Introduction

Government at a Glance is a new publication series produced by the OECD that explores emerging public governance issues and sets out indicators in a range of areas that, when examined together, constitute important building blocks of a well-functioning public management system. Chapter I – the special feature chapter – describes some key public governance issues that are important to governments’ capacity to address the long-term effects of the current financial and economic crises and links them to indicators presented further in the publication. It also raises some fundamental questions facing governments as they look to further transform their public governance systems to better adapt and respond to unpredictable environments. Chapters II-X provide a set of indicators that show the current role and reach of government, and focus on important aspects of government’s public management capacity.

This new publication builds upon 20 years of expertise at the OECD in the area of public governance (defined as the exercise of political, economic and administrative authority) and public management, particularly in describing and analysing government activities, developing benchmarks and internationally comparative data, identifying good practices and monitoring results. It also benefits from a practitioner focus: the OECD’s unique access to senior-level officials in member governments provides perspective on how public administration works to support sectoral policies such as health or education, which are dealt with in other OECD At a Glance publications.
Why measure government activities?

Government is a major actor in modern society, contributing to economic growth, delivering goods and services, regulating the behaviour of businesses and individuals, and redistributing income. Government activities affect people’s lives in countless ways from birth to death, by providing basic health care services and education, helping people when they lose their jobs, issuing driver’s licences and business permits, building roads and bridges, and regulating the environment and workplace health and safety. A significant portion of the economy is devoted to public activities: in 2007, government expenditures ranged between 30% and 53% of gross domestic product (GDP) in OECD member countries.

Thus, good governance is critical to long-term economic, social and environmental development. What government does matters. How well, how effectively and how efficiently government performs these tasks is also critical, as citizens increasingly demand more from governments in terms of services that better meet their needs and the transparent and accountable use of resources. The ability of governments to operate effectively and efficiently depends in part on their management policies and practices, including budgeting practices that support fiscal sustainability, human resource management practices conducive to good performance, regulatory management capacity, principles of public sector values and ethics, and the wise use of e-government tools. The transparency and participatory nature of these practices is also key. Thus, in order to comprehend and evaluate government performance, its activities (including the resources it uses to produce goods and services) and the underlying management processes and practices need to be measured. As governments provide a large and evolving array of goods and services, quantifying and measuring government actions can help managers and leaders make better decisions, and can help to hold governments accountable to their citizens. In addition, describing government structures and arrangements can illustrate important similarities and differences among countries, facilitating learning.

The long-term objective of the indicators presented in Government at a Glance is to assist countries to:

- better understand and situate their own practices;
- benchmark their achievements through international comparisons;
- learn from the experience of other countries facing similar challenges.

Government at a Glance is unique in that:

- the key aspects of public administration and the specific indicators presented were selected based on a consensus among member countries;
- data and qualitative information are provided by government officials of member countries, and verified by the OECD and/or peers;
- it does not reduce the evaluation of government performance to a single aggregate indicator nor does it provide an overall ranking of countries based on their performance.

In the short term, the publication could help governments better assess, plan and measure their activities. Over time, with time series data and information on outputs and outcomes, it might allow governments to link their activities to overall performance and help evaluate the impacts of their reform agendas. In addition, the comparative data developed for Government at a Glance are intended to stir a debate on the determinants of performance for public management practices and their wider impact on government performance in policy sectors.
What can you find in this publication?

Focus on public administration

Government at a Glance focuses on the workings of public administration, or the “machinery of government”, in the 30 OECD member countries. This includes the resources, policies and practices of government that support the goods and services (such as health and education) that it produces and delivers. The focus on public administration builds on prior work of the OECD and benefits from the expertise of member country delegates to the OECD Public Governance Committee, the group guiding the OECD’s work on *Government at a Glance*. In particular, indicators on public management practices (including integrity, budget and regulatory management) are based on good practices and common standards that were developed and agreed upon by OECD member countries. For example, indicators on regulatory management systems reflect the principles included in the OECD 2005 *Guiding Principles for Regulatory Quality and Performance*. While focusing on public administration builds on the accumulated expertise of the OECD, it also fills a void. Internationally comparative data on the functioning of public administration are scarce and constitute a largely uncharted territory.

Highlights of emerging public governance issues

Chapter I examines selected public governance issues whose importance has been heightened by the current financial and economic crises, and raises some fundamental questions facing governments as they re-assess their roles, capabilities and vulnerabilities. The speed with which governments have had to develop and begin implementing their responses to the crises may have meant that in some cases, important governance issues have been overlooked or that the long-term implications of actions have not been given the level of consideration that would usually be applied. Even as countries recover from the current economic crisis, they will continue to have to design and implement policies in dynamic and unpredictable environments due to the complexity of global challenges. Governments’ ability to monitor, anticipate and adapt are key to achieving successful policies in the future. In this chapter, *Government at a Glance* identifies specific policy tools that have been developed by OECD members to strengthen governance systems. These tools can help address challenges and risks which have been aggravated by the financial and economic crises. While the indicators in Chapters II-X provide basic data on these issues, a full picture on the implementation of these policy tools and/or their effectiveness is still evolving. Expanding the data available on government actions in these areas may be the focus of future work.

Indicators on government activities and public management practices

OECD member countries are primarily interested in collecting data and information to identify how public governance and more specifically public management practices contribute to government’s ability to achieve its objectives. *Government at a Glance* is built on the following framework, which describes the public “production” process and identifies six major categories of indicators: context, revenue, inputs, processes, outputs and outcomes.

The first edition of *Government at a Glance* includes four of the six types of indicators identified in the framework: revenue, inputs, processes and context.

1) Revenue

Data on the revenue structure provide insights into the incentives and constraints that governments face in determining what types of goods and services to provide. In addition,
the amount and structure of revenues collected determine how the costs of past, present and future government activities are shared across society. Government revenues include social contributions and other taxes, and other sources such as fees, oil production and international grants. While revenues may not match expenditures in any given year due to governments’ ability to borrow, ultimately citizens must bear the cost of repaying debt.

2) Inputs

Input indicators include data on government expenditures, production costs, employment and workforce characteristics. These data allow countries to begin comparing the proportion of the economy devoted to producing different goods and services, as well as differences in the mix of inputs used in production. For example, labour is a key input in the government’s production process, and the characteristics of the public workforce may affect government productivity and its capacity to provide goods and services. In addition, governments are increasingly outsourcing the production of goods and services, although the extent that private entities are involved in government activities varies greatly across countries.

3) Processes

Process indicators describe how governments implement policy, and focus on public management practices that influence government outputs and outcomes. Information on processes such as human resource management (HRM), budget, regulatory management, integrity, e-government and open government can allow countries to begin to examine the effects of recent reforms, and identify new strategies to improve productivity. For example, delegating the ability to line managers to hire, fire and promote staff can enhance the flexibility of government to respond to changing circumstances by enabling managers to obtain employees with needed skills. Likewise, the use of multi-year expenditure estimates in budgets can improve fiscal discipline and help to ensure that government resources are allocated productively and efficiently. Adopting strategies to assess the impact of regulations on businesses and citizens can help to ensure that the regulations meet the goals of...
government. Open and competitive procurement processes can reduce the incidence of corruption, increasing the resources devoted to producing goods and services and improving public trust in government. Similarly, the use of the Internet and other communications technologies to provide information and public services (such as tax payments or passport renewals) can both lower costs and save citizens and businesses time, thereby increasing efficiency and productivity.

4) Contextual information

Annex E presents contextual information describing some key features of the political and administrative structures for each member country. Situating policies and indicators within this contextual background can help us better understand differences among countries and identify those with similar structures that might serve as better comparators for benchmarking purposes.

Data sources and features

Most of the data used in Government at a Glance are collected from government officials by the OECD via specifically defined surveys. As such, they represent either official government statistics or the country’s own assessments of current practices and procedures. While the surveys try to establish standard definitions, bias can occur in that countries may interpret and answer questions differently and/or may not answer the questions completely objectively. In general, the direction of the bias is known, but not necessarily its extent.* To try and minimise these biases, the OECD cleans and verifies the data it collects by following up with member countries directly when there are potential inconsistencies or outliers, benefiting from the OECD’s body of knowledge obtained through its public management reviews. In some cases, the OECD uses other member countries as peer reviewers to verify responses, facilitating mutual learning. While an alternative to collecting data from member country government officials is to collect data from experts, the direction or extent of their biases is difficult to determine. In the few instances when OECD data are not available, the publication uses international data from the European Commission, the World Economic Forum and the United Nations.

In general, the data presented are based on the definition of the sector “general government” found in the System of National Accounts (SNA). In these terms, government encompasses ministries, agencies, offices, social security funds and some non-profit institutions at the central, state and local levels. Data on revenues and expenditures are presented for both the central and sub-central (state and local) levels of government, and, where applicable, for social security funds. Data on workforce characteristics and public management processes and practices refer to the central level of government only. In addition, data on employment refer to the “public sector”, which expands the definition of government to include public corporations, such as publicly owned banks, harbours and airports.

As part of the indicator set describing public management practices, Government at a Glance introduces several descriptive composite indexes in narrowly defined areas that were developed according to OECD guidelines. These composite indexes are a practical way of

* Usually, we would expect the bias to be in a positive direction as officials “score” themselves more favourably. However, in the process of data cleaning it has been discovered that government officials in some countries are harder on themselves than outside experts and/or civil society observers.
summarising discrete, qualitative information on key aspects of public management practices, such as the types of recruitment systems in place. Details about the weights and variables used to construct these indicators are provided in Annex C, giving countries that want to take action on their indicator scores a clear indication of where to start. While the composite indicators were developed in co-operation with member countries and are based on best practices and/or theory, the variables comprising the indexes and their relative importance are based on expert judgements. They are presented with the purpose of furthering discussion and, consequently, may evolve over time.

**How this publication is organised**

Government at a Glance comprises 10 chapters. Following the introduction, Chapter I is a special feature chapter that discusses some public governance issues whose importance has been magnified by the current global challenges facing governments, and raises some fundamental questions about their implications for the future. Chapter II looks at the amount and structure of revenues collected by government, and Chapter III examines what activities countries spend these resources on. Chapter IV on production costs looks more closely at how goods and services are produced, i.e. whether the government produces power plants (goods) and/or provides health care (services) itself, or whether it contracts with non-profit or for-profit private entities to produce or provide them on its behalf to citizens and businesses. Chapter V looks more closely at the size and characteristics of the public sector workforce, which is related to government decisions about who should be responsible for providing public goods and services, and how. Chapter VI and VII explore the processes underlying government production, including human resource management practices that can influence the characteristics of the workforce, and budgeting practices that can influence decisions on the amount of revenues to collect and the size and direction of government expenditures. Chapter VIII examines the quality of government processes to design and reform government regulation, looking at the extent to which countries have adopted best practice standards. Chapter IX looks at government measures to promote integrity and prevent corruption, which can assume even more importance in countries that have outsourced the production of a larger proportion of goods and services to the private sector. Chapter X describes the legislation that governments have enacted and institutions that governments have created to help keep their actions accountable to the general public and looks at the level of development of e-government services in OECD member countries. Together, these chapters provide insights on what government does, how it does it and why it does things certain ways. They allow countries to better understand their practices, benchmark their performance, identify areas for potential future reform and begin to assess the effectiveness and efficiency of their operations.

For revenue, input and process areas, each topic is presented over two pages. The first page provides a brief commentary highlighting the key findings conveyed by the data, defines indicators and discloses any significant national variations from that definition which might affect data comparability. On the facing page is a set of charts. These charts typically show current levels of the indicator and, where possible, trends over time. Where an OECD average is included in a chart, it is the unweighted average of the countries presented, unless otherwise specified in the accompanying notes.
Measurement challenges

Data comparability and availability

The indicators presented in Government at a Glance are based on the best available data. To the extent possible, OECD data collection instruments use standardised definitions and common units of measurement. However, variances in the scope and purpose of national data collection efforts can result in differences among available data that may affect comparability. For example, countries can either collect data on employment in full-time equivalencies (FTEs) or as total number of employees. Because the latter counts part-time and full-time workers equally, it can overstate employment levels when compared to FTEs. Government at a Glance notes when these differences exist in the “Methodology and definitions” sections in the text.

Despite the significant accomplishments of international organisations to harmonise data collection efforts and units of measurement for revenue, expenditure and employment data, several differences remain in countries’ data collection methods that can affect data comparability. This is important for the National Accounts data, which are used in Chapters II-IV on revenues, expenditures and production costs. These data are based on the 1993 System of National Accounts (SNA) or on the 1995 European System of National Accounts (ESA) so that all countries are using a common set of definitions. However, the comparability of the data can be affected in two ways. First, national differences in implementing SNA/ESA definitions can affect the comparability data across countries. For example, differences may exist among countries in how public corporations and non-profit institutions are classified in relation to the general government sector. Second, changes in implementing SNA/ESA definitions can affect the comparability of data within a country over time. Consequently, metadata should be consulted when making comparisons. Further, data of varying levels of detail are available for OECD member countries which can limit the type of analysis and comparisons that can be made. For example, detailed data on the purpose of government expenditures (called Classification of the Functions of Government, or COFOG II) are currently only available for 13 OECD European member countries. These data could be used to match public spending components to economic and social objectives, such as comparing expenditures on research and development in different policy sectors or expenditures on environmental protection. Using the available second-level COFOG data, the OECD has developed a methodology to estimate government expenditures by individual and collective goods and cash and in-kind provision. This information helps to understand important differences in policy and service delivery choices of governments. This methodology is called COFOG-Special and is published in this document.

In addition to variations in data collection methods, different strategies to achieve goals, particularly the use of tax policy, can impede comparisons of expenditure and revenue levels among countries. For example, a government can provide a targeted group with cash benefits to use for education, or it could provide this group with tax credits or rebates based on their private expenditures for education. While the goal is the same, countries that use direct expenditures rather than tax expenditures will have higher revenues and expenditures as a share of GDP. In addition, changing modes of production by governments in OECD member countries, in particular the increased involvement of the private sector through direct outsourcing or public-private partnerships, is challenging the usefulness of traditional indicators to describe the scope of government. For example, the
increasing involvement of the private sector in government production has challenged the usefulness of measuring employment in terms of public servants.

This inaugural edition of Government at a Glance is the OECD’s first step towards providing indicators that measure the performance of public management practices and systems. The content of Government at a Glance is inherently limited by data availability. As a result, many of the key issues and determinants of public management performance and capacity are not covered. The indicators in the publication mostly focus on the existence of different systems, which does not necessarily provide information about how effective the public management practices and structures are within a country. For example, in the area of open government, the publication looks at whether countries have established the legislative framework for transparency, participation and accountability – an important first step to achieve these goals. However, in order to evaluate whether these goals are actually achieved, one must look at how the laws are implemented, used and enforced. The OECD will work with countries to further develop the indicators to include greater information and data on outputs and outcomes. The intention is to broaden the indicators so that over time, not only will they provide information on what countries are doing, but they will also provide valuable material on how different systems contribute to improving the performance and overall effectiveness of governance.

**Indicators of outputs and outcomes**

It is difficult to develop valid indicators that truly measure the outputs and outcomes of public administration. The first edition of Government at a Glance does not include output or outcome indicators, such as indicators of service quality like customer satisfaction. Internationally there is still an extensive debate about how to measure outputs and outcomes in the public sector, and even leading countries in output and outcome measurement follow different paths.

The challenges associated with measuring outputs and outcomes go beyond those enumerated above, and are explored in depth in the recent OECD publication Measuring Government Activity. For example, output and outcome measurement may affect organisational behaviour. While the existence of output measures may lead staff to strive for improved performance, it may also lead to the neglect of non-measured dimensions or to “gaming”, in which either the output itself is adjusted or the measurements are distorted in order to achieve the appearance (rather than the reality) of “good” performance. In addition, while it is usually reasonable to hold government responsible for outputs, it may not be reasonable to hold it responsible for outcomes because many other factors beyond government’s control may influence the final impacts on society. In addition, the emerging discussion on the importance of values in public sector production makes the definition of outputs and outcomes more complex.

Due to these challenges, the data presented in Government at a Glance only give indications of government activities and performance. Absolute levels or numbers should be interpreted with caution due to measurement errors. The raw data presented in Government at a Glance should not in itself be used as a benchmark; rather comparisons among countries must be based on an analysis of all of the relevant indicators. The in-depth OECD public management reviews can provide more nuanced details of individual country policies, practices and contexts that can be used to better understand the drivers behind performance differences.
Future work

Government at a Glance is planned to be a biennial publication. This first publication is an important starting point to help the international community evaluate what is known and unknown about the comparative performance of public administrations, and to help identify areas that we would like to understand better. Future editions will build upon the data presented in this first publication to help governments improve decision making and their ability to address management challenges.

Specifically, future work may focus on expanding the availability of data on the characteristics of government inputs (e.g. the average educational attainment of government employees) and processes (e.g. how laws and regulations are implemented and/or enforced). In addition, future editions of Government at a Glance may further explore the relationship among the different levels of government (central, state and local) across OECD member countries. Despite the measurement challenges mentioned above, reliable and feasible internationally comparative output and outcome indicators for public administration are being developed in co-operation with member countries. Intermediate outputs are being identified for different public administration processes, together with several outcome measures that relate to the whole of government activity, such as public trust in government, equity and fiscal/economic stability.

Data will be collected at regular intervals, using methods that could minimise the burden of data provision on member countries. A stable and statistically robust dataset enables governments to compare their institutional arrangements and performance to other OECD member countries not only at one point in time but over time, to shed light on the possible causes of performance differences among governments, and to analyse the impact of public sector reforms in depth. Future data collection efforts will aim to improve the quality and comparability of the current dataset. At the same time, the dataset will not be static; new indicators (such as outputs and outcomes) can be added once their significance is established. In addition, data collection will be expanded to include countries currently in accession discussions with the OECD as well as those countries with which the OECD is pursuing an enhanced engagement.