Trust plays a very tangible role in the effectiveness of government. Few perceptions are more palpable than that of trust or its absence. Governments ignore this at their peril.

Trust and how it affects behaviour have been subjects of intense academic study for decades; a significant amount of the research has focused on the influence of trust on public policy. While comparative data at an international scale are limited, the conclusions of the literature are consistent and clear: trust influences the relationship between citizens and government, and in turn has an impact on the outcomes of public policy. Given the weight of evidence that low trust does indeed entail costs for public policy, there is a strong argument in favour of exploring the role of trust, notwithstanding the methodological challenges that this implies.

The erosion of public trust has been a recurring issue for many years, but came firmly to the forefront of public debate in many OECD countries with the onset of the 2008 global financial crisis and ensuing recession. Those events profoundly shook the public’s confidence in institutions, and people’s trust in public institutions has fared especially poorly. Against a background of perceived inequalities in income and opportunities, high unemployment and job insecurity, resistance to globalisation and concern over global pressures such as migration and climate change, restoring this trust is essential. Governments cannot function effectively without the trust of citizens, nor can they successfully carry out public policies, notably more ambitious reform agendas.

Drawing on case studies from a number of building blocks of good public policy – sound use of public funds, making and enforcing regulations, engaging with citizens and ensuring respect for the rule of law - this report proposes a framework for understanding trust in public institutions that emphasises two key drivers of trust: competence and values. Competent execution of public mandates and a values-driven approach to decision-making are keys to strengthening trust across some of the most hotly
debated areas of public policy today, such as taxation, migration, pensions, infrastructure, energy, financial market regulation and environmental policy.

Public institutions across all areas of public policy have a strong incentive to inspire public trust: high trust is associated with cooperative behaviour, while low trust is associated with resistance, even to things that seem to be in the person’s overall best interest. A recurring theme of the report is the close parallel between what public institutions are starting to do today to build trust, and the ways that private companies routinely use trust to attract and retain customers, through deliberate and well-thought out “trust strategies”.

Perhaps the most important lesson is that trust is not only an indicator of success; it is, more significantly, one of the ingredients that makes success – for a business or for a government – possible.

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Note: This report, adopted by the Member countries, does not constitute a mandate for the OECD Public Governance Committee to pursue the case studies, which, if they were to be developed or extended, would require the agreement of the OECD Public Governance Committee.