Ladies and gentlemen,

I am pleased to take part in this 7th Global Forum on Building Trust in Government, and to be in such distinguished company. Over the next few days, we will be examining the importance of trust on the public sector – as well as the costs of losing the trust of citizens – and looking for new ways to strengthen and sustain that trust.

The fact that this is the seventh time we are coming together around the theme “reinventing government” reminds us that this topic is not a new one. To be provocative, we might even wonder whether there is a need to “reinvent government” and ask ourselves the question, “in a world increasingly governed by the market, is there a role for government today?”

I would like to put forward three propositions: 1) that governments are more important today than ever; 2) that citizens’ trust in them is a critical prerequisite for their efficient functioning; and 3) that governments in today’s world have very little margin for error.

This means that the stakes are higher than ever for getting policies right, both for today and for future generations. I would like to share with you some thoughts on these challenges and some possible ways to address them using an evidence-based approach.

We are working on several issues and areas to help governments design the right policies to gain and maintain the trust of their citizens, to deliver results in line with citizens’ expectations.
What role for governments?

In this era of globalisation, millions of people in developed and developing countries are benefiting from the effects of more open markets. Yet public concerns about globalisation and its consequences are growing; fears in terms of job security and growing income inequality within countries, as documented in the latest OECD Employment Outlook released last week, are just one example.

There is a clear role for governments in ensuring that market mechanisms and globalisation have win-win outcomes for all, and in communicating and providing accurate information to the public about the challenges and opportunities offered by increased global integration.

Globalisation poses an additional challenge for governments: increased global connectivity has enabled citizens to continually compare products and services around the world, and the same holds true for government policies. As citizens become more aware of policy solutions in different countries, their expectations and demands vis-à-vis their own governments increase. This pressure is an additional incentive for governments to increase their efficiency and effectiveness.

Governments cannot function efficiently without trust

This brings me to my second proposition: that the trust of citizens is a crucial prerequisite for the efficient functioning of governments. First, citizens have the power to choose their leaders and decide whether to keep them in office, and they are increasingly exercising this power. The near-record participation rate of the French presidential elections last May is just one more evidence that citizens are engaged in political life and want to play a role in shaping policies which, in many cases – take the example of climate change, or pensions – will have an impact for generations to come.

Once in office, governments must maintain the trust of their citizens in order to fulfil the mandates they were given. These mandates often concern reforms, which are on the agenda of just about every government in the world. At the OECD, we are looking closely at the conditions needed to implement reforms successfully – what we call the political economy of reform. This is essentially about building trust between citizens and governments, since reforms often entail short-term costs in exchange for longer term gains, and because to fear change is simply human nature.

Conversely, when the actions of governments create mistrust – for example by displaying inconsistency in positions, being perceived to favour some to the detriment of others in designing reforms, or by not carrying through with announced reforms – this is a recipe for failure, and policy results become sub-optimal.
Let us take the example of pensions. Most of our countries are facing the phenomenon of a rapidly ageing society. Thus the reform of pension systems is at the top of the agenda – or should be. While in many countries governments are no longer the sole provider of pensions, they still play a key role in setting the conditions for a fair and sustainable system. And this is also the case in many policy areas, from employment, to migration, to health, to financial literacy. Governments must increasingly pursue policy coherence and provide a comprehensive “package” of solutions for citizens. It is inconceivable to carry out reforms in areas which affect the well-being of the entire population, as well as of future generations, without the support and trust of citizens.

And trust starts with effective and open communications. Communications are essential not only in building trust, but in maintaining it, by working to align the expectations of citizens with the reality of what is feasible in policy terms. We have many tools at our disposal. As Minister Nicolais mentioned, information and communications technologies are one way to help governments communicate, increase transparency and foster confidence in public policy.

Governments no longer hold the monopoly on decision making, and therefore, generating trust in the relations with actors such as business and civil society is crucially important to deliver effective policies.

**Governments have a reduced margin for error**

Today, governments have very little room for error in policy making. Citizens’ expectations are high – and growing – and in today’s world, choosing the wrong policy is sanctioned almost immediately.

Weakening the trust of citizens and other stakeholders not only costs elections, but it can carry severe economic consequences. Investors flee what they perceive as unfriendly, unstable or corrupt environments, and choose more hospitable and efficient alternatives. Once damaged, restoring that trust can take years.

But just as sanctions for mistrust can be heavy, so the rewards for trust can be immeasurable. Why is it that in some countries, citizens are willing to entrust 56% of their income in taxes to their governments? And how is it that some countries have succeeded in becoming so attractive to foreign investment? Trust in the State can be transformed into a virtuous circle which enables governments to pursue policies that bring well-being to citizens, which will in turn increase the level of trust and support.
The OECD Contribution

The OECD is contributing to making this possible in a number of ways. We are engaged in an ongoing policy dialogue with our members, and with other countries and regions of the world, to support good governance, state modernisation and regulatory reform. We also help public administrations improve their use of e-government as a tool for communications and service delivery.

We have now embarked on a long-term project called Government at a Glance, which will help OECD member and non-member governments benchmark their performance against that of other countries and learn from the experience of their peers in the area of public sector reform.

Of course, it is a complex endeavour to measure good government, since the level of citizens’ trust is not always an adequate measure of government performance. Additionally, there can be large fluctuations in the level of trust, even as satisfaction with government services is high. That is why we are working to develop a set of reliable and internationally comparable indicators of good government and efficient public services, including more accurate measures of trust in the State.

Tomorrow I will be in Istanbul to participate in the 2nd OECD World Forum on “Statistics, Knowledge and Policy”. The meeting will focus on “Measuring and Fostering the Progress of Societies”. We will look at how to seize the opportunities offered by the information age to improve the functioning of our democracies. Again, this is about citizens’ trust in the State, as increased access to information for citizens improves the quality of their decision making and increases the accountability of leaders. All of this should translate into better policies and a better future for the next generation.

Conclusion

Building and maintaining trust requires constant vigilance and effort, good governance and effective communications. As Minister Pechtold of the Netherlands said at the 2005 Rotterdam OECD Ministerial meeting on “Strengthening Trust in Government”, “trust arrives on foot, but leaves on horseback”. In other words, trust is a lot easier to lose than to gain. In Mexico we used to say that you can’t buy trust, you can only rent it.

This Forum will contribute to help us find ways to create and capitalize on public trust to reach the ultimate goal of public policy: increasing the well-being of citizens and ensuring its sustainability for future generations.

Thank you.