

Notes: This figure shows the most robust determinants of self-reported trust in government in an ordinary least squares estimation that controls for individual characteristics. All variables depicted are statistically significant at 95%. + presents the institution for which the coefficient is the highest. The policy dimension is shown in brackets.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

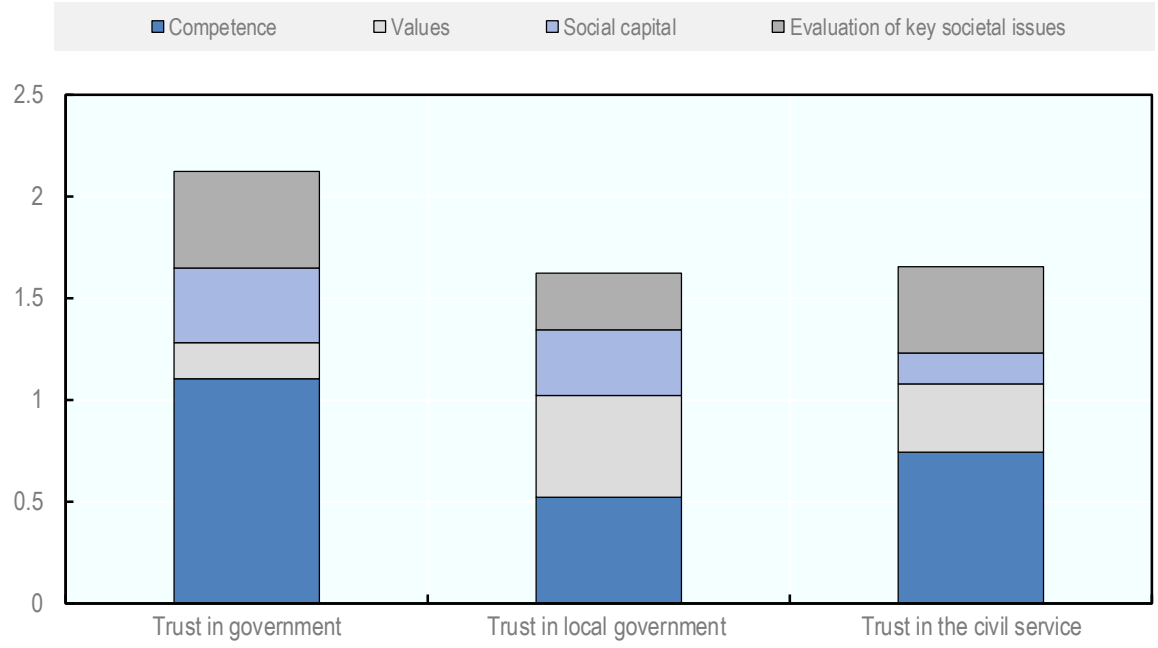
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Figure 2.28 presents the expected changes in the level of trust in government, local government and the civil service following a one standard deviation increase in each of the factors that turned out to be statistically significant. For example, if the different components of competence (i.e. service responsiveness and stability of regulatory conditions) increased by one standard deviation, trust in national government would increase 1.10 points. Similarly, if significant components of values (i.e. refusing a bribe) increased by one standard deviation, trust would increase by 0.18 points.

In the case of local government, an increase of one standard deviation in competences or in values (e.g. engagement opportunities, absence of revolving-door practices) would lead to an increase of 0.52, or 0.50 respectively, in trust. In the case of the civil service, an increase of one standard deviation in competences would lead to an increase of 0.74 in trust and an increase in values to 0.34. Still, for the three trust variables studied, government competences have a higher relative effect than values and particularly what relates to the responsiveness of services and government preparedness about the future.

Figure 2.28. The drivers of self-reported trust in public institutions in Finland, 2020

Change in self-reported trust associated with a one standard deviation increase in aggregate policy dimensions or other determinants



Notes: This figure shows the most robust determinants of self-reported trust in government in an ordinary least squares estimation that controls for individual characteristics. All variables depicted are statistically significant at 95%.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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Box 2.3. Understanding the drivers of trust in government institutions in Korea

In 2017, the OECD, in co-operation with the Korean Development Institute, undertook the first country case study on the determinants of trust in government institutions. Despite the fact that Korea was a top performer in several comparative measures of public governance, people's trust in their institutions was consistently low. As part of this case study and for the first time, a household survey on the determinants of institutional trust following the OECD framework was fielded.

The results from the case study showed the relative importance of different elements associated with government performance in shaping levels of institutional trust in Korea. Among the most important factors were the flexibility of public servants to innovate, the stability of regulatory and fiscal conditions and fairness in the outcomes of policies (i.e. tax reforms) across different income groups, the effectiveness of disaster management plans, and the availability of information. As part of its Innovation Strategy for achieving a government of the people through government innovation, the Korean government set building trustworthy institutions as one of its key objectives. Improving the relative performance in trust indicators is stated as a concrete outcome expected from the strategy. In order to achieve such a goal as well as all other objectives set by the strategy, the following commitments have been made.

- reform the financial system to pursue social values
- establish a personnel, organisation and performance evaluation system that make a difference in citizens' lives
- work with citizens to make policies meet their needs
- pursue an open government, fully disclosing information and sharing resources with the public
- break down silos for the government to work better
- work towards a fair and transparent public service that citizens want
- carry out citizen-centred innovation in the four areas of data, creativity, regulatory reform and zero waste of resources.

Sources: Based on OECD/KDI (2018[48]); Korean Ministry of the Interior and Safety (MOIS) Innovation Strategy.

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Notes

[1] For Independence Day 2019, the Finish statistical office, Statistics Finland, compiled a list of achievements in a range of areas (https://www.stat.fi/tup/tilastokirjasto/itsenaisyyspaiva-2019_en.html). See also some key indicators at: https://data.oecd.org/finland.htm.

[2] The wording in both surveys is different. While Eurobarometer asks about the public administration, the survey fielded for this study asks about the civil service (*Valtionhallinto*).

[3] It has been recognised in other places that the concept of caution in the trust question might be problematic, since being careful could carry quite different connotations for different population subgroups; carefulness might imply something else for someone who is weak and vulnerable compared to an athletic, bright and well-off person. An experiment conducted jointly by the OECD and the UK Office for National Statistics in October 2015 and May 2016 confirms the intuition of a caution rider effect on certain groups, women vs. men and older vs. younger people.

[4] All residents of Finland, as long as they are registered as living in one of the municipalities, have access to publicly funded health services. The benefit package is broad and covers all services provided by the municipal health system, although waiting times for services vary. Despite waiting time guarantees for primary healthcare and specialised services, long waiting lists are a persistent feature of the Finnish health system. Access is worse for people who are not eligible for occupational healthcare, such as unemployed and retired people. Lack of co-ordination between primary and secondary care settings is another issue, as well as variation in the availability, standards and quality of services. The same is true for co-ordination between health services and social welfare services, although these services are increasingly merged in the municipalities.

[5] In terms of public spending priorities, the share of government spending allocated to health is lower in Finland than in the EU as a whole and in other Nordic countries, at 13% in 2017 compared to 16% (EU average and Denmark) and 18% (Sweden and Norway). Three-quarters of health spending is financed through public sources (compared to an EU average of 79%), with the remaining 25% paid by private sources (higher than the 15-18% share in other Nordic countries and the EU average of 21%). Most of this private expenditure comes from out-of-pocket payments, of which outpatient medical care, dental care, pharmaceuticals and long-term care account for the majority.

[6] In statistics, stepwise regression is a method of fitting regression models in which the choice of predictive variables is carried out by an automatic procedure. In each step, a variable is considered for addition to or subtraction from the set of explanatory variables. Only variables adding to the explanatory power of the model are kept.

3 Drivers of trust in government in Finland: Competence

This chapter builds on the empirical analysis carried out for this case study. It deepens the analysis in a key driver of trust: competence. This encompasses responsiveness, or government's ability to deliver services at the quality level that people expect, and reliability, or the effective management of social, economic and political uncertainty, all the while incorporating evolving needs and addressing future challenges. It discusses several trends with the potential of influencing public trust: the long-awaited reform of the socio-health service provision; service design and delivery in the digital age; the strengthening of an ecosystem that promotes innovation in the public administration; and the integration of foresight exercises into policy making. It puts forward some opportunities for policy actions that could contribute to strengthening the Finnish trust capital.

Responsiveness

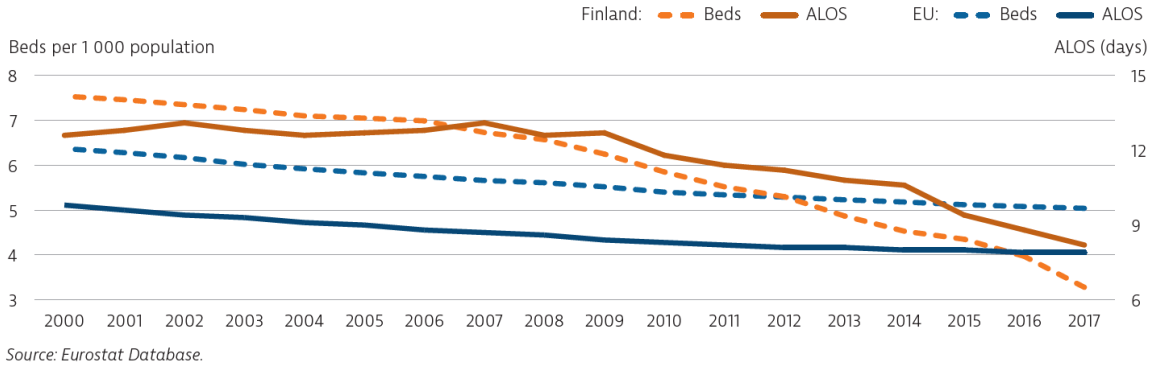
Responsiveness reflects the core objective of the public administration: to serve citizens and deliver what is needed as expected (OECD, 2017[1]).[1] In particular, the survey carried out as part of this case study formulates the responsiveness questions in terms of public services; particularly, their development and adaptability to people's needs and expectations. According to the empirical results presented in Chapter 2, the extent to which people believe that services will be adapted following their feedback and in agreement with their expectations is the dimension with the largest influence on trust in Finland. This finding is consistent across the three institutions tested (i.e. the government, the local government and the civil service). Furthermore, the extent to which people think that the public administration allows civil servants to put in place innovative ideas has a positive effect on trust in the local government.

The interviews conducted as part of this study as well as information from secondary sources identify three transformations of public services in Finland that can enhance and maintain public trust. These are: 1) the long-awaited reform of the socio-health service provision; 2) service design and delivery in the digital age; and 3) strengthening the development of an ecosystem that promotes innovation in the public administration.

Reform of socio-health service provision

The health system in Finland performs well in comparative standards: health services are fairly effective, life expectancy has increased in the past 20 years and mortality from treatable causes is lower in Finland than the EU average (Keskimaki et al., 2019[2]). The efficiency of the health system has improved in the past ten years: Finland now has a lower number of hospital beds per population than the EU average. The rapid reduction in the number of beds over the past decade has been accompanied by a rapid reduction in the average length of stay (Figure 3.1), and so far these do not seem to have resulted in any discernible reduction in access or quality of health.

Figure 3.1. Number of hospital beds and average length of stay, Finland and the EU average, 2000-17



Note: ALOS: average length of stay.
Source: OECD (2019[3]) based on Eurostat.

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Regardless of these results, consensus exists on the need to reform the health system, which is highly decentralised and fragmented both in terms of financing and coverage. Population ageing is adding pressure on health expenditure and threatening the resilience of the health system. The proposed reform

includes greater centralisation of responsibilities and resources from the municipalities to the regions to improve equal access to care while containing costs (Box 3.1).

Historically, local government's capacity to provide public services has been considered weak and the resources for providing equal health services with similar quality insufficient (EU, 2018[4]). To a large extent, the reform under preparation is a territorial reform. Several mergers of small municipalities have occurred, but these have been voluntary and politically difficult as it is hard to ensure similar service provision. On their end, municipalities have complained about excessive statutory obligations and administrative burden with insufficient resources (EU, 2018[4]).

Comprehensive reforms of the health system have proven difficult to implement over the past 15 years and changes have been predominantly incremental and mainly focused on modifying existing features without fundamentally changing the structure of the health system (OECD, 2019[3]).

During the interviews carried out for this study, the reform of the Finnish healthcare system was raised several times as likely having effects on levels of institutional trust. While interviewees were generally in agreement with the reform, they expressed a lack of confidence in the capacity of the government to deliver on its promises given the previous failures. They also raised concerns that the objectives set out in the reform may have a negative effect on the quality of the Finnish health system.

There are essentially two channels through which the healthcare reform may affect levels of trust in government. The first has to do with the process put in place to pass the reform. The current government has set up an interministerial group to advance the preparation of the reform. However, the multiplicity of objectives and interests from different sectors and levels of government require an intense and difficult consensus-building process and a clarification of the responsibilities of the different stakeholders. Given the previous failed attempts, it is important to facilitate the participation of citizens during the process to allow them to voice their concerns and expectations of the key features of health services that have so far received a high rating.

Second, the health reform raises trust concerns because of pre-existing health inequalities between regions and among population groups that may deepen if they are not directly addressed, as the reform that pursues the objectives of geographical concentration of services and containment of cost. For example, socio-economic inequalities in access to health and health status (obesity) still persist and are largely attributed to the prevalence of lifestyle risk factors such as smoking and alcohol use that are higher in people with lower levels of income or education. Furthermore, people living in the northern, eastern and central regions have less access to health services than the rest of the country (Keskimaki et al., 2019[2]) and these regions also display levels of institutional trust (see Chapter 2).

Finally, the reform is going to be discussed in a context of increasing budgetary pressures, where health costs were already expected to increase in the long term due to the ageing population and the update of medical technologies (OECD, 2015[5]). Now there is additional pressure to manage COVID-19. In light of mounting fiscal sustainability concerns, a transparent and people-centred reform plan with numerical targets, expected milestones and a clear time frame also of civil society consultation, should be established as soon as possible to avoid further uncertainty that could hamper the government's legitimacy and have an effect on levels of trust.

Box 3.1. Key characteristics of the Finnish health system and reform attempts

The Finnish health system is governed at national and local levels. At the national level, the Ministry of Social Affairs and Health is responsible for developing and implementing health reforms and policies, with extensive support from a large network of expert and advisory bodies. Local authorities (over 300 municipalities) fund and organise (often jointly) the provision of primary care, and form 20 hospital districts to fund and provide hospital care. The national Social Insurance Institution runs the statutory National Health Inisurance (NHI) scheme. It funds outpatient pharmaceuticals, healthcare-related travel costs, sickness and maternity allowances. The NHI is financed through compulsory employment contributions, while primary and hospital care are funded through taxes collected by the municipalities as well as subsidies from the national government.

While high levels of decentralisation allow the health system to adapt to the needs of a dispersed population, it generates some inequalities and inefficiencies. Agreement has been broad on the need to reform the Finnish health system for over a decade, but reaching policy consensus on how the reform should be implemented has proven very difficult. A number of factors have made it impossible so far to implement a fundamental reform, including the lack of a clear vision, difficulties in reaching political consensus, the weak position of the central government, decentralised decision making and a number of vested interests in the system. Table 3.1 presents a chronology of reforms to the healthcare sector over the past 15 years.

The current reform pursues several objectives that could be described around the following lines: recentralisation of the organisational structure from the local to the regional level; containment of costs; ensuring fair and high-quality social and health services for all Finns; securing the availability of skilled labour in the health sector in view of demographic and social changes; strengthening the focus on prevention, diagnosis and early detection; and increasing patients' choice.

Table 3.1. Policy measures and initiatives to reform the health sector in Finland

Year	Policy measure or reform effort
2007	Law on Restructuring Local Government Services
2008	Law on User Fees in Social Health Care
2009	Amendments to the Medicines Act (reference pricing)
2009	Law on Vouchers in Health Care and Social Service
2010	Health Care Act
2013-17	Pharmaceutical cost containment and changes to the pharmaceutical coverage
2014	Cross-border Healthcare Act
2014	All-party proposal on reforming healthcare and social services (failed)
2015	Decree on Users' Fees in Social and Health Care
2017	Decree on the Centralisation of Specialist Services
2017	Decree on Emergency Care Services
2017	New Alcohol Act
2015-19	Government proposal for regional government health and social services (failed)

Source: OECD (2019[3]).

Service design and delivery in the digital age

Finland is a highly digitalised society. According to the latest available data from Eurostat, in 2020, 88% of the Finnish population used the Internet to interact with the authorities, a 24 percentage point increase from 2009 and significantly higher than the EU average (63%). In turn, 74% of the population reported having completed a form on line (35 percentage points higher than in 2009) and significantly above the EU average (38%). Still, it is widely acknowledged that the pace and depth of the digital transformation has the potential to change the interactions between people and their administration by shaping the way and means that services are designed and delivered in the public sector.

In particular, strategic use of digital technologies and data offers an opportunity to rethink cumbersome processes from the outset, placing the expectations and needs of users at the core of digital transformation reforms (OECD, 2020[6]). Yet, as any transformation, the digital one also brings challenges in terms of social inclusion that, in turn, can impact public trust. The digital divide may affect older generations, who might find it difficult to keep up with the digitalised way to access services due to the lack of proper skills or tools to do so. It may also impact people living in rural and remote rural areas, where connectivity is generally less available or limited to a more restricted number of channels. The fast pace of change in private digital services may challenge the availability, timeliness, ease of use and responsiveness of public services, with people in turn developing similar expectations for public and private services. Yet, public services are bound to more strict criteria in terms of their application and should ensure an omni-channel approach that, realising the benefits of the strategic use of digital technologies and data, also allows different population groups to be included (OECD, 2020[7]).

The empirical results carried out as part of this study indicate that responsiveness and transformation of services are among the most important factors influencing trust in government, the local government and the public administration in Finland (see Figures 2.24-2.26). In turn, during the interviews carried out for this study, the digital transformation was mentioned as the most important trend in service design and delivery. Service design and delivery through digital channels has been and remains a priority of Finnish administrations. The previous government defined a ten-year objective to increase productivity in public services (i.e. more or the same users with the same or fewer resources) by grasping the opportunities offered by digitalisation. In turn, “improving digital accessibility and encouraging wider use of plain language” is one of the axes of the current public administration strategy.

Digital government can have a transformational role if used to foster a coherent and aligned use of digital technologies and data to guide service design and delivery, giving a central role to the needs and expectations of users, regardless their preferred channel. Unlike silo-based and technology-led *digitisation* processes (known as “e-government”), the digital transformation of the public sector requires a comprehensive and cohesive strategic approach to advance the digital competence of public organisations and contribute to the digital maturity of the public sector as a whole. This also implies building a culture in the public sector that places citizens and their needs at the core of their digitalisation efforts, which serves as a leading block to frame the design and delivery of services.

The Finnish administration undertook several initiatives to increase the availability of digital services. These include the establishment of a central service portal and a number of initiatives at the institutional level for providing services through digital channels, including the Suomi.fi e-Authorizations service, the Incomes Register, the automation of financial administration and the Real-Time Economy, the digitalisation of the government subsidies system and the digitalisation of healthcare services (Omaolo.fi and Virtual Hospital 2.0). These examples evidence the high levels of services digitalisation in Finland which, however, has been to a certain degree decentralised. This has resulted in the lack of a whole-of-government approach and siloed progress. Legal tools such as the Act and Decree on the Provision of Shared Government Information and Communications Technology Services have been important in advancing towards are more integrated approach to service design and delivery which, in any case, could be further strengthened in view of improving the users’ experience.

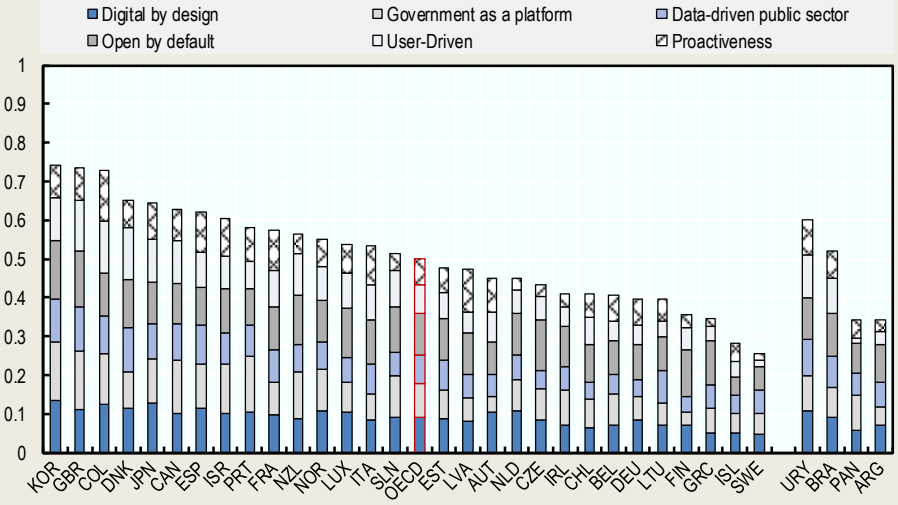
In turn, the administration has also advanced in the provision of services under a omni-channel approach and through centralised service catalogues so that users can easily find them and the aggregation of services provided through different channels and by ensuring the coherence and consistency of the different channels. In this context, the Act on the Public Administration's Joint Service was amended in 2017 to support the digitalisation of different services in view of reaching users through several channels that are aligned with their needs.

Despite these efforts, some areas for improvement remain in order to fully reap the benefits of digital technologies as tools for increasing the responsiveness (e.g through informing the design, adaptation and delivery) of services for enhancing public trust. Finland fares comparatively low among OECD countries in several components of the OECD Digital Government Index (see Box 3.2).

Box 3.2. The OECD Digital Government Index

The OECD Digital Government Index assesses and benchmarks the level of maturity of digital government policies and their implementation under a coherent and whole-of-government approach. It aims to measure the extent to which governments are becoming digitally competent to foster integrated and coherent operations as well as end-to-end transformation of service design and delivery. By doing so, the Digital Government Index aims to help appraise the competence of governments to operate in an increasingly digital and global world. The Index is composed of six dimensions based on the OECD Digital Government Policy Framework, each of them with an equal weight (0.16): digital by design, data-driven public sector, government as a platform, open by default, user-driven and proactiveness.

Figure 3.2. OECD Digital Government Index, 2019



Note: Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Turkey or the United States.

Source: OECD Survey on Digital Government 1.0.

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In 2019, the OECD average Digital Government Index score was 0.5, with 15 out of 29 countries surpassing this threshold. Overall, results show that OECD countries present positive yet limited results in the coherent and whole-of-government approach to use digital technologies and data to transform the public sector. The best results are attained in open by default and digital by design dimensions, reflecting governments' actions in the past years to open up government data and processes as well as to set the foundations (e.g. governance, digital tools and infrastructure) for sustainable and effective digital transformation reforms. In contrast, the lowest scores are obtained in the data-driven public

sector dimension, indicating the limited progress for valuing data as a strategic asset to improve and break down policy decision making and service design and delivery.

Countries with the best performance in the 2019 edition stand out given their comprehensive digital government policies and long-standing institutional arrangements, which translate into higher levels of maturity to implement digital government reforms. Strong results of outstanding countries in digital by design combined with user-driven and data-driven dimensions favour the establishment of coherent governance mechanisms and strategic use of digital technologies and data to rethink cumbersome processes and services from the outset, placing the expectations and needs of users at the core of public sector reforms.

In contrast, bottom performers present great room for improvement in setting a whole-of-government strategic approach and policy frameworks for the use of digital technologies and data to effectively equip governments to become user-driven and proactive. Moving towards higher maturity of digital government approaches offers an opportunity for citizens to have a central role in shaping services according to their needs, and for governments to attain higher levels of user satisfaction on services and trust in public sector organisations.
Source: OECD (2020[7]).

Civil servants: Competence and innovation

The empirical results carried out for this study indicate that the Finnish population assesses positively the innovation capacity of civil servants and this has a positive effect on trust in the civil service and local government. Civil servants' motivation to innovate requires that public employees have trust in their organisation. If the incentives for employees do not promote taking risks – trying new things and learning from their results – then employees will never feel encouraged to innovate. However, if there is a risk that innovations may go wrong and result in scandals, this likely would not help public trust. The challenge for managers is to create an environment where civil servants can test ideas in safe places (e.g. labs, "sandboxes", etc.) and learn openly from their experience, whether positive or negative. In this context, the OECD leadership capabilities model proposes two main groups of functions. The first relates to having capable people in leadership positions; the second relates to providing senior civil servants an enabling environment to innovate once in the position (Gerson, 2020[8]).

Finland has taken steps to instil innovation in the administration, as evidenced by projects such as the framework for experimental policy and resulting in an experimentation team under the Prime Minister's Office during the previous government's term with the collaboration of strategic partners (i.e. Demos Helsinki). Through this platform, several experiments, including on basic income and other grassroots experiments, were carried out. Nevertheless, several barriers to public sector innovation do exist, in particular in translating the government action plan into concrete actions that could result in a tendency to fragmentation. These challenges include: leaders' capabilities to balance horizontal and vertical priorities and to adapt to new ways of working; and a range of institutional factors outside the leadership capability realm, such as resource allocations for horizontal projects, structural arrangements and accountability mechanisms (Gerson, 2020[8]). In addition, while experimentation is acknowledged as providing key insight for preparing systems change in government, generalising it and putting it in place may require a change in the working culture that could be lengthy and hard to obtain (Tõnurist, 2017[9]).

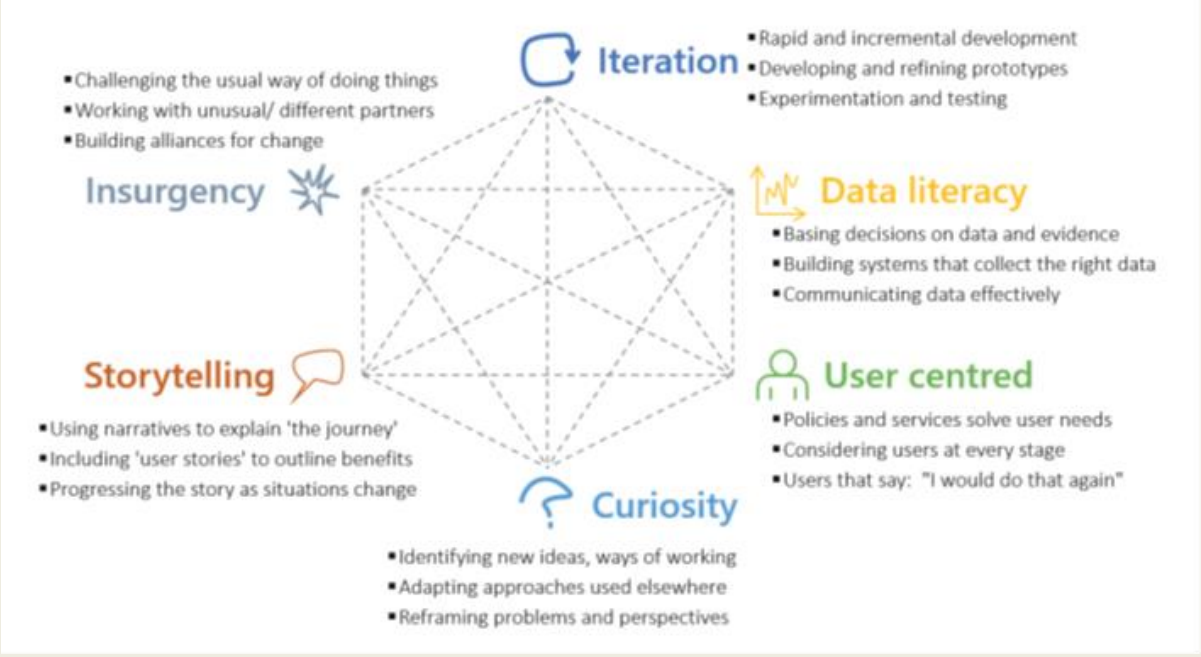
Some of these cultural barriers could be associated with an organisational culture whereby top civil servants tend to emphasise more following the rules (as opposed to achieving results) than their peers in other administrative cultures, such as the Anglo-Saxon, Germanic and Napoleonic countries (Virtanen, 2016[10]). Among these, a civil servants survey carried out by the Minister of Finance found that expertise, impartiality and independence, rule of law, responsibility, and trust were considered to be the core values in the state administration. In turn, innovation, economic efficiency and collegiality were among the bottom third values when comparing average scores (Ministry of Finance, 2017[11]). Finland is already making

progress in enhancing innovation as a core value within the administration and achieving systemic change that could consolidate this process. Some basic conditions to be endorsed by the top management could foster and generalise innovation (Box 3.3).

Box 3.3. Organisational stewardship: The Irish case study

This box presents key takeaways from an Irish case study that explores the role of leadership in driving public sector innovation to meet the challenges posed by digital, artificial intelligence and heightened customer expectations. The case study was conducted on the basis of the OECD innovation skills model.

Figure 3.3. Six skills areas for public sector innovation



Source: www.oecd.org/media/oecdorg/satellitesites/opsi/contents/files/OECD_OPSI-core_skills_for_public_sector_innovation-201704.pdf.

One starting point was the OECD's innovation skills model, which provides six core skill sets that all public organisations need to nurture to embed innovation capabilities. Senior civil servants are not asked to master all of the skills, but should play an active stewardship role to ensure that their organisations have access to these skills and the right conditions to best put them to use.

Participants agreed that leading innovation in a digital government presents a need to redefine what leaders are and the roles they play in public organisations. More than ever before, leaders need to develop a keen sense of self-awareness and honest self-reflection. They need to know their strengths, surround themselves with others who balance their strengths, and give these people the space and trust to question and challenge. And this must be grounded in solid public sector values, to ensure that diversity of thought is guided by the right common motives and objectives.

Some of the stewardship interventions that could support this include an innovation strategy to ensure that employees across their organisations have a common understanding of what innovation is, that they are fully equipped with the skills to innovate and that they understand that they have the permission to innovate. This could be supported through closer communication channels between front-line and senior management, to improve the exchange of ideas and enable local innovations to be brought to scale. Senior civil servants also discussed better use of employee surveys, which provide rich data to understand the viewpoints of the workforce. Many also discussed concrete ways of creating safe spaces for trial and experimentation within their organisations, and platforms to share ideas and experience within and across organisations.

Source: Gerson (2020[8]).

The Finnish civil service is viewed as highly competent and trustworthy. As part of its transformation and adaptation is the quest for bringing and updating the necessary skills to cope with future challenge and prepare the next generation of civil servants. In this context and beyond innovation, other competences in the administration are also crucial for maintaining high levels of institutional trust. However, during the interviews carried out for this study, some respondents indicated concerns about preparing the next generation of civil servants in view of maintaining high levels of effectiveness of the public administration. Finland has undergone several reforms over the past decade and used a wide array of instruments to restructure and reduce public employment, following fiscal constraints. Such efforts include privatisation, decentralisation of employment, supporting voluntary departures, dismissals, annual productivity targets, outsourcing, recruitment freeze, and non- or partial replacement of retiring persons (OECD, 2015[10]).

In view of possible further pressure to achieve fiscal sustainability through cost reduction in the public administration in the coming years, it is of utmost importance that the public sector maintains its attractiveness as an employer by reinforcing core features of the Nordic model, such as emphasis on public service motivation, professional work values and usefulness for society as a value (Dahlström and Lapuente, 2017[11]). In the Nordic model, public officials are recognised as playing a key role in building and defining the trust relationships, as such that if people find public servants to be less trustworthy, they could then make an inference that most other people cannot be trusted either and this will undermine social cohesion, a determinant of trust in the civil service as shown by the empirical results. As emphasised by Rothstein (2013[12]): “If it proves that I cannot trust the local policemen, judges, teachers and doctors, then whom in the society can I trust? The ethics of public officials become central not only with respect to how they do their jobs, but also the signals they send to citizens about the kind of ‘game’ is being played in the society”.

Accordingly, strengthening and giving value to the image of civil servants is crucial for maintaining high levels of trust in the Finnish administration. Throughout the Lockdown Dialogues (see Box 4.3) carried out as part of the response to the COVID-19 pandemic, participants expressed their gratitude and recognition of the government’s capacity to maintain essential functions and flexibility to adapt services to the situation. At the same time, civil servants employed in local governments report difficulties to carry out their work in an environment that does not value them sufficiently, where openness and transparency of public administrators is threatened by hate speeches amplified by social media. The general use of hate speech and, more specifically hate speech targeting public figures, is identified as a key challenge in the OECD *Civic Space Scan of Finland* (OECD, 2021[13]). Further emphasising the spirit of service to the community and profiling the work carried out by different types of public employees, also in normal circumstances, could help to improve the morale of essential public officials and maintain high levels of trust in public institutions (Box 3.4).

Box 3.4. New Zealand Civil Service Act, 2020

In 2019, on average, 68% of people in New Zealand reported trusting public institutions, compared to the OECD average of 45%. Furthermore, trust in New Zealand increased by 9 percentage points since 2007. New Zealand has also been celebrated as one of the best examples in dealing with the COVID-19 emergency. In August 2020, the new Public Service Act was enacted. It acknowledges the need for more flexible and collaborative approaches to tackling the more complex challenges that lie ahead and provides the legislative environment that is required to enable this. A public service that is more adaptive, agile and collaborative can more effectively meet the needs of New Zealanders and the communities it serves. The Civil Service Act highlights acting with a spirit of service to the community as the fundamental characteristic of the public service and requires public service leaders and boards to nurture the spirit of service that their staff bring to their work. Strengthening the shared identity of public servants is intended to unite them in their goal of serving New Zealanders, regardless of which agency they work in. This will help to drive the cultural shift to build a unified public service that can quickly mobilise across the sector to tackle specific issues and deliver better outcomes for New Zealanders. A concrete example of how the Civil Service Act aims at building trust during the COVID-19 crisis is sharing stories on the "Spirit of service to the community"; by profiling essential workers and what they have done to help New Zealanders during the crisis. These have been shared extensively across social media. According to the Civil Service Act, the key principles guiding public services are:

- politically neutral, to act in a politically neutral manner
- free and frank advice, when giving advice to ministers, to do so in a free and frank manner
- merit-based appointments, to make merit-based appointments
- open government, to foster a culture of open government
- stewardship, to proactively promote stewardship of the public service, including of:
  - its long-term capability and its people
  - its institutional knowledge and information
  - its systems and processes
  - its assets
  - the legislation administered by agencies.

Source: Based on the New Zealand Civil Service Act.

Opportunities for improvements

According to the empirical results of this study, increasing the responsiveness of services will increase the level of institutional trust in Finland. Such responsiveness is associated with how governments incorporate people's expectations and demands for transforming and adapting services, as well as the extent to which innovation is allowed and fostered within the administration.

One of the biggest threats with the potential of influencing levels of institutional trust is the reform to the health and social benefits system. This highly complex reform could have an effect on how services are provided and modify access conditions to them. In addition, the fact that the reform has been postponed several times could nurture uncertainty, challenging the government's legitimacy and influencing trust levels. A sound, people-centred and transparent reform plan with numerical targets and a clear time frame should be established as soon as possible to avoid further nurturing uncertainty and creating instability.

Public services in Finland are highly digitalised and available to people through different channels. However, to some extent, the administration remains organised around units, each with clear responsibilities and processes, as well as problems for integrating their way of working. This is a major challenge for creating broad political commitment and ownership to integrating and aligning digital government into overall public sector reform strategies. Beyond the use of digital technologies in the administration, the challenge is to strategically use digital technologies and data to support a comprehensive, whole-of-government approach for the design and delivery of services that secure a consistent and coherent experience for users in accessing services. Finland must promote cross-governmental strategies, policy levers, initiatives and measurement efforts to ensure that services are adapted and tailored to the needs of users from the outset and independently from the public sector organisation that offers them or citizens' preferred channels. Finland could consider adopting some integrating practices of governments that have successfully evolved from e-government to digital government and which help support a cohesive approach for service design and delivery in the digital age, such as specific standards, guidelines and initiatives to secure involvement across the design and delivery of services as well as strengthening the availability and adoption of common digital tools to enable an omni-channel approach for service provision.

In turn, Finland is already advancing in the quest of spurring innovation as a core value within the administration and achieving systemic change that could consolidate this process. Promoting horizontal co-ordination and fostering and promoting managerial values that could contribute to breaking cultural barriers towards innovation are important steps in this direction.

The value of trust in public institutions has proven essential during the COVID-19 crisis and has contributed to Finland's relative success in handling the pandemic. Ensuring that people retain respect for the administration and that there is a perception of the public value created by civil servants is of utmost importance for ensuring that Finland remains a high trusting society. In this context, reinforcing the civil service ethics within the administration as well as profiling and displaying the work carried out by the administration could contribute to strengthening the trusting relationship between citizens and their administration.

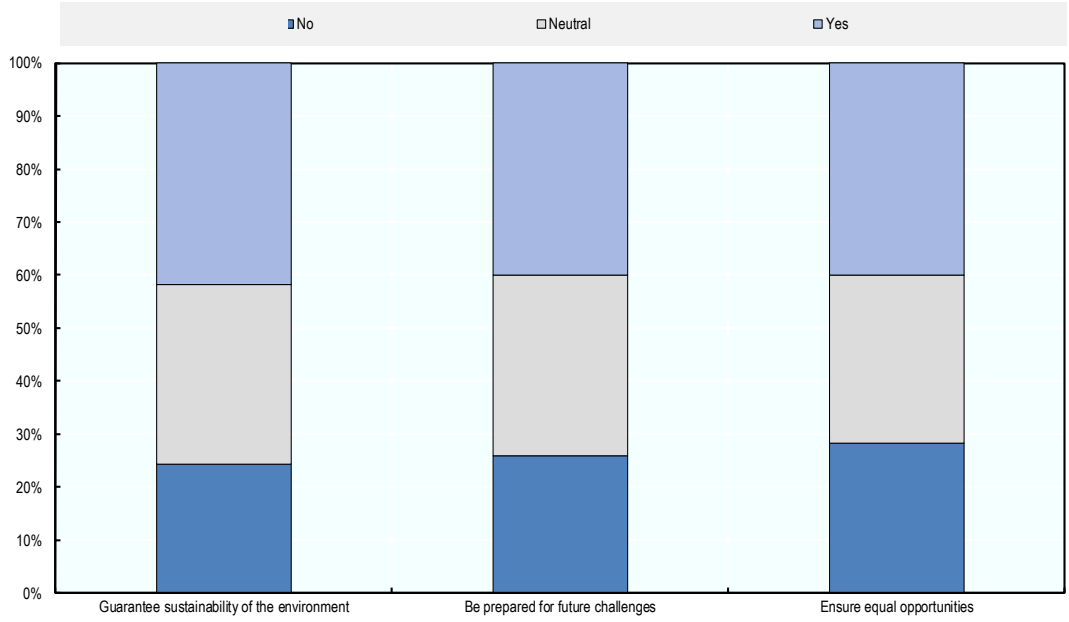
Reliability

Stability of the policy environment

As a prerequisite to responsive service delivery, governments must assess the economic, social and political environment of their citizens and act in consequence. This may mean adapting certain services or creating new ones (e.g. addressing climate change, energy, housing, etc.), but it also means being able to deal with uncertainty in a consistent and predictable manner. In the face of multiple natural and man-made threats becoming more salient over the past decade, long-term planning and risk management have proven to be essential, albeit not universally institutionalised, functions of government. Reliability is the capacity of government institutions to respond effectively to a delegated responsibility to anticipate needs, and thereby minimise uncertainty in the economic, social and political environment people face (OECD, 2017[1]).

Figure 3.4. displays the percentage of the population in Finland who have confidence in the government to guarantee the sustainability of the environment, be prepared for future challenges and ensure that everyone has equal opportunities in life. For all three questions, around 40% of the population expressed confidence in the government's reliability.

Figure 3.4. Percentage of the population with confidence in the government to address key societal trends

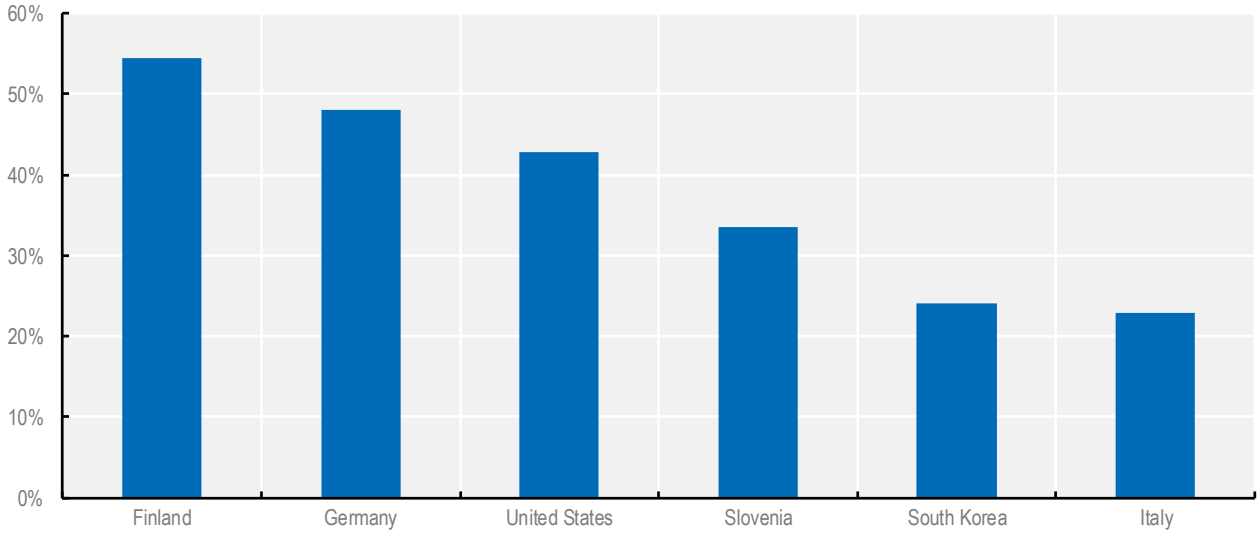


Note: Data correspond to the percentage of the population who answered 1-4 (negatively), 5-6 (neutrally) or 7-10 (positively).
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

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Results from the OECD Trust Survey carried out for this study show that more than half of the respondents in Finland consider that their government will be effective in addressing future systemic shocks (e.g. natural disasters, health crisis). This percentage is the highest when compared with five other OECD countries (Figure 3.5).[2] Furthermore, the extent to which people consider that public institutions are doing enough to address future challenges and the stability of regulatory and fiscal conditions for businesses appear among the elements which most influence trust in the national government and civil service in Finland (see Figures 2.24 and 2.26 in Chapter 2).

Figure 3.5. Citizens' perception of the reliability of the national government, 2020



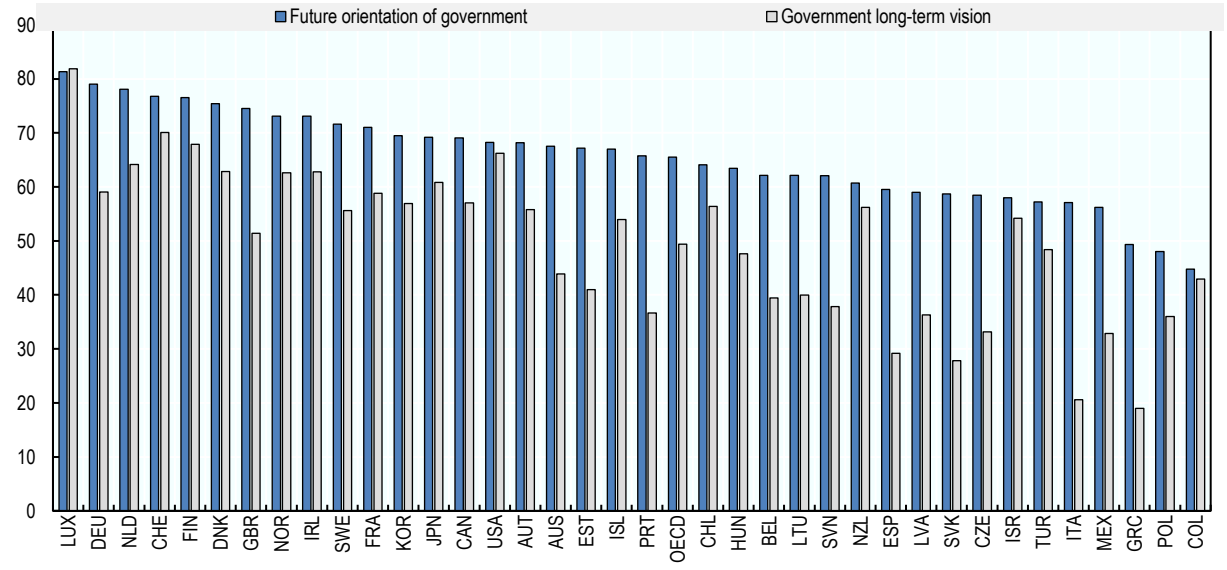
Notes: In the case of Finland, data are based on the special module on Trust in Public Institutions, fielded by Statistics Finland in the framework of the Consumer Confidence Survey in August 2020. Data for Germany, Italy, Slovenia and the United States are from 2017 and were collected through the Trustlab project. Data for Korea are from 2017 and were collected by the Korean Development Institute in co-operation with the OECD. For the comparison across countries, it should be noted that the question was formulated with reference to a natural disaster shock in the case of Germany, Italy, Korea, Slovenia and the United States.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland, Trustlab, OECD/KDI.

StatLink https://doi.org/10.1787/888934238090

Reliability requires the government to adopt a long-term vision beyond election cycles and make use of foresight strategies and exercises in policy making. Business executives surveyed in the context of the World Economic Forum's *Global Competitiveness Report 2019* acknowledged the high degree of future orientation and long-term vision of the Finnish government. Finland ranks among the five highest values for both future orientation and long-term vision of the government (Figure 3.6)

Indeed, Finland has a strong tradition of foresight and planning exercises led by the government and the executive, as well efforts to involve public and private stakeholders. During each electoral period, the government prepares a "Report on the Future" on long-term perspectives (10-20 year period) on key strategic issues relative to policy decisions for discussion in the parliament (Box 3.5). For instance, the latest report, published in two parts in 2017 and 2018, focused on the transformation of work.

Figure 3.6. Business executives' perception of the future orientation and long-term vision of government, 2019



Source: World Economic Forum (2019[14]).

StatLink https://doi.org/10.1787/888934238109

The *Government Report on the Future* was prepared by exploiting national foresight procedures and trying out new ways of working. For example, the report draws on the Ministries' Joint Foresight Procedures. Other foresight exercises include the *Common Drivers for Change* released in 2017 that highlights 15 changes and uncertainties expected in the future operating environment for decisions makers and citizens (Prime Minister's Office, 2017[15]) as well as the permanent secretaries of the ministries' *Opportunities for Finland* on the key questions for the upcoming 2019-23 government (Government of Finland, 2019[16]) or the "Towards next hundred years" events carried out in 2017 on Finland's ability to adapt to changes.

The variety of foresight strategies and planning exercises provides a vision for the future and creates the necessary space to debate options among relevant representatives and institutions, building consensus on which policies to implement. At the same time, feedback from the OECD interviews mentions two areas where future improvements may be made. First, foresight exercises are often focused on government terms rather than on much longer term scenarios. Second, the various foresight exercises may overlap and lead to confusion on their relevance and possible use. The dialogue between the political leadership and the senior civil service could be enhanced and institutionalised to ensure that the resulting Government Programme is coherent with the country's fiscal framework and that medium-term strategic objectives are systematically informed by the results of strategic foresight. Enhanced use of performance information in budget setting and foresight strategies would help meet this objective (OECD, 2015[17]).

Box 3.5. Government foresight: The Futures Review

Since 2002, all ministries are required to prepare "A Futures Review" about past developments and existing commitments as well as the core challenges and options in the future, including costs. The process is co-ordinated by the Prime Minister's Office, and all reviews are published on its website. The "Futures Reviews" are an attempt to build bridges between government cycles and their aim is to provide information and data to prepare the Government Programme after the parliamentary elections.

The Prime Minister's Office provides background material to the ministries, relying on the Government Foresight Group – whose main objective is to help foresight activities forge a connection with decision-making processes, and the National Foresight Network – which is a discussion and co-ordination forum for national foresight actors. The network brings together Finnish foresight data producers to foster public discussion, research and decisions on the new challenges and opportunities facing Finnish society. The national foresight network organises monthly meetings ("Foresight Fridays") open to all via the Yammer network community, the main tool for communications and co-operation.

Access and use of the information

The *Government Report on the Future* is submitted to parliament and published on the Prime Minister's Office's website. Parliament has a permanent special Committee for the Future, which serves as a think tank for futures, science and technology policy in Finland. The committee's main task is to prepare parliament's response to the *Government Report on the Future*. The Committee for the Future is also a member of the European Network of Parliamentary Technology Assessment, whose aim is to advance the establishment of technology assessment as an integral part of policy consulting in parliamentary decision-making processes in Europe.

Current situation – strengths and weaknesses

Feedback from the OECD interviews underlines the many benefits the Futures Reviews have brought to the work of the ministries, allowing open discussion and a thorough analysis of past commitments and future challenges. In addition, high-level civil servants (permanent secretaries of the ministry) and experts are responsible for drafting the review and preparing the entire process independently from the political level (ministers), who should neither contribute to nor approve the review.

At the same time, differences between the ministries' processes still exist. For example, not all ministries have opened the process for the general public and allowed stakeholders comment on the draft versions. Some reviews include challenges, options and different scenarios, while others are more focused to delineate the Government Programme and thus less prone to a foresight exercise. Cost estimations are only included in a very few cases. Finally, the separation between the responsibility of the political level and that of the civil servant is in some cases blurred and cause of additional bureaucracy.

Source: Based on OECD interviews and Prime Minister's Office (n.d.[18]).

Finns' confidence in the country's resilience and in the government's capacity to plan for the future has remained strong throughout the COVID-19 crisis, as expressed by many participants in the "Lockdown Dialogues" (Lockdown Dialogues of October and November 2020) and captured by the Pulse Survey (see Figure 1.7). The "Lockdown Dialogues" also played a public consultation role to gather citizens' views on the challenges of lockdown measures and could in the future evolve in public deliberation instances. Previous investments in resilience, including digitalisation and inter-institutional co-operation, risk management and foresight exercises, as well as open dialogues with citizens based on sound evidence, reinforce citizens' trust that decision makers and public officials will be able to take the country forward

even in difficult situations. In general, as part of the dialogues it was felt that there is a strong climate of trust in Finland, where people have confidence in decision makers and decision makers have confidence in citizens. Participants noted that trust in the government's decisions and recommendations is supported by the fact that the government is transparent about the reasons for its decisions and that they are evidence based. At the same time, some wondered whether Finns had been following the restrictive measures too dutifully and whether they were blind to the human rights impact of the measures.

Furthermore, COVID-19 may have actually been beneficial to cross-governmental collaboration and co-ordination; the government action plan strategy group involving all ministries under the Prime Minister's Office has taken concrete joint decisions to counter the effects brought about by the pandemic. A challenge remains on whether this type of co-operation and alignment could continue outside of a crisis context.

At the same time, the exceptional situation brought about by COVID-19 requires stepping up the foresight strategies and long-term vision for recovery while continuing to manage the health pandemic and the uncertainty about its duration. There is room for improvement as, for instance, the COVID-19 scenarios were not published in a timely manner by the Prime Minister's Office. This process could have been faster and more open. In turn, global trends and demographic change will require difficult decisions to be taken and significant reforms to maintain fiscal sustainability, while investing in the next generation and committing to climate actions. Since April 2020, the Prime Minister's Office has set up an inter-ministerial group to prepare a plan for Finland's way out of the epidemic crisis and identify measures for the aftermath of the crisis. The plan in preparation covers not only steps to lift restrictions imposed by the epidemic, but also long-term scenarios to recover from the health, social and economic damage, based on projections of the health effects of the COVID-19 epidemic as well of overall societal assessment. The working group consults extensively with business representatives, municipalities and civil society organisations. However, improvements could be achieved by ensuring that consultation takes place at all stages of the policy cycle, including with a broader range of stakeholders, and that a report on the outcome of the consultation process is provided to participants and the public at large (OECD, 2021[13]). In addition, a science panel supports the group with experts from different fields to help assess and anticipate the effects of the crisis (Prime Minister's Office, 2020[19]).

Public sector's transformation to reinforce reliability and public trust in Finland

Similar to the challenges encountered by other countries, four aspects can be underlined for Finland's public sector to continue building structures and capacities to influence socio-economic changes, develop actionable visions of more desired futures, and maintain the high levels of trust.

First is the need to take into account the multiple aspects and sectors affected by the crisis in order to avoid creating tension between short-term adaptation and long-term vision. Finland is not an exception, but the risk of extreme pressure on the health system caused by a crisis like COVID-19 is not mentioned in any of the foresight exercises. This raises a broader question related to resilience and dealing with uncertainty: how to ensure that foresight exercises and risk management strategies consider a broad range of information and sectors. New governance mechanisms may help to lock in long-term choices and increase the accountability of the government's plans and commitments. For example, in November 2020, the French supreme administrative court (Conseil d'État) requested that the French government justify that the measures implemented were compatible with targets for reducing greenhouse gas emissions set in the Paris Agreement for 2030.

Second is the importance of modernising crisis management approaches to improve resilience, by learning and adapting quickly while keeping an open dialogue with other stakeholders, including parliamentary commissions and audit bodies, to increase accountability. Foresight approaches should be systemically integrated within government decision making and followed by an adequate response. The current government has emphasised the role of the science community and multidisciplinary learning in assisting

policy making for recovery from COVID-19. Experiences from other countries may provide useful examples (Box 3.6).

Box 3.6. Special mechanisms put in place to fight the effects of the COVID-19 pandemic, 2020

Countries' responses to COVID-19 show how different parts of government can work more closely to support a common resilience agenda which links physical infrastructure, technology and business continuity, and financial resources and human capabilities so that societies are better equipped to withstand the next crisis.

Korea's response to COVID-19 was based on three pillars: testing, contact tracing and treating. However, informed by lessons learnt from the management of previous disasters and infectious diseases, the government acknowledged that this was not enough to tackle the pandemic and involved various stakeholders in responses and developed a co-ordination body within government, which included representatives from different ministries as well as from the 17 provinces and major cities. Indeed, one of the key elements considered in the governance of epidemic management was to revise the protocols of the disaster management system to clarify roles and responsibilities between the central and local governments.

Canada's experience underscores that institutional collaboration for more resilience has been a key element for its response to the pandemic. In addition to the government's ability to quickly adapt to the situation by learning from other countries' experiences, that is being a "fast follower", the existence of previously established mechanisms has allowed policy makers to build policy responses on robust networks and institutional settings. Indeed, furthering collaboration among different organisations, stakeholders and levels of government has been established as a good practice, and helped to better co-ordinate and react instantly during the crisis. Additionally, better performance has in parallel helped to maintain and promote trust among citizens.

New Zealand set up a National Crisis Management Centre to lead and co-ordinate national response to the crisis. The centre brought together a large group of people and functions across the public service, including the emergency management civil defence, operational bodies, the information team and policy staff, among others, to work together and advise the national government in a co-ordinated way. The centre was also geographically located in the Ministry of Health, placed where it was needed the most. Co-ordination proved to be very successful, leading the government to extend the function for the moment to strengthen resilience, as well as looking forward to future challenges.

Source: Based on Canada's, Korea's and New Zealand's presentations during the 62nd session of the Public Governance Committee, November 2020.

Third, in today's environment, addressing complex global issues, including acting on climate change and managing large-scale sanitary emergencies, in a fast-paced, rapidly changing and uncertain environment have become the norm rather than the exception. This thus requires governments to improve the capacity of systems thinking that, as mentioned in the section on responsiveness, could also contribute to fostering an innovation friendly environment. It also means identifying and addressing the various interlinkages of emerging complex challenges, and public administrations integrating anticipatory innovation governance into their working methods. Anticipation is essential to strategic planning for resilience before a shock occurs and to preparedness for potential developments once a crisis unfolds (OECD, 2020[20]). Anticipatory innovation governance will require upgrading the civil service in terms of diversity and skills, enhancing the innovation potential within the public administration, and encouraging cultural changes within organisations. The development of spaces for policy experimentation, such as regulatory sandboxes, for testing new solutions to public challenges could be a first step for creating an ecosystem that supports

innovation. The work carried between the OECD and the Finnish administration on anticipatory innovation will provide tools for addressing this challenge.

Finally, the long-term impact of the COVID-19 recovery policies will also depend on whether people trust the policies to be sustainable in the long term. Citizens' trust in the sustainability of government choices can span different dimensions, such as beliefs about whether the state can afford to maintain benefits given fiscal challenges, or the continuity of public services and predictability of government actions. For example, an analysis on the results of targeted social interventions introduced by the government of Colombia since the pandemic shows that these measures have mitigated the impact of the crisis on extreme poverty and helped to include people in the formal economy. Around 45% of the beneficiaries of financial aid have used the account generated to receive government benefits for their own savings, signaling confidence in the medium-term sustainability of this intervention. Sustainability of public services, stability of the conditions for their access and use, and continuity of essential public services are critical to enhance compliance during a crisis and maintain the public's trust. Foresight exercises should also include metrics on the desired levels of resilience of critical infrastructure and the continuity of essential public services with associated costs for such investments.

Opportunities for improvements

Government's capacity to plan ahead and minimise uncertainty is an important driver of trust in government and the civil service, but they could be better incorporated into policy making. The disruption caused by the COVID-19 pandemic can offer some direction on how to strengthen and align these processes and increase their effectiveness in building resilience for society.

In particular, in view of the important transformation of Finnish society, the government could reform the formulation process of government programmes by clarifying responsibilities and enhancing dialogue between the political leadership and the senior civil service to facilitate the inclusion of subjects such as climate change, intergenerational justice, equality, etc. in the recovery plans. Actions include strengthening political efficacy by engaging citizens in policy choices and monitoring results, and by giving regular feedback on inputs provided by civil society. Public accountability and transparency can be reinforced by focusing on results rather than processes, fostering innovation and experimentation in the civil service, and identifying clear and measurable results to be monitored in user friendly and open source formats.

Strengthening existing structures and adopting a systemic and unified approach that focuses on longer scenarios would strengthen foresight exercises. The anticipatory governance project may help move towards a more transversal approach in foresight and futures scenarios.

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Notes

[1] Increasingly, responsiveness refers not only to how citizens receive public services, but also to how government listens to citizens and responds to their feedback. Responsiveness, then, is about availability, access, timeliness and quality, but also about respect, engagement and response. This aspect will be discussed under "openness" in Chapter 4 to reflect the close relationship with the concept of open government.

2 It should be noted that the question on government's preparedness for future shocks was formulated with reference to natural disasters, rather than a health emergency, in the surveys carried out previously in Germany, Italy, Korea, Slovenia and the United States.

4 Drivers of institutional trust in Finland: Values

This chapter investigates the second key driver of trust: values. This encompasses openness, integrity and fairness. It analyses, in particular, the Finnish participation paradox according to which, despite high levels of institutional trust, levels of political efficacy, both internal (self-perceived capacity to understand politics) and external (perception of having a say in what the government does) are comparatively low. Some concrete policy actions are presented to proactively reach out to different population groups, engage in a broad social dialogue, and strengthen fairness as a guiding principle of policy making in Finland.

Openness

Openness as the foundation of government actions

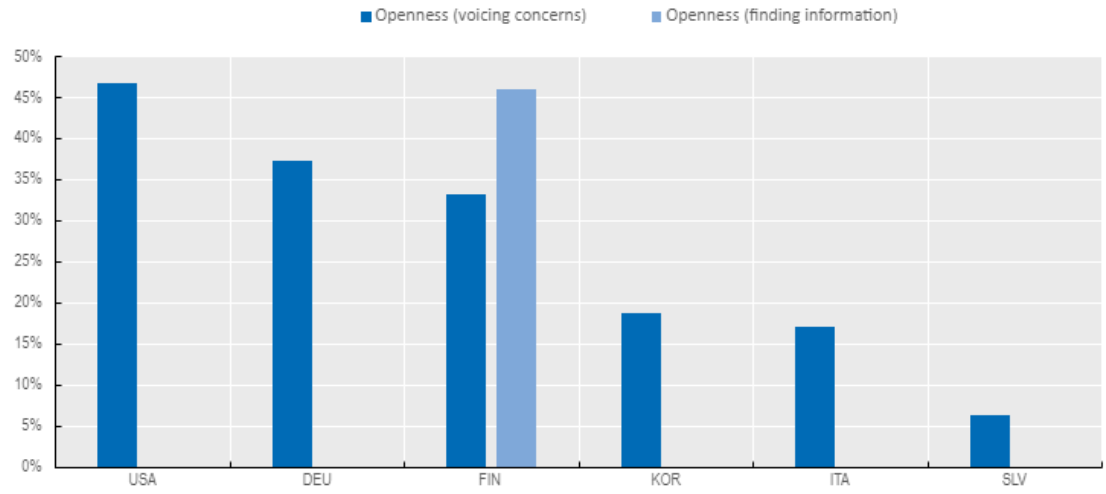
"Open government" is defined as a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder participation in support of democracy and inclusive growth (OECD, 2017[1]). Cross-national evidence from European countries shows that those countries that invest in government openness benefit from a higher level of citizen trust in the public system (Schmidthuber, Ingrams and Hilgers, 2020[2]). Indeed, open government practices, transparency and citizen engagement are necessary principles for building trust (Bouckaert, 2012[3]). However, the causality between trust and openness is complex, and although openness principles are necessary, they may not be sufficient with regards to trust. For instance, increased transparency will not necessarily lead to increased trust if it exposes controversial information or corruption cases (OECD, 2017[4]). To engage, citizens need information and data, as well as mechanisms to voice their views and submit their contributions. While open government strategies can promote trust, citizens also need to trust the institutions that are inviting them to participate and to feel trusted by the government, believing that the invitation to participate is genuine.

As a dimension of trust, *openness* refers to and is measured, first, on governments' mandate to inform, consult and listen to citizens, by letting them know and understand what the government does; that is, promoting government transparency by granting access to public sector information, thus also strengthening accountability. Second, openness depends on the government's capacity to engage citizens and other stakeholders, including their perspectives and insights and promoting co-operation in policy design and implementation. The OECD Trust Survey carried out in Finland includes two specific questions reporting on issues of transparency and opportunities for citizens' inclusion and participation (see Table 1.2).

Open government has been a priority for the Finnish government for many years and the country has been one of the most active contributors to the OECD's work in this area. Further, according to the National Action Plan on Open Government for 2019-2023, openness is one of the eight fundamental shared values of the central government's value basis.

Overall, Finland has comparatively high levels of openness. According to the OECD Trust Survey, 45.9% of Finns consider that it would be easy for them to find specific public information if needed, and 33.2% perceive themselves and others as being likely to have the opportunity to voice their concerns if a decision affecting their community is to be taken by the local or regional government (Figure 4.1).

Figure 4.1. Citizens' perception of the openness of government



Notes: Percentage of the population who on a scale of 0-10 answered 7 or more to the following questions: If a decision affecting your community were to be taken by the local or regional government, how likely is it that you and others in the community would have an opportunity to voice your concerns? If you need information about an administrative procedure, do you think that it will be easy to find? Germany, Italy, Korea and Slovenia data refer to 2018; Finland data refer to 2020.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland, Trustlab, OECD/KDI.

StatLink https://doi.org/10.1787/888934238128

Finland is among the nine OECD countries where users can publish their datasets on the central government's open data portal, being able to contribute to open data and combine data that could generate other types of innovation or information resources (OECD, 2020[5]). However, according to the 2019 OURdata Index, in terms of open, reusable data, Finland scores slightly below the OECD average (0.60), and the score decreased between 2017 (0.67) and 2019 (0.47), especially due to reduced stakeholder engagement on open data, but also in terms of data availability (OECD, 2019[6]). Finland's drop in the index demonstrates the importance of formalising and sustaining regular stakeholder engagement on open data (OECD, 2020[5]).

The level of perceived transparency in political decision making is relatively high in Finland: 68% of Finnish respondents think that a great deal or some political decisions are transparent, the second-highest value among eight surveyed European countries (European Social Survey, 2019). These results are also supported by data collected through the 2020 OECD Survey on Lobbying, which shows that Finland makes public and accessible on line not only discussions within the plenary sessions in parliament, but also impact assessment reports that inform policy making and all amendments to regulations, which provides more opportunities to make government accountable (OECD, forthcoming).

The participation paradox: A high-trust society with low levels of political efficacy

There is a relationship between openness and the traditional concept of political efficacy. Political efficacy refers to citizens' beliefs that they can influence political processes and, consequently, the political system. Indeed, according to the findings of a recent study that uses data from the European Social Survey and the World Justice Project, the effect of openness on public trust is partially mediated by people's perception that they can participate and influence political systems (Schmidthuber, Ingrams and Hilgers, 2020[2]).

While interpersonal and institutional trust and levels of satisfaction with democracy are high in Finland (see Chapter 1), indicators of political efficacy, hence perceptions on responsiveness of the system, are low

compared with countries with similar levels of trust. As per the data analysed (see also Chapter 2) and interviews with Finnish stakeholders carried out for this study, this puzzle may be linked to the fact that due to the speed of changes in society and expectations, many people may not feel represented or heard. The political system may not be able to formally channel and address the emergency of new divisions, groups and minorities. For example, as per the appearance of new actors in the political scene, traditional political parties may not be including the concerns and interests of these new groups in their platforms and agendas. This is parallel to other more structural elements, such as the complexity of the multi-level political system and language limitations found by some people when addressing the public administration.

The concept of political efficacy includes two dimensions: internal and external political efficacy. Internal political efficacy refers to an individual's self-perception of their capability or competence to understand and participate in political processes. According to the survey carried out for this study, 47% of the Finnish population reported being interested in politics (answering 7-10 on a 1-10 scale) and only 29% were confident in their own ability to participate in politics. This is consistent with data from the European Social Survey, which reported that in 2018 a majority of Finns tended to have relatively low confidence in their own ability to participate in politics, similar to the level in France, Italy and the Netherlands, but significantly lower than in Germany and Norway, in particular (see Figure 1.3).

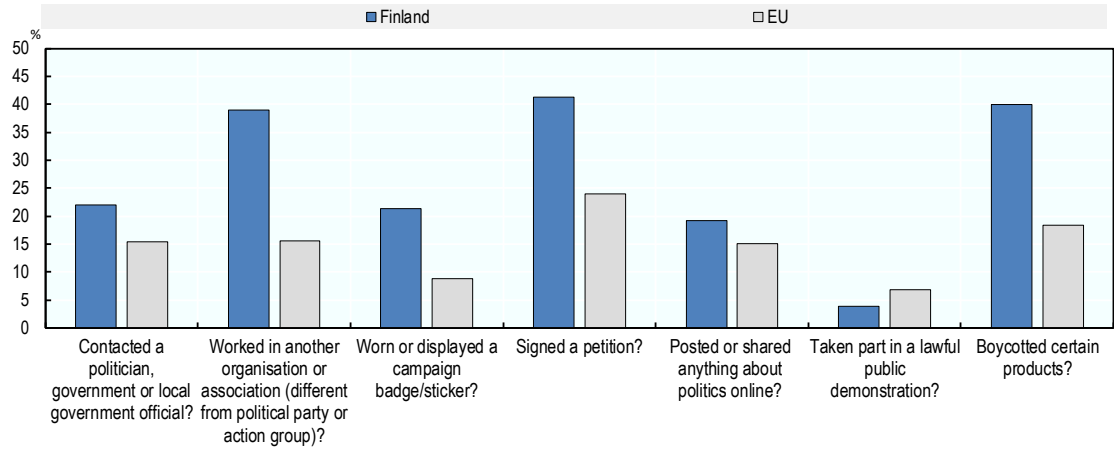
Recent studies on internal efficacy have found that individual responses about one's own abilities are shaped by three main components: 1) the mastery experiences (that is, skill building); 2) vicarious experiences/role models; 3) social encouragement and social networks (Beaumont, 2010[7]). Additionally, another element that plays a key role in the development of internal efficacy is mass media and information efficacy (Moeller et al., 2014[8]).

In turn, external political efficacy refers to people's feeling that they have a say in what government does. According to the survey carried out for this study, 17% of Finns believe that the political system allows them to have a say in what the government does,[1] a figure which is even lower than results reported in the European Social Survey in 2018 (Figure 1.4). In addition, when considering the design of social policies and formulation of public benefits, 68% of Finns feel that the government does not take their views into account, and respondents aged 55-70 feel the most ignored in this policy debate (76.74%) (OECD, 2019[9]).

Empirical evidence shows that citizens' self-efficacy and political involvement predict their level of trust in government (Parent, Vandebeek and Gemino, 2005[10]), and that internal efficacy was found to predict trust in parliament and satisfaction with democracy (Bäck and Kestilä, 2009[11]). Further, efficacy has been used broadly for explaining citizen participation (Abramson and Aldrich, 1982[12]; Verba and Nie, 1972[13]; Rosenstone and Hansen, 1993[14]; Verba, Schlozman and Brady, 1995[15]; Blais, n.d.[16]). The more people feel capable of understanding politics and having their voice heard, the more likely they are to pursue democratic endeavours (Gil de Zúñiga, Diehl and Ardévol-Abreu, 2017[17]).

Despite low levels of efficacy, figures on political participation show that Finnish citizens are actually quite active in political life compared to other EU countries (Figure 4.2). For instance, more than in most other EU countries with available data, Finns have contacted politicians or government officials, worked in an organisation or association, worn a campaign badge, signed a petition, posted or shared political views on line, or boycotted products. Only when it comes to participating in lawful public demonstration are Finns less active, on average, than people in other European countries. In addition, low percentages also relate to what are usually called traditional ways of participation. As stated in Chapter 1, voter turnout has decreased over the past decades in Finland (see Figure 1.2), and according to the survey conducted for this study, only 7% of the Finnish population reported having attended a meeting of a trade union, political party or political action group. In fact, political parties are the institutions with the lowest levels of trust in Finland (Figure 2.6), and this outcome may be fuelled by the emergence of new division lines that parties seem to not represent, and a generation gap where the youth is active, but young people are only interested in some of the existent parties, such as the right-wing populism (PS) or the greens (VIHR) (Veikko Isotalo et al., 2020[18]).

Figure 4.2. Participation in political life in Finland and EU, 2019



Source: European Social Survey 2019.

StatLink https://doi.org/10.1787/888934238147

The government of Finland proactively encourages participation through different channels (Box 4.1). Further, Finnish people have an active political life through their participation in civil society organisations (Box 4.2). In fact, historically, civil society has played a key role in Finland, accompanying not only the development of the national identity, but also supporting the establishment of its broadly known welfare state (see Box 1.1). Indeed, a report from the European Commission stated that around 75-80% of Finns are members of associations and voluntary organisations at some point in their lifetime and underscored that the main factor that motivates individuals to engage is the desire to help others (EC-GHK, 2010[19]). This evidence aligns with the previously reported high levels of interpersonal trust and supports the idea of civil society as a main builder of social capital and trust (see Chapter 1). In addition to their relevant contribution to building and strengthening social capital, civil society organisations have a key role in furthering representative democracies, may channel political participation by issues/themes and promote joining forces during crisis, within a context of declining membership in traditional representative institutions (such as political parties or trade unions). Civil society complements party politics and mediates between individual citizens and public decision making (Sepo, 2013[20]).

Box 4.1. Mechanisms in place for people to participate and influence public policies in Finland

Finland's commitment to civic participation in public life is firmly grounded in its Constitution and safeguarded by several legislative frameworks. In practice, the government currently offers many opportunities for stakeholders and citizens to participate in public decision making at the national and local levels.

At the national level, the law drafting process includes a "consultation" stage where all stakeholders can participate electronically (Lausuntopalvelu.fi), their comments are public and included in project documents. Besides, during drafting processes, the authorities have the duty to act openly and interact with citizens and stakeholders, such as non-governmental organisations. People may participate in discussion events, surveys and online discussions as well as provide opinions, for example, via the otakantaa.fi website, a request for a statement on the lausuntopalvelu.fi website or submit opinions on legislative proposals to the ministry's registry.

Moreover, all citizens entitled to vote may use the citizens' initiative tool, which allows to directly influence legislation by proposing a new act or to amend or repeal existing legislation. For instance, changing the Marriage Act, i.e. the so-called equal marriage act, and the Maternity Act started out as citizens' initiatives that proceeded to the parliament.

At the municipal level, the Local Government Act guarantees municipal residents the right to submit initiatives on matters concerning the municipality's activities. The municipality has to notify those who submitted the initiative of any action taken in response to the proposal. Initiatives may be submitted using the kuntalaisaloite.fi service. If an initiative is supported by at least 2% of the municipality's residents, the matter must be considered within six months of it being initiated. Residents can also submit initiatives on holding a referendum. These initiatives must be backed by at least 4% of the municipality's residents, and all signatories must be at least 15 years old.

Municipalities also have youth and elderly councils. For instance, youth councils are elected yearly and can take initiatives and make proposals to the local executive and local authority committees. They may provide opinions on local matters and their members often have a right to be present and to speak in the local council. Both youth and elderly councils aim to ensure that these specific populations have the possibility to participate and have an influence.

In addition, municipalities and government institutions can organise citizens' juries on topical issues, popular consultations and other deliberative instruments. A recent example is the citizen jury in the municipality of Mustasaari about the municipal merger with the city of Vaasa.

As noted in the OECD *Civic Space Scan of Finland*, the Finnish government also has a strong commitment to experimentation and innovation in its approach to civic participation. For example, some municipalities such as Helsinki, Tampere, Espoo, Turku and Vantaa have undertaken participatory budgeting and crowdfunding.

Sources: Based on the interviews carried out for this study and desktop research; OECD (2021[21]).

Box 4.2. Civic organisations are numerous and active in Finland

According to the Register of Associations, currently there are 106 879 associations and 493 religious communities registered in Finland, of which approximately 70 000 are active. In addition, there are approximately 34 975 unregistered associations, clubs and societies, and other spontaneous alliances of people, known as the "fourth sector".

An association or an organization is defined as a group of people who have joined forces to pursue a common goal, value or interest. The main characteristics of activity within civil society are citizen spontaneity, agency, autonomy, voluntarism and communality. The variety of civic associations and organisations work in a plethora of fields, such as: sport and exercise clubs; religious movements; cultural associations; ecological associations; and village and local organisations, among others. Many of these associations are categorised as leisure, cultural or sports organisations rather than issue-based civil society organisations that engage in advocacy, activism and watchdog activities.

Since the 1970s, civil society organisations' activity started to be more professional, bureaucratic and organised systematically by the reception of regular funding. Associations in Finland are regulated by the Associations Act, which is currently undergoing a major reform to respond to societal changes, including to facilitate remote participation and the use of digital connections in associations' meetings. This amendment updates the law and adapts it to the changing needs of associations and Finnish society, allowing participation in spite of large distances and responding to the needs of smaller organisations. However, it is worth mentioning that it will also bring new challenges, such as the required level of bureaucracy, and will have an impact on the future of civic organisations because of the use of cyberspace as a current scenario of civic activities. On the one hand, virtual space may re-engage people in politics that were disconnected. On the other hand, it moves the focus of activity from society to individuals, potentially affecting the positive effect civic activities have on social capital.

In 2007, the government of Finland established the Advisory Board on Civil Society Policy, which promotes co-operation between the authorities and civil society by evaluating the civil society's strategies and consultation practices of ministries, or monitoring the consistency of public authorities' decisions concerning civil society organisations. However, according to the OECD *Civic Space Scan of Finland*, in order to further understand and engage with the changing landscape of civil society in Finland, the government could introduce more upskilling and capacity building. For example, it could increase public officials' knowledge of the diverse roles of civil society and ensure that all forms and sizes of civil society organisations are represented in advisory boards, committees and consultative processes and have the opportunity to benefit from public funding where applicable.

Sources: Citizen's Forum; Sepo (2013[20]); OECD (2021[21]).

In addition, Finland promotes participation as a working method among its own agencies, horizontally and vertically, across levels of government. For instance, in 2020, the Ministry of Finance and the Association of Finnish Municipalities carried out a regional tour of open government and its leadership in eight cities where dialogues took places with leadership and officials from municipal governments. The dialogues promoted a joint understanding on openness and trust, and set a discussion on local public officials' challenges and concerns in their daily activities (such as mistreatment and inappropriate feedback, especially via social media) and the public administration's relationship with citizens.

Enhancing people's engagement: Towards more inclusive policy making

Despite relatively high levels of satisfaction with democracy and openness of government in Finland on average, there are some significant differences in the population groups which feel empowered to participate, or perceive the government open and transparent. As such, to further improve openness and prevent the Finnish paradox from becoming a risk for future generations or minorities, Finland needs to better understand who is or feels left behind, and what the expectations and perceptions of different groups of society are with respect to transparency and participation. For example, the OECD Trust Survey finds that the ability to voice concerns and the easiness to access information about government actions increase significantly for higher-levels of income. In addition, while the ability of voicing concerns does not change according to age, older people find significantly more difficult to access information than younger people(Figures 4.3 and 4.4).

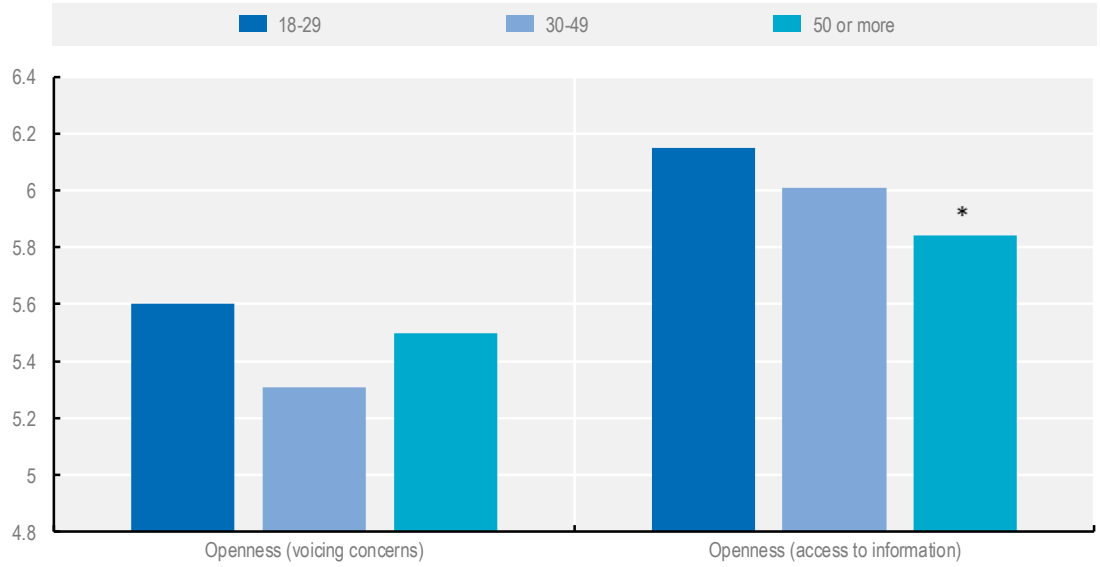
Figure 4.3. Citizens' perception of the openness of government, by income



* Statistically significant at 95%.
Source: OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

StatLink https://doi.org/10.1787/888934238166

Figure 4.4. Citizens' perception of the openness of government, by age group



Source: : OECD Trust Survey applied in the Consumer Confidence Survey, Statistics Finland.

StatLink https://doi.org/10.1787/888934238185

A recent study commissioned and published by the Finnish Ministry of Finance found that there are differences between social classes when it comes to political participation (Bäck and Kestilä-Kekkonen, 2019[22]). Specifically, those with low level of education think that they cannot trust politicians and political institutions, do not understand political processes, or believe that they cannot influence decision making. These differences were the most pronounced in institutional political participation and least pronounced in non-institutional participation. Similar findings were presented in *The State of Inequality in Finland*: people of higher income levels also have higher voter turnout, and a weaker financial situation of voters is linked to greater support to populist parties (Wass and Kauppinen, 2020[23]) . Levels of political trust were found to be a strong mediator of social class differences in voting, and social trust only slightly explained differences in voting (Bäck and Kestilä-Kekkonen, 2019[22]).

In addition to specific findings on participation, the report also found that Finnish citizens have very different conceptions of the ideal democratic process. Some citizens favour a greater role for citizens and more participatory or direct forms of democracy. Others, however, are happy with the existing representative structures or would even prefer to see more power in the hands of experts. This is in line with the high trust in the public administration (see Chapter 2).[2] In this sense, addressing the problems facing many advanced representative democracies regarding political participation will require a mix of solutions, including increasing citizens' involvement in policy making as well as adapting the representativeness of political parties and political institutions (Bäck and Kestilä-Kekkonen, 2019[22]).

In this regard, it is key to consider the specific context, as well as historic, cultural and political socialisation of political systems, in order to ensure the best policy options and alternatives to address participation gaps. For instance, new participation opportunities, such as crowdsourcing policy recommendations or efforts to integrate citizens into government processes, need to be perceived as real ways to influence policy makers and to fulfil expectations in order to achieve real change and enhance citizens' trust (Wang and Van Wart, 2007[24]; Ingrams and Schachter, 2019[25]; Schmidthuber, Ingrams and Hilgers, 2020[2]). A recent study in Finland shows that both political knowledge and political trust had the expected

relationships with the propensity to support citizens' initiatives, meaning that more knowledgeable and/or distrusting citizens were more likely to take advantage of the possibility to support citizens' initiatives. This also means that there is a risk that the dissatisfaction of those who do not possess such civic skills go unnoticed. These citizens are less likely to make use of the possibilities offered by citizens' initiatives (Christensen, 2018[26]). Further, engagement opportunities which are based on civic vigilance have their roots in the liberal model of a mistrust-based democracy, hence they should be adapted to systems such as the Finnish one, founded on strong institutional and interpersonal trust (Lehtonen and De Carlo, 2019[27]). In this respect, and in order to reach out the ones left behind, national and local dialogues were found to be a nodal element during crisis periods. Beyond the usual communication and participation mechanisms, different countries' experiences highlight the importance of people-centred approaches for building institutional trust, where citizens are given the opportunity to talk about their feelings regarding uncertainties and concerns, and expectations on policy choices for the future, such as the Lockdown Dialogues in Finland (Box 4.3).

Taking into consideration that voicing concerns was found as one of the main determinants of trust at the local level (see Figure 2.25 in Chapter 2), the experience of the Lockdown Dialogues could be used to promote further deliberation efforts in Finland beyond the crisis period. Similarly, other countries have introduced representative deliberative processes in participation strategies as an alternative way to engage the broader public in influencing political processes (OECD, 2020[28]). These processes refer to a randomly selected group of people who are broadly representative of a community spending significant time learning and collaborating through facilitated deliberation to form collective recommendations for policy makers. By the use of random selection and stratified sampling, these processes may bring typically excluded categories like youth, the disadvantaged, women or other minorities into public policy and decision making (OECD, 2020[28]).

Regardless of whether Finland decides to introduce new forms of participation, as mentioned above, it is also important that the government can provide regular feedback to the public on the inputs provided by civil society at different stages of the consultations as a way to strengthen the legitimacy of engagement and avoid disillusion. In fact, according to the OECD Regulatory Indicators Survey, only 26% of countries require policy makers to actually evaluate the inputs received and publicly justify if and why the inputs are being dismissed (OECD, 2018[29]).

Finally, ensuring democratic continuity will also require better understanding new ways of participation and promoting engagement as a complement to instead of a replacement of traditional ones (see Figure 4.2). Democratic governance requires the use of different mechanisms for different purposes to take advantage of their strengths and weaknesses (OECD, 2020[28]). Some processes that may be key to remove structural barriers to participation focus on democratic challenges as a demand-side problem, which may lead to marketing driven responses in terms of individualisation and incentivisation and ignore the importance of building in all members of the polity an identity as a citizen (Parvin, 2018[30]; Faucher, 2015[31]). Social changes have affected the way of understanding politics and organisations, and traditional mechanisms and institutions have been adapting slowly, but there is not yet an alternative replacement of them (Panebianco, 1988[32]; Manin, 1997[33]; Scarrow, 2002[34]). In fact, according to a report by the Finnish National Election Studies, 56% of Finns consider that parties are more important than candidates (Veikko Isotalo et al., 2020[18]). In contemporary, complex societies, political parties and trade unions have been a solution to co-ordinate the diverse and multiple preferences and to ensure the representation of their interests in policy making. Further, strong parties are correlated with economic growth and development (Bizarro et al., 2018[35]), they strengthen accountability by developing long-term public policies, informed by broad interests (McCall Rosenbluth and Shapiro, 2018[36]) and are necessary intermediaries to process the large amount of data and information produced by governments.

Box 4.3. Engaging people in dialogues during lockdowns

A "citizen-informed" strategy has been necessary to rebuild trust during crisis periods.

Milan's "2020 Adaptation Strategy"

Milan's "2020 Adaptation Strategy" provides evidence on the fact that engaging in open conversations that allow people to express their needs and expectations can improve policy design, and not only service delivery.

Defined after the COVID-19 lockdown, it relies on extensive consultation with citizens who submitted proposals on sustainability (e.g. expanding bicycle lanes), timing, spaces and services (e.g. increasing green areas), and labour (e.g. smart working).

Open North Canada

Open North Canada partnered with the Standards Council of Canada to organise a national consultation and a collaborative workshop in July 2020 to understand participants' data needs on the topics of disease spread, government action and community impact. The results of the consultation indicate that long-standing barriers to data use are exacerbated by the pandemic, while citizens want more data opened, integrated and easily accessible.

Finnish Lockdown Dialogues

As part of the responses put forward by the Finnish government to monitor the evolution of COVID-19 and with the intention of capturing people's feelings, opinions and expectations, the government initiated Lockdown Dialogues. These dialogues have been not only a vivid testimony of the social experience caused by the pandemic in its different phases, but have also contributed to identify issues that may require government attention and have become inputs for shaping policy responses.

The dialogues started during the first months of lockdown and continued after the restrictions were lifted (renamed Finnish National Dialogues). Between April and September, over 100 dialogues were organised with over 1 000 participants, including civil organisations, individual citizens, municipalities and government offices.

Information gathered during dialogues feed into the government's COVID-19 crisis management co-ordination, as well as the exit and recovery strategies. Furthermore, synopsis forms a basis of open government strategies, and they have benefited many other areas.

Source: Highlights from the OECD webinar: "The ties that bind: Government openness as key driver of trust", 11 September 2020; Lockdown Dialogues Synopsis provided by the Finnish Ministry of Finance.

Opportunities for improvements

Finland has broad and extensive regulations in place that strengthen openness as a guiding value, promoting transparency, accountability, and engaging people and key stakeholders at different levels of government and the country's public life. Yet, there is still room for improvement. In order to ensure democracy continuity, Finland could adopt different actions to enhance citizens' engagement in decision making, strengthen political efficacy, simplify procedures and transparency, and support change towards a culture of accountability of results in public administrations.

In order to put the "participation paradox" – high level of trust but low political efficacy - on hold, Finland needs to proactively reach out to everyone and invite them to a broad social dialogue, building on the idea of trust as a two-way street: citizens should trust government, but government should also trust its citizens.

To this end, it is key to improve people's perceptions of their political capacities, their perceptions of the system's responsiveness, as well as shorten participatory gaps by giving the less advantaged a voice.

To strengthen internal political efficacy, Finland could consider developing clear guidelines to communicate efficiently through social media, avoiding confusion and misunderstandings; and include these guidelines in the government's communication strategy. In addition, regarding future generations, the government could consider developing projects or programmes in schools, including some form of political or civic activities (Beaumont et al., 2006[37]), such as including a service learning curriculum and community service activities that provide youth with readily accessible opportunities for contributing to their communities. Indeed, as per understood by the Finnish National Child Strategy, including children and young people in societal debates and decision making not only facilitates inclusion into structures, it also strengthens present and future citizenship (Stenvall, 2020[38]). A study on similar programmes highlights the value of preparing the youth in building skills through experiences that make them face the different challenges and results of their actions (Kahne and Westheimer, 2006[39]).

As people's feelings about having a say and influencing what government does are found to be affected by their personal characteristics and socio-economic background (OECD, 2017[40]) (the government of Finland could develop initiatives to proactively reach out to those left behind (see Chapter 2) and engage them by, for example, exploring further deliberative and representative deliberative processes. It may consider continuing national dialogues as a regular practice, as well as promoting other targeted experiences. For instance, the EU has developed some initiatives to support and fund groups' and organisations' participation if they face discrimination or support the common good, such as the AGE Platform Europe, which advocates for older citizens' interests, and the European Anti-Poverty Network (Davidson, 2017[41]). This was also the objective behind the European Citizens Initiative, which assists citizens to gather support and propose legislation to be considered by the European Commission.

Additionally, considering the decreasing voter turnout and drops in membership, rebuilding trust in political parties could play a key role in reconnecting young people to politics and in representing and promoting the interests of those with a low income or otherwise disadvantaged (Wass and Kauppinen, 2020[23]). Some parties actually better appeal and target the youth (see Section 4.2). Participation in parties and collective organisations makes citizens feel they have a stake in collective endeavours, and builds mutual trust and a sense of belonging (Parvin, 2018[30]). To strengthen interest in representative institutions, the government of Finland may consider a more proactive approach to develop initiatives on transparency and good governance, such as promoting the accountability of leaders and democratic candidate selection procedures, promoting further dialogue between public officials and politicians to better inform the last ones, and strengthening their capacities, as well as participative decision-making processes within organisations.

Integrity

Public integrity is very high and perceived corruption low

Public integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector (OECD, 2017[42]). Corruption and mismanagement in the public sector are usually cited among the most important sources of mistrust; as such, policy action to strengthen integrity will have an important influence on trust (Nolan-Flecha, 2017[43]). In experimental settings, public integrity has been identified as the most crucial determinant of trust in government (Murtin et al., 2018[44]).

The relationship between corruption and trust in government has received quite a bit of attention in the academic research, both for the relationship between interpersonal trust and corruption (Uslaner, 2013[45]; Rothstein and Uslaner, 2005[46]; You, 2017[47]; Richey, 2010[48]; Rothstein, 2011[49]; Rothstein and Eek,

2009[50]) and institutional trust and corruption (Zhang and Kim, 2018[51]; Obydenkova and Arpino, 2018[52]; Radin, 2013[53]; Hakhverdian and Mayne, 2012[54]).

With respect to institutional trust, the relationship is clear, even though causality is complex. Corruption is a clear example of abusing the trust that has been put into a public duty and visible corruption reduces trust in public institutions. In turn, the lower trust undermines government efforts to mobilise society to help fight corruption and leads the public to routinely dismiss government promises to fight corruption (Morris and Klesner, 2010[55]).

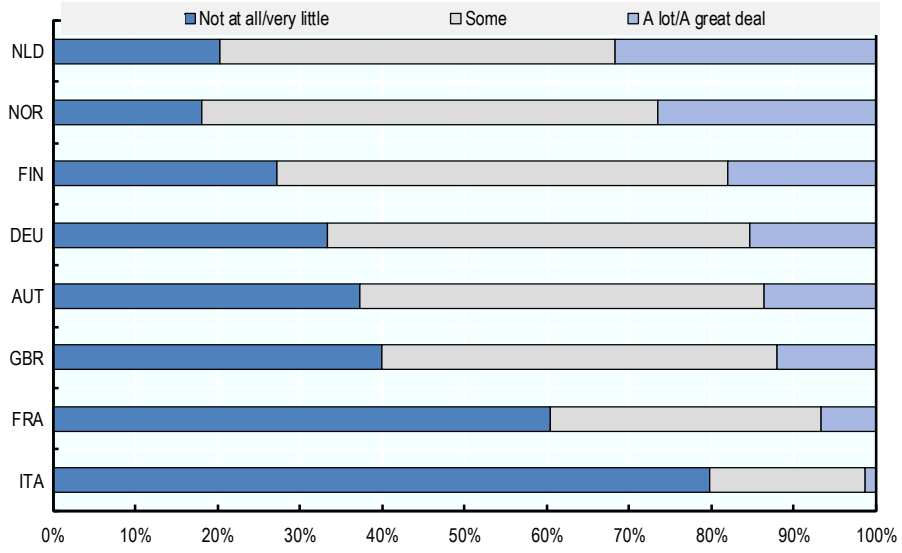
Finally, an interesting debate relates to whether effective official anti-corruption efforts in terms of detection could have, at least in the short term, a negative impact on institutional trust for the reason just explained. Indeed, short-term institutional trust is vulnerable to topical occurrences such as scandals (Bäck and Kestilä-Kekkonen, 2019[22]). Uncovering corruption cases exposes a negative face of government and could thus lead to a drop of institutional trust, despite the fact that the government has actually done a good job. In Finland and the other Nordic countries, corruption scandals are uncommon and often involve relatively small infractions, which nevertheless are considered and treated very seriously.

More generally, in Europe, regardless of the level of corruption in their country, citizens value the honesty and impartiality of their civil servants and institutional trust depends on the perception of impartiality and honesty of officials (Grönlund and Setälä, 2012[56]). A study of 173 European regions found that the absence of corruption – while citizens expect public officials to act ethically – was the strongest institutional determinant on citizens' trust in the public administration (Van de Walle and Migchelbrink, 2020[57]).

Finland is perceived to be amongst the least corrupt countries in the world. Government is perceived to take decisions in the interest of its citizens (Figure 4.5). Indeed, ignorant and bad treatment of citizens may occur in some interactions between citizens and public officials (for more detailed figures on cases, see Section 3.3 of the OECD *Civic Space Scan of Finland*, forthcoming), but they are generally exceptional and usually also perceived as such by the citizens (Salminen and Ikola Norrbacka, 2010[58]). According to the OECD Trust Survey, only 28% of Finns consider that if a parliamentarian were offered a bribe to influence the awarding of a public procurement contract, he/she would likely accept it. Similarly, according to the Civil Servants Survey in 2015, bribery apparently does not occur in administrative practice. In addition, despite some scandals and corruption cases, these do not seem to have had an effect on trust. In fact, anecdotal evidence reported during interviews conducted by the OECD suggests that institutional trust in the police even increased after a widely reported scandal in the police in 2008, possibly because of the immediate and fair handling of the case, which reinforced trust and showed citizens that cases within the police force are not handled differently.

Figure 4.5. People's perception that the government takes into account the interests of all citizens, 2019

How much would you say that the government in your country takes into account the interests of all citizens?



Source: European Social Survey 2019.

StatLink https://doi.org/10.1787/888934238204

In particular, it is worth highlighting the role of the Finnish public civil service. A merit-based civil service is a fundamental element of any public sector integrity system (Dahlström, Lapuente and Teorell, 2012[59]; OECD, 2017[60]; Meyer-Sahling, Mikkelsen and Schuster, 2018[61]). A culture of integrity cannot be achieved without a skilled and motivated civil service, committed to the public's interests, and delivering value for money for citizens.

The interviews conducted for this study emphasised the role the professional Finnish civil service plays in providing checks against potential misconduct by their peers, political appointees and elected officials. In addition, the high level of professionalism and integrity within the Finnish public administration allows for an approach that privileges trust in civil servants over strict compliance-oriented control. This, in turn, has benefits in terms of lowering the costs of control and improving the working climate and thus the intrinsic motivation for honesty (OECD, 2018[62]). It also strengthens leadership capability in the public service (Gerson, 2020[63]).

Indeed, the Finnish public service is highly influenced by this integrity approach, and has chosen a values-based strategy in promoting high standards of ethics in the state administration. According to Civil Servants and Citizens' Surveys commissioned by the Ministry of Finance in 2015 and 2016, respectively, the majority of public officials and citizens perceive that the level of civil service ethics has improved or remained unchanged (Moilanen, 2018[64]). The survey findings support time series of trust in government in Finland, and are aligned with evidence that stresses the relevance of integrity as a key driver of trust in government and the civil service (see Chapter 2).

Nonetheless, while integrity is very high, Finland should continue investing in maintaining this asset and risks should be identified early and managed effectively. For instance, while findings from the Finnish Civil Servants Survey highlighted that public officials consider that the core values were realised well in practice, the value of "openness" scored comparatively low (3.53 compared to a total average of 3.81, where 1 means that the value was realised very poorly and 5 that it was realised very well). Citizens surveyed on

their views regarding civil service ethics expressed a similar concern and underscored the need to improve efforts concerning openness. This reinforces the recommendations made above in Section 4.1.

In addition, the results from the Civil Servants Survey on unethical behaviour also found that 45% of respondents were not aware of a channel for disclosing wrongdoings, and 12% thought that no such channel exists (Moilanen, 2017[65]). In this sense, although Finnish regulations do in fact provide for different ways and mechanisms to report wrongdoings, these do not seem to be well known – perhaps because they do not need to be used very often in practice. In any case, the Finish government could consider improving communication on the existing channels and procedures for reporting wrongdoings while continuing to cultivate a culture of open dialogue between staff and superiors and preventing wrongdoing in the first place. Improving communication efforts and awareness on the Finnish channels and procedures may also address concerns expressed by public officials during the dialogues on the regional tour of open government on the EU Whistleblower Directive.

Further, 58% of respondents to the Civil Servants Survey stated that ethics training was needed in the civil service (Moilanen, 2017[65]). The Flemish government provides an interesting and practical example on training on ethics that could be relevant to consider (Box 4.4).

Box 4.4. Ethics training in Flanders, Belgium

The Flemish Agency for Government Employees provides public officials with practical training that is not focused on the traditional communication of dispositions and guidelines, but instead presents dilemmas officials may face in their daily activities. Public officials are given practical situations in which they confront an ethical choice and where it is not clear how they might resolve the situation with integrity. The facilitator encourages discussion among the participants about how the situation could be resolved in order to explore the different choices. The debate over the possible courses of action, rather than the solution, is the most important element, as it helps participants to identify different opposing values.

The dynamic of the courses consists of a facilitator who explains the rules and presents the participants with cards containing a specific situation and four options to solve or react to it. A participant reads out the dilemma and the options, then all of the other participants indicate individually their choices and explain the motivation behind it. Participants discuss the different choices and the facilitator encourages debate while remaining neutral and suggests alternative ways to approach the dilemma (e.g. the sequence of events and boundaries for unacceptable behaviour).

Based on objectives and targets of specific groups or entities, the dilemmas presented could cover the themes of conflicts of interest, ethics, loyalty or leadership, among others. An example of a dilemma that could be presented would be:

I am a policy officer. The minister needs a briefing within the next hour. I have been working on this matter for the last two weeks and it should already have been finished. However, the information is not complete. I am still waiting for a contribution from another department to verify the data. My boss asks me to submit the briefing urgently because the chief of cabinet has already called. What should I do?

- I send the briefing and do not mention the missing information.
- I send the briefing, but mention that no decisions should be taken based on it.
- I do not send the briefing. If anyone asks about it, I will blame the other department.
- I do not send the information and come up with a pretext and a promise to send the briefing tomorrow.

Source: OECD (2018[66]).

A last point to underscore regarding the findings of the Civil Servants Survey is that a third of public officials consider pre- (31.2%) and post- (28.9%) public employment regulations as being the least clear of all regulations concerning ethical conduct. This could be problematic, given that the OECD survey found that 45% of Finns consider that if a large business offered a well-paid job to a high-level politician in exchange for political favours during their time in office they would tend to accept it. Therefore, the risk of arising conflict of interest situations could be addressed more effectively. In addition, while straightforward monetary bribes seem to be culturally a taboo, more diffuse *quid pro quos*, such as well-remunerated post-public employment, could be more easily tolerated and accepted. In fact, the OECD survey revealed that the "revolving door" scenario was one of the main determinants of trust at the local level (see Chapter 2). However, there is currently no institution in charge of oversight and enforcement of cooling-off periods and other post-public employment provisions in Finland (2020 OECD Survey on Lobbying). As such, Finland could consider looking at the recent reforms in France on monitoring revolving door provisions (Box 4.5).

Box 4.5. Monitoring of revolving door provisions in France

The High Authority for Transparency in Public Life (HATVP) is responsible for monitoring the implementation of revolving door provisions for members of the government, members of boards of independent administrative agencies and main local elected officials in France. During the three years following the termination of their functions, these officials must request authorisation before embarking on any new private remunerated activity. Failing to do so or not abiding by the decision of the institution is a criminal offence.

Decisions taken by the HATVP are communicated to both the former administration and the future employer. After they have been communicated to the former public official, these decisions are published on line, increasing public scrutiny and oversight.

Source: OECD (2020[67]).

Lobbying could be rethought

In interviews conducted by the OECD for the occasion of this study, lobbying was recognised as an area where further work is needed. The relevance of the issue was also identified in a recent policy brief from the Ministry of Finance, which underscores the issues of whistleblower protection and the regulation of lobbying activities were increasingly in the public spotlight (Moilanen, 2018[64]).

Indeed, there has been some evidence that practices such as old boy networks, nepotism and excessive linkages with business are quite common in Finnish society (Salminen and Ikola-Norrbacka, 2009[68]). According to the 2020 OECD Survey on Lobbying, parliamentarians in Finland mentioned that privileged access to policy makers (lack of inclusion) and lack of transparency were among the main risks when stakeholders seek to influence policy making. Additionally, there are gaps in guidance for representatives on how to react on specific daily "influence" situations, such as being invited to a coffee, someone offering to put in a good word for their children's university application, etc. At the same time, Finland currently does not provide public officials with awareness raising or communications activities on issues such as integrity in interactions with third parties or in the decision-making processes (OECD, forthcoming 2021[69])

The current Government Programme envisions enacting an Act on a Transparency Register in Finland, to improve the transparency of decision making and, by doing so, prevent undue influence and reinforce public trust. In fact, lobbying regulations can be considered to be part of a broader group of policies and government efforts, such as open government and access to public information laws and integrity reforms,

among others, to add transparency and accountability to political processes (Chari et al., 2019[70]). In many cases, the introduction of lobbying regulations has been driven by scandals in response to people's complaints and disengagement with the political system (OECD, 2014[71]), though the development of this act could follow the Finnish approach to broader integrity policies, with a more preventive and positive interpretation of lobbying practices, looking to strengthen inclusion and transparency instead of promoting control and enforcement.

The government of Finland could take the opportunity provided by this new act to promote an inclusive process that may further a transparent system and reinforce the commitment of different key actors, such as business, non-governmental organisations and think tanks, as promoted in Ireland, for example (Box 4.6). On the other hand, the new act may address new challenges and be better equipped to face the changing cultural and communications context, by, for example, broadening the scope of activities, actors and channels to be registered (i.e. including activities such as journo-lobbying, social media campaigns or crowdsourcing, performed by think tanks, non-profit organisations, etc.) in order to ensure that lobbying and influence practices are being used in a transparent and equitable manner. For example, the COVID-19 situation showed the relevance of new lobbying channels and of social media, as well as how these could be used to widen unequal access to policy making. Lobbyists who already had access to key decision makers and were able to sustain long-established relationships through phone calls, webinars, emails and instant messages increased the advantages linked to their access.

Box 4.6. Ireland's regulations on lobbying

The Irish regulations on lobbying were informed by a wide consultation process that gathered opinions on its design, structure and implementation, based on OECD *Recommendation of the Council on Principles for Transparency and Integrity in Lobbying*.

The 2015 Regulation of Lobbying Act is simple and comprehensive: any individual, company or non-governmental organisation that seeks to directly or indirectly influence officials on a policy issue must list themselves on a public register and disclose any lobbying activity. The rules cover any meeting with high-level public officials, as well as letters, emails or tweets intended to influence policy.

According to the regulation, a lobbyist is anyone who employs more than ten individuals, works for an advocacy body, is a professional paid by a client to communicate on someone else's behalf or is communicating about land development and is required to register themselves and the lobbying activities they carry out.

In addition to the law, on 28 November 2018, the Standards in Public Office Commission launched its Code of Conduct for persons carrying out lobbying activities. It came into effect on 1 January 2019 and will be reviewed every three years.

Sources: Regulation of Lobbying Act and https://www.lobbying.ie.

Opportunities for improvement

First, maintaining the high level of professionalism of public employees and the values that guide ethical behaviour is key. Finland could further strengthen its culture of public integrity by clarifying the existing channels for reporting wrongdoing and improving the dispositions regarding managing conflict of interest and pre- and post-public employment. Specific ethics trainings could further engage public officials and allow them to link these dispositions to situations they face on a daily basis.

Second, the upcoming register on lobbying/influence could promote transparency and inclusion in decision making, addressing concerns related to perceptions of undue influence and close ties between business and political elites from a preventive and values-based approach. The reform could be an opportunity to draft an innovative approach beyond narrow lobbying, taking into account new channels and practices of exerting influence on public decision making. An inclusive process could further strengthen the legitimacy of the envisaged reform together with a scope of dispositions aware of the current context and strengthen efforts and initiatives designed towards openness and fairness.

Fairness

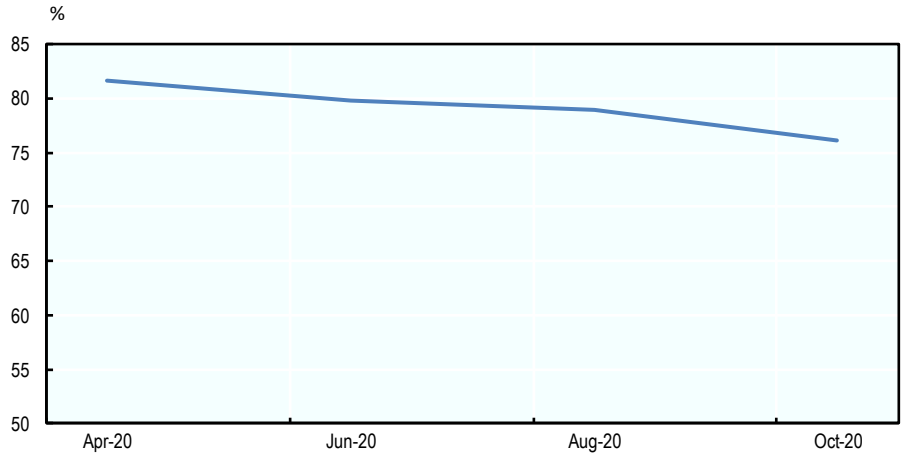
Fairness, as a dimension of trust, captures how much governments treat citizens and business consistently, protect all people for the benefit of society at large, and ensure a fair distribution of burdens and rewards among members of society (OECD, 2017[4]). Positive perceptions of fairness lead to greater trust in government, acceptance of agency decisions, better compliance with regulations and more co-operative behaviour in dealing with government agents. The reverse also holds: citizens are more likely to accept negative outcomes, such as financial penalties, if they feel that they have been treated fairly (Frey, Benz and Stutzer, 2004[72]).

High inequalities lower trust in others and in government (Gould and Hijzen, 2016[73]). In addition, recent evidence from European countries shows that, while citizens from lower economic strata trust political and administrative institutions less than privileged citizens, the trust gap between socio-economic groups is smaller in countries with high levels of inequality than in societies that are more inclusive. In other words, even when citizens themselves might profit from an unequal society, they may still feel that economic exclusion and inequality have a negative impact on their society as a whole and their living conditions (Goubin and Hooge, 2020[74]).

Fairness and equal treatment across generations is one of the seven strategic themes of Finland's 2019 Government Programme. The foundations of the model are non-discrimination and equality, services in health, well-being and education financed by means of tax revenue, high social mobility, and an active civil society. At the same time, it is recognised there is a need to reform the content, structure and financing of healthcare and social welfare in order to strengthen quality services for the most fragile segments of the population, fill skills shortages in basic-level health and social services, enhance the financial capacity of the municipalities, and reduce fragmentation of services (Finnish Government, 2020[75]).

The importance that Finland places on fairness and non-discrimination in policy making is evidenced by the fact that these are two of the six pledges on policy reforms to citizens put forward by the government. People evaluate positively the government's delivery on equity and non-discrimination. The score to the question of whether persons from a minority group are treated equally by government agencies was the highest in Finland among the six countries surveyed and the highest among all the questions on determinants of trust in Finland (see Figure 2.18, Panel A in Chapter 2). Importantly, the perception of living in an equal society has remained high even during the COVID-19 pandemic, while it is has deteriorated in many countries. In October 2020, 76% of the respondents thought that the society is fair (score of 7 or above). Although the score slightly worsened between April and October 2020, no statistically significant differences were observed by age, gender or region of residency (Figure 4.6).

Figure 4.6. Percentage of the Finnish population that considers the society to be fair during the COVID-19 pandemic



Note: On a scale of 1-10, with 10 being extremely just and 1 extremely unjust, in your opinion, how just is the Finnish society at the moment? Percentage who answered 7-10.
Source: OECD calculations based on the Pulse Survey.

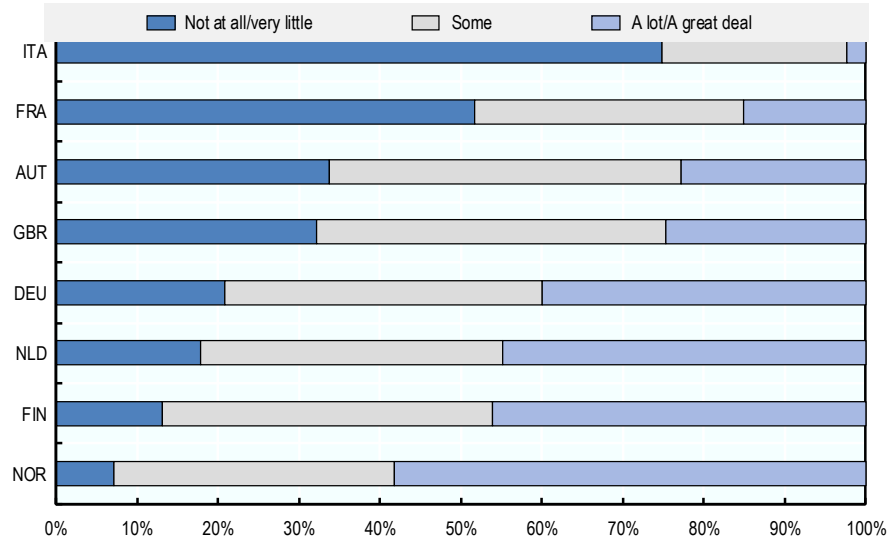
StatLink https://doi.org/10.1787/888934238223

The Nordic welfare model based on pursuing low income inequality and a large redistributive role of government has contributed to building and maintaining high levels of institutional trust in Finland (Figure 2.14). Income inequality remains low by OECD standards and, since the early 2000s, has remained broadly stable (Causa, Browne and Vindics, 2019[76]). At the same time, Finland's employment rate was markedly lower than in the OECD and other Nordic countries in 2020 (Figure 2.13). Various reforms, such as co-ordinating the various working-age benefits against earnings or specific measures to lift work incentives for parents and older workers, could adapt the benefit systems to the changing demography and work patterns while preserving the current level of social protection (OECD, 2018[77]).

Dimensions commonly considered under fairness include the interests of all stakeholders being properly considered in policy decisions, the rule of law applying to all equally, public services treating all citizens equally or vulnerable groups receiving special attention so as to not be left behind. Another common distinction is between procedural fairness (how government decides, regulates and implements policies in a fair way) and fairness in outcomes (the perception that the outcomes received are equitable). Both aspects have been found to effect levels of institutional trust. However, in the case of Finland, the empirical analysis carried out on the results of the OECD Trust Survey did not yield statistically significant influence of the fairness questions on trust levels (see Figure 2.20 in Chapter 2). This may be explained by the fact that the baseline for fairness is very high (and indeed the most regarded quality of government in the survey; see Figure 2.23 Panel A) and therefore incremental changes on average may not have significant effect on trust. Nonetheless, Section 2.3 showed the existence of pockets of distrust in some population groups based on their location, income or education level, which should be addressed to reduce exclusion and enhance the resilience of the Finnish society.

In terms of procedural fairness, citizens in Finland have exceptionally high trust in their legal system. This reflects that the rule of law applies to all equally, or at least is perceived as such. Similarly, 87% of respondents in Finland believe that the political system in their country ensures that everyone has a fair chance to participate in politics greatly or to a fair extent, the second highest percentage after Norway (Figure 4.7).

Figure 4.7. Citizens' perception that everyone has a fair chance to participate in politics in Finland



Note: Answers to the question: How much would you say that the political system in your country ensures that everyone has a fair chance to participate in politics?
Source: OECD calculations based on the European Social Survey, round 6.

StatLink https://doi.org/10.1787/888934238242

In an international comparison, fairness in outcomes is relatively high in Finland. For example, one out of four respondents (27%) felt that they received a fair share of public benefits, given the taxes and social contributions they paid, while less than one out of five (19.4%) on average did so in the 21 OECD countries surveyed (OECD, 2019[9]). In addition, on a scale of 1 (very unlikely) to 10 (very likely), respondents indicated an average score of 5 that the financial burden of a tax reform would be shared fairly across social and income groups (OECD Trust Survey).

Historically, high intergenerational social mobility, both in income and education, helps explain fairness in outcomes (see Box 1.1). According to an OECD survey, it would take three generations for those born in low-income families to approach the mean income of Finland, while it takes 4.5 generations in the OECD average (OECD, 2018[78]). The influence of parental socio-economic status on students' achievement in secondary education is weaker in Finland, which is a top performer in education, than it is in most OECD countries. It explained 12% of the variation in mathematics performance in PISA 2018 in Finland (compared to 14% on average across OECD countries), and 10% of the variation in science performance (compared to the OECD average of 13% of the variation) (OECD, 2019[79]).

However, in the past decades, intergenerational social mobility in Finland has slowed down. Children of low-qualified parents have, on average, a lower probability of completing a tertiary education than children of high-qualified parents, and young foreign-language speakers are less likely to enter further studies after upper secondary education than others are. Of those who graduated in 2016, the share of foreign-language speaking women who continued into further studies was 22 percentage points lower than women whose native language was Finnish, Swedish or Sámi (Kalevi Sorsa Foundation, 2020[80]).

Notwithstanding the high levels of fairness in Finland, challenges to maintain high levels of trust in institutions exist for some population groups, which may feel policies have left them behind. Recovery strategies from COVID-19 should take into account existing disparities and ensure that the most vulnerable are being supported and have opportunities to achieve. Finland's active civil society would be essential to

enhance social dialogue to support the formulation of inclusive recovery measures, such as the case with the Advisory Board for Ethnic Relations (Box 4.7).

Box 4.7. Advisory Board for Ethnic Relations in Finland

The Finnish government appoints the Advisory Board for Ethnic Relations with a four-year mandate. The board engages in dialogue with immigrants; ethnic, cultural and religious minorities; public authorities; political parties; and non-governmental organisations under the auspices of the Ministry of Justice, both at the national and local levels, through a network of regional advisory boards. Through co-operation and discussion, the aim is to promote dialogue between different population groups, build trust and an open Finland.

Source: Based on the interviews carried out for this study and desktop research.

Ensuring fairness in COVID-19 recovery measures

The Finnish welfare model, which has fostered strong inclusive growth, was facing challenges even before the COVID-19 pandemic, in particular with respect to population ageing, relatively low employment rates and mobility of the tax base due to globalisation. Preserving the quality of welfare provision and promoting sustainable growth would require significant reforms in the 2020s, as outlined in the 12 outlooks included in the Opportunities for Finland publication prepared by the permanent secretaries of the ministries in 2019 (Government of Finland, 2019[81]).

The disproportional impact of the COVID-19 crisis on vulnerable population groups may represent a challenge to fairness and trust in Finland if not addressed in the recovery measures. Already during the emergency phase of the pandemic, questions of fairness have emerged regarding the choices of the economic sectors and segments of the population receiving subsidies and support. Tension between short-term choices and long-term impacts also exist, as fairness in the short term (helping the economic sectors most in need) may constrain future choices (for example, not enough investment in the green economy or transformation of skills for future generations). In view of the economic challenges ahead, including general government debt, it is important to continue policy dialogue and evaluating the implications of the different scenarios on equality and intergenerational justice.

The recovery measures to address the economic consequences of the crisis and build an inclusive and sustainable society will require significant reforms, long-term commitments and quick decisions. Policy co-ordination and decision making in Finland may need to be adapted to overcome the previous slowness of major reforms and fragmentation of decision making between the executive and civil servants (in particular political state secretaries) (EU, 2018[82]).

An inter-ministerial group led by the Minister of Finance submitted the “Sustainable Growth Programme for Finland” report on 27 November 2020 to parliament (Prime Minister's Office, 2020[83]). The report focuses on structural reforms of the economy and public service reforms to best use EU recovery funds. A key element of the programme is to accelerate the green transition and digital transformation through innovative solutions and new technologies. Priority will be given to measures which improve employment, competitiveness and the sustainability of public finances, and which help with net emissions reductions, strengthening the circular economy and adaptating to climate change. Partnerships, widespread involvement and interministerial collaboration are essential for the Sustainable Growth Programme to succeed. Should further fiscal stimulus be needed as supply recovers, it should be targeted on the most adversely affected sectors and groups and on projects that improve environmental outcomes, such as supporting the development of a charging network for electric vehicles. Cash transfers to help low-income

households, the self-employed and small businesses could also be made. To foster labour market adjustment, the public employment service should provide more online training and education to the unemployed, for instance by pairing online training and education with unemployment benefits (OECD, 2020[84])

Opportunities for improvements

Recovery strategies from COVID-19 should take into account existing disparities, ensure that the most vulnerable are being supported, and manage possible trade-offs between short-term and long-term interventions. In this respect, Finland could strengthen a whole-of-government approach to evaluate the implications of the different recovery scenarios on equality and intergenerational justice.

Continue securing equality in the availability of and participation in early childhood education as well upper school education. Implementing specific protective measures in the school transitions of children and young people with an immigrant background is necessary, as segregation can be seen between the educational paths of those with an immigrant background and members of the majority population.

Strengthen social dialogue between demographic groups at the local level and remove barriers to participation of marginalised groups to enhance fairness. The preventive units in the police districts tasked to work with local administrations, young people, parents and minorities could be effective in building trust in the police and counteract media portrayals of aggressive police; it could be a method of working to be extended in other contexts (OECD, forthcoming 2021[85])

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Notes

[1] This percentage corresponds to the share of the population who to the question: How much would you say the political system in Finland allows people like you to have a say in what the government does? answered 7-10 on a scale of 1-10. The percentage resulting from the European Social Survey encompass the percentage of the population who to the same question answered: some, a lot or a great deal. If response choices 5-6 (treated as neutral) are added to the OECD survey question response, the percentage increases to 42%, which is very similar to the result achieved through the European Social Survey (40.1%).

[2] Similar findings on participation processes are also found in other studies (e.g. (Christensen, 2019[89]) (Christensen, 2018[90]) (Christensen, Karjalainen and Lundell, 2016[91]) (Puustinent and al, 2017[92]). Another study shows that the introduction of democratic innovations may not suffice to convince the most sceptical citizens of the good intentions of the authorities (Christensen, Karjalainen and Lundell, 2016[91]). (Puustinent and al, 2017[92]) argue that in the context of the Finnish legal culture, there is a crucial political mandate for the planner's jurisdiction based on institutional trust. This jurisdiction is essential to afford the planner the justification for keeping broader issues on the planning agenda; such issues go beyond the specific concerns that the given stakeholders bring to the table. Interviews conducted in yet another study underscored the primacy of representative democracy and the legal-administrative planning arrangements in promoting the public interest, while doubting the citizen opponents' competence and sincerity (Lehtonen and De Carlo, 2019[27]).

Annex A. OECD Trust Survey implemented in Finland

This annex presents the OECD Trust Survey which was fielded as part of the Consumer Confidence Survey (CCS) in Finland in August 2020 to a sample of 1 011 respondents. In addition to asking people about their trust in government and other public institutions, the survey inquires through specific situations how well people think public institutions are responsive and reliable in delivering services to their needs and expectations as well as their evaluation of government's integrity, openness, fairness and capacity to address key societal trends. It also includes questions on other aspects that have been associated with levels of institutional trust such as political efficacy, participation, satisfaction with services and political preferences.

OECD Trust survey included in the Consumer Confidence Survey (CCS) fielded by Statistics Finland.

Q1. And now a general question about trust. On a scale from zero to ten, where zero is not at all and ten is completely, in general how much do you trust most people?

Not at all Completely DK

1 2 3 4 5 6 7 8 9 10 88

The next questions are about whether you have trust in various institutions in Finland.

Even if you have had very little or no contact with these institutions, please base your answer on your general impression

please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust.

Q2. [Country's] Government?

Not at all Completely DK

1 2 3 4 5 6 7 8 9 10 88

Q3 Your local government

Not at all Completely DK

1 2 3 4 5 6 7 8 9 10 88

Q4. [Country's] Parliament?

Not at all Completely DK

1 2 3 4 5 6 7 8 9 10 88

Q5. The police?

Not at all Completely DK

1 2 3 4 5 6 7 8 9 10 88

Q6. The civil service?

Not at all Completely DK

1 2 3 4 5 6 7 8 9 10 88

The determinants of public trust

The following questions are about your expectations of behaviour from public institutions. In each question, you will be asked how likely or unlikely is a particular example of behaviour

Please respond on a scale from 1 to 10 where 1 means very unlikely and 10 means very likely.

Responsiveness

Q7. If a large group of citizens expresses dissatisfaction with the functioning of a public service (e.g. the education, health or justice system) do you think that corrective actions will be taken?

1 2 3 4 5 6 7 8 9 10 88

Q8. If a government employee has an idea that could lead to better provision of a public service, do you think that it would be adopted?

1 2 3 4 5 6 7 8 9 10 88

Reliability

Q9. If an alert due to the appearance of a new disease is raised, do you think that existing public health plans would be effective?

1 2 3 4 5 6 7 8 9 10 88

Q10. If you start a business today do you think that the conditions under which you operate (taxes, regulations, etc.) will remain stable enough so that unexpected changes do not threaten your business?

1 2 3 4 5 6 7 8 9 10 88

Integrity

Q11. If a large business offered a well-paid job to a high level politician in exchange for political favours during their time in office, do you think that he/she would refuse this proposal?

1 2 3 4 5 6 7 8 9 10 88

Q12. If a parliamentarian were offered a bribe to influence the awarding of a public procurement contract, do you think that he/she would refuse the bribe?

1 2 3 4 5 6 7 8 9 10 88

Openness

Q13. If a decision affecting your community were to be taken by the local or regional government, how likely is it that you and others in the community would have an opportunity to voice your concerns?

1 2 3 4 5 6 7 8 9 10 88

Q14. If you need information about an administrative procedure, do you think that it will be easy to find? (OECD 3.10)

1 2 3 4 5 6 7 8 9 10 88

Fairness

Q15. If an individual belongs to a minority group (e.g. sexual, racial/ethnic and/or based on national origin), how likely is it that he or she will be treated the same as other citizens by a government agency?

1 2 3 4 5 6 7 8 9 10 88

Q16. If a tax reform is implemented, do you think that the financial burden would be shared fairly across social and income groups?.

1 2 3 4 5 6 7 8 9 10 88

Satisfaction with services

Q17. Have you or your children been enrolled in an educational institution during the last 2 years?

① Yes

② No

Q18. How satisfied are you with the quality of the educational system?

Not at all satisfied completely satisfied

1 2 3 4 5 6 7 8 9 10 88

Q19. In the last 12 months, have you had a direct experience with the health care system?

① Yes

② No

Q20 . How satisfied are you with the quality of the health care system?

Not at all satisfied completely satisfied

1 2 3 4 5 6 7 8 9 10 88

Evaluation of key societal trends

Please indicate the degree to which you agree or disagree with the following statements 1 (not agree at all)-10 (completely agree).

Q21. Public institutions are doing enough to ensure the sustainability of the environment.

Strongly disagree Strongly agree DK

1 2 3 4 5 6 7 8 9 10 88

Q22. Public institutions are doing enough to maintain social cohesion.

Strongly disagree Strongly agree DK

1 2 3 4 5 6 7 8 9 10 88

Q23 Public institutions are doing enough to adapt in order to be prepared for addressing futurechallenges.

Strongly disagree Strongly agree DK

1 2 3 4 5 6 7 8 9 10 88

Q24.Public institutions are doing enough to ensure that everyone has equal opportunities in life.

Strongly disagree Strongly agree DK

1 2 3 4 5 6 7 8 9 10 88

Voice and participation

Over the last 12 months, have you done any of the following activities?

Q25. Attended a meeting of a trade union, a political party or political action group

Yes/No

Q26. Signed a petition, including an e-mail or on-line petition

Yes/No

Political Efficacy

Q27. How interested would you say you are in politics

1 not interested at all- 10 very interested

Q28. How much would you say the political system in Finland allows people like you to have a say in what the government does?

1 none- 10 a lot

Q29. And how confident are you in your own ability to participate in politics?

1 not confident at all- 10 extremely confident

Political Orientation

Q30. In political matters, people often talk of “the left” and “the right”. How would you place your views on this scale, generally speaking?

0 (left)- 10(right)

Annex B. Econometric analyses

In order to test the relationship between trust in public institutions, its main drivers and the impact of other contextual variables, the study carried out an analysis based on linear regressions. In all regressions, independent variables are normalised, meaning that the coefficients reported represent the change in the dependent variable as a result of one standard deviation increase in the explanatory variable. Results from linear regressions are presented for trust in government, the local government and the civil service.

The policy and contextual drivers of trust in government, the local government and the civil service are presented respectively in Tables B.1, B.2 and B.3. The three instances are regressed using the three broad categories presented in the conceptual framework: a) interpersonal drivers; b) policy drivers (i.e. competences and values) and c) sustainability and perception of government actions in key societal trends. Each of the individual categories is first regressed on the dependent variable, first including the full set of variables, and in the following using a selection determined by a stepwise regression. In the final columns, all three categories are grouped together, and the significant variables are retained (using the same methodology). The full models, marked in bold, have the higher explanatory power and are those retained for subsequent policy analysis based (See Chapters 2-4).

Table A B.1. Trust in government

	Interpersonal drivers		Policy drivers (competence and values)		Sustainability and key societal trends		Full model	
VARIABLES	All	Selection	All	Selection	All	Selection	All	**Selection**
Interpersonal trust	0.741***	0.749***					0.364***	**0.371*** **
	-0.0705	-0.0697					-0.0662	**-0.064**
Gender	0.459***	0.470***					0.265**	**0.357*** **
	-0.122	-0.119					-0.109	**-0.103**
Education	0.0514						0.0500*	
	-0.0335						-0.0303	
Migration background	0.906***						0.486*	
	-0.321						-0.287	
Age	-0.0268						-0.106*	
	-0.0634						-0.056	
Employment status (employed)	-0.326**						-0.241*	
	-0.141						-0.126	
Income	0.127*						0.0796	
	-0.0711						-0.0631	
Geographical location (urban)	0.138						0.151	
	-0.156						-0.138	
Political efficacy (having a say)	0.815***	0.825***					0.240***	**0.234*** **

	-0.0787	-0.0654					-0.0838	**-0.0656**
Political efficacy (ability to participate in politics)	-0.132						-0.091	
	-0.0872						-0.074	
Participated at recent meeting party, union, etc	0.187						-0.164	
	-0.281						-0.264	
Signed a petition (including online)	0.379***	0.431***					0.151	
	-0.131	-0.13					-0.113	
Interest in politics	0.0729						0.0499	
	-0.0887						-0.0751	
Political orientation (right)	-0.328***	-0.315***					-0.283***	**-0.328*** **
	-0.0649	-0.0654					-0.0559	**-0.0541**
Service adaptation (responsiveness)			0.524***	0.630***			0.450***	**0.509*** **
			-0.0855	-0.0768			-0.0834	**-0.0791**
Innovation service provision (responsiveness)			0.121				0.0103	
			-0.0904				-0.0826	
Preparedness public institutions to fight spread of new disease (reliability)			0.352***	0.365***			0.207**	
			-0.0868	-0.0785			-0.0861	
Stability regulatory conditions (reliability)			0.349***	0.356***			0.298***	**0.357*** **
			-0.0831	-0.0804			-0.0771	**-0.0725**
Revolving door (integrity)			0.129*				0.0708	
			-0.067				-0.0622	
High level officials refusing bribes (integrity)			0.213***	0.258***			0.130*	**0.178*** **
			-0.0768	-0.0677			-0.0711	**-0.0642**
Voicing concerns (openness)			0.147				0.0045	
			-0.0898				-0.0859	
Availability of information (openness)			-0.0326				-0.146**	
			-0.0759				-0.0732	
Equality of treatment socioeconomic characteristics (fairness)			-0.171**				-0.0997	
			-0.0697				-0.0705	
Equality sharing burden reforms (fairness)			0.272***	0.298***			0.11	
			-0.0848	-0.0822			-0.0785	
Public institutions doing enough to address the sustainability of the environment					-0.430***	-0.426***	-0.172**	
					-0.0792	-0.079	-0.0705	
Public institutions doing enough to ensure social cohesion					0.461***	0.505***	0.107	
					-0.107	-0.0967	-0.0964	

Public institutions doing enough to address future challenges (reliability)					1.030***	1.055***	0.511***	**0.474*** **
					-0.0959	-0.0957	-0.0882	**-0.0709**
Public institutions doing enough to ensure equal opportunities in life					0.102		-0.0988	
					-0.0848		-0.0827	
Constant	4.533***	5.181***	6.576***	6.578***	6.571***	6.571***	5.966***	**6.049*** **
	-0.631	-0.314	-0.0529	-0.0533	-0.0581	-0.0581	-0.571	**-0.162**
Observations	926	926	971	971	979	979	891	**891**
R-squared	0.385	0.368	0.474	0.462	0.35	0.349	0.563	**0.538**
Robust standard errors in parentheses								
*** p<0.01, ** p<0.05, * p<0.1								

Table A B.2. Trust in local government

	Interpersonal drivers		Policy drivers (competences and values)		Sustainability and key societal trends		Full model	
VARIABLES	All	Selection	All	Selection	All	Selection	All	**Selection**
Interpersonal trust	0.674***	0.684***					0.340***	**0.324*** **
	-0.0663	-0.0663					-0.0652	**-0.0641**
Gender	0.128						0.0268	
	-0.112						-0.105	
Education	0.00346						-0.00158	
	-0.0324						-0.0294	
Migration background	0.994***	1.083***					0.489**	
	-0.28	-0.286					-0.239	
Age	-0.123**						-0.190***	
	-0.0595						-0.0537	
Employment status (employed)	-0.237*						-0.229*	
	-0.13						-0.12	
Income	0.0641						0.0357	
	-0.0654						-0.0599	
Geographical location (urban)	-0.0423						-0.106	
	-0.152						-0.141	
Political efficacy (having a say)	0.657***	0.619***					0.0955	
	-0.0664	-0.0572					-0.0747	
Political efficacy (ability to participate in politics)	-0.206***						-0.192***	
	-0.0752						-0.0691	
Participated at recent meeting party, union, etc	0.255						0.027	
	-0.251						-0.258	
Signed a petition (including online)	0.303***						0.0601	
	-0.116						-0.104	
Interest in politics	0.182**						0.181***	**0.195*** **
	-0.0707						-0.0611	**-0.059**
Political orientation (right)	0.0326						0.0259	
	-0.055						-0.0518	
Service adaptation (responsiveness)			0.286***	0.319***			0.213***	**0.278*** **
			-0.0776	-0.0772			-0.0767	**-0.0781**
Innovation service provision (responsiveness)			0.240***	0.255***			0.182**	**0.231*** **
			-0.0777	-0.0775			-0.0773	**-0.0798**
Preparedness public institutions to fight spread of new disease (reliability)			0.253***	0.306***			0.176**	**0.216*** **
			-0.0774	-0.0722			-0.0797	**-0.0748**
Stability regulatory conditions (reliability)			0.164**				0.126*	
			-0.0739				-0.0755	
Revolving door (integrity)			0.114*				0.136**	**0.202*** **
			-0.0643				-0.064	**-0.0537**
High level officials refusing bribes (integrity)			0.156**	0.229***			0.063	

			-0.0714	-0.061			-0.0715	
Voicing concerns (openness)			0.294***	0.354***			0.233***	**0.283*** **
			-0.0777	-0.0733			-0.0816	**-0.0706**
Availability of information (openness)			0.105				-0.0189	
			-0.0723				-0.075	
Equality of treatment socioeconomic characteristics (fairness)			-0.0185				-0.0532	
			-0.0652				-0.0697	
Equality sharing burden reforms (fairness)			0.165**	0.216***			0.0861	
			-0.072	-0.0736			-0.0745	
Public institutions doing enough to address the sustainability of the environment					-0.0772		0.0526	
					-0.0695		-0.0643	
Public institutions doing enough to ensure social cohesion					0.413***	0.381***	0.197**	**0.297*** **
					-0.0983	-0.0989	-0.0856	**-0.0669**
Public institutions doing enough to address future challenges (reliability)					0.603***	0.590***	0.132	
					-0.086	-0.0848	-0.0802	
Public institutions doing enough to ensure equal opportunities in life					0.243***	0.239***	-0.0968	
					-0.0819	-0.0818	-0.0856	
Constant	5.011***	6.224***	6.252***	6.253***	6.262***	6.261***	6.114***	**6.265*** **
	-0.556	-0.0535	-0.0466	-0.0471	-0.0522	-0.0522	-0.567	**-0.0464**
Observations	922	922	969	969	976	976	889	**889**
R-squared	0.345	0.324	0.467	0.458	0.325	0.324	0.507	**0.49**

Table A B.3. Trust in the Civil Service

	Interpersonal drivers		Policy drivers (competence and values)		Sustainability key social trends		Full model	
VARIABLES	All	Selection	All	Selection	All	Selection	All	**Selection**
Interpersonal trust	0.699***	0.728***					0.341***	**0.360*** **
	-0.0688	-0.0665					-0.0645	**-0.0615**
Gender	0.214**						0.109	
	-0.105						-0.0954	
Education	0.0403						0.0287	
	-0.0272						-0.0249	
Migration background	0.854***	0.853***					0.279	
	-0.287	-0.278					-0.248	
Age	-0.00804						-0.0371	
	-0.055						-0.0495	
Employment status (employed)	-0.0593						0.0347	
	-0.128						-0.113	
Income	0.142**	0.136***					0.0843	**0.0921** **
	-0.0647	-0.0483					-0.0584	**-0.0426**
Geographical location (urban)	0.054						0.0555	
	-0.132						-0.123	
Political efficacy (having a say)	0.612***	0.613***					0.0295	
	-0.0691	-0.0571					-0.0709	
Political efficacy (ability to participate in politics)	-0.105						-0.0696	
	-0.0841						-0.0719	
Participated at recent meeting party, union, etc	0.0771						-0.224	
	-0.232						-0.223	
Signed a petition (including online)	0.291**						0.0822	
	-0.116						-0.101	
Interest in politics	0.157**						0.11	
	-0.0759						-0.0674	
Political orientation (right)	0.019						-0.0103	
	-0.0549						-0.0501	
Service adaptation (responsiveness)			0.399***	0.503***			0.362***	**0.405*** **
			-0.0802	-0.0748			-0.0773	**-0.0781**
Innovation service provision (responsiveness)			0.172**				0.105	**0.163** **
			-0.0799				-0.08	**-0.0719**
Preparedness public institutions to fight spread of new disease (reliability)			0.250***	0.293***			0.137*	
			-0.0776	-0.0733			-0.0798	
Stability regulatory conditions (reliability)			0.194***	0.215***			0.11	**0.172*** **
			-0.0726	-0.072			-0.0711	**-0.0654**
Revolving door (integrity)			0.0217				0.0331	
			-0.0607				-0.0575	
High level officials refusing bribes (integrity)			0.260***	0.273***			0.151**	**0.196*** **
			-0.0681	-0.0599			-0.0639	**-0.0575**

Voicing concerns (openness)			0.104				0.0455	
			-0.0752				-0.078	
Availability of information (openness)			0.217***	0.270***			0.1	**0.140****
			-0.0702	-0.0674			-0.0696	**-0.0654**
Equality of treatment socioeconomic characteristics (fairness)			0.0196				-0.0561	
			-0.0614				-0.0633	
Equality sharing burden reforms (fairness)			0.161**	0.203***			0.0503	
			-0.0686	-0.0665			-0.0734	
Public institutions doing enough to address the sustainability of the environment					-0.175***	-0.175***	-0.0845	
					-0.0663	-0.0663	-0.0658	
Public institutions doing enough to ensure social cohesion					0.406***	0.406***	0.163*	**0.154****
					-0.0939	-0.0939	-0.0854	**-0.0775**
Public institutions doing enough to address future challenges (reliability)					0.605***	0.605***	0.233***	**0.270*****
					-0.0866	-0.0866	-0.08	**-0.0753**
Public institutions doing enough to ensure equal opportunities in life					0.376***	0.376***	0.0869	
					-0.0731	-0.0731	-0.0764	
Constant	5.443***	6.531***	6.887***	6.886***	6.889***	6.889***	6.680***	**6.680*****
	-0.525	-0.137	-0.0445	-0.0447	-0.0495	-0.0495	-0.489	**-0.12**
Observations	918	918	964	964	971	971	884	**884**
R-squared	0.376	0.361	0.497	0.49	0.371	0.371	0.548	**0.533**

Drivers of Trust in Public Institutions in Finland

Public trust is a cornerstone of the Finnish administrative and political model, it has also been a key element of Finland's successful response to the COVID-19 pandemic. Preserving and strengthening the Finnish trust capital will be of essence for facing trade-offs and challenges ahead, particularly on the recovery phase following the pandemic. Through the combination of quantitative and qualitative methods this study examines the key determinants of trust in government, the local government and the public administration in Finland. Overall, it finds that responsiveness of public services and reliability of policies are key determinants of trust in institutions in Finland.



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