

Chapter 1

Trust in government, policy effectiveness and the governance agenda

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Introduction

The financial and economic crisis that started in 2008 led to a significant loss of trust in government. By 2012, on average only four out of ten people in OECD member countries expressed confidence in their government. As governments search for a path to economic recovery, the challenge they face is not only knowing what policies to choose, but also how to implement those policies. Yet, capacity to implement depends crucially on trust. Without trust in governments, markets and institutions, support for necessary reforms is difficult to mobilise, particularly where short-term sacrifices are involved and long-term gains might be less tangible. The sharp decline in trust in government is serving to underline that trust is an essential, yet often overlooked, ingredient in successful policy making.

A decline in trust can lead to lower rates of compliance with rules and regulations. Citizens and businesses can also become more risk-averse, delaying investment, innovation and employment decisions that are essential to regain competitiveness and jumpstart growth. Nurturing trust represents an investment in economic recovery and social well-being for the future. Trust is both an input to public sector reforms – necessary for the implementation of reforms – and, at the same time, an outcome of reforms, as they influence people’s and organisations’ attitudes and decisions relevant for economic and social well-being. As a result, trust in government by citizens and businesses is essential for the effective and efficient policy making both in good times and bad. Investing in trust should be considered as a new and central approach to restoring economic growth and reinforcing social cohesion, as well as a sign that governments are learning the lessons of the crisis.

The challenge of maintaining trust is complicated by a faster and more diversified flow of information across society, such as through civil society, the Internet and social networks. Together these suggest a more complex environment for governments with respect to maintaining the confidence of stakeholders. In this environment, good policy design and economic recovery may not be sufficient to restore trust if citizens are suspicious of the policy-making process and perceive the distribution of costs and benefits as unfair. Understanding what drives trust in government is essential to build a virtuous cycle that is able to sustain economic growth and well-being in the medium term.

The objective of this chapter is to explore the links between trust in government and the policies and institutions of public governance. It looks at how trust and specifically trust in government can be defined, how it is measured and how it may influence citizens’ attitudes and responses to public policies. Drawing on the available evidence, the chapter discusses what drives trust and identifies a number of ways to make policies more reliable, responsive, open, inclusive and fair. The analysis is a preliminary exploration of a subject that has been approached by governance experts, economists and sociologists from rather disparate angles in the past. Even though more research may be needed to build a common perspective and stronger policy conclusions, trust in government already provides a different lens through which to look at public governance – a lens that pays much more attention to people’s perceptions and how this influences their reaction to policy measures and reforms. Understanding trust may thus make policy makers and analysts of public governance more sensitive and responsive to the expectations of citizens.

What do we mean by trust in government?

Trust means *holding a positive perception* about the actions of an individual or an organisation. It is a subjective phenomenon, reflected in the “eyes of the beholder” that matters especially to the extent that it shapes behaviour. *Trust in government* represents confidence of citizens in the actions of a “government to do what is right and perceived fair” (Easton, 1965). It depends on the congruence between citizens’ preferences – their interpretation of what is right and fair and what is unfair – and the perceived actual functioning of government (Bouckaert and van de Walle, 2003). As citizens’ preferences are diverse, they use a multitude of different criteria to evaluate government actions/performance. What is considered right and fair by one individual may not be considered so by another. In order to analyse what influences trust in government, the preferences of citizens need to be compared to their perceptions of the functioning of government. As it is not the *actual* performance of government but its *perceived* performance that matters for trust in government, the drivers of perceptions besides governmental performance need to be identified as well.

At a broad level, trust in government builds on two main components: 1) *social trust*, that represents citizens’ confidence in their social community; and 2) *political trust*, when citizens appraise government and its institutions. Political trust includes both macro-level trust, which is diffuse and system based, and institution-based trust. Civic engagement in the community and interpersonal trust have been shown to contribute to overall social trust (Putnam, 2000). This relationship, however, is not mechanical and may be affected by a number of contextual factors. For example, there are countries where people mistrust each other – social trust is low –, and then rely on institutions to represent their interest (Aghion et al., 2010).

Citizen expectations are key to their trust in government. As citizens become more educated, their expectations of government performance rise. If citizens’ expectations rise faster than the actual performance of governments, trust and satisfaction could decline. These changes in expectations may explain more of the erosion of political support than real government performance (Dalton, 2005) and may surprise policy makers that are anchored in past diagnoses.

In addition, citizens’ trust towards government is influenced differently whether they have a *positive or negative experience with service delivery*. A negative experience has a much stronger impact on trust in government than a positive one. Targeting public policies towards dissatisfied citizens will therefore have a stronger impact on trust in government (Kampen et al., 2006).

Much of the analysis on citizens’ trust in government also applies to businesses and even to the government’s own employees, but the formation of perceptions and the factors that influence them may be different.

Why does trust in government matter?

Trust in government has been identified as one of the most important foundations upon which the *legitimacy and sustainability of political systems are built*. Trust is essential for *social cohesion and well-being* as it affects governments’ ability to govern and enables them to act without having to resort to coercion. Consequently, it is an efficient means of lowering transaction costs in any social, economic and political relationship (Fukuyama, 1995). A high level of trust in government might increase the efficiency and effectiveness of government operations.

Core levels of trust in government are necessary for the fair and effective functioning of government institutions – such as adherence to the rule of law, or the delivery of basic public services and the provision of infrastructure. The rule of law and independent judiciary are particularly important as their proper functioning is a key driver of trust in government, as established in several studies (Knack and Zak, 2003; Johnston, Krahn and Harrison, 2006; Blind, 2007). As well-functioning government institutions matter for business investment decisions, trust in them is a necessary ingredient to spur economic growth (Dasgupta, 2009; Algan and Cuha, 2013).

Trust in government institutions at the same time influences individual behaviour in ways that could support desired policy outcomes. This may range from rather narrowly defined policies and programmes (such as participation in vaccination campaigns) to broader policy reforms (e.g. environmental regulation or pension reform). Trust is important because many public programmes create the opportunity for free riding and opportunistic behaviour. Trust could reduce the risk of such behaviour to the extent that people are prepared to sacrifice some immediate benefits if they have positive expectations of the longer-term outcome of public policies, either at a personal level (pensions) or by contributing to the common good (redistribution of income through taxation).

Trust in government may help governments to implement structural reforms with long term benefits. Many reforms involve sacrificing short-term satisfaction for longer-term gains and will require broader social and political consensus to be effective and sustainable. In a high-trust environment, such reforms may not only be properly enacted and implemented, but could be sustained long enough to bear their fruits. This extends the time frame for policy decisions. In a low-trust climate, citizen will prioritise immediate, appropriate and partial benefits, and will induce politicians to seek short-term and opportunistic gains through free-riding and populist attitudes (Gyorffy, 2013).

Trust in government could improve compliance with rules and regulations and reduce the cost of enforcement. Rules and regulations are never perfect or complete enough to eliminate abuse. Their effectiveness depends on the extent to which people see them as fair and legitimate enough to outweigh the benefits of non-compliance. This is particularly important for regulations where the gap between the cost of compliance and personal benefits is large and where control is more difficult. Taxation is an example of the first, while traffic regulations are an example of the second. Trust in the regulator can lead to higher voluntary compliance (Murphy, 2004).

Trust in government institutions could help to increase confidence in the economy by facilitating economic decisions, such as on investment and consumption that foster economic growth. Trust in institutions as well as interpersonal trust may reduce the perception of risks linked to decisions ranging from the consumption of durables to job mobility, worker hiring and investment. An increase in trust among people raises total factor productivity, therefore fosters economic progress (Dasgupta, 2009). This, in turn, supports economic growth and extends the planning horizon of economic agents, increasing economic dynamism.

Trust in government seems to be especially critical in crisis situations, such as natural disasters, economic crisis or political unrest which focuses attention on the core functions of public governance. The capacity of governments to manage crises and to implement successful exit strategies is often a condition for their survival and for their re-election. In the aftermath of major disasters, lack of trust may hamper emergency and recovery

procedures causing great harm to society and damaging government's capacity to act. Likewise, the current economic crisis may reveal dimensions of trust that were not evident in the gradual evolution of countries in the years that preceded it.

Trust may run in different directions. It is not only trust of citizens and organisations in government that matters for policy effectiveness; trust of government in citizens and organisations and trust within government may shape policy design and its outcomes (Bouckaert, 2012). How much citizens and businesses are trusted by government is reflected in how government functions and how public services are organised as well as their efficiency and effectiveness – e.g. the tax system, the use of self-regulation and self-monitoring. In addition, citizens' and businesses' trust in government and governments' trust in citizens and businesses feed off one another. An open and responsive government is an enabling environment to reinforce trust between government and citizens in both directions. Unfortunately, trust *from* and *within* government is considerably less documented in the literature than trust *in* government.

While trust takes time to be established, it can be lost quickly. It is not sufficient to discuss the impact of trust in government on the performance of government, the economy and society, it is also necessary to describe what might happen if there is an increasing *distrust in government*. This might lead to less willingness on the part of citizens (and businesses) to obey the law, to make sacrifices during crises or to pay taxes. This could raise costs for government – resulting in declining efficiency – or erode revenues. Declining trust in government might also make it more difficult to attract and retain talent to work for government institutions.

Measuring trust in government

Trust is based on perceptions and its measurement is fraught with many challenges. This is true at the national level, and even more so at the international level. As trust represents a positive perception of government, it is measured by perception surveys, asking citizens, businesses or experts whether they trust (or have confidence) in government, leadership, and/or specific government institutions (e.g. local authorities or the justice system). Questions are often asked also about their satisfaction with public services, such as the local police, education or health care, although they represent a somewhat different concept than trust.

Several international surveys collect data on citizens' trust in government (see Table 1.1). The World Gallup Poll provides data across all 34 OECD member countries with sufficient regularity to capture the impact of the global financial and economic crisis on trust in government. The World Values Survey has measured trust in government for the

Table 1.1. **International surveys measuring trust or confidence in government**

Name of survey	Number of OECD countries covered	Years covered and frequency	Measurement	Answer scale
World Gallup Poll	34	2005-12 (annually)	Confidence in national government	2: yes/no
World Values Survey	25	4 waves: 1989-93; 1994-98; 1999-2004; 2005-08	Confidence in the government	4: a great deal/quite a lot/not very much/not at all
Eurobarometer	23	2003-13 (biannually)	Trust in government	2: tend to trust/tend not to trust
Edelman Trust Barometer	15	2001-13 (annually)	Trust in government	9 point scale: 1 means "do not trust at all" and 9 means "trust them a great deal"
Latinobarómetro	3	1995-2012 (annually)	Trust in government	4: a lot/some/a little/no trust

longest period of time, but the dataset is fragmented, and data is only available for multiple year periods, the latest wave being 2005-07. The European Union's Eurobarometer provides the most consistent dataset (including biannual data points) but unfortunately covers only 23 OECD member countries. The Edelman Trust barometer provides time series only for a restricted sample of the population (sampling criteria includes college educated and household income in the top quartile).

As international surveys were designed to offer cross country comparisons, their questions measuring trust in government are subject to ambiguity and they are often restricted down to the respondent's interpretation as no definition of the term *government* is usually provided. The international surveys apply similar methodologies in terms of sampling, but diverge in terms of question formulation (e.g. nuances between a question on *confidence* and a question on *trust* in government, different response scales) and also in terms of other measures of trust that could provide comparators (e.g. trust in national parliament, financial institutions, politicians, civil servants, international organisations, public services such as health care and education, businesses, religious institutions).

The limitations of international surveys make it difficult to gain a thorough understanding of how citizens' trust in government is evolving over time and what influences levels of trust in government across OECD countries and beyond. The incidence of cultural factors on how people approach public institutions makes pure cross country comparisons of trust in government especially challenging. Perhaps most importantly for the purpose of this analysis, the existing surveys were not designed to support policy analysis or lead to policy recommendations.

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

The discussion above suggests that more could be done to increase comparability of data on citizens' trust from perception surveys and support policy discussion. First, surveys may be made more representative. Current surveys work with small sample sizes and are seldom representative geographically inside a country. Additional respondents' characteristics – such as their age, gender, race, educational level, marital status, income level, whether they have used a government service or not, etc. – influence their perception of government so it would be worthwhile that the sample reflect these as well. Second, survey questions could be improved. Key terms need to be defined precisely: e.g. in the Gallup World Poll, respondents are asked about how much confidence they have in *national government*, without any explanation of what is meant by that. Respondents might equate government with political leadership or

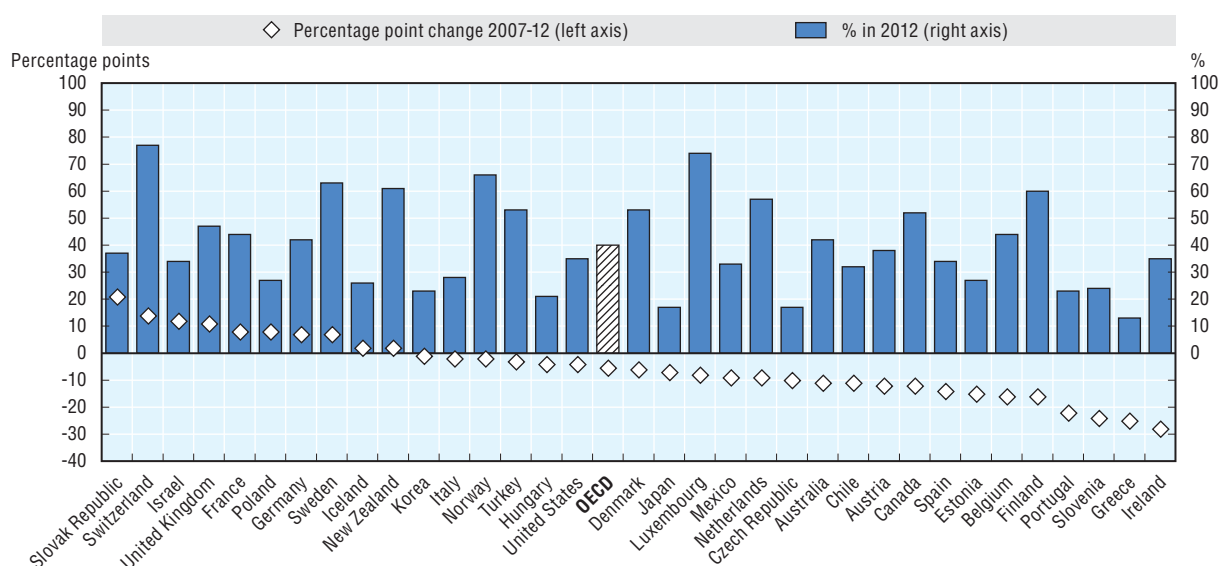
the bureaucracy. Survey questions and the attached response categories need also to be worded in ways that allow governments to act upon – e.g. change their behaviour – based on the information gained. Lastly, collection of information at regular intervals will allow, in addition to cross-country comparisons at one point in time, to detect changes over time and trends both in individual countries and across countries.

Patterns and trends of trust in government in OECD countries

Despite the methodological difficulties in measuring trust in government, the available data reveals some distinct patterns, trends and correlations that are revealing of the state of trust in government in OECD countries and may assist policy makers in digging deeper into the subject.

First, the most recent data available for OECD countries indicates that when citizens are asked about their confidence in the national government, their answers differ substantially across countries, with an average well below 50% (Figure 1.1). In other words, when asked through surveys, less than half the citizens of OECD countries respond that they have confidence in their national government. National averages rank between almost 80% in Switzerland and 12% in Greece. The distribution within this range does not appear to reflect standards of living, per capita GDP levels or speed of growth. While Japan and Korea – an upper income and fast growing country respectively – score below the OECD average, Turkey, with a lower per capita GDP scores well above it. This suggests that trust in government may not respond to long-term economic developments or absolute standards of living as much as it does to cultural factors, evolving expectations and political developments. This conclusion is reinforced by the available evidence for some emerging countries, which underscores the influence of expectations on government action of citizens on government on their levels of trust (Box 1.1).

Figure 1.1. **Confidence in national government in 2012 and its change since 2007**
Arranged in descending order according to percentage point change between 2007 and 2012



Note: Data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?” Data for Chile, Germany and the United Kingdom are for 2011 rather than 2012. Data for Iceland and Luxembourg are for 2008 rather than 2007. Data for Austria, Finland, Ireland, Norway, Portugal, the Slovak Republic, Slovenia, Switzerland are for 2006 rather than 2007.

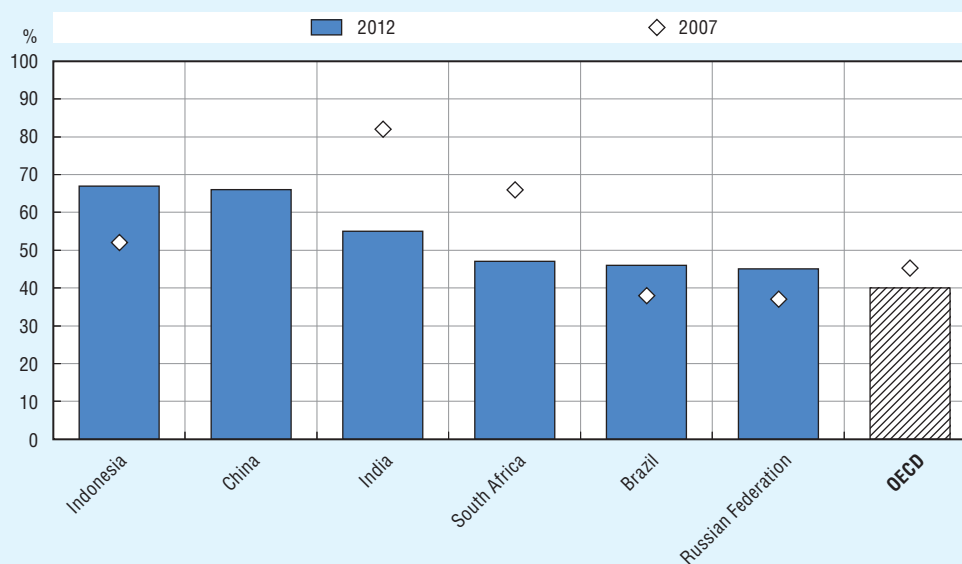
Source: Gallup World Poll.

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Box 1.1. Confidence in national government in BRIICS countries (2012)

On average across BRIICS countries, a majority of citizens expressed confidence in national government (54%) in 2012. Confidence in national government was the highest in Indonesia and China (two-thirds of citizens) and the lowest in South Africa, Brazil and the Russian Federation (all within a range of 45-47%). Trust in government in all BRIICS countries was higher than the OECD average (40%). Over the 2007-12 period, confidence in national government decreased on average by three percentage points across the BRIICS countries (excluding China), which was less than across OECD member countries (five percentage point decrease on average). Confidence increased the most in Indonesia (15 percentage points) and decreased the most in India (27 percentage points). Higher levels of confidence across BRIICS countries compared to most OECD member countries can be due to cultural and context-specific factors, but can also be explained by different expectations that citizens have of government services and performance due to different stages of socio-economic development. Nevertheless, there is an agreement among researchers that reaching the *optimal* level of trust is more important than reaching the *maximum* level of trust (Knack and Keefer, 1997; Nooteboom, 2006; Dasgputa, 2009; Bouckeaert, 2012).

Confidence in national government in BRIICS countries is higher than in OECD



Note: Data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?”

Source: Gallup World Poll.

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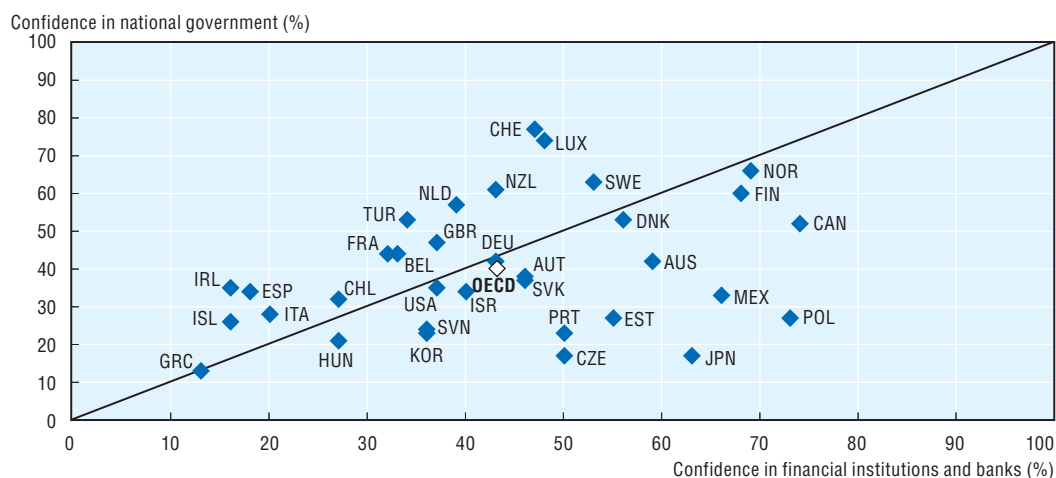
Second, the evidence shows that the average level of trust in government in 2012 was below its pre-crisis level in 2007 (lower panel in Figure 1.1). The share of respondents expressing confidence in national government in 2012 is lower on average by five percentage points (from 45% to 40%) than in 2007. This comparison masks much larger variations at the country level, as more than two-thirds of OECD countries reported a loss of confidence in government from 2007 to 2012. The larger drops in trust occurred in countries facing either a political, fiscal or economic crisis, such as Greece, Slovenia,

Ireland, Spain, Belgium and Portugal. In other countries, however, confidence in government increased, notably in the Slovak Republic, Israel, the United Kingdom, Poland, France, Switzerland, Germany, and Sweden.

Third, trust in government is, on average, similar to trust on two key institutions of the private sector: a) financial institutions and banks; and b) the media, but, again, with significant variations across OECD countries. Overall across OECD countries financial institutions and banks are trusted slightly more (43%) than government (40%) (see Figure 1.2). In some countries, which were least affected by the 2008 financial crisis, financial institutions and banks enjoy a high level of trust, such as Canada, Poland, Finland, Norway, Mexico, Australia and Japan. Conversely, in some countries that were most affected, trust in government tends to be relatively higher than in financial institutions, such as in Ireland, Spain, and Italy.

Figure 1.2. Trust in financial institutions compared to government

Comparison of confidence in financial institutions/banks and government (2012)



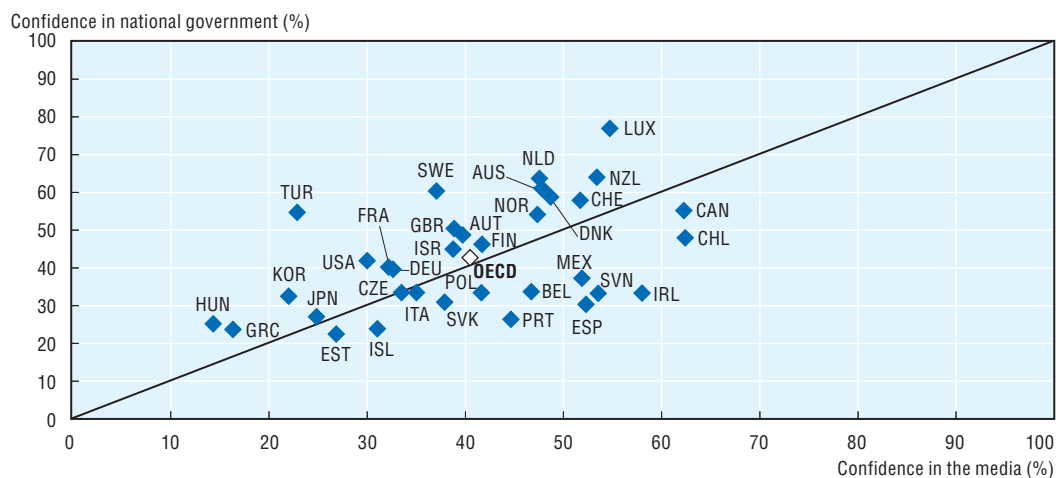
Note: Confidence in national government data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?” Confidence in financial institutions and banks data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about financial institutions or banks?” Data for Chile, Germany and the United Kingdom are for 2010 rather than 2011. In the countries below the line, confidence in financial institutions and banks is higher than confidence in government.

Source: Gallup World Poll.

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Trust in the media was significantly higher than trust in government in Ireland, Spain and Portugal in 2010 – the year for which data are available – while it was significantly lower in Turkey, Sweden, the Netherlands and Luxembourg (see Figure 1.3). As countries in the first group include the ones with the largest deterioration in trust in government in the course of the crisis and the ones in the second are among the countries with highest and most stable levels of trust, the comparison may be more revealing of the evolution of trust in government than of trust in the media. The opposite may be happening in the comparison between trust in government and trust in financial institutions, with the dynamics of the latter dominating over the former.

Figure 1.3. **Trust in the media and government**
Comparison of confidence in national government and the media (2010)



Note: Confidence in national government data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?” Confidence in media data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about quality and integrity of the media?” Data for Iceland and Norway refer to 2008 rather than 2010. Data for Switzerland and Estonia refer to 2009 rather than 2010. In the countries below the line, confidence in the media is higher than confidence in government.

Source: Gallup World Poll.

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Drivers of trust in government

Trust in government is multifaceted and based on a mix of economic, social and political interactions between citizens and government. A broad empirical literature¹ discusses the relationships between trust in government and economic, social and governance parameters. It identifies four broad groups of drivers of trust in government: 1) culture; 2) institutional setting; 3) economic and social outcomes; and 4) performance of institutions. While there is more or less a consensus on the range of drivers involved, the evidence is conflicting on the magnitude of their influence and the depth of their reciprocal relationship with trust. A general finding is that trust and most of its drivers are interlinked and self-fulfilling, and therefore complementary in their relationship to public governance and economic development.

Bouckaert (2012) argues that trust in government can be analysed at three levels. At the *macro-level*, trust relates to *political institutions and the functioning of democracy*. At the *meso-level*, trust relates to *policy making* – the ability of governments to manage economic and social issues, and to generate positive expectations for future well-being. Finally, at the *micro-level*, trust refers to the impact of government on people’s daily lives through *service delivery*. Although distinct, these three levels interact and a significant lag in trust at one level may affect trust at other levels and influence policy outcomes. Efforts to strengthen trust therefore need to reinforce synergies across each of these different spheres.

Bouckaert’s taxonomy is especially useful for two reasons. First, because it suggests that trust is not just something that *happens* to governments but something that governments can *influence* through their actions and policies. Second, because it suggests that when it comes to influencing trust, it is not only the *what* of public policies that matters, but also the *how*, the *for whom* and the *with whom*. Consequently, not only the final results but the processes used to attain them are also important for the citizens and business.

The public governance dimension – the institutional setting and its performance – of trust may be better understood when this concept is broken down into a set of inter-related process components that encapsulate what citizens expect from government. The OECD has proposed the following components:

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

In what follows, we use Bouckaert's three-level framework to identify potential drivers of trust in the governance domain and point at evidence from international surveys that is suggestive of a statistical correlation. This is still a preliminary exercise that is far from conclusive on causality relations, but one that could guide further research and discussion.

Macro-level

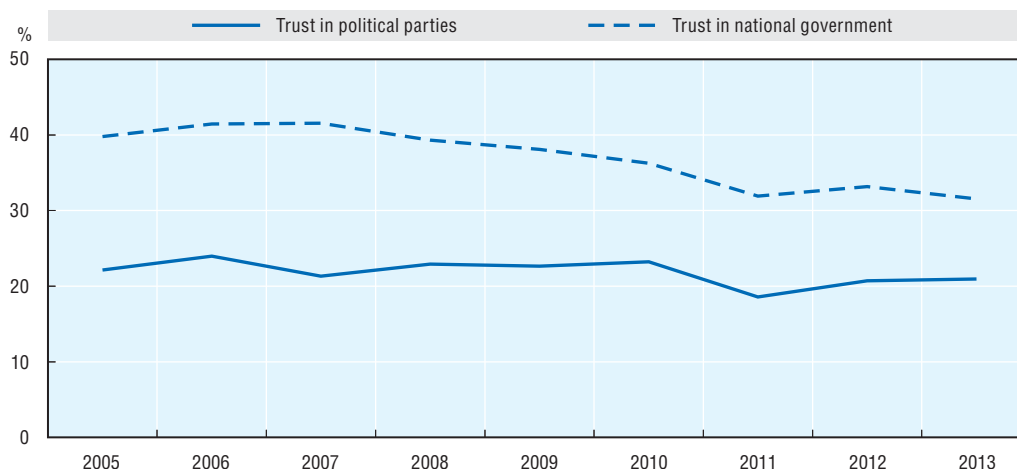
At the *macro-level* what matters for trust in government are *political institutions and the functioning of democracy*. A crucial prerequisite of becoming a member of the OECD is to be a democracy with well-developed political institutions.²

Regarding political institutions, at least in the European countries for which data are available, citizens consistently express more trust in government than in political parties (see Figure 1.4 and Figure 1.5). In 2013 among the European OECD member countries only in one country – Denmark – do people trust government and political parties at a similar level; in all other countries political parties are less trusted. Political parties are trusted the least – below 10% of respondents – in the countries most affected by the fiscal crises, e.g. Slovenia, Greece, Spain, Italy and Portugal. These are the same countries where trust in government is also the lowest.

A basic tenet of democracy, beside free and fair elections, is the adherence to the rule of law – which is both an outcome and a process measure – meaning that no one, including government, is above the law, where laws protect fundamental rights, and justice is accessible to all. This is reflected in a strong correlation between the confidence people have in their national government and in the judicial system (see Figure 1.6). Confidence in the judicial system represents both an outcome and a key governance dimension, most closely related to integrity.

Another conventionally used proxy measure for trust in the political system is voters' turn-out. However, there are competing hypotheses regarding the relationship between voters' turn-out and trust – the first one being that larger voter turn-out might reflect a higher trust in the political system; while the competing one: lower trust in the incumbent government might lead to higher propensity to vote in order to defeat it. However, the correlation coefficient between trust in government and voters' turn-out is negligible.

Figure 1.4. **Trust in political parties is much lower than trust in government in Europe over time (2005-13)**

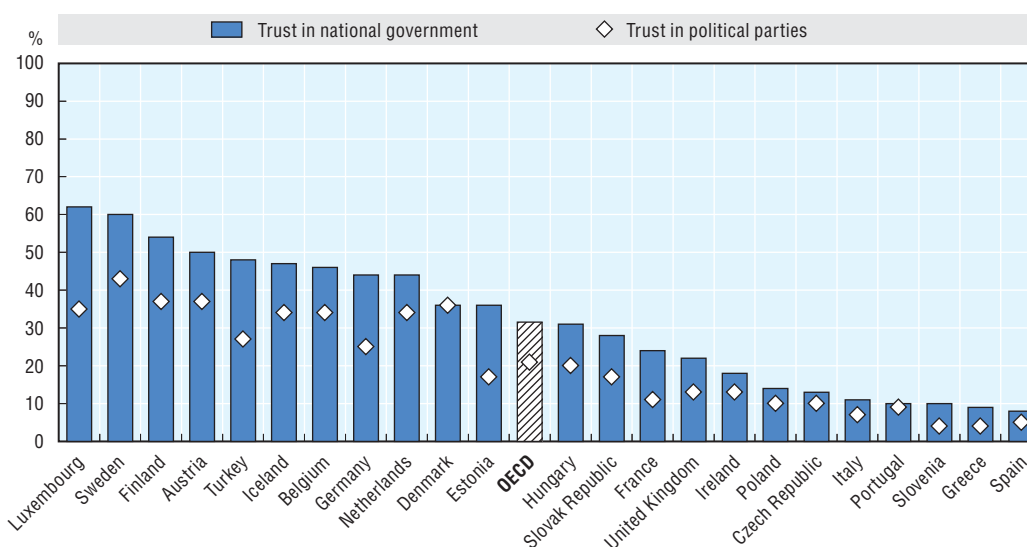


Note: Data refer to percentage of “tend to trust” answers to the questions: “For each of the following institutions, please tell me if you tend to trust it or tend not to trust it: the (national) government; political parties.” Data refers to annual averages for 23 OECD member countries: data not available for Australia, Canada, Chile, Israel, Japan, Korea, Mexico, New Zealand, Norway, Switzerland and the United States.

Source: Eurobarometer (database), OECD calculations.

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Figure 1.5. **Trust in government and in political parties in European OECD member countries (2013)**



Note: Data refer to percentage of “tend to trust” answers to the questions: “For each of the following institutions, please tell me if you tend to trust it or tend not to trust it: the (national) government; political parties.” Data refers to annual averages for 23 OECD member countries: data not available for Australia, Canada, Chile, Israel, Japan, Korea, Mexico, New Zealand, Norway, Switzerland and the United States.

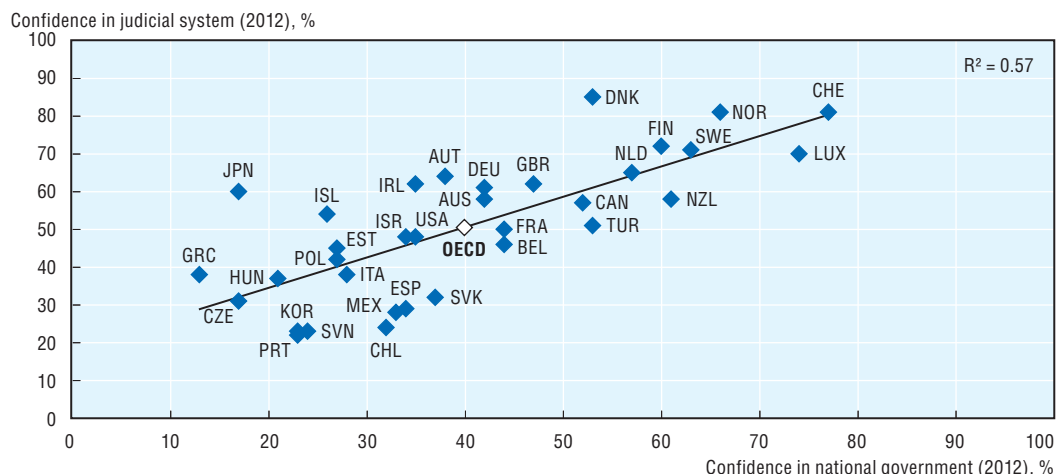
Source: Eurobarometer (database).

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When expressing their confidence in national government, citizens also pass judgement on the leadership of their country (R squared: 0.9) (see Figure 1.7). Whether this leadership means political leaders only or also includes the top bureaucracy is open to question. However, it shows the utmost importance of leadership in public governance, and the need for a well-functioning political-administrative interface that supports the government’s vision, performance and integrity.

Figure 1.6. **Confidence in the judicial system is important for confidence in national government**

Correlation between confidence in national government and confidence in the judicial system (2012)



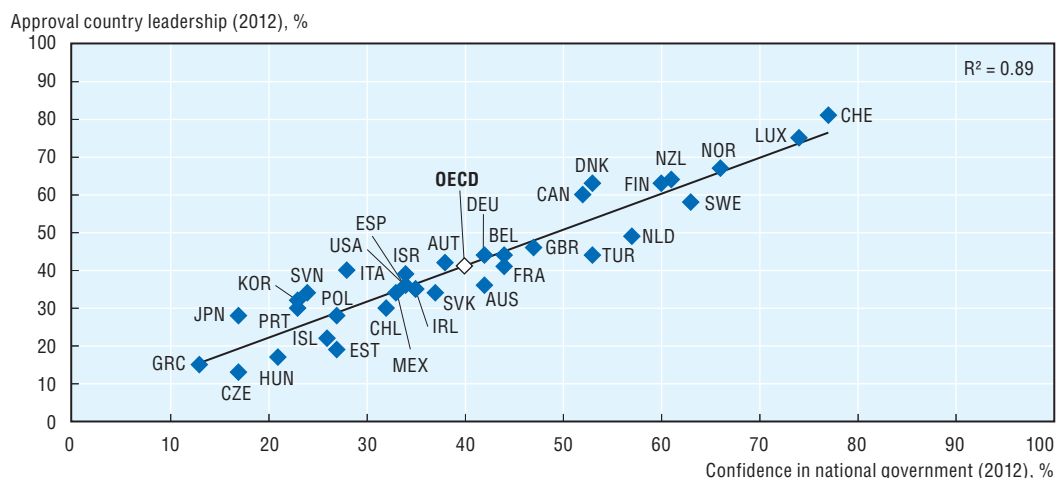
Note: Confidence in national government data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?” Confidence in the judicial system data refer to percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about judicial system and courts?” Data for Chile, Germany and the United Kingdom are for 2011 rather than 2012.

Source: World Gallup Poll.

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Figure 1.7. **Leadership is the key to confidence in national government**

Correlation between confidence in national government and leadership of the country (2012)



Note: Data for confidence in national government refer to the percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?” Data for approval of country leadership represent % of “approve” answers to the question: “Do you approve or disapprove of the job performance of the leadership of this country?” Data for Chile, Germany and the United Kingdom are 2011 instead of 2012.

Source: Gallup World Poll.

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Meso-level

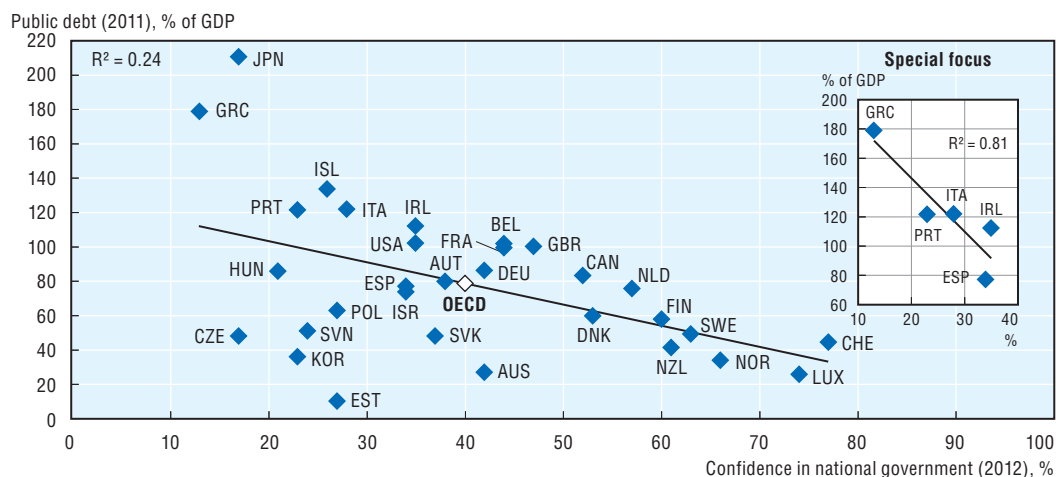
At the *meso-level*, trust may be related to *strategic policymaking* – the ability of governments to manage economic and social issues, and to generate positive expectations for future well-being. *Government at a Glance 2013* includes several indicators that look at the components and results of strategic policy making, such as fairness (Chapter 2), risk management (Chapter 2), fiscal sustainability (Chapter 2), fiscal balances (Chapter 3), debt levels (Chapter 3) as well as budget practices (Chapter 4). When relating these indicators to levels and change in trust in government, however, none of them show a strong correlation.

However, the level of *spending on social protection* (including unemployment, insurance, pensions, and welfare) showed modest correlation ($R^2 = 0.44$) to the level of trust in government. As social programmes have become the target of fiscal consolidation in a number of countries, trust in government may take an additional hit from changes in the composition and rules of access to these programmes that are seen as a change in the social contract between the state and its citizens. The impact on public trust, however, could be mitigated by the processes through which reforms are carried out. This shows the importance of fairness both in terms of outcomes – focusing on who will be affected by how much, and how fairly the burden is shared – as well as in terms of the processes by which decisions are reached – how transparent are the decision-making process and the supporting evidence, and what are the possibilities for participation by those affected by the decisions. In this way, trust in government can further support itself: by encouraging participation and by building confidence in the evidence and criteria used by decision makers (and therefore the legitimacy of their decisions).

Fiscal prudence does not necessarily have a straightforward relationship to trust in government. It seems that when the fiscal house of the state is in order there is not much of a relationship. However, when countries are in serious fiscal trouble it becomes an overriding concern. This is well documented in Figure 1.8, showing the negative and strong

Figure 1.8. **The role of public debt matters only in countries in fiscal crisis**

Correlation between confidence in national government (2012) and public debt (2011)



Note: Confidence in national government data refer to the percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?” Public debt refers to general government gross financial liabilities. Data for confidence in national government for Chile, Germany and the United Kingdom are for 2011 rather than 2012.

Source: World Gallup Poll; and OECD (2013), “OECD Economic Outlook No. 93”, *OECD Economic Outlook: Statistics and Projections* (database), May 2013, <http://dx.doi.org/10.1787/data-00655-en>.

StatLink  <http://dx.doi.org/10.1787/888932940873>

correlation (R square: 0.81) for the five European countries with serious public debt problem (see Special focus). High levels of debt to GDP may thus bring into question the reliability of government and their ability to minimise uncertainty.

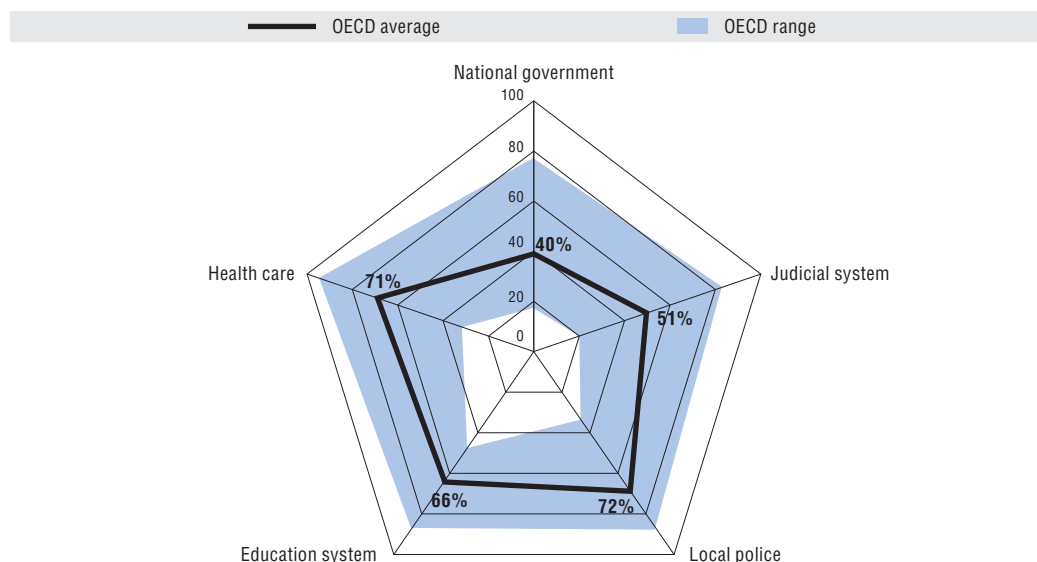
Micro-level

At the *micro-level* the focus is on the citizens' experience with government through the *delivery of public services*. Satisfaction with public services is much higher than trust in government but higher service satisfaction does not necessarily translate into increased confidence in government.

The evidence from surveys indicates that citizens can distinguish between different areas and bodies that integrate the public sector when asked more specifically (Figure 1.9). In 2012, and on average across OECD member countries, confidence was the highest in the local police and health care (respectively 72% and 71%) followed by education (66%), the judicial system (51%) and the least in national government (40%). This highlights the importance of understanding what is meant by "government": when citizens identify their level of trust in government, which elements of the broad network of actors, institutions and regulations make up government, as well as the infrastructures by which services are delivered for which they are referring to.

Besides the general picture, significant differences exist across countries, in terms of the relations between trust in national government and actual satisfaction with public services. The difference between the two measures is particularly large in Iceland, Japan,

Figure 1.9. **Satisfaction with public services is higher than trust in government (2012)**



Note: OECD average based on 2012 data for all countries, except Chile, Germany, Japan, Mexico, Korea and the United Kingdom for which data are for 2011 rather than 2012. Data for national government refer to the percentage of "yes" answers to the question: "In this country, do you have confidence in each of the following, or not? How about national government?" Data for the judicial system refer to the percentage of "yes" answers to question: "In this country, do you have confidence in each of the following, or not? How about Judicial system and courts?" Data for the local police refer to the percentage of "yes" answers to question: "In the city or area where you live, do you have confidence in the local police force, or not?" Data for education system refer to the percentage of "satisfied" answers to the question: "In the city or area where you live, are you satisfied or dissatisfied with the educational system or the schools?" Data for health care refer to the percentage of "satisfied" answers to the question: "In the city or area where you live, are you satisfied or dissatisfied with the availability of quality health care?"

Source: Gallup World Poll.

StatLink  <http://dx.doi.org/10.1787/888932940892>

Slovenia, the Czech Republic where satisfaction with public services is high, whilst in Switzerland, Luxembourg and Turkey confidence in national government and satisfaction with public services are very close to each other. This reinforces the view that current answers to questions on the confidence in the national government as displayed through the available data may capture more short-term perceptions on the political system in some countries than on the government and the public administrations as institutions.

Trust tends to be highest at the local level, where services are delivered and where the link with government performance is most concrete. Trust also tends to be higher for actual users of public services than for the non-users. An exploration of the variations of trust across levels of governments and across different types of public institutions would provide some clues on the factors that shape public perceptions of government and on the different policy levers that can improve the perception of those areas of public administration.

Chapter 9 on the quality of public services is based on a general framework on service quality (Table 1.2). The chapter is built on existing service quality indicators presented by key dimensions of quality: access, timeliness, reliability and service satisfaction. In addition, data on the take-up of online government services are also presented, given the increased reliance of governments, businesses and citizens on them. These service quality dimensions overlap with some of the key governance dimensions that matter for citizens, such as inclusiveness (access), responsiveness and reliability. As there are many facets of these key dimensions of quality, as a first attempt, one facet is presented for each of the four policy areas when data are available: affordability, timeliness, accuracy and reported satisfaction with services.

Table 1.2. **The service quality framework**

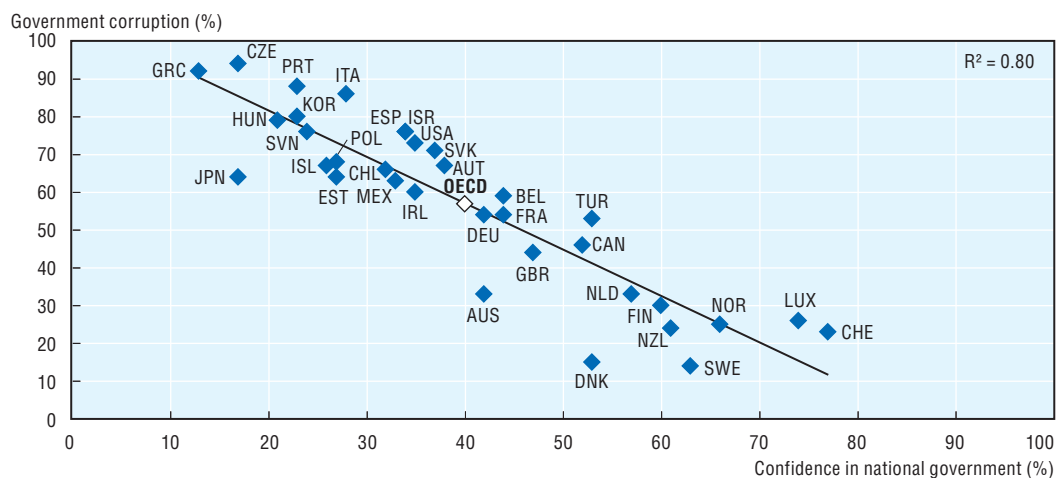
Access	Responsiveness	Reliability	Satisfaction
Affordability	Timeliness	Accuracy/competence/customer rights (possibilities to file complaints, suggestions, receive support and/or compensation)	Reported satisfaction (perception)
Geographic proximity	“Match” of service to needs	Tangible function (facilities, machines, etc.)	Reported confidence/trust (perception)
Adaptations for those with disabilities	Customer service (courtesy and treatment)	Consistency/fairness	
Adaptations to different cultures (e.g. languages, etc.)	Integrated services (across delivery channels)	Security (confidentiality, safety)	
Access to electronic services (digital divide)			

Integrity: A cross cutting issue

Integrity seems to be essential to trust in government, as the correlation between perception of corruption and trust in government is high (see Figure 1.10). Integrity tools and mechanisms, that are essential public governance processes, are aimed at preventing corruption (which is the outcome) and fostering high standards of behaviour, helping to reinforce the credibility and legitimacy of the actors involved in policy decision making, safeguarding the public interest and restoring a sense of fairness of policy decisions. Policy tools addressing high-risk areas at the intersection of the public and private sectors – including effective management of conflict of interests, high standards of behaviour in the public sector and adequate lobbying and political finance regulation – can be leveraged to limit undue influence and build safeguards to protect the public interest.

Figure 1.10. **Be aware of corruption!**

Correlation between confidence in national government and perception of government corruption (2012)



Note: Data for confidence in national government refer to the percentage of “yes” answers to the question: “In this country, do you have confidence in each of the following, or not? How about national government?” Data for perception of government corruption represent % of “yes” answers to the question: “Is corruption widespread throughout the government, or not?” Data for Chile, Germany and the United Kingdom are for 2011 instead of 2012.
Source: Gallup World Poll.

StatLink  <http://dx.doi.org/10.1787/888932940911>

This publication contains indicators on public management practices that are aimed at improving *integrity in government*: Chapter 8, “Conflict of interest and asset disclosure”; Chapter 8, “Budget transparency”; and Chapter 7, “Fair competition in public procurement and SMEs”.

Conclusion

The experience of the institutional challenges of the financial, economic and social crisis of the recent past has contributed to a wide-ranging research on the role of governments in modern economies and societies. The role of trust is increasingly identified by leaders and analysts as the potentially missing element for better crisis management and better performance.

Understanding and improving trust in government seem to require a comprehensive, multi-sector, multi-actor agenda with a medium-term horizon. First, there is a need for a more comprehensive measurement of trust in government as well as a better identification of its drivers. This requires that our understanding and knowledge of the concept of trust and trust in government be enhanced. In addition, a regular, internationally comparable measurement of trust in government by citizens and by businesses would be necessary. This could be carried out by new survey(s) that combine elements of existing surveys, or by improving existing surveys (regarding their representativeness, survey designs, and by including question wording and the scales attached). Currently no national statistical offices (NSOs) are involved in the measurement of trust in government.

Secondly, further work is required on an analytical framework followed by more sophisticated econometric techniques to explore in greater depth the relationships between trust in government and the different institutions of government and dimensions of government performance in order to draw conclusions that could identify areas where government action can make a difference. It is particularly important that we understand the roles and responsibilities of all levels and institutions of government in influencing trust in government, starting with national leadership, the various policy sectors and service

delivery agents at local level of government in how decisions are made, transmitted and implemented. The OECD could assist in developing international comparisons, and help countries to exchange with each other in terms of strategies and actions that have succeeded in rebuilding trust in government. A precursor to this work could be country specific case studies carried out – among others – as part of the OECD’s Public Governance Reviews.

Most important of all, however, a renewed focus on trust in government can bring a new perspective to public governance, enhancing the role of the citizens. At an institutional level, this should reinforce the notion of a *social contract* between citizens and the state, where the former contribute not only by paying taxes and obeying the law, but also by being receptive to public policies and co-operating in their design and implementation. To gain this support from citizens, however, governments need to be more inclusive, more transparent, more receptive and more efficient. Recognising and better understanding the critical role that trust plays in effective public policies should assist governments better shape their policy and reform agendas, improving outcomes for all.

Notes

1. See GOV/PGC(2013)1 ([www2.oecd.org/oeclinfor/info.aspx?app=OLIScoteEN&Ref=GOV/PGC\(2013\)1](http://www2.oecd.org/oeclinfor/info.aspx?app=OLIScoteEN&Ref=GOV/PGC(2013)1)).
2. This publication (available on line in the “Country Contextual Factors Annex”) contains basic information on political institutions, as well as government structure for each member country. How those institutions function is captured by other indicators in the publication.

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International surveys measuring trust or confidence in government: Weblinks

World Gallup Poll: www.gallup.com/strategicconsulting/en-us/worldpoll.aspx.

World Values Survey: www.worldvaluessurvey.org.

Eurobarometer: www.ec.europa.eu/public_opinion/index_en.htm.

Edelman Trust Barometer: www.edelman.com/insights/intellectual-property/trust-2013.

Latinóbarometro: www.latinobarometro.org.



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