Chapter 3

Responding to citizens’ needs: Public services and trust

Paloma Baena Olabe (OECD)

This chapter discusses the importance of public service quality as a key determinant of trust in institutions. Recent country studies have shown a relationship between citizens’ experience with government services — including employee and citizen engagement with public services — and trust and confidence in government more generally. Many countries have begun to use barometers that allow citizens to evaluate their experience with public services. It is important to monitor outcomes and adjust services accordingly; results in this area so far have been modest, and more effort is needed to ensure that services are well evaluated and that quality improves as a result. This chapter argues that often small-scale refinements in how services are delivered can have a big impact on satisfaction and, in turn, on trust.
Access to quality services, such as education, health care, transportation and justice, is essential to connect people and businesses with opportunities to achieve higher-paid jobs, better living standards and longer, more fulfilling lives (OECD, 2015a). In all OECD countries, the provision of public services is an essential component of government action. Public services are provided on a large scale and offered to citizens and businesses as a right, in return for their tax payments. Although generally provided through a mix of public and private funds, the direct experience of citizens and businesses with these services matters in shaping their attitudes towards government.

Evidence from the literature and work carried out by the OECD suggests that improving service delivery can improve not only satisfaction with public sector organisations but also confidence in local and national governments. At the same time, trust in services and in service providers plays an important role in achieving key policy objectives. Distrust of government services, for instance in the health sector, can steer citizens to ignore or resist health information and services, negatively affecting their health outcomes (Whetten et al., 2006). Distrust can thus lead to sub-optimal outcomes from public policies, involving wasted resources.

The transmission mechanism through which service provision may affect trust in public institutions 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; Yang and Holzer, 2006). In other words, positive individual experiences of citizens with government agencies aggregate into a society in which government is respected as a competent and trustworthy “partner” of citizens in their daily lives. Elements affecting the trust of citizens in government include not only those aspects related to government competence, in terms of the quality, timeliness and effectiveness of public services, but also those related to the principles guiding the provision of such services. Increasingly, dimensions such as engagement with users, leading to more tailored services or innovative forms of service design and delivery, contribute to shaping trust-related attitudes by reducing the gap between expectations and performance (Beeri, 2013; Yang and Holzer, 2006). Likewise, consistency in treatment across different socio-economic groups and geographical areas informs generalised observations of fairness in service delivery as a key driver of trust in government (Chen et al., 2012; Guerrero, 2011).

This chapter is divided in three sections. The first section explores the link between self-reported satisfaction with services and trust in government using a mix of evidence from large-scale household surveys and academic
literature. Although trust of businesses in their government might also be affected by their satisfaction with the services they receive (for instance regarding timeliness to obtain a building permit or a licence to set up their facility), the analysis presented in this chapter focuses on services provided to citizens where more data and research are currently available. The second section explores how attributes such as access, responsiveness and quality of services, such as education and health care, can affect citizens’ trust in public institutions. Building upon it, the third section presents some country initiatives carried out in OECD countries to improve services delivered to citizens. The conclusion summarises the main points developed in this case study and underlines the importance of service delivery to support trust in government and public sector organisations, as part of a broader trust-building agenda.

Public services: The cornerstone of trust in government

Available literature suggests that citizens’ experiences with public services can influence levels of trust in government. Authors (e.g. Guerrero, 2011) assert that the performance of public services is a predictor of trust in the government. Gyorffy (2013) finds evidence demonstrating that the quality of public services generates trust towards the institutional framework, and contributes to general compliance with rules and paying taxes. Christensen and Laegreid (2005) find that citizens who are more satisfied with specific public services generally have a higher level of trust in public institutions. Despite the methodological difficulties in measuring trust in government, data from large-scale household surveys reveal some meaningful insights regarding self-reported satisfaction and trust with public services and institutions. In particular, there is evidence that people’s satisfaction with public services is positively related to their trust in the government (see Figures 3.1 and 3.2).

Using a composite measure of overall satisfaction with key services (including satisfaction with health care, education, police, public transportation, housing, quality of air and quality of water) we find a positive correlation between satisfaction with public services and trust in local governments ($R^2=0.75$) in OECD-EU countries over the period 2008-2015 (see Figure 3.1).
Figure 3.1. **Satisfaction with local public services and confidence in local government**

Correlation between the level of self-reported satisfaction with local services and self-reported confidence in local authorities in OECD-EU countries, 2008-2015

Source: Gallup World Poll (database) and Eurobarometer (database).

Satisfaction with services is also associated with greater trust in the national government, although to a lesser extent. This can be explained by the fact that confidence in local government is driven more by direct experiences of citizens with local public institutions, while a positive experience with a local service might not be as directly associated by the citizen with the actions of the national government. Nevertheless, a positive correlation (R²=0.65) between satisfaction with public services (at the local level) and trust in national governments can be found in OECD-EU countries over the period 2008-15 (see Figure 3.2).
Across OECD countries, citizens are more satisfied with public services than they are with national political institutions (see Figure 3.3). In addition, large household surveys show that the global crisis and subsequent austerity measures had a more detrimental impact on trust in national governments than they affected citizens’ satisfaction with services, though it is possible that cuts to the level of public services will have an impact on satisfaction after a time lag.

Source: Gallup World Poll (database).
Figure 3.3. Confidence and satisfaction with government services and institutions, 2015

Note: Confidence in national government corresponds 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?”. Confidence in the judicial system corresponds 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 the judicial system and the courts?” Reported satisfaction correspond to % of “yes” answers to the questions: “In the city or area where you live, are you satisfied or dissatisfied with the availability of quality healthcare?”; “In the city or area where you live, are you satisfied or dissatisfied with the educational system or the schools?”; In the city or area where you live, are you satisfied or dissatisfied with the public transportation systems?” “In the city or area where you live, do you have confidence in the local police force, or not?”

Source: Gallup World Poll (database).

The data and different research studies suggest that there is an opportunity to influence public trust by improving satisfaction with services, independently of broader macro dynamics that may fall beyond the immediate scope of control of policy makers. Not only do citizens make a distinction between trust in political institutions and trust in the public administration and the services it provides (particularly at local level), but the literature also suggests that the latter over time can contribute to reinforcing overall levels of trust in government (Kampen et al., 2003). In addition, high levels of trust in one institution tend to extend to other institutions. While there is broad recognition that trust in government is also influenced by demographic factors, and political-cultural variables,
improving satisfaction with services can provide a sustained, tangible policy lever for building trust.

**In practice: Serving citizens better to strengthen trust**

*Access to public services and trust*

Access to public services is key for economic and social development, and plays an important role in shaping trust-related attitudes towards public institutions. Hamilton and Svenson (2014) argue that poor public service access leads to a general distrust in the political system and, as a consequence, reduced political participation. The authors provide evidence of a correlation between lack of access to services and mistrust in government institutions that appears to work both through a direct channel (if a respondent does not have access to public services, they are less likely to trust government institutions) and through an indirect channel (if a respondent lives in a state with below-average access to public services, they are less likely to trust government institutions – irrespective of whether their own access is good or not). These findings have also been confirmed at the sector level. For instance, in the health sector, Meyer et al. (2013) found that trust in all levels of government was found to be the lowest in population groups that were identified as having the poorest access to services.

Inequalities in access to services persist today in OECD countries. For example, in the realm of education, 15% of the variation (on average) in students’ performance in mathematics can be explained by their socio-economic background. In 2013, over 50% of students enrolled in tertiary education had at least one parent with that level of education, whereas only 10% of children whose parents had not completed their secondary education were enrolled in university. In the health sector, while the majority of OECD countries have achieved and maintained universal coverage for health care, challenges remain. On average across EU countries, people with low incomes are eight times more likely to report unmet care needs. Differences in access to services also remain for spatial reasons, with large cross-regional disparities in outcomes persisting in many countries (OECD, 2015b).

Overcoming challenges in access to services may at least partly be related to improving the affordability, geographic proximity, and accessibility of information across social groups and places. OECD countries have made and continue to make important efforts in this direction. Efforts to improve affordability, for instance, include attempts to map both direct monetary costs and indirect non-monetary costs (for
instance transaction costs or the cost of time) in order to align them with the reality of users, taking into account socio-economic backgrounds (e.g. out of pocket medical expenditure as a percentage of final household consumption).

Geographic proximity also matters in improving access to services. In the health sector, for example, the density of physicians is consistently greater in urban regions, reflecting the concentration of specialised services such as surgery and physicians’ preferences to practice in urban settings, particularly in national capitals (see Figure 3.4). In turn, shortages of physicians in rural regions can result in greater unmet care needs, lower levels of satisfaction and, over time, declining confidence in the ability of medical institutions to deliver high-quality care to all.

Figure 3.4. Physician density in predominantly urban and rural regions (2011)

Note: Countries are ranked in descending order of the difference between the number of physician practicing in urban areas and in rural areas.


In many OECD countries, different types of financial incentives have been provided to doctors to attract and retain them in underserved areas, including one-time subsidies to help them set up their practice and recurrent payments such as income guarantees and bonus payments. In Germany, the number of practice permits for new ambulatory care physicians providing services to statutory health insurance patients in each region is regulated, based on a national service delivery quota. In France, new multi-disciplinary medical homes were introduced a few years ago as a new form of group practice in underserved areas, allowing physicians and other health
professionals to work in the same location while remaining self-employed (Ono, Schoenstein and Buchan, 2014).

Digitalisation is now usually the key ingredient in efforts to improve access to public services. In education, for example, technology is enabling new teaching and learning methods, as well as new mechanisms to facilitate administration, parent interaction, and teacher-pupil and pupil-pupil relations, that could revolutionise access to services (see for example Box 3.1).

**Box 3.1. Integrated approach to digital welfare in Denmark**

“The Common Public Strategy for Digital Welfare 2013-2020” is an important pillar in the Danish Government’s medium-term planning framework, “Growth Plan Denmark”. In this plan, modernisation of the public sector is expected to free up resources corresponding to EUR 1 600 million in 2020. The Strategy is joined up across all levels of government, complementing the existing e-government strategy with a focus on the digitisation of public welfare services in seven focus areas:

- National rollout of tele-medication, including identifying relevant areas, testing new patient groups and ensuring the necessary infrastructure
- Effective collaboration in the health care area, including digital booking at hospitals, better use of patients’ own information, implementation of a joint national medication card, fully digital communication in the health care sector, and increased use of video conferencing
- Welfare technology and care, including the rollout of devices to help lift patients, use of robots in senior housing facilities, digitally supported recovery and testing of smart homes
- New digital methods in case handling, including freeing up resources through speech recognition, better evidence in social programmes, and increasing quality through better data sharing
- Digital learning and education, including using digital teaching aids and educational materials in schools, digital exams, and digital tools for day care
- Digital co-operation in the field of education, including a joint user portal for primary schools, a digital folder to store all educational certificates, and better sharing of digital learning tools
- Preconditions for digital welfare, including sufficient broadband coverage, establishment of a joint public solution for mobile security, joint security standards and digital competencies.

Finally, accessibility of information is an essential enabler of access to services. When information is not accessible, or is not easily understandable, an information asymmetry occurs that can significantly constrain choice and thus impact services.

**Box 3.2. Improving accessibility of information in Sweden: Min Pension**

Min Pension is a current service which on a daily basis helps the Swedish people obtain an overall picture of their earned pension rights through a pension tracking system, the possibility to form a projection of their old age pension, and a retirement planner. The website can be accessed through a single login from external Internet sites, the Swedish Pensions Agency, several banks, and pension companies. A user can access the site with just one click.

This policy dramatically improved the accessibility of information about the service; before, the information was only provided from a product point of view and presented partially and with different assumptions underlying the information provided. For a user, therefore, it was not possible to get an overall view on their earned pension rights.

**Responsiveness of public services and trust**

Recognising public service responsiveness as a driver of trust reflects the core objective of public administration, which is to serve citizens. Efforts aimed at better aligning services with the needs and expectations of citizens, and at improving their timeliness, can help improve levels of satisfaction, and ultimately trust in the government. Properly capturing user feedback and actual experience is essential to improving responsiveness.

But responsiveness goes beyond a unilateral relationship of government with citizens and business. Increasingly, the relationship provider-beneficiary between government and citizens is evolving to one based on partnership and joint value creation. Governments increasingly recognise that service users and communities know things that many staff commissioning and delivering public services may not, and can help enormously to improve outcomes. Responsiveness in service delivery can thus also take the form of a new relationship between citizens and governments. The OECD Observatory for Public Sector Innovation (OPSI) case studies show different approaches of co-creation between government and citizens (from community safety to health, housing or transportation) that have led to increased user satisfaction and improved outcomes.
Initiatives focused on better understanding user needs and experiences so as to then re-design and improve services have been introduced in many OECD countries. For example, in France, feedback emerging from the introduction of the “user’s journey” approach, has led to the re-design of specific administrative procedures affecting key disadvantaged populations (e.g. immigrants and the disabled). Other countries are also developing options for better case triage and client orientation with links to other services (e.g. health and social), such as the Citizen Shops in Portugal (see OECD, 2009).

Aligning service provision with special needs is another dimension of responsiveness in service delivery. It relates to the ability of the public administration to adjust services to the needs of various socio-economic groups, for example by adjusting teaching methods to students with special needs (in the education sector) or by offering simple yet personalised health monitoring services to elderly and disabled persons, as is being done in Italy (see Box 3.3).

**Box 3.3. The match of services to special needs: offering services to elderly and disabled persons at home over the phone in Italy**

In Italy, the Social Security National Institute (INPS) Mobile Counters offer services that are provided at the INPS agency to elderly and disabled persons at home over the phone. The Mobile Counter working team is almost completely composed of disabled staff from INPS agencies, who are aware of the difficulties that elderly and disabled people face. Via a personal security code, the customers can be identified and services that usually would require physical presence can be performed remotely over the phone.

Since the start of the project, 600 complex procedures were solved and 1,200 telephone transactions provided information. About 250,000 out of 650,000 users belonging to disadvantaged groups have been included in the initiative; 8,000 services have been delivered.

User satisfaction is measured with telephone and personal interviews. Feedback has been positive for terms of service improvements and timeliness of responses.

*Source: INPS*

Likewise, the timeliness of services, for example in terms of waiting times for a specialist appointment (in the health sector), waiting times for a doctor and nurse appointment (health), or the deposition time in days for litigious civil and commercial first instance cases (justice) can influence citizens’ evaluation of the responsiveness of public services. Thus, real-time indicators presented in a visibly accessible manner and incorporated into the
daily operations of an organisation can be invaluable in improving timeliness of services.

**Efficiency, high quality of public services and trust**

The quality of a service corresponds to the overall acceptability of an application or service, as perceived subjectively by the end-user. Badri, Al Khaili and Al Mansoori (2015) find evidence for the causality relationship between quality of services, satisfaction, and trust in government. According to their model, citizen demographics, expectations and quality of services influence citizen satisfaction; and ultimately, citizen satisfaction influences trust in government. Quality of services also matters for fairness. Low-quality services may divide society between those who can afford a private solution (e.g. private health care or education) and those who cannot.

Improving overall quality of services relates, first and foremost, to effectively delivering the goods and services – i.e. the outcomes, for which services were established in the first place. This delivery needs to take place in a context of security for the user and of consistency, so that the opportunity afforded by services is accessible to all regardless of socio-economic background or place-based considerations.

OECD countries are increasingly introducing mechanisms to promote a focus on outcomes in service delivery. An example of this is the Pay for Success Bond or Social Benefit Bond. This arrangement is a contract with the public sector in which a commitment is made to pay for improved social outcomes that result in public sector savings. Several countries have already implemented social impact bonds (see Box 3.4 for the United Kingdom example). There are a number of international examples of initiatives designed along similar lines, including schemes working with juvenile offenders in the United States.
Box 3.4. **Effective delivery as a dimension of service quality: Social Impact Bonds**

The UK Government is testing a six-year Social Impact Bond at HMP Peterborough prison, to address a gap in current service effectiveness. The pilot is focused on working with adult male offenders sentenced to less than 12 months in custody and released from Peterborough prison. Despite often being highly prolific re-offenders, these offenders currently receive no statutory probation supervision on release from prison.

The pilot project focuses on the delivery of rehabilitation services and support interventions to about 3,000 members of this group, so as to achieve a reduction in re-offending. Only the reduction in re-offending rates will trigger payment to the implementation agency, Social Finance UK Limited.

Social Finance UK Limited has raised GBP 5 million of social investment from a range of voluntary organisations to fund delivery of interventions and services to offenders by community sector provider organisations. If this work leads to a reduction in re-convictions of the offenders covered by the pilot, approximately GBP 8 million of outcome payments will be available; the value of these payments is directly linked to the scale of the reduction achieved. The Ministry of Justice will provide approximately GBP 3 million to fund outcome payments, with the remaining GBP 5 million provided by the Big Lottery Fund. If successful, there will be a direct benefit to the justice system in England and Wales, and wider direct and indirect social and economic benefits as a result of reduced re-offending.

*Source: OPSI*

Service charters, which outline clearly the rights and obligations, statutory and non-statutory, of all users in relation to a service and/or organisation, have also been implemented across OECD countries and beyond, to ensure consistency in service delivery and in outcomes, and avoid unnecessary or discriminatory variation of service quality. France, for example, has established a charter of public service values. Canada Post has defined its Mandate in its 2009 Service Charter: “Universal service, affordable rates, frequent and reliable delivery, convenient access to postal services, secure delivery, community outreach and consultation, responding to complaints, reporting on performance”.

In the tax sector, for instance, the way taxpayers are treated – including by way of the quality of services provided to them – is an important factor in influencing compliance. It is for this reason that charters often place emphasis on expectations of a revenue body in terms of: 1) treating
taxpayers fairly and reasonably and as being honest in their tax affairs unless they have acted otherwise; 2) offering professional service and assistance to help taxpayers understand and meet their obligations; 3) engaging with taxpayers and their representatives; and 4) minimising the cost of compliance (OECD, 2013a).

Finally, security (safety) relates to the need to deliver services in a manner and in a context in which citizens are protected. Because of its direct relevance for users, improving safety in service delivery can be a natural goal for co-creation approaches, as this example from the transport sector illustrates (Box 3.5).

Box 3.5. Improving road safety in South Somerset, United Kingdom

With limited resources available, driving offences in rural areas generally receive less police attention than on main trunk roads and motorways, despite the fact that a high proportion of accidents are on country roads.

Community Speed Watch gives local people the ability to get involved actively in road safety issues. The initiative aims at improving road safety through an inclusive, community-based and community-led approach. At the same time, the South Somerset Community Speed Watch initiative has the objective of improving partnership working with the police, fire and rescue services and various levels of local Somerset government.

The Community Speed Watch scheme has exceeded the original targets set for year one and is continuing to grow. It was anticipated that with the launch of the scheme, the number of speeding issues reported through the area boards’ community issues system would initially increase and then decrease as the scheme took effect. The following improvements to the scheme have been suggested by volunteers and are now being addressed by the project steering group: better signage in speed limit areas; more speed guns, recording devices to allow volunteers to record number plates, greater flexibility in the choice of Community Speed Watch sites in each area, and the development of a Community Speed Watch website.

Source: OPSI.

Conclusion

Improving public services, in terms of access, quality and responsiveness, can play an important role in strengthening trust in government via the connection between service performance, satisfaction, and trust. Further, it provides an anchor for sustained, tangible government
efforts that citizens are able to value and assess, and that lie within the remit of public officials (rather than more macro political dimensions of trust over which they might have little direct influence).

The framework developed in Chapter 1 of this report identifies some key drivers in improving citizens’ satisfaction with services that could have a positive influence on trust. These drivers involve not only aspects related to competence, or how governments organise themselves to improve the quality, timeliness or security of public services, but also to values, by ensuring adequate levels of financial and geographical access, engaging with users to better align services to their needs and preferences, and ensuring consistency in service delivery and outcomes.

There are many examples of how governments in OECD countries are seeking new approaches to service delivery that allow them to increase not only the quality and efficiency of public services, but also their access and reach. Indeed, the OPSI review highlights many such examples. Ongoing efforts to improve affordability, geographic proximity and accessibility of information should continue and be deepened, with a view to reducing remaining access gaps across social groups and place-based considerations. Better understanding citizens’ needs, experience and preferences can result in better targeted, more tailored services, including for underserved populations. The increasing focus on outcomes, in part driven by productivity concerns, can help drive innovative solutions in service provision, including through changes in how government units and sectors organise themselves to deliver jointly.

Across these dimensions, evidence from OPSI and other sources suggest that OECD countries are making important efforts to improve the performance of services through innovative approaches, from social innovation to co-production or digital welfare. These approaches offer opportunities for maximising the access, reach and quality of public services while empowering beneficiaries and communities, and merit continued effort and analysis. Likewise, the potential of new techniques and instruments such as behavioural insights should be furthered explored to inform the design and delivery of services, with an eye towards (among other things) increasing satisfaction and trust.

Modern governance systems include both government and non-government actors; both can influence the trust equation. For instance, in many countries, key services such as health care or education are delivered by a mix of public and private providers. Current data regarding satisfaction levels often do not distinguish between public and private service providers. At the same time, the evolving role of the private sector, community
organisations and users themselves in delivering services places new
capacity demands on civil servants, including planning, partnership
management and outcome-based evaluation. While one can assume that
these new partnership approaches to service delivery bring benefits to users,
more work is needed to develop the data to prove this satisfaction premium.

Finally, it is important to recognise that subjective and context-specific
factors also affect the relation between performance, satisfaction and trust.
For instance, performance of the public administration has a certain impact
on trust in government, but existing levels of trust in government may also
impact the perceptions of government performance and service quality.
Socio-economic context, history, cultural factors, political situations or
media influence could have an impact on overall levels of trust. Satisfaction
with public services thus needs to be understood as only one of many drivers
of trust in the government and public institutions – albeit one where there is
a possibility of direct government action to strengthen the relationship
between citizens and the institutions that serve them.
References


Further reading


